



1506 N GRAND RIVER AVE LANSING, MICHIGAN

Request for Developer Qualifications

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

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1506 North Grand River Avenue, Lansing

The Ingham County Land Bank seeks a development partner for a unique 3.6-acre site along the Grand River. The Land Bank wants to use this property as a catalyst to leverage the momentum in Old Town to attract other investment to the area.





DEVELOPMENT OPPORTUNITY

The Ingham County Land Bank seeks a development partner for a unique 3.6-acre site along the Grand River. The Land Bank wants to use this property as a catalyst to leverage the momentum in Old Town to attract other investment to the area. As such, the asking price of the property is negotiable as the Land Bank wants to work with developer(s) to maximize the impact of the development. Located at 1506 North Grand River Avenue, the site is a short five-minute walk from the thriving Old Town neighborhood along the Lansing River Trail. As the site of a long-abandoned RC Cola bottling facility, the property is an excellent candidate for mixed-use infill development. The site contains four properties: one property is zoned H-Light Industrial and the other three are zoned A-Residential. City of Lansing has expressed a willingness to work with the selected developer on the site to establish a zoning classification and parking requirements that make sense for the development and site. The existing

structure on the property has been deemed unsuitable for redevelopment. Numerous incentives are available to the selected developer to assist in creating the best project possible. The site is a short five minute drive from Lansing Capital Region International Airport for easy access to passenger and cargo flight service. Extensive due diligence has been performed on the site including a Phase I environmental assessment and geotechnical analysis. The following information provides preliminary due diligence City of Lansing and Ingham County Land Bank had assembled for the property. The redevelopment of the subject parcel has many partners to ensure the project undertaken by the selected developer is successful. Organizations that have been involved in the redevelopment planning of the site include the Ingham County Land Bank, City of Lansing, Michigan Economic Development Corporation, and the Lansing Area Economic Partnership.

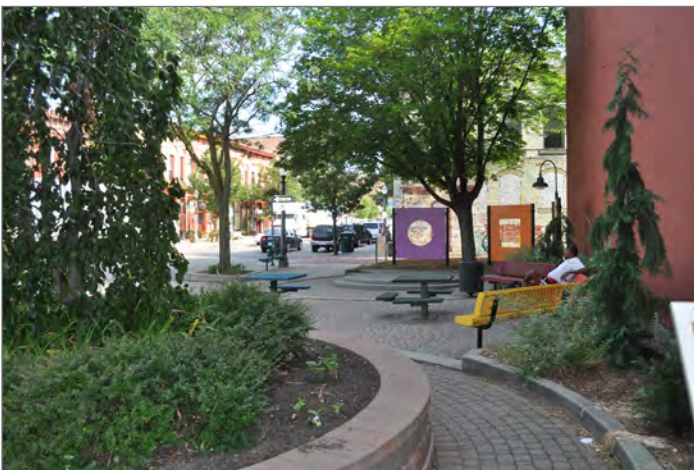


COMMUNITY OVERVIEW

OLD TOWN

Old Town is Lansing's original downtown and boutique district. The neighborhood's beautiful Victorian buildings are filled with unique galleries, tasty eateries, quaint boutiques, creative businesses, specialty shops, nightclubs and more. Voted one of the top places to bring visitors and the winner of IKEA's Main Street Makeover, Old Town is an urban neighborhood with a small-town feel. This arts district hosts festivals, gallery walks, and farmers markets throughout the year. Old Town Lansing is the cultural and creative district

of Lansing. The Old Town community offers unique experiences through special events, incredible people, eclectic shops, and rich history. The neighborhood's buildings are beautifully restored for residents and businesses of all backgrounds; the infrastructure is well maintained by sustainable resources. As Old Town has redeveloped and become one of the most desirable neighborhoods in Lansing, properties such as the subject site represent an opportunity to leverage that momentum and stretch what is considered the Old Town neighborhood.





COMMUNITY OVERVIEW *continued*

GREATER LANSING REGION

The greater Lansing region is within a two-hour drive of 90 percent of Michigan's population, and within a day's drive of a substantial portion of the U.S. population. A strong multi-modal transportation network makes it easy to move production materials or finished products, and connects you with suppliers, customers and employees.

The community is a diverse metropolitan area where you can go from a college campus to a waving wheat field in 10 minutes. Residents can observe the process of democracy while marveling at the beauty of a state capitol building and then head up the road for Division I college football. The capital area, so named because Lansing has been Michigan's center of government since the late 19th century, also includes large cities like East Lansing and Grand Ledge, as well as smaller, more rural communities like Mason and Williamston. Many Lansing residents work in state government offices, while others still punch in and out at the automobile plants that produce some of the country's most popular cars and trucks.

Lansing is a town filled with sports fans who proudly cheer on the teams at Michigan State University in East Lansing, and the Class A Lansing Lugnuts at Thomas M. Cooley Law School Stadium. Hardcore baseball fans who want a bird's-eye view of the action could choose apartment life just beyond the outfield wall. Those who prefer single-family homes have their choice in metropolitan Lansing of everything from Victorian painted ladies to original Frank Lloyd Wright designs to charming farmhouses.

Lansing is a diverse, robust capital city with a multitude of strong vibrant neighborhoods. Lansing speaks 63 different languages, is home to New York-level entertainment venues—the Wharton Center, and the Eli and Edythe Broad Art Museum—and offers either small town living or urban city living options. *U.S. News* analyzed 125 metro areas in the United States to find the best places to live based on the quality of life, the job





COMMUNITY OVERVIEW *continued*

market in each metro area, the value of living there and people's desire to live there. Lansing ranked the No. 41 "Best Place to Live" in the *U.S. News* study.

LOCAL ECONOMY

Historically the Lansing economy has been driven by three economic engines: State of Michigan government offices; Michigan State University, located approximately 3.5 miles east of downtown (in East Lansing); and automobile and related manufacturing.

The Michigan Capitol attracts approximately 1.5 million visitors per year and is the largest employer in Lansing with 14,355 employees. This employee and visitor population represents a significant concentration of consumer dollars located just west of downtown. To capitalize more effectively on the potential synergy between downtown and the Capitol Complex, and to better protect near-downtown neighborhoods, the city and State of Michigan are working together to coordinate land use, transportation (including transit and parking), open space, and urban design decisions.

After years of reinvestment planning and implementation, downtown Lansing is realizing its potential as a corporate office headquarters; a regional destination for entertainment, culture and the arts; and an urban neighborhood.

Improved city/state collaboration can build on this success to the benefit of state government, the Lansing economy, and the competitiveness of the region as a whole.

The Lansing Economic Area Partnership (LEAP) published "Greater Lansing Next: A Plan for Regional Prosperity," a regional vision with actionable strategies for meeting the challenges of the new economy. In contrast to the labor-based manufacturing economy, the new economy is driven by businesses based on knowledge and human capital (talent) that create new products, services and technology that, in turn, generate new wealth and jobs. As noted above, LEAP's analysis

of Lansing's new economy strengths identified four key business clusters as targets for growing and diversifying the regional economy:

- Insurance and financial services
- Health care
- Life sciences and biomedical
- Information technology

The well-educated, creative professionals and entrepreneurs that drive the creation and growth of new economy businesses are not tied to a particular place by the need to be close to raw materials or built infrastructure. As a result, they can choose to locate anywhere. Research has shown that these knowledge workers are looking for the following characteristics in the places they choose to live:

- Vibrant and attractive urban environments that provide access to everyday needs by walking, biking or using transit
- Diverse, racially integrated communities
- A rich mix of retail, entertainment and cultural offerings
- Ready access to outdoor activities that support an active lifestyle
- Third-place social environments (parks, cafés, and bookstores)

As a result, the LEAP report includes "focusing on making great places to live and work"—or placemaking—as one of the four elements that are essential to sustaining economic prosperity in the Lansing region. As the region's core city, Lansing has a special role to play in attracting new economy workers. To succeed in these placemaking efforts, Lansing should capitalize on its existing assets: for example, its downtown and traditional neighborhoods, diverse population, existing park inventory, the river trail, and its arts and cultural institutions. In addition, Lansing can overcome current placemaking deficits by encouraging walkable, mixed-use, transit-supportive development along major gateway streets; implementing its recently adopted non-motorized plan; and working to create



COMMUNITY OVERVIEW *continued*

a linked system of open spaces (green infrastructure) as part of a regional network for recreation and environmental protection.

The subject property provides the opportunity for a developer to create a project that perfectly aligns with this vision and to continue the momentum that is remaking Lansing one block at a time, one neighborhood at a time.

LEADING INDUSTRY SECTORS INSURANCE SERVICES AND INSURTECH

The Lansing region is the hub of Michigan's growing insurance sector and a logical home base for industry leaders. With employment growth of 23 percent over the last five years, the Lansing region's insurance sector grew at a rate of 10 times the national average and leads every metropolitan area in Michigan in insurance sector growth. Companies located in or locating to the Lansing region enjoy a robust and connected talent pipeline from K–12 to advanced degrees, providing access to a highly skilled and sustainable workforce. Lansing is also growing and supporting insurtech startups to spur innovation and support the development of insurance technologies.

Agricultural technology and food innovation

In the greater Lansing counties of Clinton, Eaton and Ingham, agriculture contributes approximately \$450 million each year to the local economy and more than 5,000 jobs to the residents. Economic development planning on a regional level that views the agricultural sector as an asset and supports agriculture industries will help communities prosper.

Accelerator technologies

Through the presence of Michigan State University's National Superconducting Cyclotron Laboratory (NSCL), the development of the Facility for Rare Isotope Beams (FRIB) as well as the presence of a few acceleration centered private sector businesses located within the Lansing region, the community is quickly developing

into a hub for acceleration technologies making Lansing the world's accelerator region. It is important for us to support this quickly developing industry as the need for additional specific skills-sets and talent will arise.

Life science and biomedical

Life science and biomedical research are driving exciting innovation with the potential to change our lives in ways we can only begin to imagine—and it's happening right here in the Lansing region. As home to one of the world's leading research universities, Michigan State University, the Lansing region has a national presence in life science research and biotechnology field and an excellent reputation for seamlessly taking technology from the laboratory to the marketplace. Discover the difference a location in our area can make for your company.

Health care

The greater Lansing area is a hub for Michigan health care innovation and smarter health care delivery. We are home to Michigan State University, which boasts some of the country's best medical programs and is recognized nationally for providing top-notch care in a variety of general and specialty areas. Lansing is home to Sparrow Health Systems and McLaren Health, both of which have hospitals and offices throughout the city. Discover how greater Lansing health care organizations are delivering on the promises of science, without forgetting the importance of compassion.

Information technology

While the Lansing area might be better known for its industrial heritage, we have quickly become a leader in the information technology (IT) revolution. In fact, our state is the country's fourth largest high-tech employer and a number of local IT companies made the 2009 Inc. 5000 list of the country's fastest-growing private companies. As IT continues to play a vital role across industries, IT companies in greater Lansing are well-positioned to cater to the increasing amount of businesses all around Michigan searching for IT assistance.



COMMUNITY OVERVIEW *continued*

Advanced manufacturing

Advanced manufacturing has been a cornerstone of the Lansing regional economy for more than a century. Today we are leveraging the labor skills and equipment of our extensive manufacturing companies to help an increasingly diverse range of industries become complete players in the dynamic international marketplace.

Supply chain and logistics

The advantages of having a business located in the Lansing area sets us apart from other business locations. Not every area is within a day's drive of half the population of the U.S. and Canada—but that is only one advantage. Other advantages of a business located in the Lansing area are a superior transportation network, a skilled and plentiful workforce, logistics-friendly infrastructure and the expertise of Michigan State University's internationally known supply chain management program—ranked No. 2 in the nation by *U.S. News and World Report* for both its undergrad and graduate programs.

TOP LANSING AREA EMPLOYERS

EMPLOYERS	INDUSTRY	# OF EMPLOYEES
State of Michigan	Government	14,390
Michigan State University	Education	10,253
Sparrow Health System	Health care	7,600
General Motors	Manufacturing	4,549
Auto-owners Insurance Group	Insurance	2,578
Lansing Community College	Education	3,144
McLaren Health	Health care	3,000
Peckham	Manufacturing	2,510
Jackson National Life Insurance Co.	Insurance	2,500
Dart Container Corp.	Manufacturing	2,000



MARKET CONDITIONS AND OPPORTUNITIES

MARKET OVERVIEW

The location and size of the subject property make it an ideal site for a mixed-use development. For the purposes of this study, a development containing a residential building, rentable, flexible workspace and a distillery/restaurant were evaluated. Given the fact the site sits on the Grand River and is adjacent to the Old Town Neighborhood, the proposed use should be well received by the market.

SHARED OFFICE SPACE

In the current business environment, connectivity is critical. Strong, reliable networks, both in terms of digital connectivity and the ability to collaborate with other business professionals, are paramount to driving business growth and innovation. This combined need for access to modern technology and business growth resources has led to the rise of co-working spaces.

Flexible workspace—also known as co-working—has matured quickly and spread widely following the Great Recession. The number of co-working spaces in the U.S.—the birthplace of the movement—has soared from less than 300 in 2010 to more than 4,000 at the end of 2017, for a compound annual growth rate of almost 50 percent. Growth outside the U.S. has been even faster, climbing from less than 200 to more than 10,000 during the same time period, for an annual growth rate exceeding 80 percent.

In Michigan, the growth and popularity of co-working spaces over the last several years mirrors the national trend. It is easy to recognize why these workspaces have grown in popularity. There are a lot of people out there with innovative ideas. Frankly, it's expensive to rent quality office space and equipment of a smaller size, commit to long-term leases, and make the kind of significant up-front investment required of traditional organizations. Following are some of the key highlights as to why there has been an increased interest in shared office space:

- *Fast growth:* Flexible workspace continues to grow at a rapid pace, now accounting for one-third of

office leasing in the last 18 months alone.

- *Focus on enterprise:* Flexible workspace providers are shifting their focus to target larger corporations and enterprise clients.
- *Talent forward:* Companies are turning to a flexible workspace to provide the work environment to attract and retain the best young talent in the market.
- *Diversified uses:* Firms are leasing shared space for everything from surge space to touchdown space for traveling executives to incubators for new products and project teams, among others.
- *Rare bright spot:* Flexible workspace is one of the few growing sources of office demand, although it still makes up only a fraction of the office market, with 1.6 percent of all inventory in leading office markets.
- *Changing the model:* Flexible workspace is impacting traditional leasing models and firms' occupational portfolios, together with the nature of how office space is designed and utilized. Traditional owners are responding with their own flexible space and lease options.
- *Tech and high-wage markets:* The concentration of co-working space is almost twice as great in tech markets as in other markets. Co-working also concentrates in high-wage markets and cities with a large concentration of professional services firms.
- *Testing the economics:* While the growth of major providers in terms of leasing volume and locations is undeniable, some providers are highly leveraged and could be susceptible to a market downturn, particularly if office rents start to decline.

Currently, there are three shared work spaces within the market area of the project site and all seem to be performing well. Following is an overview of the three operations:

1. Shared Office Spaces (SOS)

- 725 Prudden Street, Lansing, MI 48933
- SOS offers members ready-to-go offices with all the amenities. Their month-to-month memberships

MARKET CONDITIONS AND OPPORTUNITIES *continued*

start at \$95 per month for shared space work areas and \$275 per month for private offices.

- SOS targets users ranging from the 20+ business staff needing a special workstation layout to the freelancer looking for a workplace.

2. Capitol Hill Executive Offices LLC (CHEO)

- 115 West Allegan Avenue, Suite 700, Lansing, MI 48933
- CHEO office building is located across the street from the Boji (Clock) Tower in Lansing and is steps from the capitol, targeting people working in and around state government. At this location, CHEO offers office space and virtual offices to Lansing professionals and entrepreneurs who need an affordable office solution. Virtual office rents range between \$75–\$225 per month and office spaces rent for between \$325–\$700 per month.

3. Regus

- 120 North Washington Square, Suite 300, Lansing, MI 48933
- One of the national leaders in the shared space industry, Regus manages a shared workspace facility in downtown Lansing. The facility is fully equipped and includes on-site support staff.
- Offices rent for between \$7.50 and \$10 per day; co-working space starts at \$6.60 per day; and, virtual office space rents for between \$2.20 and \$8.80 per day.
- All three facilities report strong demand and based on overall market indicators, the project site could support the development of a shared workspace facility.

HOUSING

The Lansing/East Lansing housing market area (HMA), coterminous with the Lansing/East Lansing Michigan metropolitan statistical area, comprises Clinton, Eaton and Ingham counties in south-central Michigan and includes the principal cities of Lansing and East Lansing in Ingham County.

Sales market

Sales housing market conditions in the HMA were balanced as of 2018 compared with soft conditions in April 2010. The current sales vacancy rate is estimated at 1.6 percent, down from 2.5 percent in 2010. Demand for 2,775 new homes is expected during the next three years.

Rental market

Rental housing market conditions currently are balanced in the HMA. As of January 2018, the rental vacancy rate was an estimated 4.0 percent, down from 9.0 percent in April 2010. During the forecast period, demand is estimated for 1,250 new market-rate rental units. For the purposes of this predevelopment analysis, the plan focuses on the creation of rental housing on the project site.

Rental housing market conditions in the Lansing/East Lansing HMA are balanced because of improved economic conditions leading to household growth, particularly of rental households since 2010. Because of the positive economic trends and increased household growth, approximately 1,700 existing vacant and constructed rental units have been absorbed since 2010. Rental households currently account for approximately 37.2 percent of all households in the HMA, up from 34.6 percent during April 2010.

As the economic recovery in the HMA began in 2010, approximately 230 multi-family units were permitted, up from only two units that were permitted during 2009. During 2011, multi-family permitting declined again to 42 units before increasing to 190 units in 2012. During 2013 and 2014, multi-family permitting rose to 475 and 300 units, respectively, before reaching the current level. Since 2009, almost every multi-family unit permitted in the HMA has been intended for rental occupancy; condominium development has been minimal during this time. In addition, approximately 80 percent of multi-family units permitted since 2009 have been in Ingham County, with the remaining 20 percent of multi-family units permitted in Clinton and Eaton counties. The number of multi-family units permitted in the HMA



MARKET CONDITIONS AND OPPORTUNITIES *continued*

averaged 710 from 1999 through 2002, climbed to 1,200 during 2003, and declined to an average of 400 annually from 2004 through 2006. The number of multi-family units permitted then continued to decline, totaling 200 during 2007 and 120 during 2008. This period of lower multi-family permitting, starting in 2004 and lasting through 2009, generally conforms to economic and population trends in the HMA. During the previous decade, approximately 15 percent of multi-family units permitted were condominiums intended for owner occupancy. Also during the previous decade, multi-family permitting was more dispersed throughout the HMA, with 46 percent of units permitted in Ingham County, 41 percent in Clinton County and 13 percent in Eaton County. The shift of multi-family permitting to Ingham County supports changed demographics, because population growth in Ingham County from 2010 to 2015 averaged 0.4 percent annually, up from 0.1 percent annual growth during the previous decade (Census Bureau decennial census counts and population estimates as of July 1.) In Clinton and Eaton counties, by contrast, annual rates of population growth slowed to 0.5 and 0.2 percent, respectively, from 1.5 and 0.4 percent annual growth rates recorded during the previous decade.

STUDIO		ONE BEDROOM	
Monthly gross rent	Units of demand	Monthly gross rent	Units of demand
\$700–\$899	20	\$800–\$900	120
\$900 or more	20	\$1,100–\$1,199	160
		\$1,200 or more	120
TOTAL	40	TOTAL	400

TWO BEDROOMS		THREE BEDROOMS	
Monthly gross rent	Units of demand	Monthly gross rent	Units of demand
\$1,100–\$1,199	150	\$1,200–\$1,399	95
\$1,200–\$1,399	200	\$1,400–\$1,599	130
\$1,400 or more	150	\$1,600 or more	95
TOTAL	500	TOTAL	310

These trends and the opportunity to develop additional multi-family units in the core of Lansing is expected to continue given current market trends and conditions. More Americans are moving to cities in the wake of the slight uptick in the economy in recent years, reversing the decades-long trend of settling in the suburbs. New Census Bureau data shows that the American city is experiencing something of a renaissance, driven primarily by migration into the center of the nation's metropolitan areas.

According to the Census Bureau data, 2013 saw 2.3 million more people living in metro areas than in 2012, with 269.9 million people now living in cities and their surrounding areas. Between 2012 and 2013, only 92 out of the country's 381 metropolitan areas lost population. The shift in population to America's metro areas has been increasing since 2010 when the economic recovery began picking up.

The trend in city living is driven primarily by two groups: young professionals and Baby Boomers who are retiring and moving back to the cities they left when they started families. William Frey, a demographer at the Brookings Institution, described the trend to *USA Today* as a "180 degree" switch from the exodus to the suburbs over the last decade.

In downtown Lansing, as part of the renovation of the Cooley Law School Stadium, The Outfield apartments were constructed at the ballpark and opened in the spring of 2016. The 84 apartments, many of which have views of the ballfield, include studio, one-bedroom and two-bedroom units with rents starting at \$900, \$965 and \$1,210 respectively. The Outfield apartments were over 50 percent leased when they opened and are currently fully occupied.

During the three-year forecast period, demand is expected for 1,250 new market-rate rental units. Demand should remain steady with the following table showing the estimated demand for new market-rate rental units by rent and number of bedrooms.



MARKET CONDITIONS AND OPPORTUNITIES *continued*

DISTILLERY/RESTAURANT

Craft breweries have been in the news for years as one of the biggest trends in food and drink. While these breweries are still seeing success, another industry is on the rise, one that may outgrow craft beers altogether. Local distilleries are opening throughout the country as alcohol fans are beginning to shop local for their liquor too.

The concept of creating a distillery on-site works well in complimenting the overall growth of the area and would be a draw to people living in and around the Old Town neighborhood. Additionally, given the rise in popularity of distilleries, the operation would be a draw to people from the broader capital region and beyond.

Spurring demand coupled with supportive policies has fueled significant investments in the U.S. craft spirits industry over the past few years. Total investments in the U.S. have increased by approximately 66 percent from 2014 to 2015. The number of craft distillers has increased at a remarkable rate over the past few years. The number of producers in the U.S. was 204 in 2010, which has grown at an impressive rate to reach 1,163 by 2015. In short, distilling is now on a steeper growth

curve than craft beer was on in the 1980s. Millennial population with considerable purchasing power is expected to drive the market over the forecast period.

Millennials, born between the 1980s and early 2000s, represent a major demographic section of consumers for the alcoholic beverages industry, as they account for a significant share of the consumers frequently visiting restaurants and pubs. They appear to be the most influential buyers of various food and drink items, including craft spirits.

Younger millennials appear to be the high potential consumer segment for the forecast years. Rising preferences for unconventional drinks by young millennials are expected to boost the demand, owing to their unique taste and flavor.

The growth in the spirits industry and interest of millennials, in particular, make the recruitment of a distillery to the site a great way to support the overall project and bring increased value to the housing and shared workspace elements of the project.

SITE OVERVIEW

EXISTING FACILITY

One of the options evaluated for the redevelopment of this site was the rehabilitation of the existing building. To evaluate this option, a licensed structural engineer performed an inspection of the facility and reviewed existing building plans.

The structural evaluation found that in order to redevelop the existing building into residential or commercial space, extensive rehabilitation must be done to restore the adequacy of the building structure. Due to the limitations of the framing members, it is likely not economical to construct additional floor additions on top of the existing buildings. Also, given the interior clear heights, adding a second floor inside the existing interior is also not feasible.

Lastly, the foundation issues along the south building walls and extensive foundation remediation work could contribute making redevelopment of the existing buildings uneconomical.

Based upon the conditions of the three-building areas, it is likely that demolition and construction of a new structure will be more economically feasible than rehabilitating the existing structure. The full building evaluation is available in attachment A for review. It is the preference of the Land Bank that the existing facility be demolished for new constructed rather than rehabilitated.





SITE OVERVIEW *continued*

ZONING

The site as currently zoned is a fixture of single family residential and light industrial. Entitled uses of these zoning designations as well as a zoning map of the area are available in attachment B for review. However, due to the unique nature of the site, combined with City of Lansing's approach to zoning and planning, a form-based approach will be considered.

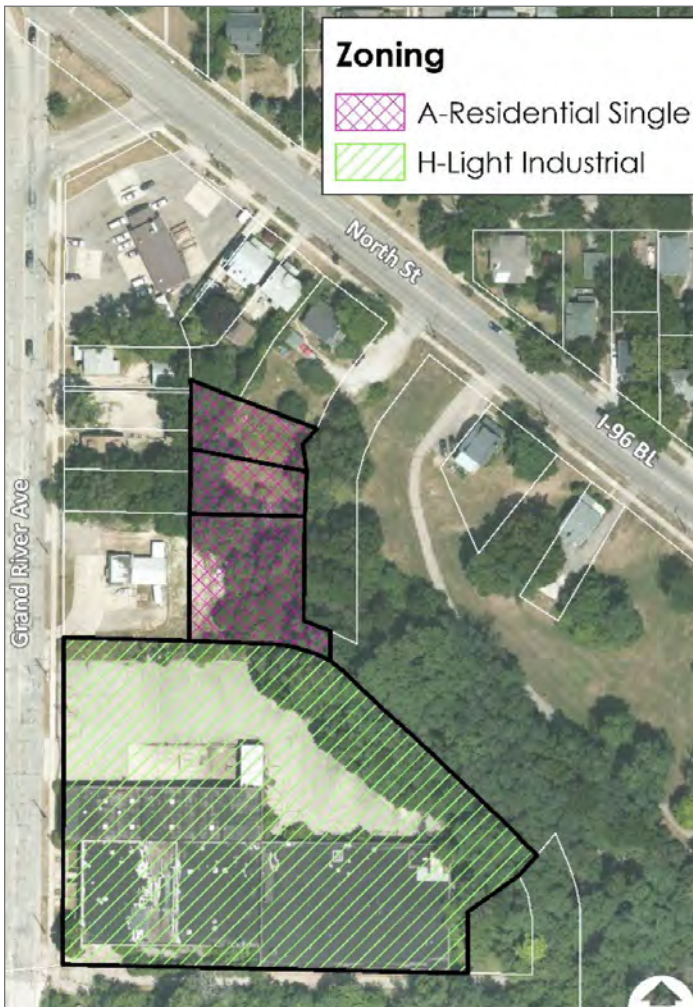
Conventional zoning emphasizes which land-uses are permitted in which locations, often calling for the separation of uses. It gives limited direction on the design and form of development, generally addressing only building setback minimums, and height and density maximums. In contrast, form-based zoning

focuses on what the desired look, feel and character of a place should be. It addresses the relationship between buildings and the street, the form and mass of buildings in relationship to one another, the pattern of blocks and streets and the location and type of public spaces.

The transect and form-based code approach to zoning use a rural-to-urban cross-section through a prototypical American city to define areas that vary in the intensity and character of their natural and built components; the transect is used as the basis for defining zoning maps and a land development code. The form-based code promotes walkable, connected streets, mixed-use, housing diversity, and transportation options while providing a range of choices in living environments.

Each form-based code is designed to address local circumstances and to focus on form overuse to produce more predictable development outcomes for each transect zone. Similarly, the transect model can be adapted to respond to local topography, natural resource features, jurisdictional boundaries, and land ownership patterns. Pure form-based codes create an entirely new ordinance that defines the building and public space standards tied to a regulating plan that illustrates where specific building, street, and open space types are permitted. However, many communities use a hybrid of form-based and conventional zoning by incorporating requirements (for building placement and building features) into their existing zoning code and by updating their street design and subdivision standards. The use of a form-based zoning approach is a great asset to unlocking the development potential of the site.

The property is currently zoned light industrial (H) on the southern 2.6-acre parcel. Current uses permitted in this district include manufacturing, processing, compounding, packaging, assembling, or treatment of products. The three northern 0.6-acre parcels that are adjacent to a public right-of-way are zoned residential (A). An off-street parking lot may be permitted in this district as special land use. Other commercial or industrial uses would require rezoning.





SITE UTILITIES

The site is served by sanitary, stormwater, and water utilities from Grand River Avenue and the storm sewer discharges to the Grand River adjacent to the site. Depending on the timing of site plan submissions and zoning variance request, a developer should assume a 90–120 day timeframe for the city review and action.

ELECTRICITY AND WATER

Electricity and water are provided by the Lansing Board of Water and Light, a municipal-owned public utility. It is the third-largest electric utility in the state. Information on service connection fees and rates can be obtained by calling 517.702.6006.

NATURAL GAS

Natural gas for the site is provided by Consumers Energy. Information on natural gas service and capacity can be obtained from consumers energy at 800.477.5050.

SEWER

Sanitary sewer service is provided by City of Lansing. Information on service connection fees and rates can be obtained by calling 517.483.4455.



ADDITIONAL SITE INFORMATION

ENVIRONMENTAL INFORMATION

A Phase I assessment of the property was completed in June 2019 by Villa Environmental of Benton Harbor, Mich. The report's findings indicate that the structure on the property was constructed in approximately 1941 and received an addition on the north side sometime between 1952 and 1966. Historical occupants of the subject property include soda bottling and distribution entities (Coca-Cola, 7-Up and RC Cola), an automotive repair facility and a vending machine warehouse. It is currently unoccupied. The property is currently connected to the municipal sanitary disposal system and municipal water supply system. Numerous floor drains were identified inside the structure. The floor drains point of discharge is currently unknown. During the site inspection, a suspected former dispenser island and vent pipe were identified on the north side of the structure. A vent pipe entering the structure was also identified on the south side of the structure.

Two releases from underground storage tank (UST) systems were reported from the site in 1990. The UST releases received a type B closure in 1995. No land-use restrictions were recorded as a result of the releases. The full Phase I report is available in attachment C for review.

GEOTECHNICAL INFORMATION

A full geotechnical assessment was performed for the site to evaluate soil conditions and bearing capacity. The investigation included four test borings extended to a depth of 35.0 to 40.0 feet. The test borings are designated as "Test Boring One" through "Test Boring Four." The test borings were conducted in accordance with ASTM D 1586 procedures.

The general soil profile consists of a layer of sandy clay and clayey sand extending to a depth of 13.0 to 22.5 feet overlying a layer of silt extending to a depth of 29.0 to 30.0 feet. Below the silt, a layer of silty and clayey sand extends to a depth of at least 40.0 feet. The soil profile is a deposit of medium-textured glacial till. A medium-textured glacial till is a mixture of soil types in which sand is the primary soil type.

Pavement is present in the areas of test borings one and two. The pavement consists of 5.0 to 5.5 inches of asphalt over 4.0 to 4.5 inches of gravel base. Topsoil is present in the areas of test borings three and four. The topsoil is approximately 6.0 inches thick. The layer of sandy clay and clayey sand extends to a depth of 13.0 to 22.5 feet. The "N" values of the layer range from 3 to 39, indicating the clay and sand are in a soft or loose to very stiff or very compact. The soft or loose portions of the layer are present above a depth of 12.5 feet in the areas of test borings one and three and between depths of 12.5 and 18.5 feet in the area of test boring four. The "N" values correspond to internal friction angles ranging from 27 to 36 degrees.

PREFERRED DEVELOPMENT SCENARIO

SITE OVERVIEW

The proposed site plan shows the preferred development strategy of the Ingham County Land Bank. The development concept has been through extensive study and research. The site plan and land use were developed to take advantage of the natural topography, connection to the Grand River and market demands capitalizing on the desirability of the Old Town neighborhood. The plan places the uses on the property to capitalize on the natural assets and traffic count along North Grand River Avenue. The site plan anticipates utilizing a form-based development approach.





PREFERRED DEVELOPMENT SCENARIO

SITE DATA

(All numbers are preliminary and approximate)

Site area: 3.6 acres (includes public access)

Parking provided: 198 surface spaces

Retail/restaurant:

6,400 square feet current code required parking:

15 spaces + 1.0 space for every 60 square feet of usable area

Proposed modified required parking:

15 spaces + 1.0 space for every 75 square feet of usable area

$6,400 \text{ square feet} / 75 = 86$

15 spaces + 86 spaces = 101 spaces

Modified parking requirement: 101 spaces

Co-working office: 7,000 square feet current code required parking: 1.0 space for every 200 square feet

Proposed modified required parking:

$7,000 \text{ square feet} / 300 = 24 \text{ spaces}$

1.0 space for every 300 square feet

Total modified parking required: 24 spaces

Multi-family residential:

29 one-bedroom units*

20 two-bedroom units*

Current code required parking:

1.5 spaces for every one-bedroom unit

2.0 spaces for every two-bedroom unit

Proposed modified required parking:

1.0 space for every one-bedroom unit

1.5 spaces for every two-bedroom unit

$29 \times 1.0 = 29 \text{ spaces}$

$20 \times 1.5 = 30 \text{ spaces}$

TOTAL REQUIRED: 59 SPACES

Site total required parking: 184 spaces

*One-bedroom units are assumed to be 750 square feet

Two-bedroom unit are assumed to be 1,100 square feet

Building footprint/floor area = 19,600 square feet

DEVELOPMENT COSTS

A full Michigan Economic Development Corporation development pro forma is available in attachment D for review as well as a detailed site development cost estimate developed by Abonmarche.

Note: Demolition costs are included in the costs for residential, shared space and distillery, proportionally.



PROJECT INCENTIVES

State of Michigan and City of Lansing both have the ability to support incentives in the project to ensure financial viability. The availability and level of advocacy for incentives will be commensurate with the proposer's alignment with the vision of the community for the redevelopment of the site.

Furthermore, as a designated core community, Lansing has access to programs not available in every community throughout the state.

BROWNFIELD REDEVELOPMENT

Financial assistance is available to help offset the cost of redeveloping contaminated, blighted or functionally obsolete property. Utilizing tax increment financing, which captures the new property taxes generated by a development project, an investor can be reimbursed over time for certain eligible activities. Core communities have the ability to use brownfield tools not only on contaminated property but blighted and functionally obsolete sites as well. In addition, the tax increment financing component can pay for demolition, site preparation, public infrastructure, lead and asbestos abatement, and environmental remediation.

MICHIGAN COMMUNITY REVITALIZATION PROGRAM (MCRP)

MCRP is a program available from the Michigan Strategic Fund (MSF), in cooperation with MEDC, designed to promote community revitalization that will: accelerate private investment in areas of historical disinvestment; contribute to Michigan's reinvention as a vital, job-generating state; foster redevelopment of functionally obsolete or historic properties; reduce blight; and protect the natural resources of the state.

COMMERCIAL REDEVELOPMENT ACT

This opportunity encourages the replacement, restoration and new construction of commercial

property by abating the property taxes generated from new investment for a period up to 12 years. As defined, commercial property means land improvements whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise, including office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Mixed-use developments maybe eligible, but the abatement will only apply to the commercial portion of the property. Land and personal property are not eligible for abatement under this act.

OPPORTUNITY ZONE

The subject property is in City of Lansing's Urban Playzone Opportunity Zone. Information on the urban playzone can be found in attachment E. Opportunity zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term private sector investments in targeted urban and rural communities nationwide. The opportunity zones program provides a tax incentive for investors to re-invest their unrealized capital gains into opportunity funds that are dedicated to investing in designated opportunity zones. The fund invests at least 90 percent of its assets in opportunity zone properties, either directly or through qualifying corporations or partnerships.

If the selected developer were to work with the city in a public/private partnership in the area of the site along the Grand River, there are several grant funding opportunities available to offset a portion of project costs depending on what activities were pursued.

Programs for consideration include:

- Recreation passport
- Land Water Conservation Fund
- Michigan Natural Resources Trust Fund



SELECTION PROCESS AND CRITERIA

The Ingham County Land Bank, in cooperation with City of Lansing, will review and evaluate all complete proposals in response to this request for qualifications (RFQ) to identify and engage with qualified developers. An initial response to this RFQ must include the following information:

- **Letter of interest:** Provide a letter (up to three pages) identifying the development team and providing a brief description of the team's vision for the site.
- **Concept plans or renderings** of a vision for site development if different from the conceptual site plan contained in the RFP.
- **Development experience/portfolio:** Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages). Include a description of the projects, cost, completion date, and references.
- **Evidence of the development team's fiscal capacity** to undertake the proposed project.
- **Résumé** of the firm and lead team members.

Ingham County Land Bank staff may seek additional information upon receipt of a development proposal. Additionally, the Land Bank reserves the right to refuse or reject any or all proposals, or to abstain from selecting any proposal.

The RFQ and responses should **not** be considered a legally binding agreement. Upon selection of a qualified development team, the Ingham County Land Bank will enter into a predevelopment agreement including purchase price, due diligence period and other terms.

PROPOSAL FORMAT

All proposals shall be submitted by email in a PDF format to dburns2@ingham.org.

Additionally, either a paper copy or digital copy on a USB drive shall be sent to the address below:

Ingham County Land Bank
Attn: David M. Burns, Real Estate Specialist,
Ingham County Land Bank
3024 Turner Street
Lansing, MI 48906

CONTACT/QUESTIONS

David M. Burns, Real Estate Specialist
Ingham County Land Bank
3024 Turner Street, Lansing, MI 48906
dburns2@ingham.org | 517.267.5221



SCHEDULE FOR REVIEW AND SELECTION

The schedule for receipt and evaluation of proposals is anticipated to be as follows:

- ☐ RFQ released: **November 13, 2019**
- ☐ Site Showcase event: **December 05, 2019**
- ☐ RFQ proposals due: **January 23, 2020**
- ☐ Evaluation period: **January 23–February 28, 2020**
- ☐ Finalists teams notified: **March 2, 2020**
- ☐ Finalist teams presentation to evaluation committee: **March 2020**
- ☐ Finalize terms of a development and purchase agreement: **April 2020**



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Dedicated to shared economic success, the MEDC promotes the state's assets and opportunities that support business investment and community vitality. The MEDC's business assistance programs and services connect companies with people, resources, partners, and access to capital. www.michiganbusiness.org