2009/2010 Annual Report

Lansing Economic Development Corporation

Lansing Brownfield Redevelopment Authority

Lansing Tax Increment Finance Authority

The Lansing Economic Development Corporation (LEDC)

Organizational Overview

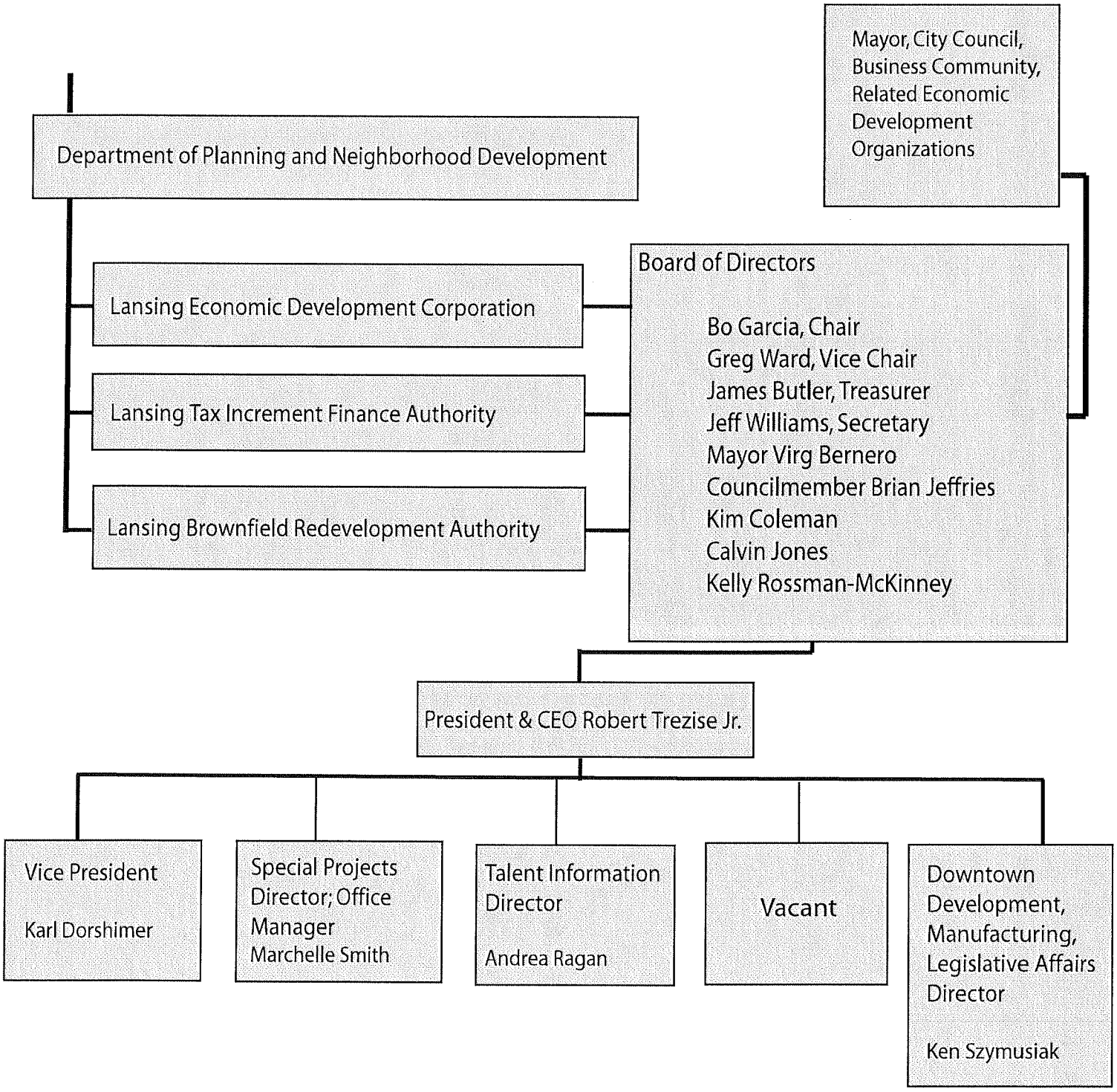
The LEDC is a quasi-governmental agency created by the city of Lansing under Public Act 338 of 1974. The LEDC performs economic development activity based on an annual contract for services with the city of Lansing. This contract is appropriated through the city's general fund. The LEDC is operated by an independent, volunteer Board of Directors who are appointed by the Mayor of Lansing and confirmed by the Lansing City Council. Daily operations of the corporation are run by the President and CEO who oversees five additional economic development professionals.

The LEDC President is also the director of two additional authorities; the Tax Increment Finance Authority (TIFA) and the Lansing Brownfield Redevelopment Authority (LBRA). The two authorities were set up by the city under Public Acts 450 of 1980 (TIFA) and 381 of 1996 (LBRA). Under the direction of the LEDC President, EDC staffers conduct the daily operations of the TIFA and LBRA. Each authority also has its own independent, volunteer Board of Directors whose members are appointed by the Mayor of Lansing and are confirmed by the Lansing City Council. The same group of nine members serves on the LEDC, TIFA, and LBRA as their Board of Directors for efficiency.

While the LEDC provides a broad array of economic services (incentives, loans, SmartZone, strategic planning, retention, recruitment, bonding and lending, etc.) the TIFA specifically acts as a pass through for the capture and management of the downtown TIFA funds and the LBRA specifically acts as a pass through for brownfield plans (local TIF).

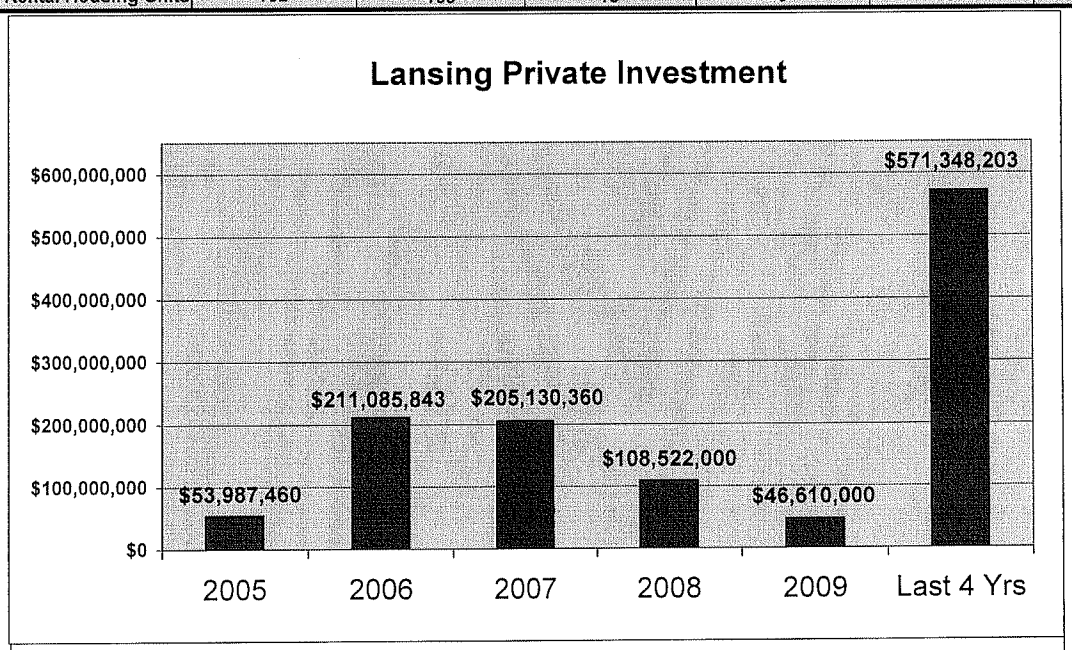
The overall LEDC budget is made up of the city of Lansing's annual contract, as well as a number of other sources of revenue from all three authorities.

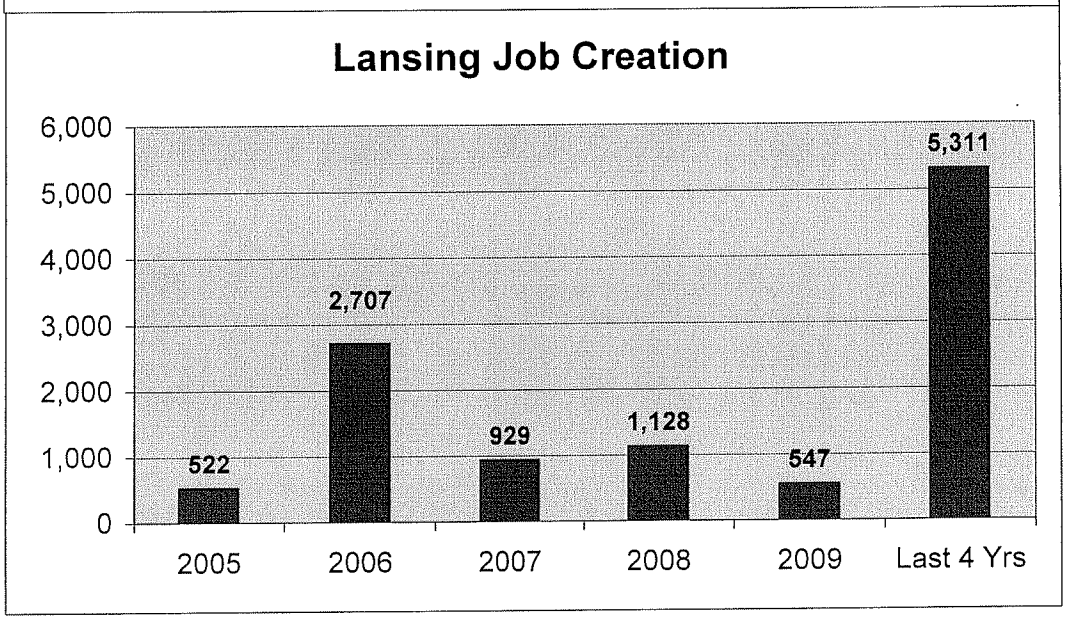
2010 Lansing Economic Development Corporation Organization Chart



Lansing EDC Project Summary

	2005	2006	2007	2008	2009	Total of Last Last 4 Yrs
# Projects	21	33	21	16	16	*86*
OPRA	5	8	6	4	1	*24*
Brownfield Local TIF	5	2	4	3	2	*16*
Brownfield State TIF	0	1	2	3	2	*8*
Brownfield SBT Credit	0	4	3	5	1	*13*
198 Tax Abate	3	8	2	2	3	*18*
328 Tax Exmpt	1	9	4	2	1	*17*
Tax Exmpt Finan.	0	0	0	0	0	*0*
425 Agreement	0	3	0	1	0	*4*
NEZ	5	7	2	2	0	*16*
BFAP	1	0	0	1	2	*4*
Façade Grant	5	9	3	2	0	*19*
Loft Res. Grant	2	2	0	0	0	*4*
Ofc. Ocpy. Grant	2	0	0	0	0	*2*
State & Fed Grant	2	0	1	1	0	*4*
Tool & Die Recovery Zone	0	1	0	0	0	*1*
Redevelopment Liquor License	0	0	0	1	0	*1*
Renaissance Zone	0	0	1	0	0	*1*
# EDC Incentive Programs Used	*31*	*54*	*28*	*27*	*12*	*121*
Public Investment (Incentives)	*$10,256,443*	*$31,816,849*	*$117,433,316*	*$22,670,306*	*$5,681,944*	*$177,602,415*
Private Investment	*$53,987,460*	*$211,085,843*	*$205,130,360*	*$108,522,000*	*$46,610,000*	*$571,348,203*
Jobs Created	*522*	*2,707*	*929*	*1,128*	*547*	*5,311*
Jobs Retained	*460*	*817*	*699*	*94*	*112*	*1,722*
Owner Occ. Housing Units	*57*	*38*	*0*	*4*	*0*	*42*
Rental Housing Units	*102*	*158*	*13*	*0*	*0*	*171*





LEDC 2009 Target Goals:

The Results:

1. **Complete projects that create jobs.**
   - The LEDC helped the private sector create 547 private jobs and $46,610,000 private investment in 2009 utilizing $5,681,944 in public tax credits and incentives. We only did 7 incentive projects in 2009 (two brownfields, one OPRA, three 198s and one 328- In addition we did two loans). Thus, while it was a disastrous year from a national and global economic perspective and while our number of projects was certainly significantly down from previous years, relatively speaking, we still had a decent year. Project highlights included: JNL data center, JNL 150 jobs moved from Colorado to South Lansing, Mobeius, the new Troppo building, Symmetry Jet and Sonic.

2. **Successfully develop an Entrepreneurial Downtown Incubator.**
   - The LEDC has successfully negotiated an attractive lease arrangement for 10,000 – 15,000 square feet of the Knapps building to house a tax free downtown incubator. The incubator will focus on small and start up businesses that have an identifiable market for product development in the high tech, retail and arts sectors. The incubator is part of the overall redevelopment and preservation of the historic Knapps building. The incubator will be complimentary to the East Lansing incubator called the TIC and other private and public incubation centers in the region. The incubator will also provide comprehensive services to businesses. The incubator is dependent upon the successful redevelopment of the Knapps building, yet we hope to move forward in an accelerated construction timeline ahead of the overall Knapps project.

3. **Complete 120 retention visits by November 30, 2009.**
   - Over 90 retention visits were completed by the end of the year 2009 and over 70 retention visits have already occurred in 2010 (as of 4/15/2010).

4. **Complete CMI riverfront construction.**
   - The brand new, $3.2 million contemporary river trail, on the east and west sides of the Grand River between Shiawassee Street and Michigan Avenue is essentially completed. It was done with a PLA and was managed by the city's Public Service Department. Final reimbursements are now taking place between the city and DNR.

5. **Complete construction of the new City Market.**
   - The new City Market is completed, 100% sold out and will include tenants that are restaurants serving food and drink out onto the riverfront itself. It is possible that this summer out vendors will also be a sell out. Grand Opening is on April 24, 2010. Project management was done by LEPFA.

6. **Implement new LEDC website and associated branding technologies.**
   - The new LEDC website is completed. It manages important information necessary for business development. It also features many video clips that speak to the people and place of our great city. In addition, the LEDC implemented an E- Business contract that allowed for the constant marketing of the web site around the world. www.lansingedc.com

7. **Complete creation of the Corridor Improvement Authorities of Michigan Avenue and Saginaw Street.**
   - This has been a long and drawn out process, yet work progresses and has been productive. Exploratory Boards and development of a plan is essentially complete. Boards are now being set up for each of the three municipalities on Michigan Avenue and then Saginaw Street. Once these Boards are in place, they will complete the plan, combine through the Interlocal Cooperation Act into one Board, and present plans (potentially a TIF) to Council for consideration.

8. **Complete a South Lansing Market Study**.
   - This plan has been completed and is the in the final review process at the LEDC before its public unveiling.

9. **Continue to build upon success of Job Shadow Days.**
   - Job Shadow Day Employer participants are now included in consistent communications and talent retention activities. Specific follow-up communications and retention efforts are directed at every student participant in Job Shadow Day to maintain interest in additional professional and lifestyle opportunities in Lansing.

10. **Create new loan policy for unrestricted loan funds.**
    - This has been completed and is in the final review process for adoption by the LEDC Board. Finally, additional policy restructuring is taking place to consider using a portion of the loan program for implementation of the downtown incubator.

11. **Work with Lansing 150 celebration**.
    - This work was completed in full, wit the LEDC as the city's liaison, and we thank the leadership of Lansing Rotary and the Lansing 150 Committee.

12. **Receive EB-5 designation from the federal government.**
    - The LEDC has recently responded to the third set of further clarifications and question requests from the Dept. of Immigration. We feel and hope that approval is imminent.

13. **Set up Business Improvement Zone in Old Town.**
    - This effort was put on hold by Old Town, at the LEDC's urging, so as to re-structure how this will be implemented in 2011.

14. **Revitalize REO Town Commercial Association.**
    - The LEDC successfully assisted in the closing and boarding up of the Deluxe Inn, which should be torn down later in 2010. In addition, we assisted the redevelopment efforts of the Tom Arnold project (Electric Motors) and have been working on the redevelopment of the South Bar building. The fire and destruction of the Dave Sheets building was a major blow, but we continue to serve on the Board of REO Town.

15. **Assist in creation of the Westside Commercial Association.**
    - The LEDC continues its support and work with this Westside group.

16. **Work with alternative energy industry for manufacturing diversification in local industries.**
    - There has been a continuous process of trying to link business with federal stimulus grant opportunities. However, efforts are very difficult in that matching capital is required for these grants.

17. **Set up Summer Internship program/College Days and fall welcome for students to the city.**
    - Linking Lansing & U utilized a successful engagement model developed from Capital Area IT Council's "Tech Tours" to target retention efforts in specific colleges of study at MSU including; The College of Engineering and the Eli Broad College of Business. The employers involved in other workforce development councils, such as Manufacturing and Health Care, fosters successful retention and relationships between employers and students. Explicit communication and retention efforts were made targeting students completing internships at Lansing-based employers preceding and throughout the summer 2009.

18. **Linking Lansing and U/PSD loft tour in conjunction with Cooley Law School orientation.**
    - Downtown and residential loft information has been successfully incorporated into Cooley's existing orientation and ambassador programs for incoming students.

19. **Develop and attract entrepreneurial based businesses in an affordable, cooperative climate.**

    - The LEDC has met and worked with many start up businesses and has been flexible on loan offers and other programming, but the lack of credit has had a devastating impact on getting new businesses up and going.

20. Successfully implement the ITEC plan for the Holmes Street School.

- The LEDC is a member of the ITEC Board and steady progress continues as the ITEC should be fully operating by July of 2010.

LEDC GOALS FOR 2010/2011

1. Completion of the Accident Fund project in first quarter 2011.
2. Completion of downtown ice skating rink and installation of public art from Lansing 150.
3. Completion of the Knapps project.
4. Completion of the Downtown Incubator in the Knapps building including expansion of Smart Zone.
5. Participate in the successful sale of appropriate city buildings for redevelopment and tax generation purposes, such as the Comfort Station.
6. Successful start to the Market Place brownfield project.
7. Complete decision making process with regard to the pedway and implement.
8. Receive federal designation and implement the EB-5 program.
9. In partnership, implement a Business Improvement Zone for Old Town.
10. Fully complete Corridor Improvement Authorities for Michigan Avenue and Saginaw Street.
11. Continue to pursue "regional" agreements.
12. Implement an aligned arts and culture "sense of place" program in partnership with the Arts Council of Greater Lansing.
13. Continue to enhance development of Linking Lansing and U programming.
14. Implement South Lansing market study and further strategies.
15. Work on all individual projects proposed by developers and businesses.
16. Create and implement new, targeted retention visits of 100.
17. Implement a "master economic plan" for the Frandor/Michigan Avenue/Red Cedar Golf course area.
18. Implement the SBA micro-business loan program in partnership with Entrepreneurial Institute.
19. Continue monitoring and implementation of projects via on-line reporting.
20. Successful implementation of the LEDC's new loan policy.
21. Work toward implementing (funding) of the Phase II Grand Vision loan between Michigan Avenue and Kalamazoo Street.