

SPECIAL AGENDA

SPECIAL BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

October 7, 2008

10:55 A.M. Lake Superior Room 1st Floor
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

RESOLUTION OF THE STATE ADMINISTRATIVE BOARD

1. Resolution of the State Administrative Board Approving Easement and the First Amendment to Construction and Completion Assurance Agreement and the Form of Lease for the Department of Management and Budget State Facility Preservation Projects Phases I and II Group D Joint Operations Center

Legislative Background

The Department of Management and Budget State Facility Preservation Projects Phases I and II Group D Joint Operations Center was appropriated in PA 10 of 2005 and PA 297 of 2005. The lease for the project was later approved by the Legislature in HCR 9 of 2007.

Purpose/Business Case

The purpose of this resolution is to approve an easement and amend the existing lease. The State Building Authority may then grant an easement to the Lansing Board of Water and Light ("LBWL") which will allow them to operate, service and maintain utilities on the site of the Project.

Benefit

Granting this easement will allow the Lansing Board of Water and Light to install and maintain necessary equipment to facilitate a new chiller plant that will service local State of Michigan and City of Lansing buildings. This new chiller plant is part of a bigger economic development plan to build a new headquarters facility for Accident Fund of Michigan. Amendment to the lease will not result in a reduction of rent. Integra Realty Resources has stated that the release of the described property will not reduce the economic or market value of the rent related to the Department of Management and Budget State Facility Preservation Projects Phases I and II Group D Joint Operations Center.

Funding Source/Commitment Level

N/A

Risk Assessment

Failure to approve the lease will prevent LBWL from building a new chiller plant. Failure to build a new plant may interrupt utility service to state-owned buildings. In addition,

failure to approve this easement will prevent this project from moving forward and may result in a loss of jobs.

Zip Code

48933

GRANT OF EASEMENT

2. DEPARTMENT OF MANAGEMENT AND BUDGET (DMB), CITY OF LANSING, COUNTY OF INGHAM, MI recommends that the State Administrative Board grant to The Lansing Board of Water and Light, whose address is 1232 Haco Drive, Lansing, Michigan 48912, a permanent non-exclusive utility Easement . Said Easement is on State of Michigan land described as:

Entire blocks 120, 121, 122 & 123, also all parts of vac. or closed Washtenaw & Sycamore streets adj thereto; Original Plat of Lansing; Also entire blocks 2 & 3 & that part of vacated Washtenaw Street Lying between the East Line of Butler Street and the East Line of Section 17 T4N R2W; Bush, Butler & Sparrows Addition, except the following (the following land being under the control of the State of Michigan State Building Authority for their Joint Operations Center): Lots 1, 2, 3, 10, 11, 12 and the northerly 25.00 feet of Lots 4 and 9 of Block 120 of the Original Plat of the City of Lansing, Ingham County, Michigan.

The Easement area is more specifically described as:

Beginning at the N.E. corner of Block 121, Original Plat of Lansing: thence East 82.5 ft. to the N.W. Corner of Block 120; thence South 223 ft.; thence East 330 ft. along the south line of the area under the control of the State of Michigan State Building Authority for their Joint Operations Center to the west line of S. Pine Street: thence South 15 ft.; thence West 63.5 ft.; thence South 63.2 ft.; thence West 65.4 ft.; thence South 46 ft.; thence West 283.6 ft. to a point on the west line of vacated Sycamore Street; thence north along said vacated street sideline 347 ft. to the Easement Area Point of Beginning, except the following: Beginning at a point that is 238 ft. south and 73.5 ft. west of the N.E. corner of Block 120; thence South 53.2 ft.; thence West 55.4 ft.; thence North 53.2 ft.; thence East 55.4 ft. to the Point of Beginning of the excepted area.

The Attorney General's office has approved this Easement as to legal form.

Purpose

To accommodate the installation, maintenance and operation of potable water mains, chilled water piping, electric power lines, fiber optic communication lines and sanitary sewers and storm sewers along with related appurtenances. These fixtures are all public utilities to be buried below grade within the easement area, except for fire hydrants, usage meters and valve/control cabinets as customarily erected above grade.

Benefit

Granting of this Easement will allow for the construction of an operational chilled water plant that will serve various state-owned buildings in downtown Lansing.

Funding Source

Grantee (\$1.00)

Commitment

This will be a permanent, non-exclusive Easement subject to existing easements and restrictions of record, if any. It is proposed in tandem with a companion Easement for the same purposes on adjacent property held under the name of the State Building Authority (SBA). If either Easement remains unused for a period of two calendar years, it will revert to the Grantor. If the Easements are approved, the SBA and DMB will also issue companion temporary construction Licenses on adjacent parcels which will be needed to help facilitate work to be done in the two respective easement areas.

Risk Assessment

Failure to grant this Easement will preclude the State from having a chilled water plant as needed to efficiently serve state buildings.

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