

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: May 8, 2017
TO: Downtown Development Authority
FROM: Kristopher Larson
President & CEO
SUBJECT: FY18 Budget and Priority Plan

Agenda Item #5
May 10, 2017
DDA Meeting

Each year, the DDA recommends and adopts a one-year budget and 5-year priority plan to reflect the emergent priorities of the Downtown community for which the DDA can invest. Some of the line items are highly specific as they include exact estimates or previous not-to-exceed budgeted amounts for programs or projects. Examples of these include debt service payments, event budgets, and street enhancement programs completed in partnership with the City of Grand Rapids. Others are less certain and / or require further definition – such as accessibility improvements – which effectively creates an allocated amount from which staff will work with partners to define the investments to be undertaken in the fiscal year.

With GR Forward now an approved amendment to the City’s Master Plan, DGRI has continued to work diligently in aligning its budgets with the plan’s recommendations. Of the 89 programs, projects, and initiatives proposed in the attached FY18 local tax increment fund (LTI), non-tax increment fund (NTI), and Bond Proceeds Fund (BPF), 95% of the proposed DDA program and project expenditures are directly related to GR Forward (the remainder are indirectly related). There are some carry-forward priorities from previous years, such as pedestrian improvement projects, improved bus shelters for the DASH system, and overpass lighting projects which were not completed or completely billed in FY17.

The budgets also include new projects from GR Forward, including design work for Switchback Park, river trail retrofits, continuing to expand the Downtown tree canopy, advance more winter programming, and integrating more public art. In total, the budgets include 11 projects related to implementing Goal 1 totaling \$1,314,537, 12 projects for Goal 2 (\$4,178,048); 16 projects for Goal 3 (\$2,155,000); 2 programs for Goal 4 (\$125,000); 33 projects for Goal 5 (\$2,778,000); 1 project for Goal 6 (\$250,000), and 14 projects and initiatives that cut across multiple or all goals and include items such as diversity and inclusion programming, GR Forward implementation communications, speaker series events, and administration.



Similar to previous years, in February of 2017, Downtown Grand Rapids Inc. staff began soliciting input from the three Alliances charged with advising DGRI staff on projects and priorities. This 3-month, iterative process culminated in each of the three Alliances tendering recommendations to the three fiduciary Boards of DGRI (DDA, DID, and MNTIFA) regarding their ambitions for the coming fiscal year. This year, the process was also augmented by recommendations that emerged from the DDA TIF and Development Plan update, which identified two new areas for the use of tax increment revenue investment; affordable housing and support for growing the number of minority and women-owned businesses in Downtown Grand Rapids. *Citizens participated in identifying and prioritizing 100% of the program and project investments proposed in the FY18 DDA Budget.*

Relative to the Alliance model for sorting budget priorities, there are 27 Vibrancy-related projects and programs which total \$1,387,500. Highlights include popular DGRI-produced events such as Snow Days, Movies in the Park, and Relax at Rosa; marketing and inclusion efforts, parks programming, and stakeholder engagement efforts. For the Alliance for Livability, there are 21 projects which total \$2,350,000 with highlights that include the aforementioned affordable housing support, dignified bus shelter improvements, and Switchback Park design. For the Alliance for Investment, there are 38 projects that total \$7,609,585 with highlights that include Veteran's Park improvements, real estate development tools, and transactional commitments associated with the sale of parking areas 4&5 should the theater project break ground in the upcoming fiscal year. There is an additional \$1,192,063 in administrative investments which include office rent and supplies, City costs, staff services, insurance, legal, IT, professional development, and other indirect costs.

The documentation included herein is a reflection of the many voices that participated in the budgeting process, and GR Forward. In addition to the line-item budgets for the LTI, the NTI, the BPF and the debt tax fund, DGRI staff has also provided a budget narrative that provides additional detail on the various priorities that emerged during the process.

Following a recommendation from the DDA Board, DGRI staff will present each of the fiduciary Boards' recommended budgets to the City Commission on June 13, 2017, requesting bottom-line appropriation. After receiving City Commission appropriation, the fiduciary Boards will each adopt their final annual budgets and priority plans, respectively, during their next scheduled meeting(s).

Recommendation: Recommend the FY18 DDA Budget Summary to the Grand Rapids City Commission and request fund appropriation.