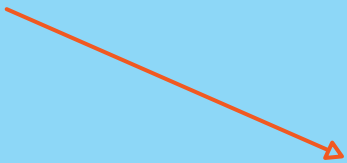


DOWNTOWN
GRAND RAPIDS
INC.



ANNUAL



REPORT



2016

THIS —————> IS
OUR ART.

THESE ARE
OUR

DANCE

STEPS.

LETTER FROM THE PRESIDENT

Dear Friends,

Downtown Grand Rapids had another banner year. Hallmarks of progress and investment can be found across every Downtown district, and Grand Rapidians teem with excitement about what's on the horizon. With the approval of *GR Forward*, DGRI and its partners now have a blueprint to guide our investment strategy for the next decade.

We have also raised our organization's commitment to excellence. In 2015, DGRI adopted 15 performance measures to better articulate our trends, progress and successes. This annual report helps reflect on the distance our Downtown has traveled during the past year and enlightens the path towards realizing our community's vision for Downtown.

Enjoy this capture of the year behind. We look forward to continued partnership and city building in the year ahead.



Kristopher Larson, AICP

WHAT IS THIS ANNUAL REPORT?

Downtown Grand Rapids Inc. works to continually elevate Downtown GR as the best-in-class heart of an American city. The organization is dedicated to:

- Achieving clear city building goals defined by the community.
- Defining and executing an annual agenda for action towards our objectives.
- Measuring organizational performance against clearly defined success factors.

DGRI also is committed to transparency and accountability. This report summarizes the results of our work in the past year. Here's what's inside:

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CITY BUILDING GOALS

GR FORWARD

- Reestablish the Grand River as the draw to the city & region.
- Develop a true Downtown neighborhood that is home to a diverse population.
- Build a 21st century transportation system.
- Establish an equity-driven growth model in Downtown Grand Rapids.
- Reinvest in public space, culture & inclusive programming.
- Retain & attract families, talent & job providers with high quality public schools.
- Grow more & better jobs & ensure continued vitality of the local economy.

FY16 ACCOMPLISHMENTS

- ✓ Completed *GR Forward*, Downtown's first new master plan in 22 years, receiving unanimous City Commission approval.
- ✓ Adopted success measures to track & report organizational performance.
- ✓ Executed term sheet for a \$140 million mixed-use movie theater project, one of the largest developments in the City's history.
- ✓ Organized a statewide coalition to support good government reform of tax increment finance policy.
- ✓ Diversified the demographic & psychographic composition of the 110+ member DGRI Leadership Network.
- ✓ Managed the renewal & expansion of the Downtown Improvement District.
- ✓ Launched new winter programming with Broomball & Hungry Human Hippos tournaments.
- ✓ Planted 126 trees towards achieving 10% tree canopy in Downtown and 40% citywide.
- ✓ Supported the delivery of 183 new housing units toward residential critical mass in Downtown. 45% are "income-restricted" to protect affordability.
- ✓ Supported the production of 4 permanent public murals on previously blank concrete walls.

- ✓ Initiated a program to measure pedestrian activity.
- ✓ Assisted in the legalization of skateboarding transportation in Downtown.
- ✓ Launched Pop Up Performers program and enlivened the public realm with 424 hours of entertainment.
- ✓ Beautified 5 utility boxes with paintings of multicultural icons.
- ✓ Collaborated with City Management, GRPD & business owners to pro-actively sustain public safety in the entertainment district.
- ✓ Merged Clean Team into a unified Ambassador Program, achieving greater efficiency & increased service levels.
- ✓ Launched a user-friendly website, enhancing access to timely information about Downtown businesses, organizational transparency & public information.
- ✓ Revised Event Sponsorship Program to incentivize more multicultural programming and supported 15 events.
- ✓ Launched 20-event Relax at Rosa series of musical lunch breaks.
- ✓ Produced original social media campaign celebrating Black History Month.
- ✓ Supported the establishment of Mobile GR, as recommended by *GR Forward*.
- ✓ Significantly grew attendance and ROI at Movies in the Park & Valent-ICE.

THESE ARE  OUR



INDICATORS
OF 

SUCCESS.

PERFORMANCE MEASURES

- 10-11 DIVERSITY OF DGRI LEADERSHIP NETWORK
- 12-13 SERVICES DELIVERED TO DID RATE PAYERS
- 14-15 SIDEWALK CLEANLINESS
- 16-17 PERCENTAGE OF TREE CANOPY
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- 20-21 ROI OF DGRI-PRODUCED EVENTS
- 22-23 PUBLIC RESOURCES LEVERAGED
- 24-25 NUMBER & AFFORDABILITY OF HOUSEHOLDS
- 26-27 DEVELOPMENT INVESTMENT LEVERAGED
- 28-29 TAX INCREMENT VALUE CREATION

	CITY WIDE	DGRI 2015	DGRI 2016
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AGE

20-24	17%	0%	3%
25-34	30%	21%	38%
35-44	19%	41%	32%
45-54	18%	30%	21%
55-64	16%	8%	6%

GENDER

Male	49%	71%	58%
Female	51%	29%	42%

SEXUAL ORIENTATION

Heterosexual	90%	97%	92%
LGBT	10%	3%	8%

RACE

Asian	2%	3%	4%
African American	21%	19%	21%
Hispanic or Latino	16%	2%	6%
White	59%	76%	69%

DIVERSITY OF DGRI LEADERSHIP NETWORK



WHY IT MATTERS

DGRI is led by 3 City Commission-appointed Boards, 3 citizen Alliances, and a Board of Advisors that, taken together, engage 110+ people who direct our city building mission. Ensuring these bodies bring together a plurality of people from different walks of life is essential to effectively solve problems, identify and seize opportunities and support the day-to-day work of improving Downtown Grand Rapids.



KEY INSIGHT

DGRI in FY16 received 93 applications from citizens aspiring to serve on one of the organization's Alliances. The resulting 30 appointments continued to diversify our leadership network in a way that better reflects the community's rich diversity of age, race, gender, sexual orientation, expertise and geographic residence.

12%

GRAND RAPIDS DID
ADMINISTRATION & OVERHEAD

27%

INDUSTRY STANDARD
ADMINISTRATION & OVERHEAD*

*International Downtown Association's
2015 Staffing & Salary Survey.

SERVICES DELIVERED TO DID RATE PAYERS



WHY IT MATTERS

The Downtown Improvement District (DID) is a tool DGRI administers to keep Downtown clean, attractive and eventful. The DID's sole revenue source is a voluntary special assessment on real property supported by businesses and property owners within the DID. As the steward of the DID's financial resources, DGRI works to achieve efficient place management and maximize the value of the contribution property owners make to Downtown's success.



KEY INSIGHT

DGRI's administration of the DID yielded an 88% return of DID revenues into direct services and improvements benefitting Downtown.

10,000

BAGS OF TRASH REMOVED



6,000

CROSSWALKS, PARKING METERS
AND FIRE HYDRANTS CLEARED OF SNOW

5,000

CIGARETTE BUTTS COLLECTED



2,500

INSTANCES OF GRAFFITI REMOVED

SIDEWALK CLEANLINESS



WHY IT MATTERS

A clean and beautiful Downtown not only makes a great first impression, it also reinforces feelings of safety and vibrancy, enhances quality of life and strengthens civic identity. Maintaining a green and attractive Downtown GR requires a dedicated team of dynamic and responsive professionals. DGRI's specially-trained Ambassadors are on the job 12 hours per day, 7 days per week.



KEY INSIGHT

DGRI merged the "Clean" and "Ambassador" programs into a combined team of cross-trained specialists responsible for cleaning activities, horticulture and hospitality. DGRI also fitted the unified Ambassador team with an all-terrain litter vacuum, a utility vehicle and other specialized equipment. Taken together, these moves helped achieve greater program efficiency and increased delivery of place management services.

5%

CURRENT



10%

GOAL



PERCENTAGE OF TREE CANOPY



WHY IT MATTERS

Trees deliver tremendous bang for the buck. They produce oxygen, encourage walking, filter out air pollution, slow traffic, absorb rainwater and noise, improve property value and reduce people's stress levels. A healthy urban forest is a remarkably valuable asset for the city and the Downtown neighborhood.



KEY INSIGHT

The Downtown tree canopy – the proportion of land area covered by trees as viewed with satellite imagery – is 5% or approximately 2,800 trees. The goal is to double the number of trees in Downtown by 2025 and achieve 10% canopy. DGRI and partners planted 126 trees in FY16, moving Downtown 4.5% closer to the goal.



68% MORE "LIKES"

6,682 → 11,256



156% MORE FOLLOWERS

816 → 2,097



40% MORE FOLLOWERS

5,760 → 8,036

ACTIVE SOCIAL MEDIA PRESENCE



WHY IT MATTERS

A robust online communications platform enables DGRI to affordably reach a diverse audience with relevant information, enhance organizational transparency and maintain a high level of customer service and community engagement.



KEY INSIGHT

DGRI's rebooted website, launched in July 2015, served more than 63,000 visitors in FY16. 80% were first time users of the site.



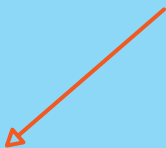
7 DGRI

PRODUCED EVENTS



37,450

PEOPLE ATTRACTED



\$795,725

INDUCED CONSUMER SPENDING

RETURN ON INVESTMENT FROM DGRI-PRODUCED EVENTS



WHY IT MATTERS

DGRI produces public events to achieve three key outcomes:

- Happy, healthy people.
- Dynamic public spaces.
- More economic activity.



KEY INSIGHT

DGRI in FY16 produced seven major events, all free to the public. Every net DGRI-managed \$1 invested in these events returned \$38 to Downtown businesses.



PUBLIC RESOURCES LEVERAGED



WHY IT MATTERS

DGRI aligns its investment in public facilities to advance implementation of the community - defined priorities presented in the *GR Forward* plan. Where other funding sources are available, DGRI works to pursue and leverage outside contributions to deliver the best project possible for the Downtown community and maximize the value of every DGRI-managed dollar invested.

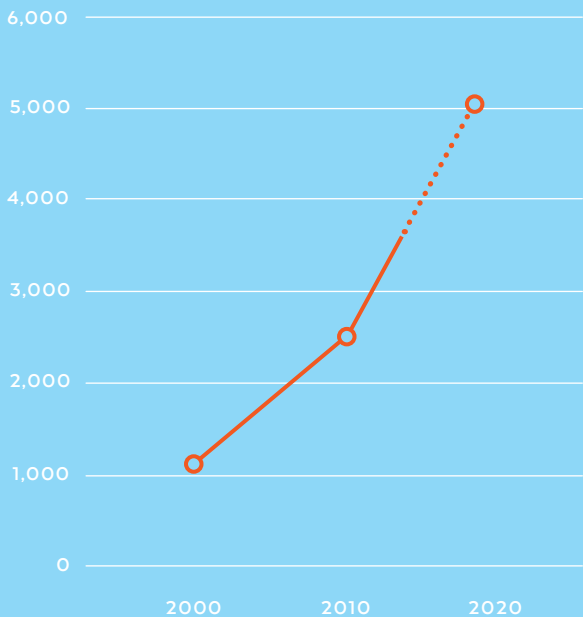


KEY INSIGHT

DGRI in FY16 participated in 10 capital improvement projects that ranged from undergrounding utilities to improving streetscapes to repairing ornamental bridge lighting. In total, DGRI leveraged nearly \$17.5 million of additional public funding to support these projects, achieving a return of more than \$6 for every DGRI-managed dollar invested in public facilities.

10,000

GOAL



..... IN THE DEVELOPMENT PIPELINE

NUMBER & AFFORDABILITY OF HOUSEHOLDS



WHY IT MATTERS

Grand Rapids lags comparison and competitor cities in the number of people living Downtown and in the median incomes of Downtown residents. The density and diversity of people living Downtown is directly related to the neighborhood's ability to attract and support the mix of retail stores, restaurants and other services and amenities required to continue growing a strong urban core at the heart of the West Michigan region.



KEY INSIGHT

Developers added 183 units to Downtown in 2015. They also put 1,437 units in the development pipeline. This will bring the total number of Downtown households to 5,201. The goal is to reach 10,000 households – maintaining 30% of total supply for lower-wage earners – and achieve a “critical mass” of residents by 2025.



DEVELOPMENT INVESTMENT LEVERAGED



WHY IT MATTERS

Investment capital flows to places where risk is low and the potential for returns are favorable. DGRI works to position the Downtown Grand Rapids market in a way that attracts investment. This includes spearheading initiatives that ensure Downtown is clean, safe, beautiful, accessible, eventful and vibrant. It also includes gap finance tools to catalyze real property investments that otherwise would not happen. In other words, the amount of development investment leveraged is a leading indicator of DGRI's progress towards fulfilling its mission.

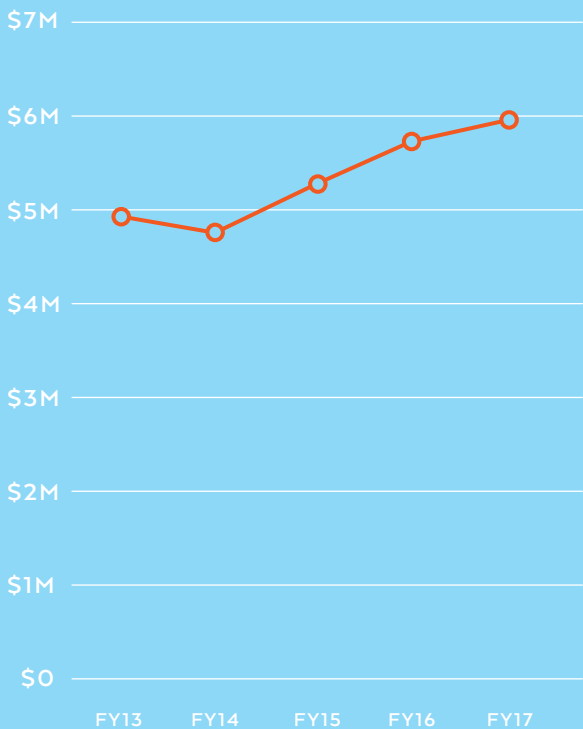


KEY INSIGHT

DGRI leveraged more than \$19 in development investment for every DGRI-managed tax increment dollar invested. DGRI invested \$4.5 million in real estate projects that amount to a total investment of approximately \$88 million.

↑ 5.6%

INCREASE BETWEEN FY16 & FY17



TAX INCREMENT VALUE CREATION



WHY IT MATTERS

Tax increment is a market-driven financing mechanism used to clean up blighted property, support private investment and development, catalyze urban revitalization and elevate quality of life. Tax increment is the primary funding instrument of two tools managed by DGRI: the GR Downtown Development Authority and the Monroe North Tax Increment Finance Authority. Tax increment is produced when the tax value of properties within the GR DDA and MN TIFA districts increase through new investment and community improvement.



KEY INSIGHT

Combined revenue projections from the GR DDA and MN TIFA tax increment capture have increased nearly 20 percent – from \$4.9 million to \$5.9 million – in the past five years.

HERE ARE  THE STEPS

 WE'LL  TAKE NEXT

 YEAR.

FY17 AGENDA FOR ACTION

- Plant 200 trees.
- Put food trucks in the public realm.
- Cut the ribbon on the Coldbrook Edge.
- Build a coalition to grow minority-owned businesses.
- Redesign Calder Plaza.
- Enhance 131 overpass lighting at Cherry, Pearl & Bridge streets.
- Support the increase of allowable building heights to maximize development potential Downtown.
- Reboot the Downtown Area Shuttle.
- Pilot winter warming pits & huts.
- Support the delivery of 650+ new housing units toward residential critical mass in Downtown.
- Startup Downtown resident's network.
- Support evaluation of options for funding restoration of the rapids in the Grand River.
- Turn up the volume on public art.
- Support policy changes to promote affordable housing.
- Break ground on Lyon Square transformation.
- Launch bike-share feasibility analysis.

FY17 PROJECTED REVENUES

• DDA TIF (42%)	\$5,234,900
• Fund Balance (32%)	\$4,034,919
• DID Assessment (7%)	\$897,000
• Brownfield TIF (5%)	\$606,979
• Private Contributions (4%)	\$560,000
• Monroe North TIFA (3%)	\$365,238
• Parking Fees (3%)	\$321,332
• Snowmelt Assessment (2%)	\$205,000
• Interest, Rentals & Other (2%)	\$189,472

\$12,414,840

FY17 PLANNED EXPENDITURES

• Capital Projects (18%)	\$1,871,500
• Real Estate Investment Support (12%)	\$1,285,000
• Planning & Design (12%)	\$1,245,000
• Administration & Overhead (12%)	\$1,219,564
• Clean, Safe & Beautiful (11%)	\$1,089,500
• Mobility Improvements (11%)	\$902,500
• Marketing, Events & Engagement (11%)	\$877,325
• Park Improvements (8%)	\$850,000
• Debt Service (8%)	\$792,333
• Asset Management (8%)	\$252,000

\$10,384,722



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