

# AGENDA

ALLIANCE  
FOR  
INVESTMENT



## Board Members:

James Botts • Meagan Carr • Rick DeVries • Santiago Gomez • Kristian Grant • Tansy Harris • Dave Hill • Rachel Hood  
Landon Jones • Ryan Kilpatrick • Nick Koster • Ning Liu • Ted Lott • Mark Miller • Nick Monoyios • Traci Montgomery • Kirt Ojala  
Kevin Patterson • Sarah Rainero • Dave Riley • Mark Roys • Art Sebastian • Phil Skaggs • Lori Staggs • Jay Steffen • Tom Tilma  
Roberto Torres • Brianna Vasquez de Pereira • Rick Winn • Kara Wood

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July 12, 2016

3:30p – 5:00p

29 Pearl Street, NW Suite #1

- |    |   |                  |                      |
|----|---|------------------|----------------------|
| 1. | Call to Order                               |                  |                      |
| 2. | Approval of May Minutes<br>(enclosure)      | <i>Motion</i>    | <i>Monoyios</i>      |
| 3. | Incentive Program Discussion<br>(enclosure) | <i>Info Item</i> | <i>Full Alliance</i> |
| 4. | Monroe Center Planters<br>(enclosure)       | <i>Info Item</i> | <i>Full Alliance</i> |
| 5. | Project Updates                             | <i>Info Item</i> | <i>Full Alliance</i> |
| 6. | Open Alliance Discussion                    | <i>Info Item</i> | <i>Full Alliance</i> |
| 7. | Public Comment                              |                  |                      |
| 8. | Adjournment                                 |                  |                      |





# Alliance for Investment

May 10, 2016

1. Call to Order: Monoyios called the meeting to order at 3:31pm

Members Present: James Botts, Meagan Carr, Rick DeVries, Santiago Gomez, Tansy Harris, Dave Hill, Rachel Hood, Nick Koster, Mark Miller, Nick Monoyios, Traci Montgomery, Kevin Patterson, Dave Riley, Lori Staggs, Jay Steffen, Roberto Torres, Brianna Vasquez de Pereira, Kara Wood, Kristian Grant, Ryan Kilpatrick, Ted Lott, Phil Skaggs, Tom Tilma

Members Absent: Landon Jones, Ning Liu, Kirt Ojala, Mark Roys, Rick Winn

Others Present: Tim Kelly, Jennie Kovalcik

2. Approval of April Meeting Minutes:

*Motion: Minutes carried unanimously as presented.*

3. FY2017 Budget Recommendation:

Kelly presented the proposed budget expenditures and revenues for FY2017, along with the priority plan survey results. Kelly said the results showed a significant interest in river trail and Calder Plaza project priorities. Kelly asked if any changes would like to be made to the budget; the alliance responded no. Monoyios asked for a motion to recommend the budget. Jay Steffen, seconded by James Botts, moved to recommend the Alliance for Investment FY17 budget to the DGRI Board of Advisors and DDA Board. Motion carried unanimously.

4. FY2017 Work Plan:

Kelly presented the work plan, which highlighted ongoing and upcoming projects for the next fiscal year. Kelly said because policy and advocacy priorities are primarily long term and ongoing, alliance members can choose which projects they would like to focus on. Kelly gave a detailed overview of policy and advocacy work items.

5. Work Group Discussion:

The alliance had an open discussion about policy and advocacy work item details and timelines. Kelly asked members to sign up for projects that most interested them to create working groups. Lott said zoning and Stuido C! development are his primary interests. Wood asked if the alliance will be able to provide input prior to decision making regarding these projects. Kelly responded yes. Kelly added the groups will be developed over the next few months, allowing members to consider project interests.

6. Next Meeting:

June 14, 2016

7. Public Comment:

None

8. Adjournment:

Monoyios adjourned the meeting at 4:37pm

Minutes taken by:

Jennie Kovalcik

Administrative Assistant

Downtown Grand Rapids Inc.



**AFI**

ALLIANCE  
FOR  
INVESTMENT

DATE: July 8, 2016  
TO: Alliance for Investment  
FROM: Tim Kelly, Planning Manager  
SUBJECT: **DGRI Incentive Program Overview**

The mission of the Alliance for Investment (AI) is to oversee downtown infrastructure projects, economic development, urban planning, and incentives, specifically the Areaway Fill, Building Reuse, Development Support, and Streetscape Programs.

To that end, the AI and Downtown Grand Rapids Inc. (DGRI) have sought opportunities to improve utilization and efficiency of the incentive programs, as well as increase the capacity of the organization to implement community priorities.

As part of the FY17 budget process, the AI adopted a work plan which identified their priorities for the coming fiscal year. Among the priorities was to review the existing incentive programs and make recommendations for potential improvements. This builds upon an initial review conducted by the AI in February 2015 which yielded a number of questions and comments (attached), but were not implemented because GR Forward was ongoing and the recommendations of that planning effort were still unknown.

With the adoption of GR Forward in December 2015, as well as with the adoption of DGRI Performance Measures (attached), there are clear indicators for the community vision for Downtown. As such, it seems appropriate for staff and the AI to make recommendations to the DDA Board for revisions to the incentive programs.

The schedule below outlines the proposed timeline, which is subject to change, for making a recommendation to the DDA Board.

- July 12, 2015 – AI Review and Discussion of Existing Policies
- Week of July 25 – Stakeholder Meeting
- August 9, 2015 – AI Review of Draft Policy
- August 10, 2015 – DDA Review of Draft Policy
- Week of August 15 – Stakeholder Review Draft Policy
- September 13, 2015 – AI Approval of New Policy
- September 14, 2015 – DDA Approval of New Policy

In order to make defensible recommendations for change, it is envisioned the AI, DDA Board, and a group of to be determined Downtown stakeholders will participate in the refinement of the existing, or development of new programs. The July meeting of the AI will begin to populate the list of Downtown stakeholders to participate and make any necessary changes to the proposed schedule.



# Downtown Grand Rapids Inc. Incentive Program Overview

Alliance for Investment  
July 12, 2016





# Areaway Fill Program

- Areaway refers to the basements that extend below sidewalks and streets.
- Potentially hazardous given the age and structural condition.
- Purpose of the Program is to improve safety of Downtown by assisting property owners in the elimination of areaways within the DDA Boundary.



24 S. Division



24 S. Division



# Areaway Fill Program

- Program was created by the DDA in 1999.
- Approximately \$814,253 of support has helped fill 34 Downtown areaways.
- An estimated 40 – 50 areaways still exist Downtown.



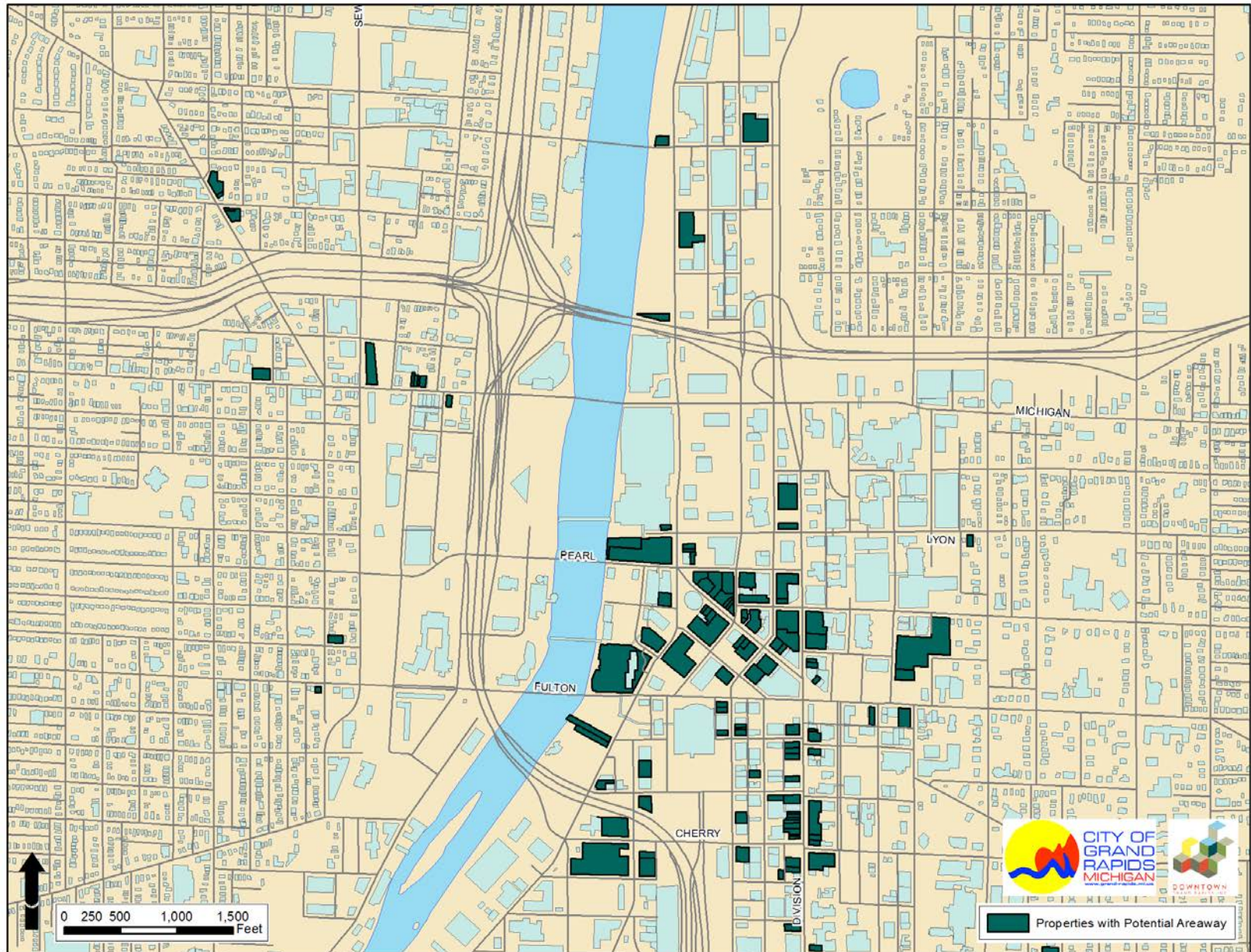
Waters Building



**DOWNTOWN**  
GRAND RAPIDS INC.



# Remaining Areaways





- 
- Morton House
- 4 Council - Image Store - June 2011
- Report a problem





# Building Reuse Incentive Program

- Approved in 1996, amended 2009.
- Over 120 projects and \$4.9 million have been approved contributing to \$223 million in investment
- Designed to renovate vacant and underutilized “historic” buildings in Downtown.
- Program provides up to \$50,000 as a reimbursement grant for eligible projects.
- If the project achieves LEED Certification or the equivalent, max grant amount is \$75,000.



333 Grandville Ave SW



25 Ionia Ave SW



65 Monroe Center NW



# Building Reuse Incentive Program

- Program can also be used to grant up to \$25,000 (or 75%) for a commercial storefront renovation, \$10,000 to renovate a ground floor commercial storefront (or 50%) or \$5,000 for commercial signage (or 50%).
- Grants are issued as a self-amortizing loan over 5 yrs, such that if ownership does not change, the loan is forgiven.
- Funds must be spent on eligible activities as defined by DDA statute:
  - Typically for ADA Accessibility, fire suppression, utility upgrades, façade improvements.



111 Division Ave S



64 Ionia Ave SW



50 Louis Ave SW



# Building Reuse Incentive Program

- Project applications are reviewed administratively (\$200 fee) and then brought before the DDA Board for approval. To be approved, project must meet the following criteria:
  - Must be located in DDA Boundary (TIFA on case-by-case)
  - Must renovate building built before 1950, or an existing ground floor storefront
  - If façade, must be consistent with Secretary of Interior's Standards and grant a historic easement.
  - Must demonstrate increased value to the city over a 5 yr period that will equal or exceed the amount of assistance requested

<b>Tax Category</b>	<b>Tax Rate</b>	<b>Sample Tax Calculation</b>
1) Personal Property	<i>(value of personal property)</i> = taxable value taxable value X (.05) = SEV <u>SEV X 48 Mils = Tax Benefit</u>	4 Business @ \$50,000 personal property each 4 X \$50,000 = \$200,000 taxable value \$200,000 X 0.5 = \$100,000 <u>\$100,000 X .048 = \$4,800 per year</u>
2) Real Estate Property	<i>(value of investment)</i> = increase in taxable value increase in taxable value X (0.5) = SEV <u>SEV X 48 Mils = Tax Benefit</u>	\$750,000 invested X 0.5 = \$375,000 SEV <u>\$375,000 X (.048) = \$18,000</u>
3) Income Tax	<i>(number of new jobs)</i> X <i>(average salary)</i> = annual payroll annual payroll X .013% = Tax Benefit	45 jobs X \$20,000 = \$900,000 payroll \$900,000 X .013 = \$11,700 per year
4) Corporate Income Tax	<i>(number of business)</i> X <i>(average tax liability)</i> = Tax Benefit	4 business X \$350 each = \$1400 per year

Annual Tax Benefit = \$35,900  
Five Year Tax Benefit = \$179,500





# Streetscape Improvement Incentive Program

- Designed to improve the appearance and usability of the public realm, and to incentivize further investment in Downtown.
- Created in 2001, amended most recently in 2013.
- 14 projects for \$433,000 have been approved (11 since 2013).
- Eligible activities include: sidewalk repair, install of new sidewalk, install of streetscape improvements (pavers, trees, ped lights, etc.), install of snow melt, street furniture, and parklets.
- Utility and mechanical equipment relocation are not eligible.



Ledyard Building



Grand Woods Lounge



# Streetscape Improvement Incentive Program

- Program provides a grant for 50% of projects costs up to \$35,000 as a reimbursement for eligible projects.
- If combined with an Areaway grant, up to \$50,000 is available.
- All public sidewalks and walkways in the DDA Boundary are eligible. Any building owner is eligible to apply for a grant.
- \$75 application fee.
- \$50,000 available for grants in FY14.



The B.O.B



Ellis Parking – 130 Lyon Ave NW



# Development Support

- Program created in 2006.
- Designed to promote large-scale economic growth and development in Downtown – private investment must exceed \$5 million for new projects, and \$1 million for a renovation.
- Project must result in the retention or creation of permanent jobs, or the addition of residential units to the downtown.



Hopson Flats



38 Commerce Ave SW



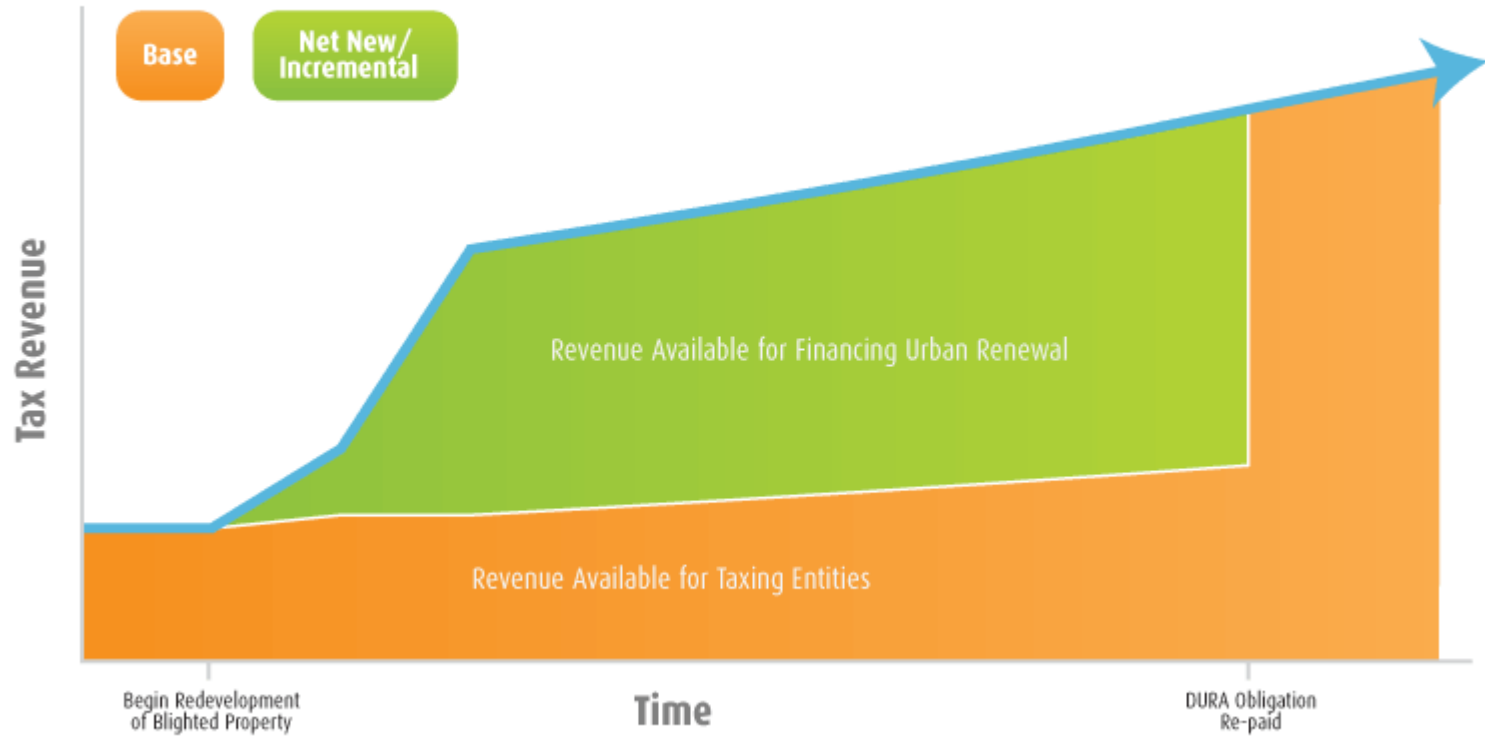
JW Marriot



**DOWNTOWN**  
GRAND RAPIDS INC.

# Development Support

## Tax Increment Financing



# Development Support

- Program allows a portion of the increase in tax base resulting from new development to be dedicated toward the project.
- Reimbursement may not exceed 75% of the tax increment generated by the project or \$10,000 for each job and housing unit created, whichever is lower.
- Funds must be applied toward “public facilities” and the payback occurs over a 10 year period (extensions are considered on a case-by-case basis).



UICA



Riverhouse



Reserve





# Development Support - Example

- Initial Taxable Value of Site prior to Redevelopment: \$850,000
- Redevelopment activities, proposed by developer, total \$15 million and include construction of a new 10-story building. The building will contain 50 new residential condominiums and 20,000 sq. ft. of commercial space that will create 30 permanent jobs. Plans call for the installation of public facilities costing \$950,000.

Initial Taxable Value	\$850,000
New Investment	\$15,000,000
New Permanent Jobs	30
New Res Units	50
New Taxable Value	\$6,850,000
Captured Taxable Value	\$6,000,000
Estimate Annual Tax Increment Revenue: (6,000,000 x .01620)	\$94,985
Estimate Max Annual Reimbursement	\$71,239
Max Reimbursement (10yrs)	\$712,390
Max Reimbursement (Jobs/Housing Threshold)	\$800,000
Ratio: DDA Reimbursement (\$712,390) to Private Investment (\$14,287,610)	1:20



## Alliance for Investment

### February 2015 Downtown Incentive Program Discussion Notes

#### Areaway Fill

1. How does the new income tax for streets and sidewalks impact the Program?
2. There should be discussion about the goals and how they are changing. If first it was public safety, now there are other goals regarding aesthetics and snowmelt as well as urban canopy that are not covered with the existing Program. Focus on areas needing these improvements.
3. Fear that capping Program could dis-incentivize people to use it.
4. How can we convince private owners to fill areaways without enough incentive?
5. Most expensive part is moving utilities and is not recoverable cost due to state statute
6. Need inventory map of existing and filled areaways.
7. How many owners investigate program but do not fill because of lack of incentives?
8. Need marketing program to notify owners that Program exists.
9. Does the program advisory board still exist?

#### Building Reuse

1. How many buildings in Downtown were constructed before 1950 ?
2. Examine cutoff date based on number of remaining buildings built before 1950.
3. What is the true cost to administer the Program?
4. The cost to apply should be less than less than 10% of the request.
5. How many of each type of BRIP grant have been done in the past 3 years?
6. Update LEED checklist.
7. Need inventory of 1950's buildings.

#### Development Support

1. Require a percent of new occupants from outside the DDA boundary for eligibility; incorporate a potential TIF reimbursement adjustment if the threshold is not reached. This would apply to nonresidential portions of the project;
2. Delete the \$10,000 per job reimbursement cap;
3. Explore a longer term TIF, up to 20 years, with a reduced reimbursement percentage. We would want to be careful that such a program would not negatively affect development. We are suggesting a review of this potential option but did not determine whether we would be in favor of the longer term;
4. Implement a minimum hold period of 5 to 7 years for the developer. We discussed that there could be various end runs around this, but that generally this would encourage the developer to be more vested in the project;
5. Change the development support policy paragraph #10/11 to remove the interest provision on unreimbursed eligible costs;
6. Establish specific criteria to qualify the project for development support mirroring the various strategies and objectives set forth by the work groups, including related to public space. We

discussed that this could be implemented through a point system, but do not want to overcomplicate the process. Certain qualifying characteristics to consider/favor would be heated sidewalks, green roofs, blighted buildings, and other similar items which would have a public benefit. We discussed that many of these would qualify as eligible expenses under the DDA statute;

7. Although we did not have time to discuss the specific fee arrangement, we did discuss that a fee should be implemented to administer the development support program;
8. A formal but simple application should be developed to streamline and standardize the application process / simplify staff's review of the projects and the specific eligibility criteria.

## **Streetscape**

1. \$35,000 is not a strong incentive for private property owners to use the Program.
2. What is the impact of fluctuating taxable values?
3. Can we combine with streetscape, snowmelt, tree plantings, etc?
4. How is the Program marketed?
5. How does vital streets impact the Program?
6. Revisit streetscape Plan guidelines.
7. Does the Program Advisory Board still meet?
8. Re-evaluate \$350 per linear foot because sometimes more than one business exists at a building.
9. Incorporate snow melt into design standards.
10. Simplify or streamline application process.
11. Need to better coordinate funding between all incentives.
12. Does having separate programs still make sense? Should they all be combined into one Downtown Improvement Program?





## MEMORANDUM

TO: DGRI Board of Advisors

FROM: Kristopher Larson, AICP

DATE: November 5, 2015

**SUBJECT: Proposed Organizational Performance Measures**

To better assist in articulating the story of DGRI, its alignment, efficiencies, and effectiveness, the DGRI Executive Committee has recommended a set of 15 performance measures to gauge DGRI's successes (see below). Beginning with a recommended set of 61 options provided by DGRI staff, the Executive Committee winnowed the list to more than a dozen metrics that will assist in organizational goal setting and performance tracking around six key investment focus areas and other efficiency measures.

All 15 are related either to specific targets emerging from GR Forward, the original purpose of DGRI's respective public finance tools (DDA, MNTIFA, and DID), or sound fiscal responsibilities associated with non-profit management. It is anticipated that FY16 will establish the baseline data, with regular reporting performed as a component of the annual State of Downtown event that occurs at the end of each fiscal year. To expand upon organizational transparency, the approved measures will have a permanent page on the DGRI website, [www.downtowngr.org](http://www.downtowngr.org), dedicated to providing public access to the baseline data and subsequent targets and performance measures. Where possible, the measures will be updated to inform important organizational activities such as budgeting or goal setting.

### **Proposed Organizational Performance Measures**

**I. Key Investment Focus: Facilitating investment**

Proposed Indicators / metrics:

- Change in tax valuation within district(s)
- Private investment leveraged vs. TIF dollars invested

**II. Key Investment Focus: Mobility**

Proposed Indicators / metrics:

- Pedestrian counts
- Perception of visitor parking availability

### **III. Key Investment Focus: Livability**

Proposed Indicators / metrics:

- Number of households
- Household affordability mix

### **IV. Key Investment Focus: Inclusion and Participation**

Proposed Indicators / metrics:

- Demographically representative leadership – Boards and Alliances
- Perception of Downtown as a welcoming and inclusive environment

### **V. Key Investment Focus: Marketing, Communications, and Vibrancy**

Proposed Indicators / metrics:

- Social media followers
- Economic return generated via DGRI events

### **VI. Key Investment Focus: Safe, Clean and Beautiful**

Proposed Indicators / metrics:

- Stakeholder-driven qualitative ratings on sidewalk cleanliness
- Percentage tree canopy in Downtown

### **VII. DGRI Efficiency Measures**

Proposed Indicators / metrics:

- Percentage of DID budget returned as direct services and improvements
- Speed of project implementation
- Resources / leverage raised to assist in project implementation

### **Recommendation:**

Adopt the proposed organizational performance measures as presented.

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DATE: July 8, 2016

TO: Alliance for Investment

FROM: Tim Kelly, Planning Manager

**SUBJECT: Monroe Center and Ottawa Avenue Beautification Plan**

In FY16, the Alliance for Livability (AL) initiated a beautification plan for Monroe Center and Ottawa Avenue. The plan sought to identify areas of potential enhancement along two of Downtown's most used streets, and ultimately resulted in a recommendation to install new planters at several locations (attached).

In light of existing encroachment permits and the requirement to maintain a minimum travel lane of 5' on all Downtown sidewalks, some of the proposed locations identified are not viable. Further, some of the businesses have expressed concern with overcrowding their storefronts.

Given the project falls in line with streetscape beautification, it has now been moved under the purview of the AL. As a result, staff is seeking recommendations on alternative locations for approximately 20 planters. Potential locations to consider include:

- Buffers for Parklets and/or Bike Corrals
- Inactive Streets (attached)
- Van Andel Arena or Other Similar Blank Open Spaces

SEASONAL PLANTER ILLUSTRATIVE PLAN

GENERAL PLANTER AND CAFE SEATING LAYOUT

ENLARGEMENT AREA 1 (MAD CAP)

ENLARGEMENT AREA 2 (PARSLEY)

ENLARGEMENT AREA 3 (DOG PIT, SWEET YO'S, ANGEL THAI)

ENLARGEMENT AREA 4 (KILWIN'S)

OPINION OF PROBABLE COST & PLANTER SPECIFICATIONS

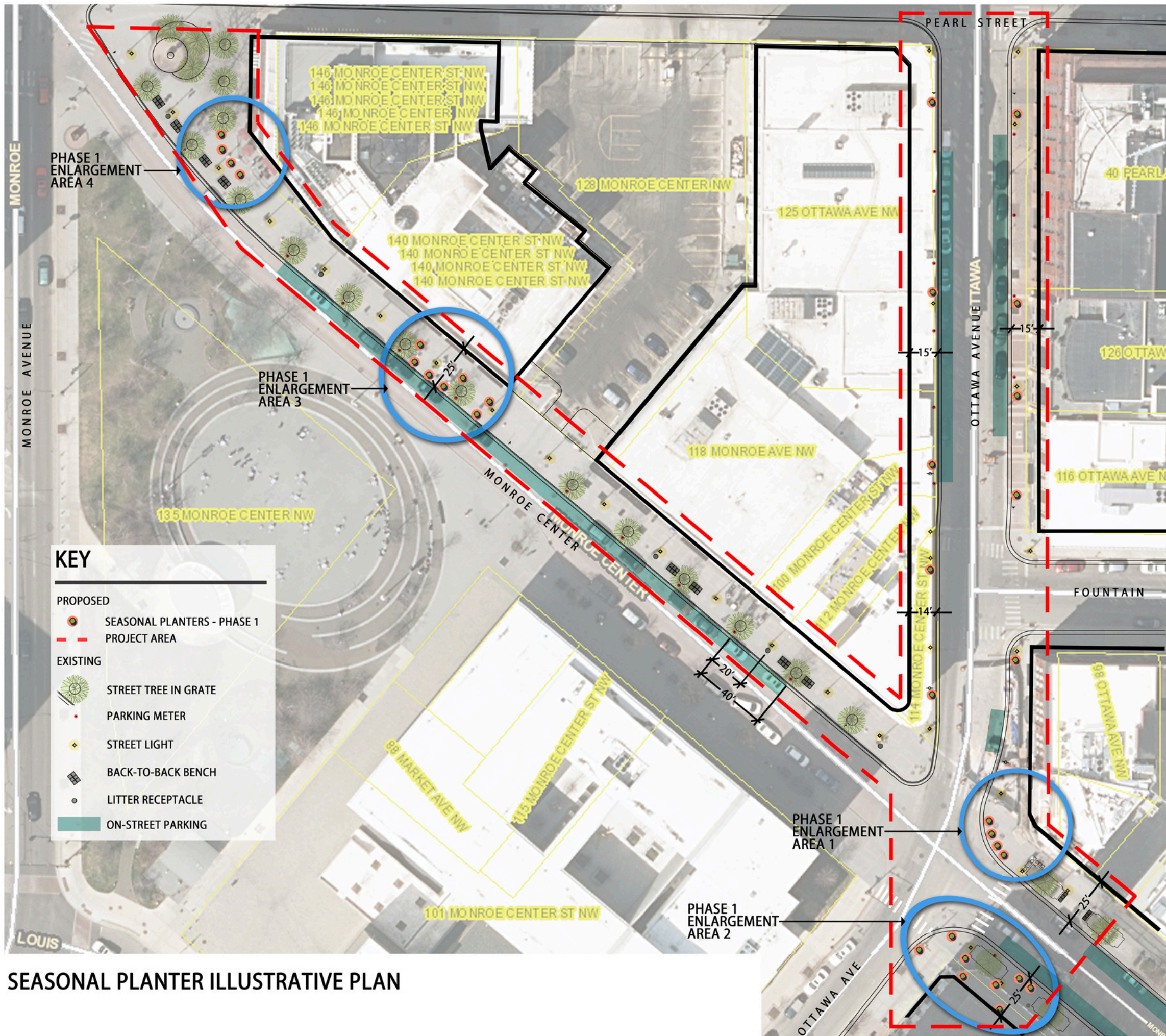
# PUBLIC REALM

## BEAUTIFICATION & ACTIVATION

MONROE CENTER AND OTTAWA AVENUE

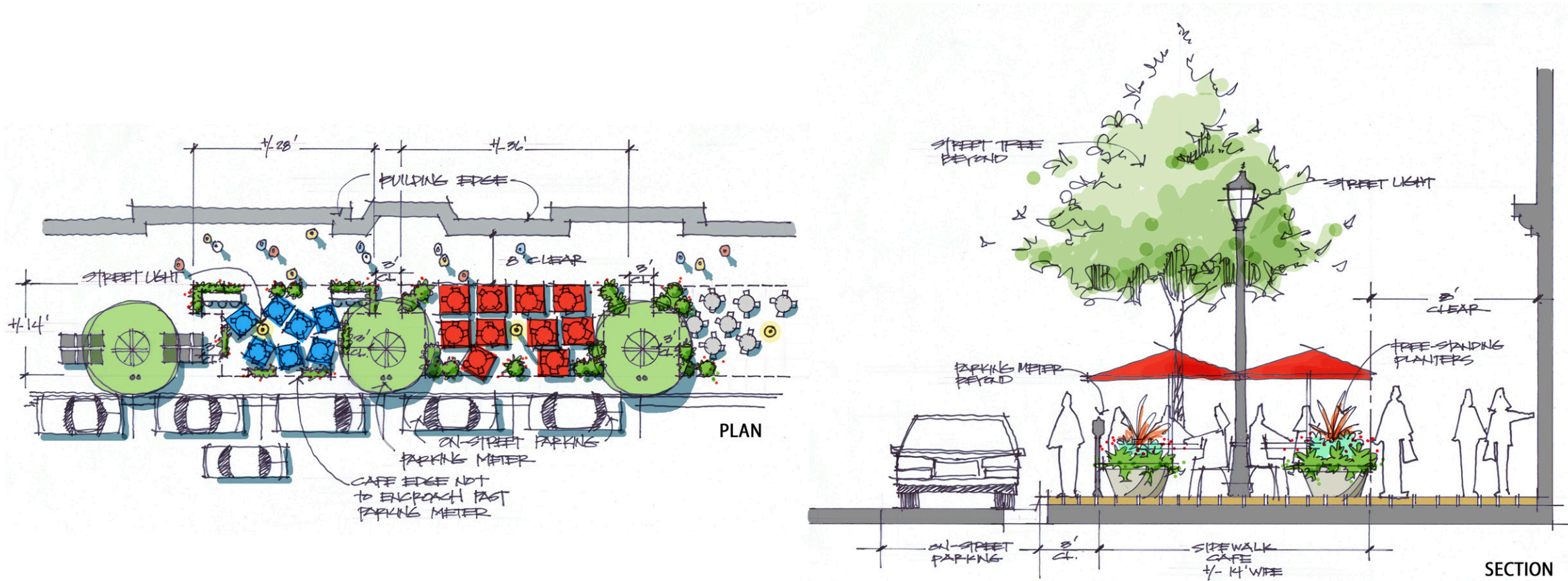




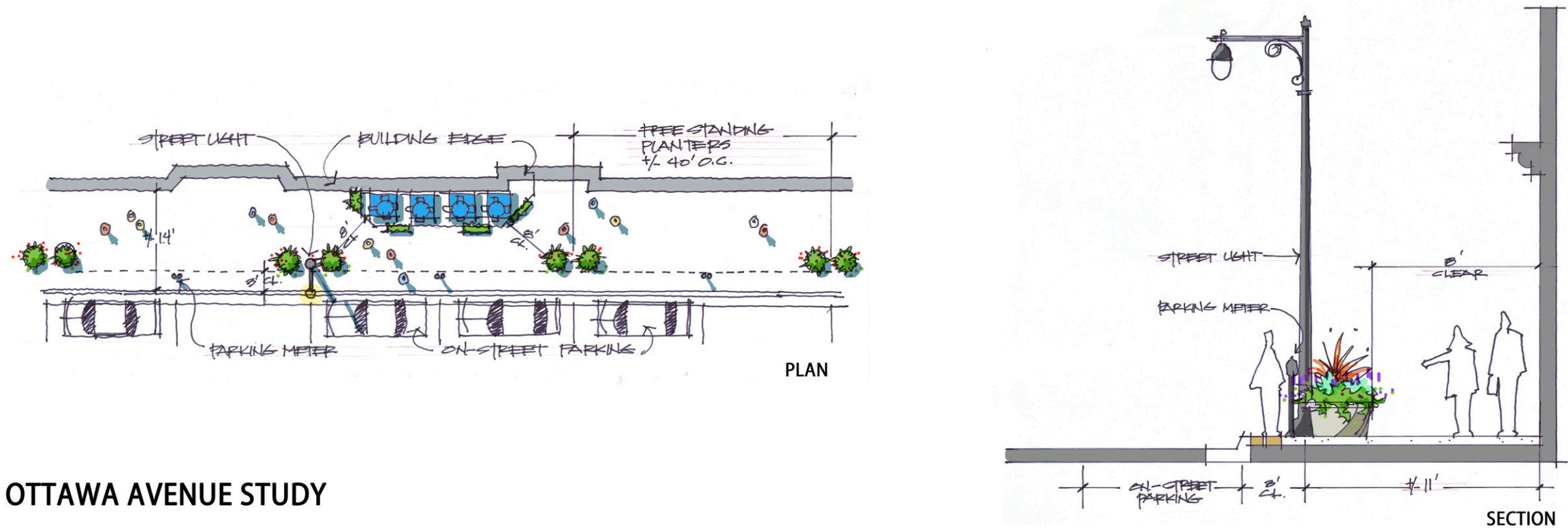


SEASONAL PLANTER ILLUSTRATIVE PLAN





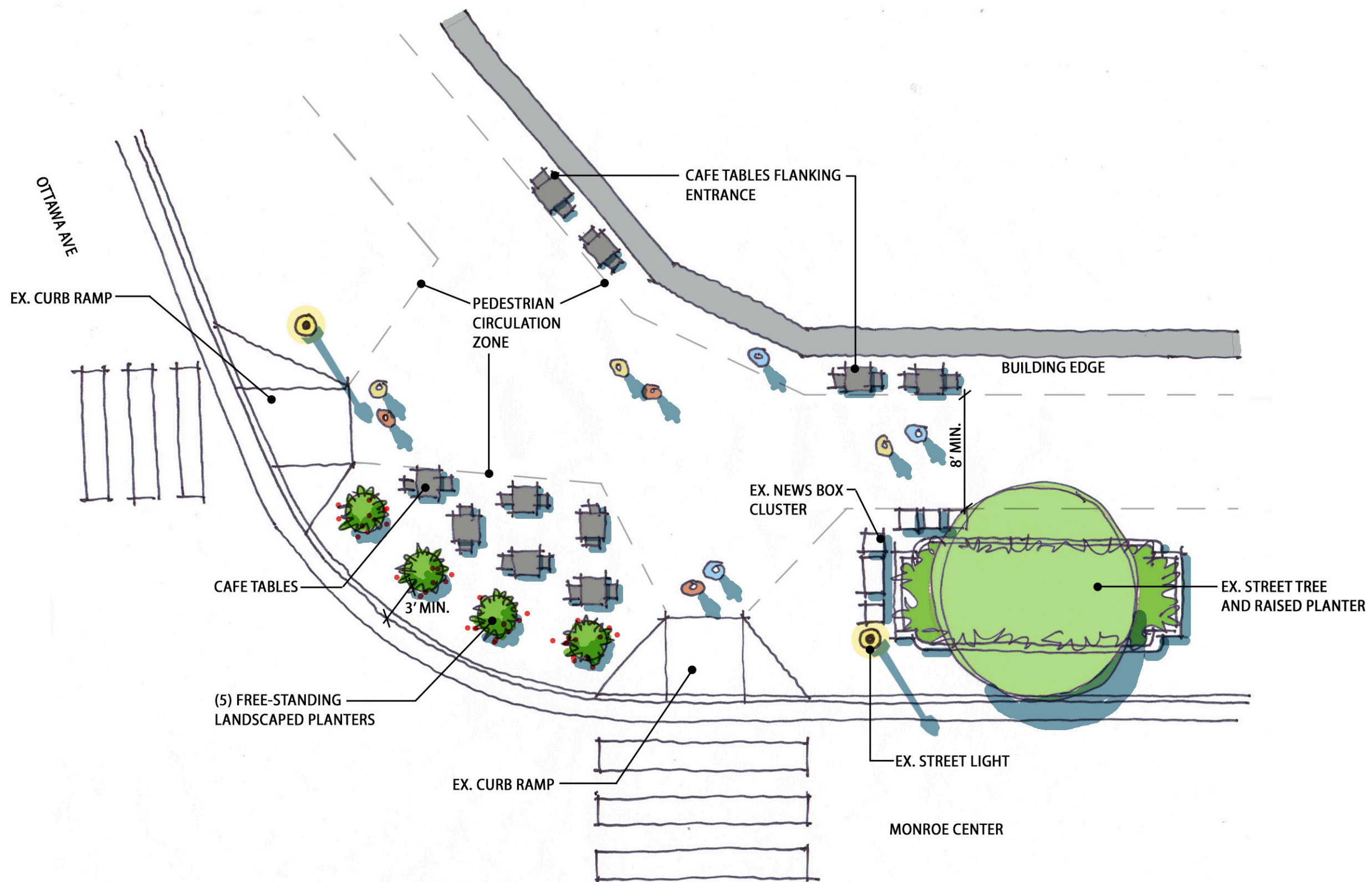
MONROE CENTER STUDY



OTTAWA AVENUE STUDY

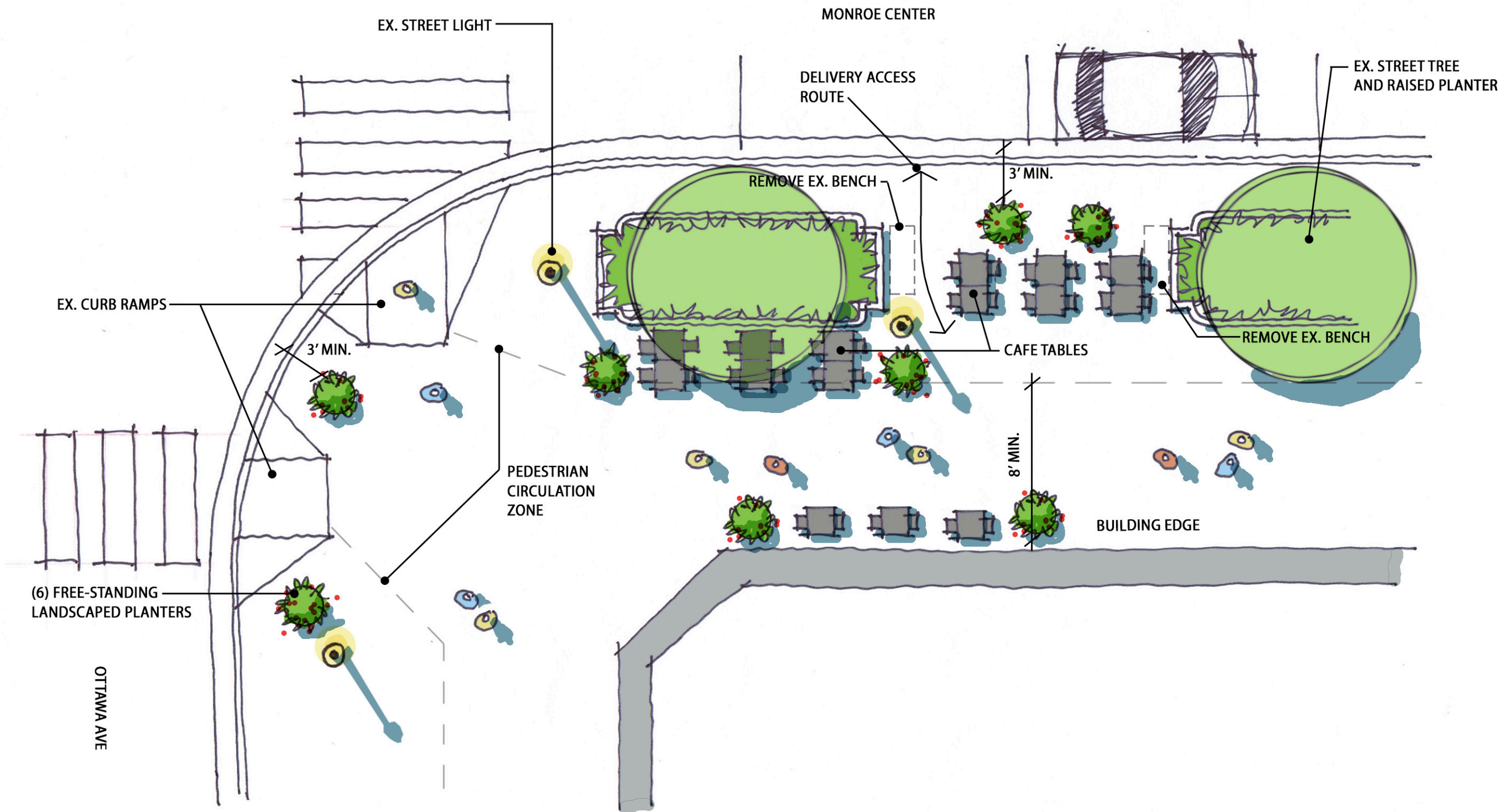
# GENERAL PLANTER AND CAFE SEATING LAYOUT





## ENLARGEMENT AREA 1 (MAD CAP)

SCALE: 1/8"=1'-0"



## ENLARGEMENT AREA 2 (PARSLEY)

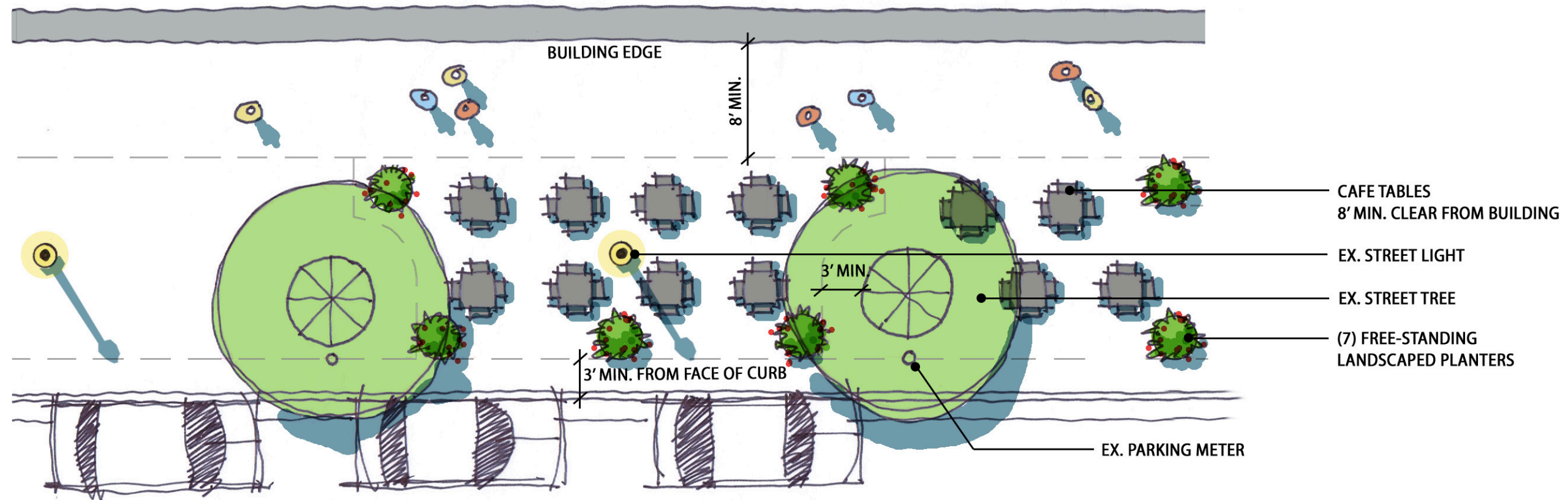
SCALE: 1/8"=1'-0"

BEAUTIFICATION & ACTIVATION

PUBLIC REALM

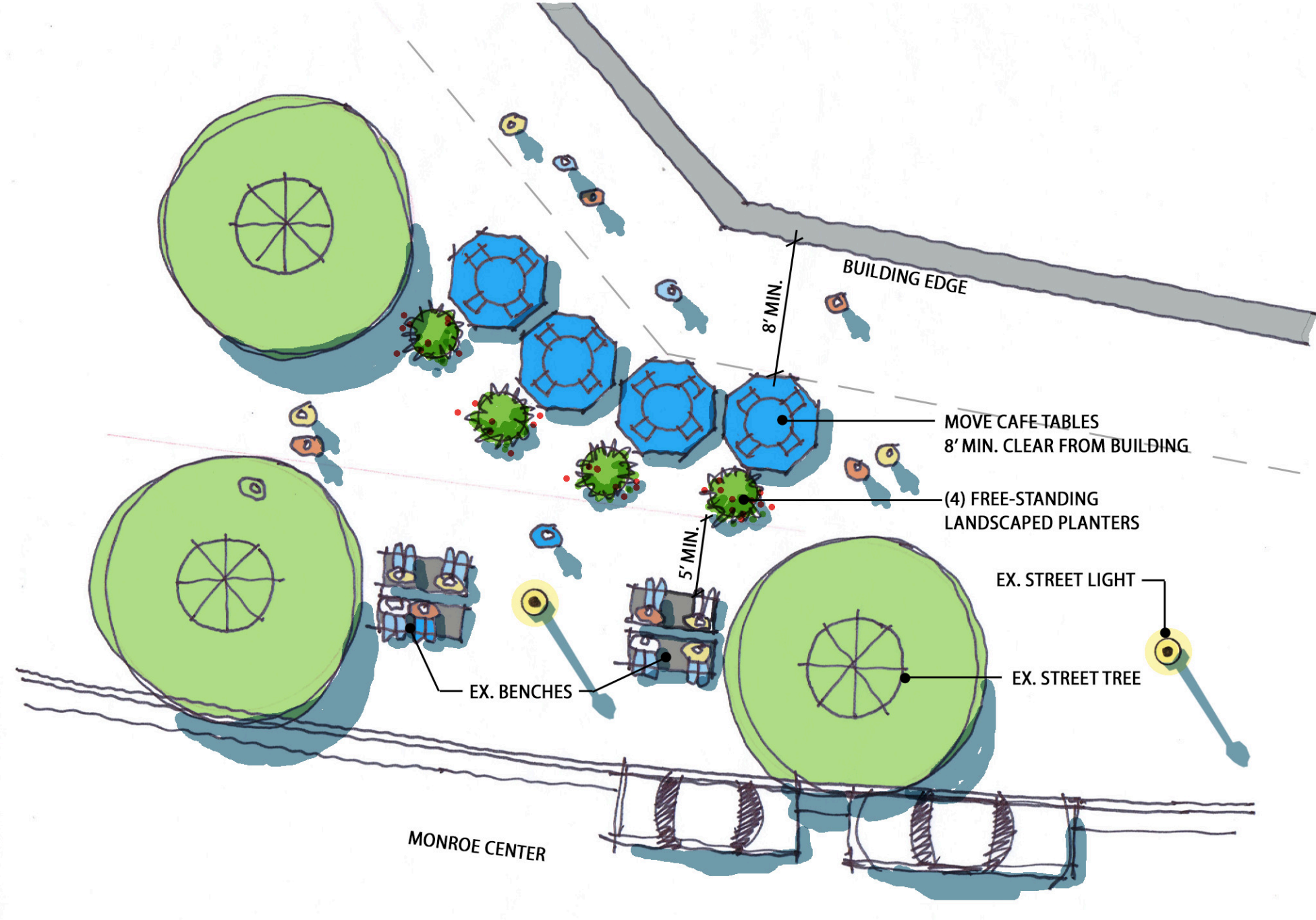
MONROE CENTER AND OTTAWA AVENUE





## ENLARGEMENT AREA 3 (DOG PIT, SWEET YO'S, ANGEL THAI)

SCALE: 1/8"=1'-0"



## ENLARGEMENT AREA 4 (KILWINS)

SCALE: 1/8"=1'-0"



OPINION OF PROBABLE COSTS (OPC) : 12-10-15

Item	Quantity	Unit	Unit Price	Total
Ottawa Avenue: 36" Diameter x 23" Ht. LFI Rosa Planter	10	EA	\$602	\$6,020
Monroe Center: 36" Diameter x 23" Ht. LFI Rosa Planter	23	EA	\$602	\$13,846
One-time Materials needed (pea gravel, styrofoam, planting soil)	33	LS	\$120	\$3,960
Install Summer 2016 Arrangements	33	SF	\$275	\$9,075
		<b>Total</b>		<b>\$32,901</b>

Planter Arrangement:


- Ottawa Avenue East = 5
- Ottawa Avenue West = 5
- Monroe Center, Madcap = 4
- Monroe Center, Parsley = 8
- Monroe Center, Dog Pit/Sweet Yo's/Angel Thai = 7
- Monroe Center, Kilwin's = 4

LANDSCAPE FORMS: ROSA PLANTER



COLORS

  
black

  
blue bell


  
daisy

  
fog

  
grass


  
melon


  
otter


  
pine


  
sky

SIZES

  
24" x 15"

  
30" x 18"

  
36" x 23"

  
42" x 13"

dla x h






# PROPOSED DEVELOPMENT

- A. 820 MONROE - 85 Rental Units - Ground Floor Commercial
- B. LOFTS ON CLANCY - 66 Units
- C. GATEWAY @ BELKNAP - 86 Units - Commercial/Retail Space
- D. LOFTS ON ALABAMA - 85 Units
- E. NEW HOLLAND BREWERY - 35 Units - Commercial / Office Space
- F. THE ROWE - 85 Units - Ground Floor Commercial
- G. 555 / 601 MICHIGAN - 42 Units - Ground Floor Commercial
- H. WATERS BUILDING - 42 Units - Office + Hotel Space
- I. CHERRY STREET CAPITAL - 63 Units - Ground Floor Commercial
- J. MORTON HOUSE - 100 Units - Ground Floor Commercial
- K. B.O.B EXPANSION - 90 Units - Music Venue - Beer Garden
- L. ROCKFORD DEVELOPMENT - 98 Units - Ground Floor Commercial
- M. 20 E. FULTON - 108 Units - Ground Floor Commercial
- N. ARENA PLACE - 101 Units - Office Space - Ground Floor Commercial
- O. 345 STATE STREET - 34 Units
- P. 240 IONIA - 48 Units - Ground Floor Commercial
- Q. KLINGMAN'S LOFTS - 83 Units - Ground Floor Commercial
- R. 1001 MONROE - TBD
- S. 936 FRONT AVE. NW - 68 Units
- T. 601 BOND - 150 Units
- U. 47 PEARL / 155 IONIA - TBD
- V. 56 DIVISION - TBD
- W. 449 MARKET AVE. - 24 Units
- X. 234 MARKET AVE. - 234 Units
- Y. 25 JEFFERSON AVE. SE - 21 Units

 Inactive Streets

TOTAL PROPOSED HOUSING:

**1,748 UNITS**

-  PROPOSED RESIDENTIAL DEVELOPMENT
-  PROPOSED NON-RES. DEVELOPMENT
-  PLANNED DEVELOPMENT

