

AGENDA

DOWNTOWN DEVELOPMENT AUTHORITY



Board Members:

Mayor Rosalynn Bliss • Kayem Dunn • Dr. Wendy Falb • Jane Gietzen
Brian Harris • Elissa Hillary • Diana Sieger • Jim Talen • Rick Winn

Wednesday, August 10, 2016
8:00 a.m. Meeting
29 Pearl Street, NW Suite #1

- | | | |
|--|---------------|---------|
| 1. Call to order | | |
| 2. Approve Meeting Minutes from July 13, 2016 (8:01)
(enclosure) | <i>Motion</i> | Harris |
| 3. Authorize Audit Services Agreement (8:05)
(enclosure) | <i>Motion</i> | Wallace |
| 4. Incentive Program Updates (8:10) | Info Item | Kelly |
| 5. Approve Streetscape Improvement Support for 405 Bridge St. (8:30)
(enclosure) | <i>Motion</i> | Kelly |
| 6. Approve BRIP for 138 E. Fulton St. (8:35)
(enclosure) | <i>Motion</i> | Kelly |
| 7. Approve Liquor License Request – 404 Ionia Ave SW (8:40)
(enclosure) | <i>Motion</i> | Kelly |
| 8. Consent to PILOT at 12 Weston (8:45)
(enclosure) | <i>Motion</i> | Larson |
| 9. Approve 2 nd Amendment to Lyon Square SD Agreement (8:50)
(enclosure) | <i>Motion</i> | Larson |
| 10. President & CEO Report (8:55) | Info Item | Larson |
| 11. Public Comment (9:05) | | |
| 12. Board Member Discussion (9:10) | | |
| 13. Adjournment | | |

UNAPPROVED MINUTES

MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

July 13, 2016

1. Call to Order – The meeting was called to order at 8:05am by Brian Harris

2. Attendance

Present: Mayor Rosalynn Bliss, Kayem Dunn, Dr. Wendy Falb, Brian Harris, Diana Sieger, Jim Talen, Rick Winn

Absent: Elissa Hillary, Jane Gietzen

Others Present: Kristopher Larson (Executive Director), Murphy Ackerman (DDA Executive Assistant), Jana Wallace (DDA Treasurer), Tim Kelly, Bill Kirk, Andy Guy, Annamarie Buller, Kimberly Van Driel, LaTarro Traylor (Staff) Dick Wendt, Tom Hillen, Jim Harger, Amelea Pegman, Christian Gaines, Trevor Bosworth, Steve Faber, Josh Naramore, Mark DeClerq, Melvin Eledge, Jeff Edwards, Dale Robertson, Peter De'Arienzo, Rick Mucshiana

3. Approve Meeting Minutes from May 11, 2016

Motion: Diana Sieger, supported by Kayem Dunn, moved approval of the minutes from the May 11, 2016 meeting as presented. Motion carried unanimously.

4. Accept May 30, 2016 Financial Statements

Ms. Wallace gave an overview of the May financials. Ms. Wallace explained that the administrative line item is now trending on budget due to Mr. Larson completing the payroll allocations. Ms. Wallace said she is also working with the City's CFO to find a way to produce the financials in a way that will continue to break down the statements by line item. Ms. Wallace said that this has not yet been feasible in the new financial system.

Motion: Mayor Rosalynn Bliss, supported by Rick Winn, moved to approve Statement D: Schedule of May 2016 Expenditures as recommended. Motion carried unanimously.

Mr. Harris reminded the board that it is typical not to have June 30 statements because the amounts are in flux due to the fiscal year end.

5. Amendment to Calder Plaza Steering Committee

Mr. Kelly explained that this is an amendment to the original steering committee. Mr. Kelly said that Mr. Wierda and Mr. Cummings of CWD were originally not included on the committee because of CWD's inclusion on a team that submitted a proposal for the Calder Plaza design contract. Mr. Kelly said because of their interest in the real estate around the plaza, their expertise will be very valuable to the committee.

Motion: Kayem Dunn, supported by Mayor Rosalynn Bliss, moved to approve the addition of Sam Cummings and Scott Wierda of CWD Real Estate to the Calder Plaza Steering Committee. Motion carried unanimously.

6. Adopt FY 17 DDA Budget and Priority Plan

Mr. Larson said this is the final step in the approval of the FY17 budget. Mayor Bliss said City Commission was very grateful for all of the work that DGRI has done to diversify its Alliances and lead the participatory budgeting efforts in the community.

Motion: Dr. Wendy Falb, supported by Diana Sieger, moved to adopt the FY17 Budget and Priority Plan. Motion carried unanimously.

7. Approve Amendment to Revenue Sharing with Parking Services

Mr. Larson said this is an amendment to the current contract between the DDA and Parking Services, now known as Mobile GR. Mr. Larson said by way of contract, Mobile GR manages the parking lots that are owned by the DDA. Mr. Larson explained that this revenue stream is what funds our DDA non-tax projects. Mr. Larson explained that the contract has been out of term for a year, and would like to extend the current terms into the current fiscal year. Mr. Larson said that with this contract, the DDA receives 25% of the parking revenues, and with parking rates expected to increase on the DDA owned lots, this will result in approximately \$200,000 in addition to what was budgeted for. Mr. Larson added that this is not a long term sustainability plan and staff will look to identify long term earned revenue strategies and work to amend the legislation to allow mobility initiatives to be funded by local tax dollars. Mayor Bliss asked why the DDA is only receiving 25% of the revenue. Mr. Naramore said that the 75% that Mobile GR receives includes managing and maintaining the lots as well as helping to fund the DASH routes. Mr. Wendt said historically the DDA received 12% of the revenues, and has seen an increase in recent years. Mr. Larson said he would like to make clear that the DDA has an excellent relationship with Mobile GR and believes this is the best outcome for both parties. Mr. Larson added that Mobile GR uses the funds that it receives for the DDA owned lots to fund the DASH services and rerouting of the DASH, both of which are in the best interest of Downtown and DGRI. Ms. Wallace said she would like to see an amendment to the frequency of payment in the contract. Mr. Naramore said that the frequency of payment conversation that he had with Ms. Wallace was not a formal amendment to the contract.

Motion: Rick Winn, supported by Diana Sieger, moved to approve that attached resolution and authorize the DDA Board Chair to execute a third amendment to the agreement so long as it specifies a quarterly transfer of parking revenues from Mobile GR to DDA. Motion carried unanimously.

8. Authorize Funds for Overpass Pedestrian Improvements

Mr. DeClerq said this item is to approve the DDA's participation in the project which includes the Bridge Street and Cherry Street overpass improvements. Mr. DeClerq gave a presentation of all of the planned improvements including, realigned curbs, sidewalk crossings, lighting enhancements, and landscape additions. Mr. DeClerq added that City Commission approved the City's portion of the project at their previous meeting. Mr. Harris added that this project is consistent with the GR Forward plan and is excited to see these improvements made. Mr. Larson said that both of these overpasses were specifically identified in the plan, and thanked Mr. DeClerq and Viridis for their help to see this project through. Mr. Talen asked if the designs will need to be amended if Areas 4 and 5 are

developed. Mr. DeClerq said that these designs were developed keeping in mind the potential for development on the lots and nothing will need to be reconfigured. Mr. Winn asked if these will mirror updates done on Pearl Street. Mr. DeClerq said yes, and said he is thankful for the local partnership with MDOT to make these projects happen. Mr. Winn said he is very encouraged by the progress he has seen on the Pearl Street corridor.

Motion: Mr. Winn, supported by Mayor Bliss, moved to approve the DDA's share of costs in the amount of \$181,847. Motion carried unanimously.

Mr. Larson added that the retaining wall on Bridge Street is an opportunity for public art and will be a great project to bring to the Alliances.

9. Approve Major Event Support for ArtPrize 8

Mr. Larson said this is a continued evolution of the DDA support for ArtPrize. Mr. Larson said that the DDA has historically funded the curation of the public realm, and this year will be commissioning pieces of art to ensure that there is a high level of quality art throughout the Downtown. Mr. Larson added that the DDA will also co-fund a musical aspect of the competition that will introduce musical performances on the Blue Bridge. Ms. Dunn said that these additions are very exciting and looks forward to the art that will fill the public realm. Ms. Dunn asked if there is potential for permanent installations of these commissioned pieces. Mr. Gaines said that there is always the opportunity for permanent installation should the right piece be identified. Mr. Gaines said that maintenance is always a key piece to any permanent installation.

Motion: Kayem Dunn, supported by Mayor Bliss, moved to approve Signature Event Sponsorship to ArtPrize 8 in the amount of \$40,000. Motion carried unanimously.

Mr. Harris reminded the Board that this event sponsorship is not meant to be an underwriting program, but when events are able to reinvent themselves and continue to evolve, the DDA is excited to support them.

10. Approve BRIP for Front Row Building 63 Monroe Center

Mr. Kelly introduced the BRIP for façade improvements at the Jimmy Johns located on Monroe Center. Mr. Kelly said the façade easement as applied is required to cover the entire building façade, even in the areas not being improved. However, at 63 Monroe Center the upper floors have been converted to condos and are under separate ownership, meaning an easement to restrict future alterations or improvements to the entire façade is not an option. Mr. Kelly said this is a perfect example of a nuance that the Alliance for Investment will be working to accommodate when reimagining the incentive programs. Mr. Kelly said in order for the project to move forward, and after working with Mr. Wendt, staff is recommending to move forward with the BRIP agreement without an easement being recorded.

Motion: Mayor Bliss, supported by Rick Winn, moved to approve the BRIP request in an amount not to exceed \$17,607.50 for 63 Monroe Center NW. Motion carried unanimously.

11. Approve BRIP for 443 Bridge

Mr. Kelly introduced the request for the BRIP at 443 Bridge Street. Mr. Kelly said this request is for a new restaurant called The Sovengard that will include a "biergarten" and occupy the ground floor

along Bridge Street. Mr. Kelly added that only the front parcels are located in the DDA boundary and DDA funds will only be approved for those sides of the building. Rick Mucshiana introduced himself to the Board and said that this is a unique space that looks like a basement from the front of the building, but is in fact a walkout. Mr. Mucshiana said that ADA access will be added to the Broadway side of the building.

Motion: Kayem Dunn, supported by Dr. Wendy Falb, moved to approve the BRIP request in an amount not exceed \$72,050 for The Sovengard at 443 Bridge Street NW. Motion carried unanimously.

12. Public Museum & Zoo Millage Overview

Mr. Larson said that this millage overview is germane to the DDA because the current TIF plan does not allow the DDA to not capture special millages such as the Public Museum and Zoo millage. Mr. Robertson and Mr. D'Arienzo gave a presentation on the improvements that the millage would be used to fund. Mr. Robertson added that both the Public Museum and Zoo have worked very hard to provide full transparency of their financials and access to how they are maintaining their assets. This millage will be on the November 8th ballot. Mr. Harris asked how the current TIF plan outlines special millages. Mr. Larson said in an instance of special millages a portion of the revenue stream is captured by the DDA. Mr. Larson said this is a highly contentious scenario that has been contested in courts. Mr. Larson said the TIF plan steering committee can reconsider how and if these millages are captured when rewriting the DDA TIF plan. Mr. Larson said it would ensure that when voters are saying yes to these millages, they are not also saying yes to the DDA capturing a portion of the money. Ms. Dunn said she is concerned with the timing and whether or not the change can be made before this millage is on a ballot. Mr. Harris asked if this will be a tough process to have the special millages excluded from DDA capture. Mr. Wendt said that this is doable and will require some creativity, but is confident that the steering committee and staff will be able work through it. Mr. Wendt said a key focus will be to define what a special millage is. Ms. Sieger asked how it is possible that this change does not need to happen through the legislature. Mr. Wendt said the DDA operates under the Development Plan and the TIF Plan but the TIF Plan would allow the opting out of millages. Dr. Falb asked if other TIF funded bodies have plans that do not capture special millages. Mr. Wendt said it is a mix throughout the state of TIF bodies that do and do not. Mr. Harris said that this is a complicated matter, but there is a strategy to achieve certain goals. Mr. Harris said he would like to support the notion that counsel has provided and then when the DDA has a draft TIF Plan, there will be an opportunity for open conversation.

13. President & CEO Report

DGRI (5/5/16)

- Received alignment updates from Airport and The Rapid
- Approved support for new Food Truck Ordinance

DID 5/11/16

- Recommended FY 17 budget

MNTIFA (5/11/16)

- Recommended FY 17 budget

Alliances:

INVESTMENT (7/12)

- Chair: Nikos Monoyios, Long Range Planner @ The Rapid
- Working on Incentive Program modifications

VIBRANCY (4/20)

- Chair – Brandy Moeller, City of Grand Rapids
- Recommended FY17 AFV Budget Priorities

LIVABILITY (4/25)

- Chair: Lynee Wells, Principal @ Williams & Works – Working Group Discussions;
- Participated in discussions on Downtown Census, Food Truck Reform, and Skate Park planning

DGRI Staff Highlights

Events / Marketing / Communications

- Planning Olympics Opening Ceremony event with WOOD TV8
- Next Residential Stakeholder Event, August 2, 2016 @ Secchia Center
- Launched development of 2 video projects
- Designed and produced FY16 Annual Report
- Launched Relax at Rosa – 20 weekly, recurring events starting 5/5
- Held first 3 2016 Movies in the Park
- Held successful State of the Downtown, June 9

Planning / Development

- Met with Senator Ken Horn & Senate legislative staff on TIF reform
- Developing RFP for Bikeshare feasibility Study
- Developed draft food truck ordinance – Town Hall July 20th, Public meeting set for July 26th
- Collaborating on flood protection improvements for Ah-nab-Awen Park & Indian Mounds Park
- Partnering with Experience GR and Grand Action on Destination Asset Initiative
- Managing Lyon Square Schematic Design
- Held Initial Public Meeting on Calder Plaza Design 6/23
- Next TIF Plan Committee Meeting - 7/14
- Achieved approval from Rapid Board for free Silverline service north of Wealthy St.

14. Public Comment
None

15. Board Member Discussion

Ms. Dunn said that the DGRI Executive Committee recently did its yearly evaluation of Mr. Larson and would like to recognize his outstanding performance. Ms. Dunn said that GR Forward is moving into implementation and the committee recognized the high level of productivity and the use of GR Forward as a guide and roadmap.

Mr. Harris said he would also like to provide the Board an opportunity to provide feedback on how he is conducting meetings. Mr. Harris said he would like to be mindful of the operations of conduct for meetings, and would hope that the Board would not conduct negotiations during meetings.

16. Adjournment

The meeting adjourned at 9:50am

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: August 1, 2016

TO: Downtown Development Authority
Kristopher Larson, Executive Director

FROM: Jana M. Wallace
Debt & Authority Finance Officer

SUBJECT: Resolution authorizing the signing of an “Agreement to Provide Audit Services,” for the fiscal year ended June 30, 2016

In January, 2011, a Request for Proposal (RFP) was mailed to twenty-two accounting firms for professional financial auditing services for the City and its seven associated authorities plus the Grand Valley Regional Biosolids Authority (“GVRBA”) for the fiscal years ended June 30, 2011 through June 30, 2013. In addition to typical considerations, the RFP referenced the City’s upcoming accounting and financial software conversion.

Five proposals were received and reviewed by Chief Financial Officer Scott Buhrer, Deputy Comptroller Ruth Lueders, and me on February 28, 2011. Competitive prices from each firm resulted in a difference of only \$6,430 between the highest fee proposal and the lowest. In 2011, we ranked BDO USA LLP’s proposal as the best proposal based on the criteria specified in the RFP.

Due to changes in ownership of the Cogsdale Financial Management System (CFMS) software installed in December 2011, the “new accounting system” anticipated when the 2011 is in the process of being replaced with CGI’s Advantage360 Financial Management System (“A360”) software.

The City’s A360 Performance Budgeting software went “live” last fall and the A360 Financial Management / Procurement and Pentaho Reporting software went live on May 1, 2016. City staff are now working to implement the A360 Human Resources Management and payroll software and expect to complete this work in the fiscal year ending June 30, 2017.

Given these ongoing conversion processes, hiring a new auditing firm would require significant additional effort from City staff to train a new auditing staff. Until the completion of the conversion process, auditing services continuity is the efficient and cost effective choice. In September, 2017 the City should be able to issue an RFP for FY2018 through FY2020 auditing services proposals.

BDO is charging the same fees for the fiscal year ended June 30, 2016 audits as it charged for the FY2015 audits. For the FY2017 audits, BDO is increasing its overall fees by slightly more than 3.1%. The fees are compared below:

Entity To Be Audited	FY2015 Fees	Proposed FY2016 Fees	Proposed FY2017 Fees
City of Grand Rapids, including federal single audit	\$112,000	\$112,000	\$115,500
Grand Rapids Brownfield Redevelopment Authority	5,050	5,050	5,200
Grand Rapids Downtown Development Authority	6,500	6,500	6,700
Grand Rapids SmartZone LDFA	6,250	6,250	6,450
Grand Rapids/Kent County Joint Building Authority	6,250	6,250	6,450
Grand Rapids Building Authority	6,750	6,750	6,950
Grand Rapids Tax Increment Finance Authority	5,600	5,600	5,750
Grand Valley Regional Biosolids Authority	4,000	4,000	4,150
Audits Total Cost	\$152,400	\$152,400	\$157,150

Due Diligence - Each Official Statement for City Bonds \$ 2,500 \$ 2,500 \$ 2,600

Attached for your review is BDO's proposed "Agreement to Provide Audit Services" for the Authority's June 30, 2016 financial audit. On July 12, 2016 the City Commission approved BDO as the auditing services provider for the Citywide audit, as well as the City's various authority audits, for the fiscal years ending June 30, 2016 and June 30, 2017. However, BDO's internal policies require the annual approval of the "Agreement to Provide Audit Services" from each authority board.

I am asking the Authority to authorize Chairman Brian Harris to sign the attached BDO USA LLP auditing services agreement for the Authority's fiscal year ended June 30, 2016.

Please contact me at jwallace@grcity.us or at 616-456-4514 if you have any questions.

Attachment



Tel: 616-774-7000
Fax: 616-776-3680
www.bdo.com

200 Ottawa Avenue NW, Suite 300
Grand Rapids, MI 49503

Agreement to Provide Audit Services

This Agreement is made as of July 20, 2016 between The Grand Rapids Downtown Development Authority, a Michigan municipal corporation, 300 Monroe Avenue NW, Grand Rapids, Michigan ("the Client") and BDO USA, LLP, a limited liability partnership ("BDO" or "the Auditor").

Objectives and Scope of the Audit

BDO USA, LLP will audit the financial statements of the Client as of and for the year ended June 30, 2016. Management's discussion and analysis and the supplementary schedule of projects accompanying the financial statements will not be subject to the auditing procedures applied in the audit of the basic financial statements, and the auditor's report will not provide an opinion or any assurance on such information.

Responsibilities of BDO

The Auditor will conduct the audit in accordance with GAAS. Those standards require that the Auditor plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. The Auditor's work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the Client's transactions for the period. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

An audit is not designed to detect errors or fraud or violations of federal statutes and regulations that are immaterial to the financial statements or major programs. However, the Auditor will inform the Client of any material errors or fraud that comes to their attention. The Auditor will also inform the Client of possible illegal acts that come to their attention unless they are clearly inconsequential. In addition, during the course of the audit, financial statement misstatements relating to accounts or disclosures may be identified, either through the audit procedures or through communication by Client employees to the Auditor and the Auditor will bring these misstatements to the Client's attention as proposed adjustments. At the conclusion of the engagement the Auditor will communicate to those charged with governance (as defined below) all uncorrected misstatements. Because the determination of abuse is subjective, *Governmental Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

The term "those charged with governance" is defined as the persons with responsibility for overseeing the strategic direction of the Client and obligations related to the accountability of the Client, including overseeing the financial reporting process. For the Client, the Auditor and Client agree that the Board of the Grand Rapids Downtown Development Authority (the Board) meets that definition.

In making risk assessments, the Auditor will consider internal control relevant to the Client's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Client's internal control. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, the Auditor will communicate to the Client and the Board in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that the Auditor identifies during the audit.

The Auditor is also responsible for communicating with the Board what the Auditor's responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

The audit will be conducted on the basis that the Client and the Board acknowledge and understand that the Client and the Board have responsibility (1) for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements and relevant to federal award programs that are free from material misstatement, whether due to fraud or error; (3) for identifying and ensuring that the Client complies with the laws and regulations applicable to its activities; and (4) to provide the Auditor with access to all information of which the Client and the Board are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters, additional information we may request for the purpose of the audit, and reasonable access to persons within the government from whom the auditor determines it is necessary to obtain audit evidence.

Management is responsible for recording proposed audit adjustments in the financial statements, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the Client's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to the Auditor at the conclusion of the audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the basic financial statements taken as a whole. The Auditor will communicate to the City Comptroller and the Chief Financial Officer, and when the Auditor deems it appropriate, to the Client's governing body (Commission, Board or Authority) all such unrecorded adjustments. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As required by GAAS, the Auditor will request certain written representations from management at the close of the audit to confirm oral representations given to the Auditor and to indicate and document the continuing appropriateness of such representations and reduce the possibility

of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Client agrees, subject to prevailing laws and regulations, to release and indemnify BDO and its employees from any liability and costs relating to our services rendered under this Agreement attributable to any knowing misrepresentations by management.

Expected Form and Content of the Auditor's Report

At the conclusion of the audit, the Auditor will submit to the Client a report containing the Auditor's opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. The Client will distribute the reports to the governing bodies at their next scheduled meetings. The examination shall begin as soon after the signing of this agreement as shall be convenient to both parties and shall be completed no later than November 30 of each year, assuming appropriate cooperation by the Client to enable the Auditor to complete such audit by November 30, or as otherwise mutually agreed to by the parties. If, during the course of the Auditor's work, it appears for any reason that the Auditor will not be in a position to render an unmodified opinion on the financial statements, the Auditor will discuss this with the Client. It is possible, that because of unexpected circumstances, the Auditor may determine that they cannot render a report or otherwise complete the engagement. If, for any reason, the Auditor is unable to complete the audit or are unable to form or have not formed an opinion, the Auditor may decline to express an opinion or decline to issue a report as a result of the engagement. If, in the Auditor's professional judgment, the circumstances require, the Auditor may resign from the engagement prior to completion.

Client Reacceptance Matters

BDO is retaining the Grand Rapids Downtown Development Authority as a client in reliance on information obtained during the course of the Auditor's continuing client reacceptance procedures. Kevin Muntter has been assigned the role of engagement partner, and he is responsible for directing the engagement and issuing the appropriate report on the Client's financial statements.

Email Communication

In connection with this engagement, the parties may communicate with each other or others via email transmission. The parties acknowledge that emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties. The parties agree that any material that will end up as part of a public document is suitable to transmit by email, as well as all matters of a routine nature such as setting up meetings. However, the parties agree to exercise care and discretion in their communications regarding sensitive matters; for such matters, they agree to use personal contact. The Client, upon request, will continue to disclose what is required by law under the Freedom of Information Act (FOIA).

Ownership of Working Papers

The working papers prepared in conjunction with the audit are the property of BDO, constitute confidential information, and will be retained by the Auditor in accordance with BDO's policies and procedures. However, upon request by the Client, the Auditor may provide the Client, without charge, copies of such workpapers, as appropriately redacted by the Auditor, if necessary.

However, pursuant to authority given by law or regulation, the Auditor may be requested to make certain working papers available to authorized representatives of the State Treasurer upon formal request by the State Treasurer, the Client's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. The Auditor will notify the Client of any such request. If requested, access to such working papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, the Auditor may provide photocopies of selected working papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies.

Reproduction of Audit Report

If the Client plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we may have assembled and provided to the Client (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to BDO in sufficient time for its review and written approval before printing. The Client agrees to provide BDO with a copy of the final reproduced material for our written approval before it is distributed.

Posting of Audit Report and Financial Statements on City's Website

The Client agrees to indemnify BDO from any and all claims that may arise from any differences between the electronic version of the financial statements and audit report presented on the Client's website, now and in the future, and the signed version of the financial statements and audit report provided to the Client's management by BDO.

Review of Documents for Issuance of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available by the Client to recipients of any document to be used in connection with the issuance of debt without first submitting copies of the document to the Auditor in sufficient time for the Auditor's review and written approval.

Availability of Records and Personnel

The Client shall complete and balance all accounts and prepare financial statements and schedules for all funds, operations and agencies to be audited by the Auditor, and shall provide the Auditor with space deemed adequate by the Auditor for the efficient conduct of the audit. The Client shall provide the Auditor, for its use and retention, with copies of these financial statements and schedules and shall provide the Auditor with trial balances of the various funds, operations and agencies in a form acceptable to the Auditor. The Auditor shall be responsible for the typing and proofing of the financial reports.

The Client agrees that all records, documentation and information the Auditor requests in connection with the audit will be made available to the Auditor (including those pertaining to related parties), that all material information will be disclosed to the Auditor and that the Auditor will have full cooperation of, and unrestricted access to, the Client's personnel during the course of the engagement.

The Client also agrees to ensure that any third party valuation reports that the Client provides to the Auditor to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with the actual use of such reports; and (b) do not contain any restrictive language that would preclude the Auditor from using such reports as audit evidence.

Assistance by the City's Personnel

The Auditor also asks that the Client's personnel, to the extent possible, prepare various schedules and analyses for the Auditor's staff. This assistance by the Client's personnel will serve to facilitate the progress of the Auditor's work and minimize costs to the Client.

Peer Review Reports

Government Auditing Standards requires that the Auditor provide the Client with a copy of the Auditor's most recent quality control review report. The latest peer review report accompanies this agreement.

Other Services

The Auditor shall always be available to meet with the Client's management at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting the Client. Whenever the Client's management feels such meetings are desirable, the Client shall notify the Auditor. The Auditor is also prepared to provide services to assist the Client in any of these areas. The Auditor also agrees, at the request of Client's management, to attend meetings of the Client's governing body.

Independence

Professional and certain regulatory standards require the Auditor to be independent, in both fact and appearance, with respect to the Client in the performance of its services. Any discussions that the Client's management has with the Auditor's personnel regarding employment could pose a threat to the Auditor's independence. Therefore, the Auditor requests that the Client inform the Auditor prior to any such discussions so that the Auditor can implement appropriate safeguards to maintain its independence.

Insurance and Hold Harmless

Prior to execution of this Agreement, the Auditor provided the Client with documentation that it has professional liability, general liability and workers' compensation insurance. The Client has found such insurance to be acceptable. The Auditor agrees to keep similar levels and types of insurance coverages in force throughout the period it performs services pursuant to this Agreement, or to advise the Client in advance in writing if it intends to significantly reduce any such coverage.

The Auditor agrees to hold the Client harmless from any and all physical injury to the person or damage to the property of, or any loss or expense incurred by any employee of the Client pursuant to such physical injury or damage, which arises out of or pursuant to the Auditor's performance under this Agreement. The Auditor shall also hold the Client harmless from any claims by the Auditor's employees arising out of, or pursuant to, the Auditor's and/or employee's performance under this Agreement, except to the extent caused by the negligence, gross negligence or intentional misconduct on the part of Client or its employees or agents. The Auditor agrees to hold the Client harmless for any injuries to persons, or any injury, loss,

expense or damage to property caused by the Auditor's employees except to the extent caused by the negligence, gross negligence or intentional misconduct on the part of Client or its employees or agents.

Equal Opportunity

The Auditor agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to her/his hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of her/his race, color, religion, national origin, age, sex, height, weight or marital status. Breach of this covenant may be regarded as material breach of this Agreement as provided for in Act 453 of the Public Acts of 1976, as amended, entitled "Michigan Civil Rights Act." The Auditor further agrees to review and examine with the Client relevant employment data and other information pertaining to its hiring practices. The Auditor further agrees that it will require similar covenants from any subcontractor under this Agreement.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement, either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.

If the parties are unable to resolve any dispute through the facilitated negotiation, they agree that the state courts of Michigan located in The City of Grand Rapids, and the U.S. District Court - Western District of Michigan, are the only proper forums and venues for the filing of any legal proceedings in connection with the agreement and the services provided pursuant to it.

Fees

The Grand Rapids Downtown Development Authority as Client agrees to pay the Auditor for the services described above a flat fee of \$6,500 for the year ended June 30, 2016, plus \$2,500 for each due diligence associated with the issuance of debt during the term of this Agreement. Charges for other services will be agreed to separately in writing. The flat fee includes our out-of-pocket expenses.

Should unusual conditions arise whereby the services of the Auditor are deemed necessary beyond the extent of the work required in the preceding sections, such unusual conditions shall

be referred to the Client's management, which shall instruct the Auditor concerning such additional services.

Any additional services must be agreed to in writing by both parties. For additional services agreed to beyond those covered by the fees stated above, detailed bills, specifying hours worked by the various auditor classifications and the hourly rate of each classification, along with the services performed, will be submitted to the Client by the Auditor on a monthly or other periodic basis with payment terms of net due upon receipt. If the Client fails to make payments promptly on receipt of proper bills, the Auditor reserves the right to stop work on the engagement.

Third Party Use

The Auditor will perform the professional services provided in connection with this engagement solely for the information and use of the Client and federal awarding agencies and pass-through entities. The Auditor does not anticipate and does not authorize reliance by any other party on its professional services. Any amendment to this provision must be made through a written document signed by the Client and BDO.

Miscellaneous

This Agreement is intended to cover only the services specified herein. This Agreement is the whole agreement and may be amended only in a writing executed by all parties. This engagement is a separate and discrete event, and any future services will be covered by a separate agreement to provide services.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of this service. To the extent applicable, the Client hereby authorizes the Auditor to participate in this electronic confirmation process through the third party's website (e.g., by entering the Client's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that the Auditor shall have no liability in connection therewith.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

Any portion of the work requiring a license or certification of any type shall be performed only in accordance with the licensing or certification provisions applicable.

The Auditor shall keep itself fully informed of and shall at all times comply with all local, state and federal laws, rules and regulations, applicable to this Agreement and the work to be done and the goods to be provided. The Grand Rapids City Charter shall be the governing document in this and all contractual relations with The City of Grand Rapids. The Client retains the right to determine finally all questions as to the proper performance under this Contract or any unfinished portion of it, and in case of improper, dilatory or unsatisfactory performance, to suspend the work and to order the proper performance of the work. The Client, likewise, retains full power to determine all questions arising under this contract according to the true

intent and meaning thereof, all in accordance with Section II of Title XVIII of the City Charter. This Agreement shall be construed according to Michigan law.

No failure or delay on the part of a party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Contract preclude any other or further exercise of it or the exercise of any other right, power or privilege. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

This Agreement shall not be assigned by any party without prior written consent of all parties to the Agreement.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year above first written.

THE GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY, MICHIGAN

By: _____
Kristopher Larson

Date: _____

Attest: _____

Date: _____

BDO USA, LLP

By: Kevin Muntter
Kevin Muntter, Partner

Date: July 20, 2016

Attest: John D. LaFramboise
John D. LaFramboise, Director

Date: July 20, 2016



BAKER TILLY

Baker Tilly Virchow Krause, LLP
225 S Sixth St, Ste 2300
Minneapolis, MN 55402-4661
tel 612 876 4500
fax 612 238 8900
bakertilly.com

QUALITY CONTROL MATERIALS REVIEW REPORT

To the Partners of BDO USA, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the development and maintenance of the *BDO USA Audit Manual Version 2015.01 and the related FormsDoc Version 2014-01 and the Audit Process Tool (APT) Version 2.6.2.1000* (hereafter referred to as materials) of BDO USA, LLP (the provider) and the resultant materials applicable to non-SEC issuers in effect at March 31, 2015. Our quality control materials review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The provider is responsible for designing and complying with a system of quality control that provides reasonable assurance that the materials are reliable aids to assist users in conforming with the components which are integral to the professional standards that the materials purport to encompass. Our responsibility is to express an opinion on the design of the system, the provider's compliance with that system, and the reliability of the resultant materials, based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a Quality Control Materials Review are described in the standards at www.aicpa.org/prsummary.

Users of the materials and this report should carefully consider the scope of this review. They also should understand the intended uses and limitations of the materials as reflected in their user instructions and related information, as well as the level of explanatory guidance provided by the materials. Users of the materials are responsible for evaluating their suitability and implementing, tailoring, and augmenting the materials as appropriate. Therefore, the reliability of the materials is also dependent on the effectiveness of these actions and could vary from user to user. Further, there may be important elements of a quality control system in accordance with the Statements on Quality Control Standards that are not included in the materials that have been subject to this review.

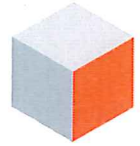
In our opinion, the system of quality control for the development and maintenance of the *BDO USA Audit Manual Version 2015.01 and the related FormsDoc Version 2014-01 and the Audit Process Tool (APT) Version 2.6.2.1000* of BDO USA, LLP applicable to non-SEC issuers was suitably designed and was being complied with during the year ended March 31, 2015, to provide users of the materials with reasonable assurance that the materials are reliable aids. Also, in our opinion, the quality control materials previously referred to are reliable aids to assist users in conforming with the components which are integral to the professional standards the materials purport to encompass at March 31, 2015. Providers can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. BDO USA, LLP has received a peer review rating of *pass*.

Baker Tilly Virchow Krause LLP

Minneapolis, Minnesota
December 2, 2015

MEMORANDUM


DOWNTOWN
DEVELOPMENT
AUTHORITY



DDA

DATE: August 5, 2016

TO: Downtown Development Authority

FROM: Tim Kelly, AICP 
Planning Manager

**Agenda Item #5
August 10, 2016
DDA Meeting**

SUBJECT: New Holland Brewery and Barley Flats (405 Bridge Street NW) Streetscape Incentive Improvement Program

Bridge and Turner, LLC (Owner), is requesting approval of a Streetscape Improvement Incentive Program (SIIP) grant for their project located at 405 Bridge Street NW. Once complete, the project will be home to New Holland Brewery and Barley Flats and will feature 40 new housing units, 51,000 sq. ft. of commercial space, 20,000 sq. ft. of office and be home to approximately 200 professional, office and retail jobs. The project is expected to be complete in fall 2016 and will further solidify the Bridge Street corridor as a Downtown destination.

Total project costs are approximately \$20,000,000, and to assist in the redevelopment the Owner is requesting reimbursement in an amount not to exceed \$70,000 for their eligible streetscape improvement activities. If approved, funds will go toward costs incurred during the removal of an existing walkway, the addition of new sidewalks and decorative pavers, as well as new planters, street trees and lighting.

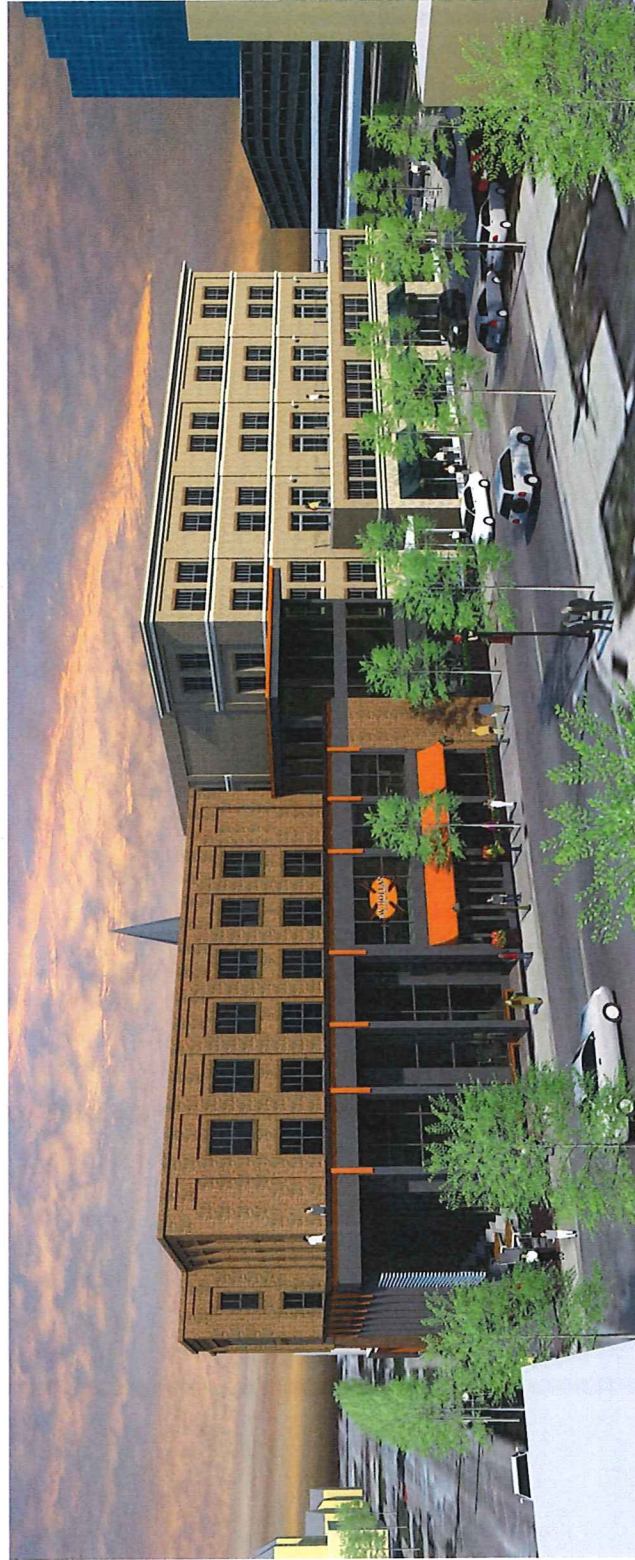
As the project site occupies six parcels, two of which are outside of the DDA boundary, funds will only be used for those improvements within the DDA boundary. Further, the existing SIIP Guidelines allow for \$35,000 be made available on a per project basis. However, given the development helps further the residential and active street front goals of GR Forward to help and pedestrianize the Bridge Street corridor, and that multiple parcels were recombined resulting in an extraordinary amount of linear streetscape reconstruction, staff recommends approving the full amount of the request.

Recommendation:

Approve the SIIP request in an amount not to exceed \$70,000 for the New Holland and Barley Flats project at 405 Bridge Street NW.



**DOWNTOWN
GRAND RAPIDS INC.**



New Holland Brewing - Bridge Street

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DDA

DATE: August 5, 2016

TO: Downtown Development Authority

FROM: Tim Kelly, AICP
Planning Manager

Agenda Item #6
August 10, 2016
DDA Meeting

SUBJECT: Building Reuse Incentive Program Request – 138 E. Fulton (Palace of India)

Downtown GR Properties, LLC (Owner), is requesting approval of a Building Reuse Incentive Program (BRIP) grant for the Palace of India restaurant at 138 E. Fulton Street. The Owner has converted two previously vacant suites for the operation of a 15,000 square foot restaurant.

Total project costs for the renovation are approximately \$380,000 and included the addition of a new electrical system, drywall, and HVAC. To assist in the renovation costs, the Owner is requesting reimbursement in an amount not to exceed \$50,000 for eligible activities as outlined in the BRIP guidelines. Funds will go toward reimbursement of costs for barrier free improvements for enhanced ingress and egress, a new fire suppression system and sidewalk improvements.

While some of these improvements were made at the time of occupancy or shortly thereafter, others are still in progress. DGRI staff has worked with the applicant since 2014 when they applied for a development area liquor license to ensure that their BRIP application was as comprehensive as possible under the program guidelines.

Recommendation:

Approve the BRIP grant in an amount not to exceed \$50,000.

MEMORANDUM


DOWNTOWN
DEVELOPMENT
AUTHORITY



DDA

DATE: August 5, 2016

TO: Downtown Development Authority

FROM: Tim Kelly, AICP 
Planning Manager

**Agenda Item #7
August 10, 2016
DDA Meeting**

SUBJECT: Development Area Liquor License Request – 404 Ionia SW (Nerd Craft, LLC)

The City Commission policy establishing procedures for the review and approval of development area liquor licenses requires the City Clerk to forward any such requests in the DDA district to the DDA Board for review and recommendation. In evaluating a proposal, the DDA Board may consider how the issuance of a license would promote economic growth in a manner consistent with adopted goals, plans or policies of the district.

Nerd Craft, LLC is requesting DDA Board consent to the issuance of a new Class C development area liquor license for the newly renovated Klingman's Furniture building at 404 Ionia SW. Nerd Craft, LLC is proposing to open and operate Craft Beer Cellar, a bottle shop and bar specializing in quality craft beer, beer education and hospitality. Upon completion, Craft Beer Cellar will employ up to 6 new full and part-time employees.

Staff has reviewed the applicant's request and is recommending approval of the application. If approved by the DDA Board, the request will proceed to the City Commission for consideration.

Recommendation:

Approve the resolution for the issuance of a development area liquor license for Nerd Craft, LLC to operate Craft Beer Cellar at 404 Ionia Ave SW.

**DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF GRAND RAPIDS**

**RESOLUTION SUPPORTING ISSUANCE OF A LIQUOR LICENSE
FOR A BUSINESS LOCATED IN A DOWNTOWN DEVELOPMENT DISTRICT**

Board member _____, supported by Board member _____, moved the adoption of the following resolution:

WHEREAS, the Downtown Development Authority of the City of Grand Rapids (the “DDA”) was created by the City Commission on October 16, 1979, and operates pursuant to the authority of Act 197 of 1975, and

WHEREAS, the State of Michigan has provided for the issuance of additional licenses within the DDA district, as authorized by Public Act 501 of 2006, being MCL 436.1521a, (the “Act”), and

WHEREAS, Nerd Craft, LLC, a Michigan Limited Liability Corporation, located at 50 Wealthy Street SW, Grand Rapids, Michigan, 49503; has applied to the City for approval of a license under the Act, and is located within the DDA district, and

WHEREAS, Nerd Craft, LLC, in its application, has indicated its intention to operate Craft Beer Cellar, “a bottle shop and bar specializing in quality craft beer and beer education, and

WHEREAS, the application has been forwarded to the DDA for review and consideration.

WHEREAS, that the DDA finds that the issuance of a liquor license to Nerd Craft, LLC as proposed by Craft Beer Cellar would promote economic growth by:

1. operating in a manner that would be consistent with adopted goals, policies and plans of the district, particularly by promoting the competitiveness and vitality of downtown Grand Rapids as a destination for dining, arts and tourism.
2. facilitate private investment and promote economic growth in the leased space at 404 Ionia Avenue SW.
3. supporting the creation of several full and part-time jobs in the district.

NOW, THEREFORE, BE IT RESOLVED, that the Downtown Development Authority of the City of Grand Rapids recommends issuance of a Class C Liquor License to Nerd Craft, LLC at 404 Ionia Avenue SW, above all others.

YEAS: Board members _____

NAYS: Board members _____

ABSTAIN: Board members _____

ABSENT: Board members _____

RESOLUTION DECLARED ADOPTED.

Dated: August 10, 2016

Kristopher Larson
Executive Director

CERTIFICATION

I, the undersigned duly qualified and Secretary of the Downtown Development Authority of the City of Grand Rapids (the "DDA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the DDA at a regular meeting held on August 10, 2016, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Murphy Ackerman
DDA Secretary



City of Grand Rapids
Community Development Department

PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION

PROJECT NAME: 12 Weston
PILOT PERIOD REQUESTED: 45 Years (should match term of qualifying mortgage)
NUMBER OF PARCELS IN PROJECT: 2 Parcels

A. OWNERSHIP INFORMATION

Name of Ownership Entity: 12 Weston Limited Dividend Housing Association LLC

Type of Ownership: ☒ Limited Dividend Housing Association
☐ Qualified Nonprofit Housing Corporation
☐ Consumer Housing Cooperative
☐ Other: (Describe)

Developer/Sponsor: LC Consultants, LLC
Developer Address: 35 Research Dr., Ste. 300, Ann Arbor, MI 48103

Contact Person: Bob Jacobson
Telephone: 734-769-1428
Email: bob@leelanaucellars.com

B. CITY APPROVALS NEEDED

Planning Commission ☐ Yes ☐ No ☒ Not Applicable
Status:

Board of Zoning Appeals ☐ Yes ☐ No ☒ Not Applicable
Status:

Historic Preservation Commission ☐ Yes ☐ No ☒ Not Applicable
Status:

Other: Status:

Expected Project Start Date: 8/1/2017
Expected Project Completion Date: 8/1/2018

PROJECT INFORMATION

Project Address:

12 Weston SW (35 & 41 Division S)

General Location (e.g. cross streets):

Division and Weston

Is Project located in a Renaissance Zone?

☐ Yes

☒ No

Is Project located in a Neighborhood Enterprise Zone?

☐ Yes

☒ No

Is Project located within the boundaries of the
Downtown Development Authority?

☒ Yes

☒ No

Is Ownership Entity able to demonstrate site control?

☒ Yes

☐ No

Note: Project is not eligible for PILOT if Ownership Entity is not able to demonstrate site control. Site control is demonstrated through ownership, purchase/option agreement, etc. Contact the Community Development Department with questions regarding sufficient documentation.

Provide a complete description of the project including the parties involved, necessary background information, number of parking spaces being provided, and any special certification (e.g. LEED) the project will target. (Provide as attachment if necessary)

Development of two vacant parcels on Division and Weston into 5 story building containing 58,000 square feet of residential space and 7,000 commercial space. All residential units to be affordable and marketed to families. Project to have 27 parking spaces. Building will be built using Enterprise Green standards. Will be managed by Continental Management, LLC. Project will be completed with Rockford Construction.

C. BUILDING INFORMATION

Building Type

(e.g. single/multi-family, number of floors)

Multi-family, 5 floors

Total Number of Units:

48

Number of Rent Restricted Units:

48

Number of Market Rate Units:

0

Total Number of Barrier-Free Units:

5

Targeted Demographic(s)

(seniors, families, persons with disabilities)

Families

Transitional Housing for homeless project

☐ Yes

☒ No

Emergency Shelter project

☐ Yes

☒ No

Targeted Income

60-30%

(% of Area Median Income)

Residential Space Square Footage:

58,000

Non-Residential (N/R Space):

☒ Yes

☐ No

Square Footage (of N/R Space):

7,000

Use (of N/R Space): TBD Commercial

Neighborhood District: Heartside

Describe how the project will fit into the neighborhood:

12 Weston adds density to the downtown area. Infill on a currently vacant portion of land. The new building will blend with the neighborhood.

D. UNIT INFORMATION

Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)	
Rent Restricted Units			Restricted Rate	Market Rate *
0 - Bedroom				
1 - Bedroom	24	750	\$346-693	\$1,100
2 - Bedroom	24	950	\$416-832	\$1,500
3 - Bedroom				
4 - Bedroom				
5 - Bedroom				
Subtotal	48			

*The expected market rate for the rent restricted unit. The information is used for comparison purposes.

Provide a description of the units in the project:

1 and 2 bedrooms units, 1 bathroom. All units will be visitable and will utilize high tech security features. Access to a community room and fitness room.

Provide the following information for any market rate units in the project:

Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)
Market Rate Units			
0 - Bedroom			
1 - Bedroom			
2 - Bedroom			
3 - Bedroom			
4 - Bedroom			
5 - Bedroom			
Subtotal			
Total			

E. PROJECT FINANCING

Federally-aided Mortgage, Advance or Grant	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

State-aided Mortgage, Advance or Grant	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

City-aided Mortgage, Advance or Grant	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

Low Income Housing Tax Credits (LIHTC)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Name of Loan/Credit Program	Term of Financing	Amount
9% LIHTC		\$14,635,851
		\$
		\$

LIHTC Application Date:	Oct. 3, 2016
LIHTC Status:	Applying
Initial Use Commitment in LIHTC Application:	15 Years
Extended Use Commitment in LIHTC Application:	30 Years
Total Length of Affordability Commitment in LIHTC Application:	45 Years

Contact Person for qualifying Federal or State financing:	Bob Jacobson
Phone Number:	734-769-1428
Email:	bob@leelanaucellars.com

Description and status of other (private) financing:

Describe why a PILOT is necessary:
To ensure economic stability of the affordable housing project for the long term and to entice the investor to

maximize their investment into the community.

F. ADDITIONAL INFORMATION

Attach the following required documents to this application.

- ☐ Ownership Entity Organizational Documents
- ☐ Description of Project
- ☐ Legal Description of Property (electronic version should be available on request)
- ☐ Evidence of Site Control
- ☐ Statement of Developer Experience (be specific)
- ☐ Sources and Uses Statement (indicate if the funding is committed or pending)
- ☐ Operating Proforma (highlighting PILOT contribution to project)
- ☐ Financing Mortgage
- ☐ Financing Note
- ☐ Financing or Development Agreement/Copy of Regulatory Agreement
- ☐ Location Map of project parcels
- ☐ Property Manager Portfolio (of properties)
- ☐ PILOT "Savings Worksheet" (template provided by Community Development Dept.)
- ☐ Other Attachment (Describe)

Provide explanation below if any required documents are unavailable at the time of this application.

The applicant is responsible for providing written notification to the City Community Development Department of any change in the information contained in this application or its attachments as soon as the applicant becomes aware of the change.

The City Community Development Department reserves the right to request additional information and/or supporting documentation related to this application.

The undersigned hereby attests that to the best of his or her knowledge the information presented herein, including the attachments, is true and correct.



Signature of Authorized Representative

Name: Robert Jacobson

Title: Managing Member

Date: 7/29/16

LC Consultants, LLC is a Michigan based affordable housing developer. The company is owned by Michael Jacobson and Robert Jacobson, both having an experienced background in affordable housing in Michigan and specifically in Grand Rapids. Recently the company has completed 214 affordable housing units in Grand Rapids (Century/Baker Lofts, Southtown Square II, and Klingman Lofts).

LC Consultants Past Projects

Project Name	Location	Units
Hillside Club I	Petoskey, Michigan	56
Baldwin Villas	Pontiac, Michigan	65
Greenwood Village	Hillsdale, Michigan	48
Lighthouse Village	Cheboygan, Michigan	48
Hillside Club II	Petoskey, Michigan	104
Greenwood Village II	Hillsdale, Michigan	48
Green Meadows	Gaylord, Michigan	48
Bellemere Apt. Homes	Detroit, Michigan	88
Lighthouse PATH Teen Transitions	Pontiac, Michigan	12
Artworks	Muskegon, Michigan	26
Reuben Daniels	Saginaw, Michigan	50
630 Lofts	Traverse City, Michigan	39
Cottage 36	Traverse City, Michigan	29
Century Lofts I	Grand Rapids, Michigan	43
Century Lofts II	Grand Rapids, Michigan	44
Southtown Square II	Grand Rapids, Michigan	44
Klingman Lofts I	Grand Rapids, Michigan	41
Klingman Lofts II	Grand Rapids, Michigan	42
Elaine Apartments	Jackson, Michigan	33
		908

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: August 5th, 2016

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP
President & CEO

Agenda Item #9
August 10, 2016
DDA Meeting

SUBJECT: Authorize 2nd Amendment to Lyon Square Design Agreement

On April 15, 2016, the DDA Board authorized the engagement of BLD to advance schematic design (SD) services for Lyon Square. Now into its fifth month, the SD phase is at the 80% design level and scheduled for review by the City of Grand Rapids Design Team on August 24, 2016. Importantly, the SD phase will also yield construction cost estimations as well as a methodology for apportioning those costs among the potential project partners. Once cost estimations and the allocation methodology are completed, it will provide staff with the ability to secure the contributions and financing required to build the project during fiscal years 2017 and 2018.

Working at the direction of two of the project partners, the City of Grand Rapids and Amway Hotel Corporation, a second amendment to the agreement with BLD is needed to advance investigation and engineering services related to the Grand River floodwalls adjacent to Lyon Square that extend southward to Pearl Street, supporting the corresponding section of river walk (see attachment for additional detail). It is critical that this work be completed at this stage, as it will determine the viability and potential for the 'Overlook' portion of the Lyon Square design as envisioned in GR Forward. The City of Grand Rapids is proposed to fund a separate but related scope of work outside of this amendment, whereas AHC and the DDA are proposed as funding partners for this expansion of scope and increase of \$37,000 in cost. Sufficient funds are available in the Lyon Square Improvements line item under LTI: Investment: Public Infrastructure in the FY17 DDA budget.

RECOMMENDATION

Authorize the Executive Director to authorize a second amendment in an amount not to exceed \$37,000 with Bishop Land Design, LLC for expanded investigative and engineering services associated with the Lyon Square SD services agreement.



Kristopher Larson
President & CEO
Downtown Grand Rapids, Inc.
29 Pearl NW, Suite 1
Grand Rapids, MI 49503

Project: **Lyon Square**
BLD Project #: **BLD_GRR_02**

RE: Amendment 2: Review of Geotechnical Investigation and Structural/Concept Development for Future Work Related to the Amway Edge.

Dear Kris:

Thanks for the opportunity to continue our work with you and Downtown Grand Rapids, Inc. as well as the fantastic group of Stakeholders involved in the project. To supply some background on the purpose of this amendment we should understand that the portion of the floodwall that will be addresses in this Amendment is at the Amway Grand Plaza Hotel, north of Pearl Street on the east side of the Grand River, it includes a gravity stone wall over which a concrete wall with cantilevered walkway is supported. The wall supports soil between it and the basement of the Amway Grand Plaza Hotel and the Exhibitors Building.

The stone wall was constructed in 1896 and the mortar holding the stones together is visibly deteriorated. In addition, this area of the project is slated for a future phase of work, which is proposed to include a space that cantilevers over the river, creating a programmatic space unlike any other in Grand Rapids. The goal of this scope is to coordinate future work with proposed remedial actions to this structure as well determining the potential costs of various approaches to this work.

The method of investigation will be invasive to the area of the site where the current phase 1 work will be installed, thus the recommendation is that the team undertake this work now prior to finishes and structures being installed. A delay in this investigation to a future date will further complicate and add cost given that the repair and replace would have to occur to the newly installed design. Alternatively, a no action approach will have detrimental impacts on the existing and proposed site due to the current subsidence regime.

This letter is an amendment to, and hereby made part of, the executed proposal for Professional Services between Bishop Land Design, referred to hereafter as BLD and Downtown Grand Rapids, Inc. referred to hereafter as the Client, dated November, 25, 2015 and Amendment 1, executed April 18, 2016. All the terms of these Agreements remain in force, except as noted below.

The following amendments are hereby made to those agreements:

PROCEEDURE

Geotechnical Investigation and Structural/Concept Development for Future Work **4-8 weeks duration**
BLD and the Design Team shall engage in an iterative process to outline the structural design as it relates to repair of the existing stone wall as well as to provide an approach for the development of future work. The geotechnical investigation is a necessary effort to provide empirical direction for the further refinement of the structural and

conceptual approach to repair the wall and to understand the potential of future work along the edge as previously outlined.

BLD shall review and coordinate the geotechnical investigations provided for the City of Grand Rapids (GR) by Materials Testing Consultant (MTC) & Fishbeck Thompson, Carr and Huber (FTC&H). BLD shall review and manage the geotechnical investigations, which are considered to be part of this scope but, not related to GR's interests as it relates to the ongoing FEMA work. MTC shall conduct geotechnical investigations, which, shall consist of coring through the wall at two accessible locations, videoing the condition of the corehole and determining the thickness of the wall in order to assess wall geometry. Coring will be subcontracted to Diamond Drilling with coordination and field oversight provided by MTC. MTC will prepare a report with recommended repair and provide assistance to the Design Team in the development of plans and documents.

The outcome of this work is to provide direction in the development of the design and future phasing of work, including the cantilevered platform adjacent to the Amway Grand Plaza/Restaurant and required repair work for the wall. BLD and the Design Team will develop three approaches. The first two options will be structural approaches to completing the future work and repairing the wall, the third option will eliminate the future feature and perform only wall repair to protect the current work being proposed in the Schematic design phase.

The BLD and Design Team shall outline how each of the three options shall be compliant with 44 CFR 65.10 upon final design upon completion of construction documents. BLD and the Design Team will outline the cost implications of the three options and discuss them first with Amway Hotel Corporation (AHC), GR and the Downtown Development Authority (DDA). This work will then be presented to the Partners for further input.

We anticipate 2 internal workshop sessions between BLD and the Design Team, 2 meetings with the technical team members, 1 meeting with AHC, GR and the DDA and 1 meeting with the Partners. The meetings with AHC, GR, DDA and the Partners will all involve graphic exhibits explaining possible future approaches.

Deliverables:

PDF of the Graphic Presentation

PDF of Geotechnical Report

Costs Estimate of options included into the 100% Schematic Design Cost Estimate

EXCLUSIONS TO SCOPE OF SERVICES

Below are additions to exclusions noted in the executed Proposal for Professional Services

- H. Wall borings or other structural analysis of existing site structures or conditions, except where specifically noted
- I. Geotechnical Investigations, except where specifically noted

FEES AND TERMS

Services described above shall be provided for the fixed sum of US\$37,000 and shall be invoiced monthly on % complete. Direct expenses are not included in this sum, but are outlined below. A breakdown of fees follows and is provided for reference purposes only:

Area	Fee
Amway Wall	\$37,000

In addition, we estimate the direct expenses for this amendment to be US\$4,000. We would be pleased to answer questions you may have or to clarify various points above. If this proposal meets with your approval, please sign below (on the following page) and return one copy for our files. We look forward to working with you.

This proposal remains in effect for six months from date of issuance. If this proposal meets with your approval, please sign this letter below, and return one copy for our files. Thank you.

Best Regards,

Scott F. Bishop
Principal and President
Bishop Land Design, LLC

cc: Wileen Kao

Accepted (signed): _____

By (name, title): _____

Date: _____



Downtown Grand Rapids Ambassador Program

June 2016



Hospitality Highlights



Rebecca provides directions to a group of pedestrians on Monroe Center

Field Observations

June proved to be a busy month for Downtown and the Ambassador team. We continued to provide enhanced deployment for Movies in the Park, Relax at Rosa, GR Pride, Swing Dancing, Jazz in the Park and several other events where we have provided a table/booth along with ambassador presence.

QUICK VIEW

Jun 01, 2016 -- Jun 30, 2016

- 1** Umbrella Escorts
- 4** Request for Police
- 4** Suspicious Package
- 6** Request for Fire/EMS
- 10** Observation - Fighting
- 11** Suspicious Person
- 21** Segway Hours
- 22** Motorist Assist
- 30** Panhandling - Aggressive
- 46** Panhandling - Passive
- 55** Bicycle (miles)
- 110** Business Contact
- 548** Sidewalk Violation (skateboarding/Bicycling/Rollerblading)
- 818** PA - Directions
- 1250** PA - Program Information
- 2539** PA - Information
- 2933** Outreach Contact
- 11608** PA - Other

Beautification & Special Projects



Initiatives

Our team continues to refinish and replace trash cans throughout the downtown. We deployed 8 refinished trash cans throughout the core district of downtown and will be focusing our efforts on South Division next where we have not only identified cans that need to be replaced but also gaps that need to be filled.

We also continue to focus our efforts on cleaning debris from curb lines and other areas especially those near construction sites where debris and dirt tend to accumulate.

QUICK VIEW

Jun 01, 2016 -- Jun 30, 2016

18.5 ATLV Hours

1 Billy Goat Hours

28 Backpack Blower (hours)

55 Power Washing (block faces)

631 Graffiti - Removed

891 Trash (Bags collected)

1502 Planters Watered

1988 Weed Abatement (block faces)

Stakeholder Feedback

Feedback

Hello,

I just wanted to let you know that Marcia came to our staff meeting this morning and did an awesome job promoting the good deeds and mission of the Downtown Ambassadors.

Keep up the good work... it is truly appreciated.

Martha

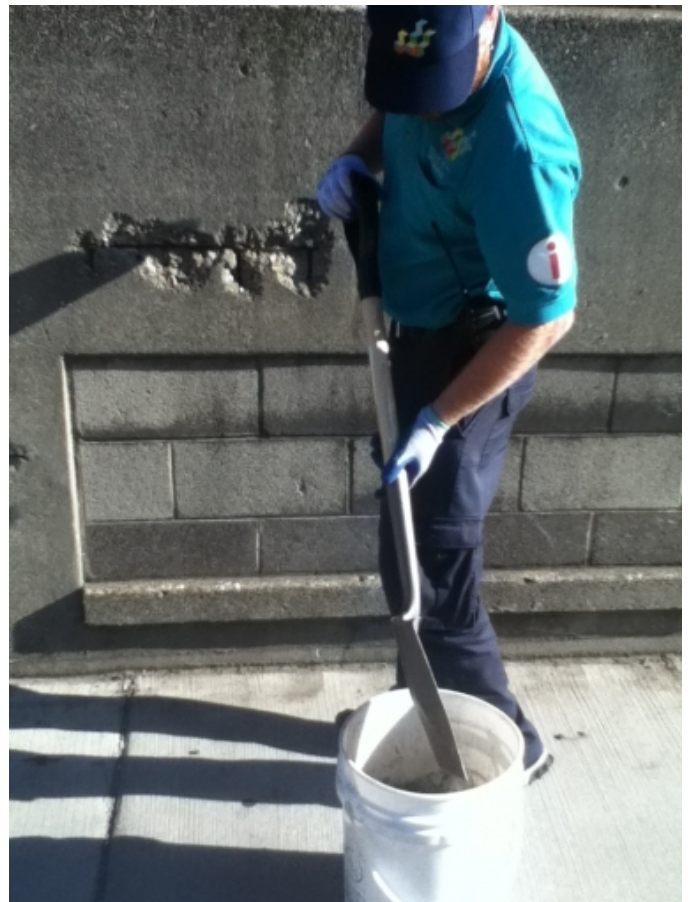
I just wanted to take a moment to express how lovely our city is becoming. I recently began working at Ferris Coffee in February and most mornings as I am walking along Winter Ave I am greeted with a "Hello or a smile from one of the Safety Ambassador's . What a refreshing way to begin your day. Today as I was driving into work, I noticed that the Ambassador's even water our green space along Monroe Ave so when I saw Melvin Eledge walking on Winter toward me I had to mention to him the beauty of our city, because of what the Ambassador's do and the pride they take in what they do impacts us all. THANK YOU- DOWNTOWNGR.

Michelle Burnett

Highlights



Shannon removing graffiti from a stop sign



Tyler removing gravel from the sidewalk



Deb removing a sticker from a light pole



Melvin & Rebecca preparing for "Ask The..."

Statistics

Equipment Usage	Activity	June 2016 Totals	June 2015 Totals	June 2014 Totals	2016 YTD
	ATLV Hours	18.5	0	0	92.5
	Backpack Blower (hours)	28	0	0	95
	Bicycle (miles)	55	144.5	455	158.8
	Billy Goat Hours	1	0	0	27.5
	Segway Hours	21	30	120	50.25
Engagement	Business Contact	110	223	321	875
	Graffiti - Removed	631	109	119	2726
	Motorist Assist	22	16	3	80
	Observation - Fighting	10	34	64	80
	Outreach Contact	2933	0	0	10447
	PA - Directions	818	2091	2984	5238
	PA - Information	2539	8940	5750	13618
	PA - Other	11608	12994	5949	61387
	PA - Program Information	1250	2598	4195	7442
	Panhandling - Aggressive	30	185	112	167
	Panhandling - Passive	46	115	181	284
	Planters Watered	1502	0	0	2468
	Power Washing (block faces)	55	0	0	113
	Request for Fire/EMS	6	33	36	200
	Request for Police	4	12	34	17
	Safety Escort	55	4922	1130	669
	Sidewalk Violation	548	926	567	2048
	Snow Removal	0	0	0	6346
	Suspicious Package	4	25	9	19
	Suspicious Person	11	404	185	92
	Trash (Bags collected)	891	0	0	5285
	Umbrella Escorts	1	51	210	16
	Weed Abatement	1988	0	0	5807
Total Contacts June 2016		25062	33678	21849	125424
Total Contacts June 2015					
Total Contacts June 2014					
Total Contacts 2016 YTD					

Fig. 1: Overview of total contacts for June 2014, 2015 and 2016 as well as the total contacts for 2016 YTD by category.

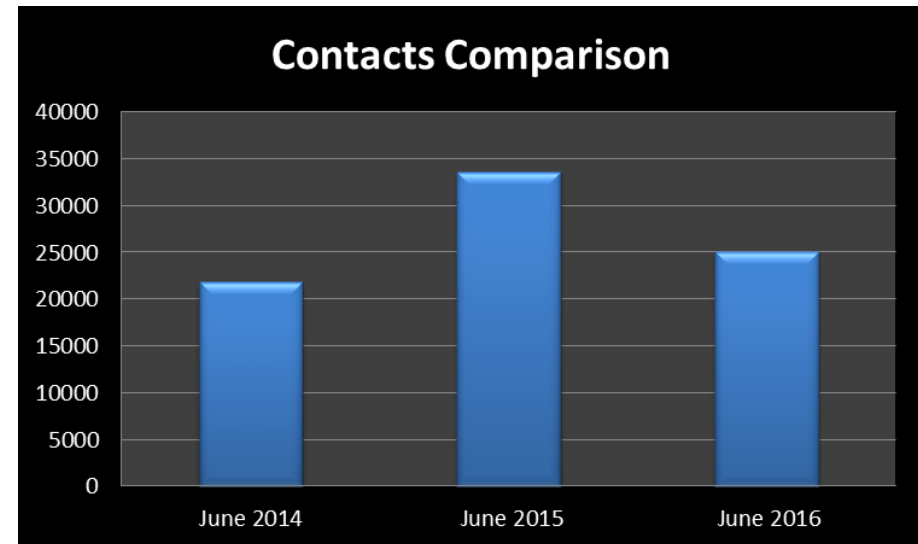


Fig. 2: Graph comparing total contacts for June for 2014, 2015 and 2016

Our statistics dropped slightly from the same period last year but showed an increase from the same period 2 years ago.

The ambassador team continues to target graffiti removal having removed more the 600 tags in June 2016 compared to a little over 100 in June 2014 and 2015 respectively.