

# MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

Wednesday, December 10, 2014

8:30 a.m. Meeting

Downtown Grand Rapids Inc, 29 Pearl St. NW

## DRAFT AGENDA

1. Call to order
2. Approve Meeting Minutes from November 12, 2014 (8:31).....*Motion*      *Harris*  
(enclosure)
3. Accept November 30, 2014 Financial Statements (8:33).....*Motion*      *Wallace*  
(enclosure)
4. Approve MOU for DASH North Service Renewal (8:38).....*Motion*      *Kirk*  
(enclosure)
5. Approve Development Area Liquor Licenses (8:48).....*Motion*      *Pratt*  
(enclosure)
  - 10 Jefferson Ave. SE
  - 95 Monroe Center NW
6. Approve Contract Addendum for Downtown Ambassador Program (8:58).....*Motion*      *Larson*  
(enclosure)
7. Authorize Utility Relocation Expenses for Arena Place (9:08).....*Motion*      *Larson*  
(enclosure)
8. Consent to PILOT for Weston Apartments (9:18).....*Motion*      *Larson*  
(enclosure)
9. Alliance for Investment FY15 Strategies Report (9:23).....*Info Item*      *Kelly*
10. DGRI President & CEO Report (9:33).....*Info Item*      *Larson*
11. Public Comment (9:38)
12. Board Member Discussion (9:41)
13. Adjournment

MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

November 12, 2014

1. Call to Order – The meeting was called to order at 8:30 a.m. by Chair Brian Harris.

2. Attendance

Present: Kayem Dunn, Dr. Wendy Falb, Jane Gietzen, Brian Harris, Mayor George Heartwell, Elissa Hillary, Diana Sieger, Jim Talen, Rick Winn

Absent:

Others Present: Kristopher Larson (Executive Director), Mary Sierawski (DDA Executive Asst/Office Manager), Jana Wallace (DDA Treasurer), Eric Pratt, Tim Kelly, Bill Kirk, Kim Van Driel, Brian Hedrick, Mandy Cech (staff), Jonathan Pichot, Joanne Roehm, Wendy Wigger (LaughFest), Al Calderon, Jeff McCaul, Carl Kelly, Shaun Biel, Howard Hansen, Jim Harger (MLive), and others.

3. Approval of Minutes of October 8, 2014

*Motion: Mayor George Heartwell, supported by Jane Gietzen, moved approval of the minutes of the October 8, 2014 DDA meeting as presented. Motion carried unanimously.*

4. Accept October 31, 2014 Financial Statements

Ms. Wallace provided preliminary financial statements for the period ending October 31, 2014, including: Statement A: Balance Sheet; Statement B: Comparison of FY2014 Budget vs Actual Results; Statement C: Statement of Project Expenditures; Statement D: Schedule of October 2014 Expenditures.

Ms. Wallace said in October the Authority paid its first two debt service payments of the fiscal year. Additionally, the wage and benefit cost attributable to non-Administration projects were calculated and allocated to the appropriate project. The re-allocation of these costs will be calculated quarterly, rather than annually, for more accurate and timely financial data. Mr. Harris asked about the allocation of payroll costs and if it's possible to create some sort of formula to obtain this number. Mr. Larson responded that he wants to be precise in these first few years and as of right now, we don't have a solid basis to conduct an allocation. Mr. Larson said every Friday DGRI staff fills out a time allocation spreadsheet that shows where their time was spent each week.

Ms. Wallace said a new budget line item was created called Development Project Guidance that accounts for the staff time, legal fees, and other costs attributed to developer assistance.

Ms. Gietzen asked if we can use TIF for advising developers. Ms. Wallace said yes because the developers are improving the district. Mr. Wendt said when the DDA executes developer agreements, the developers agree to cover some of those costs. Mayor Heartwell asked if this line item is to track the costs the DDA spends. Mr. Larson said yes, this will give the Board an idea of how much staff time and costs are attributed towards development projects. Mr. Larson said there are no administrative fees within the application costs. Mr. Harris said he thinks this is a good idea to see how much of the DDA's operations are spent in this area and added that in some years this number may be higher than other years depending on developments happening within the Downtown. Ms. Wallace said in some cases, the DDA may not see the project happen for a long period of time, so return on investment takes longer. Ms. Sieger asked what happened before the creation of DGRI in regards to these costs and asked if they were just attributed to the Administration line item. Ms. Wallace said yes. Mr. Harris said this subject has to do with return on investment and how the DDA defines return on investment.

*Motion: Jane Gietzen supported by Rick Winn, moved to approve Statement D: Schedule of October 2014 Expenditures as recommended. Motion carried unanimously.*

5. Approve Event Support for LaughFest

Mr. Larson said DGRI staff is advancing recommendations to sponsor the last of the Major Events for FY15, LaughFest 2015. Mr. Larson said support from the DDA will be directed specifically toward enabling LaughFest to attract more diverse audiences to Downtown. This focused type of support is consistent with the results of the DGRI's special event optimization community survey which identified "attracting diverse audiences" as one of the community's priorities for refinement to Downtown special events. Mr. Larson said Joanne Roehm and Wendy Wigger are present to answer any questions. Ms. Wigger said LaughFest has been very purposeful in inviting all people to the festival and are looking into ways to reach out further into the community. Ms. Hillary said she appreciates the creativity in the proposal as well as the focus in diversity initiatives. Ms. Hillary asked how marketing will be different this year. Ms. Wigger said the marketing always depends on the comedy line-up and is adjusted depending on the audience. Ms. Wigger said LaughFest will be advertising in different publications, Hispanic newspapers, and new radio stations, in addition to marketing strategies utilized in past years. Ms. Sieger said the Grand Rapids Community Foundation made a sizeable donation to ArtPrize for a similar purpose of attracting diverse audiences and encouraged LaughFest to reach out to ArtPrize to talk about their initiatives they utilized this year. Ms. Roehm said they have a good relationship with the ArtPrize team and will have some future collaborations together. Ms. Wigger said beyond ethnic diversity, they are also trying to increase economic diversity. Mayor Heartwell asked about the findings in the LaughFest study about retail declining significantly from 2012 to 2013 and what may have accounted for that decline. Mr. Larson said he doesn't know if they can point to anything specific. Ms. Roehm said that Grand Valley State University conducts the LaughFest economic report. Mr. Harris said the Board needs to continue to discuss how long the Board

supports recurring events and is happy that LaughFest has evolved to meet some of the DDA's diversity goals and strategic plans.

*Motion: Diana Sieger, supported by Kayem Dunn, moved to approve the recommendation of \$15,000 in Major Event Support to LaughFest to support their efforts intended to make the festival more accessible to the diverse citizenry of Grand Rapids. Motion carried unanimously.*

6. Approve MOU with City of Grand Rapids for Tree Grate Fill

Mr. Larson said the DDA began utilizing a new technology in tree well fill designed to replace the traditional iron tree grates in 2011. Mr. Larson said this new porous pave material, which is an aggregate of stone and recycled rubber, presents a number of advantages that are beneficial for the streetscape, including its ease of clean, its ability to accept and filter storm water, its low cost, and its compliance to American with Disabilities (ADA) standards. The DDA has begun to systematically fill those tree wells that presented the gravest of accessibility hazards, including nearly 40 wells last year. It was the DDA's plan to slowly convert all of the existing tree wells in Downtown over the next 10 years, but the City of Grand Rapids approached DGRI to express their interest in expediting the filling of all 776 tree wells in Downtown, within a short time frame of one year. Mr. Larson said the City has agreed to split the cost of replacing all of the wells 50/50 with the DDA. Some advantages of this partnership is faster implementation, lowered costs for the DDA, plus the contractors can buy the material in bulk. Mr. Larson explained the cost break down and said the City will advance all of the costs, and the DDA will repay the City over four years. Mr. Winn asked what's happening with the old metal grates. Mr. Larson said the metal will be salvaged and the proceeds from the sale will go towards the overall cost of the project. Mr. Talen asked why this cost is coming out of the Non Tax fund instead of the Local Tax fund. Mr. Larson said the cost is being attributed towards both budgets. Ms. Gietzen asked what the life expectancy is for the replacement material. Mr. Larson said at a minimum 10-15 years and that the material is very durable. Mayor Heartwell said the City Forester has approved this material for use and that water soaks through it to reach the trees' roots.

*Motion: Kayem Dunn, supported by Elissa Hillary, moved to approve the MOU, the corresponding resolution, and authorize the DDA Board Chair to execute the agreement. Motion carried unanimously.*

7. Approve Contract for Snow Melt Repairs

Mr. Pratt said there were leaks found in the snowmelt system around the corner of Division and Monroe Center. Mr. Pratt said Geotech Inc., in conjunction with VanDyken Mechanical have repaired the two leaks at this location. Also discovered were voids under the snow melt system on Monroe Center. The voids are approximately 2' in depth where visible and continue under the road. Upon further investigation, Geotech Inc., has recommended that more investigation be done around the area to see where water has penetrated the surface and fill



these voids. Mr. Larson said the DDA has ample budget to accommodate this snowmelt investigation and repair work and that the DID Board may explore cost sharing with the DDA. Mr. Winn asked what the boundaries are of the snowmelt system. Mr. Pratt explained where all the snowmelt systems are located. Ms. Gietzen asked if the DDA has committed to paying for the snowmelt system indefinitely. Mr. Harris said the DDA Board has committed to maintaining the snowmelt system within the Downtown. Ms. Hillary asked if the leaks that occur are toxic or nontoxic in nature. Mr. Pratt said nontoxic. Mr. Talen expressed concern for hooding the meters during the repairs on Monroe Center and encouraged that they only be hooded for the actual time of the repairs, not in advance.

*Motion: Kayem Dunn, supported by Diana Sieger, moved to approve the Monroe Center Phase 2 snowmelt system repairs and investigation in the not-to-exceed amount of \$77,071.00. Motion carried unanimously.*

8. Presentation: Development Support ROI

Mr. Kelly presented information about development support and a draft ROI analysis. Mr. Kelly said the next steps are to refine program guidelines that reflect community goals, further refine ROI analysis, and development an application for project submittals. Ms. Sieger asked for a copy of the presentation.

9. GR Forward Update

Mr. Kelly presented an update on the GR Forward planning process. Mr. Kelly shared information about the Open House, the upcoming speaker series, and the November and December calendar.

10. Presentation: Chicago Information Exchange

Mr. Kirk gave an update on the Chicago Information Exchange that was held on October 29-30 in Chicago. Mr. Kirk gave some background on the progress Chicago has made in both mobility and open data. Mr. Kirk said the group visited the Chicago Architecture Foundation, Lakeview Chamber of Commerce, Chicago Department of Transportation, and got to experience the Divvy Bikeshare program. Ms. Hillary added that she enjoyed the trip very much and said she wasn't as fearful as she thought she would be riding a bike in Downtown Chicago. Ms. Hillary encouraged us to explore bikesharing opportunities in Grand Rapids.

Mr. Kirk said some next steps are exploring open data initiatives and solutions with the City of Grand Rapids, Grand Rapids Community Foundation, Friendly Code, and DGRI. Also, a potential pilot for on-street bicycle infrastructure enhancements and exploration of sustainable urban infrastructure initiatives.

12. DGRI President and CEO Report

MNTIFA (11/12)

- Will Authorize funding for Canal Street Park Riverwalk Extension

DID (11/20)

- Will Appoint a Steering Committee appointments for DID re-authorization

DGRI (11/24)

- Will receive an update on TIF Legislation

Alliances:

*INVESTMENT (11/18)*

- Chair: Nikos Monoyios, Long Range Planner @ The Rapid
- Advising on the Downtown Plan process
- Divided into Implementation-based Working groups:
  - Real Estate Incentives
  - River Activation
  - Public Space Activation
  - Infrastructure
- Approved their 2015 goals, policies, and implementation measures synthesis
- Discussing Application cost to cover administrative overhead on development incentive programs

*VIBRANCY (11/17)*

- Chair – Brandy Moeller, City of Grand Rapids
- Has recommended allocation of all Event support funds for FY15
- Planning a summit on Downtown diversity initiatives
- Divided into Implementation-based Working groups:
  - Holiday Décor
  - Special Events Optimization
  - Workforce Appreciation
  - Diversity & Inclusion
  - Public Space Activation

*LIVABILITY (11/24)*

- Chair: Lynee Wells, Principal @ Williams & Works
- Hosting a Community Conversation about the Ambassador program

- Selecting bike repair station equipment and locations
- Divided into Implementation-based Working groups:
  - Bicycles & Mobility
  - Asset Management
  - Clean, Safe, and Beautiful
  - Engagement
  - Urban Recreation

#### DGRI Staff Highlights

- DGRI ArtPrize Venue Stats: 12,009 visitors (high – 1,898; low – 130; mean – 667)
- Hosting a 1-year community conversation about Ambassador Program – 11/12 @ 6:30 PM
- Dear D.C., Love GR Event – 11/13 @ 1:00 PM at Ford Museum
- First GR Forward Thinking Speaker Series Event: 11/20 @ 6:30 PM – Jen Keesmaat
- Next GR Forward Thinking Speaker Series Event: 12/4 @ 6:00 PM – Don Edwards
- First round of Holiday décor is being installed – lights will turn on 11/14!

13. Public Comment

None.

14. Board Member Discussion

None.

15. Adjournment

The meeting adjourned at 10:06 a.m.

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 3.  
December 10, 2014  
DDA Meeting**

DATE: December 4, 2014

TO: Brian Harris  
Chairman

FROM: Jana M. Wallace  
Downtown Development Authority Treasurer

**SUBJECT: FY2015 Financial Statements Through November 30, 2014**

Attached are the financial statements for the first five months of the fiscal year ending June 30, 2015.

These attached November 30, 2014 statements include:

- Statement A: Balance Sheet
- Statement B: Comparison of FY2015 Budget vs Actual Results
- Statement C: Statement of Project Expenditures
- Statement D: Schedule of November, 2014 Expenditures

The Authority received an early \$175,000 partial principal repayment for the, "Gallery on Fulton," loan receivable. In accordance with the loan agreement, this early repayment will be applied to the principal last coming due, which reduces the April 1, 2024 principal payment to \$23,848. The Authority will invoice the developer for the \$25,000 April 1, 2015 principal payment in March, 2015.

The Authority has sufficient cash to cover budgeted expenditures.

Please contact me at 616-456-4514 or [jwallace@grcity.us](mailto:jwallace@grcity.us) if you have any questions.

Attachments

# STATEMENT A

## DOWNTOWN DEVELOPMENT AUTHORITY

### Balance Sheet

November 30, 2014

	Non-Tax Funds	Debt Increment	Local Tax Increment	TOTAL
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 5,516,354	\$ 9,031,218	\$ 6,105,056	\$ 20,652,628
Petty Cash	-	-	500	500
Debt Service Reserve Fund	-	5,400,767	-	5,400,767
Accounts Receivable	8,915	-	-	8,915
Loan Receivable - Project Developer	723,848	-	-	723,848
Loan Receivable - Special Assessments	18,420	-	-	18,420
General Fixed Assets	-	-	89,511,579	89,511,579
Future Tax Increment Revenues Anticipated	-	31,877,460	183,750	32,061,210
<b>TOTAL ASSETS</b>	<b>\$ 6,267,537</b>	<b>\$ 46,309,445</b>	<b>\$ 95,800,885</b>	<b>\$ 148,377,867</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Current Liabilities	\$ -	\$ -	\$ 152	\$ 152
Parking Revenue Payable	5,998	-	-	5,998
Project Increment Due to Developers	-	-	40,277	40,277
Due to Other Governmental Units	-	3,774,320	-	3,774,320
Debt Increment Reimbursement Payable	-	2,062,843	-	2,062,843
Deposit - Area 1 and Area 5 Options to Buy	122,903	-	-	122,903
Deposit - Movies in the Park Vendors	300	-	-	300
Net Retiree Health Care Obligation <sup>1</sup>	-	-	(5,667)	(5,667)
Prior Year Property Tax Appeals	-	42,528	22,139	64,667
Deferred Revenue - Developer Loan	723,848	-	-	723,848
Contract Payable	-	-	183,750	183,750
Bonds Payable	-	31,877,460	-	31,877,460
<b>TOTAL LIABILITIES</b>	<b>853,049</b>	<b>37,757,151</b>	<b>240,651</b>	<b>38,850,851</b>
<b>Fund Balance / Equity:</b>				
Investments in General Fixed Assets	-	-	89,511,579	89,511,579
Non-Tax Increment Reserve	4,848,457	-	-	4,848,457
Reserve for Authorized Projects	-	-	5,350,617	5,350,617
Reserve for Brownfield Series 2012A Bonds	514,748	-	-	514,748
Reserve for Compensated Absences	-	-	6,897	6,897
Reserve for Eligible Obligations	-	8,552,294	-	8,552,294
Reserve for Encumbrances	51,283	-	691,141	742,424
<b>TOTAL FUND EQUITY</b>	<b>5,414,488</b>	<b>8,552,294</b>	<b>95,560,234</b>	<b>109,527,016</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 6,267,537</b>	<b>\$ 46,309,445</b>	<b>\$ 95,800,885</b>	<b>\$ 148,377,867</b>

Note 1: This line is the accumulated amounts of the actuarially determined Annual Required Contributions (ARC) for pre-65 year old retiree health insurance in excess of the "pay as you go" charges disbursed from the Retiree Health Insurance Fund plus interest on the unpaid portion of the prior year liability. The trust fund is currently over-funded which is why the account has a negative balance.

## STATEMENT B

### DOWNTOWN DEVELOPMENT AUTHORITY Comparison of FY2015 Budget vs Actual Results July 1, 2014 - November 30, 2014

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
Property Tax Increment - General	\$ -	\$ -	\$ 7,529,127	\$ 7,542,368	\$ 4,237,009	\$ 3,996,421
Property Tax Increment - Transit Millage	-	-	-	-	385,681	385,681
Property Tax Increment - Prior Year Appeals	-	-	(200,000)	(7,677)	(100,000)	(3,060)
Property Tax Increment - Rebates to City / ITP	-	-	-	-	(278,682)	-
Special Assessments - Areaway	15,000	-	-	-	-	-
Brownfield Authority - Grandville Avenue	-	-	-	-	21,973	23,200
Interest on Investments - General	18,747	32,642	10,000	-	50,644	83,913
Interest on Investments - Multi-Year Accrual Reversal <sup>1</sup>	-	(28,853)	-	-	-	(95,793)
Interest on Investments - The Gallery Note	40,167	-	-	-	-	-
Early Principal Repayment - The Gallery Note	-	175,000	-	-	-	-
Miscellaneous Fees / Reimbursements	500	-	-	-	10,000	625
Property Rental - DASH Parking Lots	336,925	104,063	-	-	-	-
Property Rentals - Movies in the Park Vendors	-	1,250	-	-	-	-
Property Rentals - Winter Avenue Building	9,000	-	-	-	-	-
Property Rentals - YMCA Customer Parking	52,000	21,125	-	-	-	-
From / (To) Fund Balance	3,127,112	-	(10,000)	-	145,089	-
<b>TOTAL REVENUES</b>	<b>\$ 3,599,451</b>	<b>\$ 305,227</b>	<b>\$ 7,329,127</b>	<b>\$ 7,534,691</b>	<b>\$ 4,471,714</b>	<b>\$ 4,390,987</b>
<b>EXPENDITURES</b>						
Investment - Planning and Infrastructure						
Development Incentive Programs	\$ -	\$ -	\$ -	\$ -	\$ 1,085,000	\$ 504,156
Transit Projects - Transit Millage Funded	-	-	-	-	125,000	18,750
Planning	35,000	-	-	-	350,000	146,209
Public Infrastructure	2,051,451	-	-	-	890,000	99,121
Investment Total	\$ 2,086,451	\$ -	\$ -	\$ -	\$ 2,450,000	\$ 768,236
Livability - Residents / Workers / Neighborhood	605,000	135,640	-	-	700,000	89,835
Vibrancy - Attracting Visitors	808,000	191,808	-	-	-	-
Miscellaneous	100,000	2,193	-	-	-	-
<b>Total Alliance Projects</b>	<b>\$ 3,599,451</b>	<b>\$ 329,641</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,150,000</b>	<b>\$ 858,071</b>
Administration	-	686	-	-	862,863	430,947
Debt Service for Bond Issues	-	-	5,479,525	742,262	458,851	46,568
Estimated Capture to be Returned	-	-	1,849,602	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,599,451</b>	<b>\$ 330,327</b>	<b>\$ 7,329,127</b>	<b>\$ 742,262</b>	<b>\$ 4,471,714</b>	<b>\$ 1,335,586</b>
<b>EXCESS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (25,100)</b>	<b>\$ -</b>	<b>\$ 6,792,429</b>	<b>\$ -</b>	<b>\$ 3,055,401</b>

Note 1: For efficiency reasons, the City Treasurer does not record interest revenue when earned from multiple year investments. Instead, revenues associated with multiple year investments are accumulated annually, accrued, and then reversed in the following fiscal year.

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# STATEMENT C

## DOWNTOWN DEVELOPMENT AUTHORITY

### Statement of Current Project Expenditures

As of November 30, 2014

Project Title	Project Budgets		EXPENDITURES			Available Budget
	%	Cost	Month	Fiscal Year	All Years	
Areaway Fill Program (ARIP)		35,000 <sup>1,2</sup>	-	-		35,000
Building Re-use Incentive Program (BRIP)		250,000 <sup>1,2</sup>	10,044	16,993		233,007
Development Project Guidance		- <sup>1,2</sup>	3,167	19,735		(19,735)
Development Project Reimbursements		750,000 <sup>1,2</sup>	-	467,428		282,572
Streetscape Improvement Incentive Program		50,000 <sup>1,2</sup>	-	-		50,000
<b>Investment - Development Incentives Sub-Total</b>	<b>9.86%</b>	<b>\$ 1,085,000</b>	<b>\$ 13,211</b>	<b>\$ 504,156</b>		<b>\$ 580,844</b>
Amtrak Station Relocation		800,000 <sup>2</sup>	-	-	746,164	53,836
DASH North Shuttle Services		150,000 <sup>2</sup>	-	18,750	81,250	68,750
<b>Investment - Transit Millage Funded Sub-Total</b>	<b>8.63%</b>	<b>\$ 950,000</b>	<b>\$ -</b>	<b>\$ 18,750</b>	<b>\$ 827,414</b>	<b>\$ 122,586</b>
Downtown Plan		487,500 <sup>2</sup>	117,009	146,209	305,184	182,316
<b>Investment - Planning Sub-Total</b>	<b>4.43%</b>	<b>\$ 487,500</b>	<b>\$ 117,009</b>	<b>\$ 146,209</b>	<b>\$ 305,184</b>	<b>\$ 182,316</b>
Arena South Implementation		230,809 <sup>2</sup>	-	672	34,696	196,113
Bostwick Avenue - Lyon St to Crescent St		225,000 <sup>2</sup>	-	-	-	225,000
Bridge Street Streetscape Improvs		125,000 <sup>2</sup>	-	-	-	125,000
Grand River Activation		232,435 <sup>2</sup>	-	-	132,435	100,000
Ionia Ave 9 - Buckley St to Wealthy St		886,673 <sup>2</sup>	-	3,837	686,526	200,147
Michigan / Ottawa Gateway		300,000 <sup>2</sup>	-	-	-	300,000
Monroe Ave Resurfacing - Louis to I-196		165,000 <sup>2</sup>	-	7,984	7,984	157,016
Monroe Center-Phase 3 / Monument Park		725,000 <sup>2</sup>	-	86,628	1,254,873	(529,873)
Ottawa Avenue Public Improvements		330,000 <sup>2</sup>	-	-	-	330,000
State Street - Jefferson to Lafayette		450,000 <sup>2</sup>	-	-	-	450,000
Veterans Park Improvements		100,000 <sup>2</sup>	-	-	-	100,000
Wealthy Street - US 131 to Division Ave		885,000 <sup>2</sup>	-	-	-	885,000
Weston Street - Sheldon to LaGrave Ave		400,000 <sup>2</sup>	-	-	-	400,000
<b>Investment - Public Infrastructure Sub-Total</b>	<b>45.93%</b>	<b>\$ 5,054,917</b>	<b>\$ -</b>	<b>\$ 99,121</b>	<b>\$ 2,116,514</b>	<b>\$ 2,938,403</b>
Downtown Speakers Series		35,000 <sup>1,3</sup>	-	-		35,000
<b>Investment - Non-Tax Supported Sub-Total</b>	<b>0.32%</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 35,000</b>
Accessibility and Mobility Repairs		10,000 <sup>1,2</sup>	10,000	10,000		-
Bicycle Friendly Improvements		401,000 <sup>2</sup>	-	-	121,556	279,444
Downtown Census		30,000 <sup>1,2</sup>	-	-		30,000
Monroe Ave Phase 3 Services		- <sup>1,2</sup>	-	23		(23)
Public Realm Improvements		200,000 <sup>2</sup>	45,298	45,298	45,298	154,702
Seward Ave Non-Motorized Facility		56,730 <sup>2</sup>	-	12,258	27,552	29,178
Snowmelt System Repairs / Investigation		532,574 <sup>2</sup>	-	16,437	399,011	133,563
Urban Recreation Plan		326,496 <sup>2</sup>	-	981	52,477	274,019
Wayfinding System Improvements		310,000 <sup>2</sup>	-	4,838	4,838	305,162
<b>Livability - Local Tax Supported Sub-Total</b>	<b>16.96%</b>	<b>\$ 1,866,800</b>	<b>\$ 55,298</b>	<b>\$ 89,835</b>	<b>\$ 650,732</b>	<b>\$ 1,206,045</b>
Division Ave Task Force Implemntn		5,000 <sup>1,3</sup>	-	-		5,000
Downtown Safety Ambassadors		300,000 <sup>1,3</sup>	4,906	92,410		207,590
Educational Partnerships Initiatives		10,000 <sup>1,3</sup>	-	-		10,000
Project and Fixed Asset Maintenance		100,000 <sup>1,3</sup>	-	2,215		97,785
Recreational Walk / Tour Signage		40,000 <sup>3</sup>	-	9,715	9,715	30,285
Riverwalk Maintenance		60,000 <sup>1,3</sup>	-	-		60,000
Stakeholder Engagement Program		5,000 <sup>1,3</sup>	-	225		4,775
Street Trees Maintenance Program		5,000 <sup>1,3</sup>	5,000	5,000		-
Transportation Demand Mmnt Prog		92,500 <sup>1,3</sup>	3,289	26,075		66,425
Winter Avenue Building Lease		2,500 <sup>1,3</sup>	-	-		2,500
<b>Livability - Non-Tax Supported Sub-Total</b>	<b>5.63%</b>	<b>\$ 620,000</b>	<b>\$ 13,195</b>	<b>\$ 135,640</b>		<b>\$ 484,360</b>
Bridge Lighting Operations		10,000 <sup>1,3</sup>	-	-		10,000
DGRI Event Production		45,000 <sup>1,3</sup>	1,609	37,397		7,603
Diversity/Inclusion Programming		10,000 <sup>1,3</sup>	2,500	2,500		7,500
Downtown Marketing		225,000 <sup>1,3</sup>	63	24,121		200,879
Downtown Workforce Program		15,000 <sup>1,3</sup>	-	-		15,000
Go-Site Visitor Center at GRAM		30,000 <sup>1,3</sup>	-	-		30,000
Holiday Décor Program		60,000 <sup>1,3</sup>	30,000	30,000		30,000
Major Event Sponsorship		82,000 <sup>1,3</sup>	-	30,000		52,000
Public Space Activation		30,000 <sup>1,3</sup>	658	1,174		28,826
Rosa Parks Circle Skating Operations		42,000 <sup>1,3</sup>	-	-		42,000
Special Events - Grants		50,000 <sup>1,3</sup>	4,891	40,629		9,371
Special Events - Office of		100,000 <sup>1,3</sup>	-	-		100,000
Special Events - Training Program		5,000 <sup>1,3</sup>	-	-		5,000
State of Dntn Event & Annual Reports		22,500 <sup>1,3</sup>	-	150		22,350
Ticketed Events - Police Services		80,000 <sup>1,3</sup>	14,536	21,846		58,154
Wayfinding Sign Maintenance		- <sup>1,3</sup>	-	3,991		(3,991)
<b>Vibrancy Support Sub-Total</b>	<b>7.33%</b>	<b>\$ 806,500</b>	<b>\$ 54,257</b>	<b>\$ 191,808</b>		<b>\$ 614,692</b>
Experience - Miscellaneous		100,000 <sup>1,3</sup>	-	2,125		97,875
Monroe Ave Phase 3 Services		- <sup>1,3</sup>	23	68		(68)
<b>Misc - Non-Tax Supported Sub-Total</b>	<b>0.91%</b>	<b>\$ 100,000</b>	<b>\$ 23</b>	<b>\$ 2,193</b>		<b>\$ 97,807</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>\$11,005,717</b>	<b>\$ 252,993</b>	<b>\$ 1,187,712</b>		<b>\$ 6,262,053</b>

Note 1: Current year (FY2015) budget only.

Note 2: Paid from local tax increment.

Note 3: Paid from non-tax funds.

**STATEMENT D**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Schedule of Expenditures**  
**November, 2014**

Source	Vendor	Purpose / Project	Description	Amount
Local	Interface Studio, LLC	Downtown Plan	Share of services - September 2014	\$ 62,564.00
Local	Paychex	Administration	DGRI payroll, taxes, 401(k) - November, 2014	56,002.40
Local	Interface Studio, LLC	Downtown Plan	Share of services - August 2014	49,192.06
Local	Georgetown Construction Co	Public Realm Improvements	Share of tree grate replacements - 09/04-09/22/2014	45,298.10
Non Tax	Michigan Landscape dba DeVries	Holiday Décor Program	50% down payment for installation, removal, & storage	30,000.00
Local	Georgetown Construction Co	Accessibility and Mobility Repairs	Share of tree grate replacements - 09/04-09/22/2014	10,000.00
Local	TiJu Ventures, LLC	Building Re-use Incentive Program (BRIP)	Partial support - 40 Ionia Ave SW	10,000.00
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - September 2014	8,236.61
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - October 2014	6,299.63
Local	City Treasurer - Budget Office	Administration	Support services allocation - November 2014	6,265.08
Non Tax	Georgetown Construction Co	Street Trees Maintenance Program	Share of tree grate replacements - 09/04-09/22/2014	5,000.00
Local	Federal Square Building Co #1, LLC	Administration	Share of November 2014 office lease	4,959.49
Non Tax	Hispanic Center of W Michigan	Special Events - Grants	2014 Hispanic Festival sponsorship	4,890.62
Local	City of Grand Rapids	Administration	Staff services - November 2014	4,553.87
Local	Dickinson Wright PLLC	Administration	Legal services - share of TIF legislation Sept 2014	4,319.84
Local	BDO USA LLP	Administration	Progress payment - FYE June 30, 2014 audit	3,000.00
Local	Swift Printing & Communications	Downtown Plan	GR Forward - tri-fold surveys and postage	2,992.80
Local	Dickinson Wright PLLC	Development Project Guidance	Legal services - Exchange of Areas 1 & 5 Sept 2014	2,566.20
Non Tax	Jameli Robinson/GR Area Black Biz	Diversity/Inclusion Programming	Black Market event co-sponsorship	2,500.00
Non Tax	Tribune Television Holdings Inc	Downtown Safety Ambassadors	Promotion - Safety Ambassador Program 2014	2,025.00
Local	International Downtown Association	Administration	Share of DGRI annual membership - 01/01-12/31/2015	1,663.04
Local	TGG Inc. / The SBAM Plan	Administration	Share of life/disability insurance - Oct / Nov / Dec 2014	1,413.36
Non Tax	Swift Printing & Communications	Downtown Safety Ambassadors	Safety Ambassadors cards August 2014	1,326.88
Non Tax	Fifth Third Bank - Procurement Card	Transportation Demand Mgmt Program	Innovation Exchange Chicago - bus rental & train tickets	1,205.00
Local	City Treasurer - Risk Management	Administration	General insurance - November 2014	1,068.00
Local	City Treasurer - Parking Services	Administration	Parking - DGRI staff- November 2014	1,055.00
Non Tax	Fifth Third Bank - Procurement Card	Transportation Demand Mgmt Program	Innovation Exchange Chicago - meals/snacks	978.27
Non Tax	Dickinson Wright PLLC	Downtown Safety Ambassadors	Legal services - sublease with City Sept 2014	837.20
Local	Applied Imaging	Administration	Share of copier rental, and black/white/color copy fees	797.59
Local	City Treasurer - Parking Services	Administration	Parking validations - November 2014	786.00
Local	Grand Rapids Art Museum	Downtown Plan	Boardroom rentals - Speaker Series leadership lunches	750.00
Local	Swift Printing & Communications	Downtown Plan	GR Forward Speaker Series - poster prints	750.00
Local	Dickinson Wright PLLC	Administration	Legal services - Downtown Market September 2014	707.00
Non Tax	Swift Printing & Communications	Downtown Marketing	There's a Better Way to Give postcards Nov 2014	590.00
Local	Fifth Third Bank - Procurement Card	Downtown Plan	Refreshments / lunches for stakeholder meetings	579.88
Local	Fifth Third Bank - Procurement Card	Administration	Staff professional development	519.29
Local	Kristopher Larson	Administration	IDA Strategic Planning Conference 10/27-10/28/2014	517.35
Local	Wondergem Consulting	Administration	Share of tif legislation public relations 10/15-10/30/2014	505.75
Local	Fifth Third Bank - Procurement Card	Administration	Job posting on Monster.com	375.00
Non Tax	Fifth Third Bank - Procurement Card	Transportation Demand Mgmt Program	Innovation Exch Chicago - architecture/Open data tour	375.00
Local	Staples Contract & Commercial Inc	Administration	Share of office supplies	373.16
Local	Cellco Partnership dba Verizon	Administration	Share of staff cellphone svc/equip 10/02-11/01/2014	351.37
Local	Dickinson Wright PLLC	Development Project Guidance	Legal services - Riverhouse devel support Sept 2014	345.80
Non Tax	Swift Printing & Communications	DGRI Event Production	MITP poster prints - August 2014	341.68
Non Tax	Swift Printing & Communications	Public Space Activation	Pop-Up Performer signs - October 2014	337.98
Local	Professional Maint of Michigan, Inc.	Administration	Share of janitorial services - October 2014	335.26
Non Tax	Fifth Third Bank - Procurement Card	Transportation Demand Mgmt Program	Innovation Exchange Chicago - messenger bags	299.85
Non Tax	TGG Inc. / The SBAM Plan	Transportation Demand Mgmt Program	Share of life/disability insurance - Oct / Nov / Dec 2014	257.20
Non Tax	Swift Printing & Communications	DGRI Event Production	Dear D.C. Love GR stickers for event - October 2014	250.02
Local	Federal Square Building Co #1, LLC	Administration	Share of electricity at 29 Pearl St. NW - 10/08-11/06/14	243.31
Local	Dickinson Wright PLLC	Administration	Legal services - share of DGRI Board mtg Sept 2014	243.11
Local	Fusion IT LLC	Administration	Share of email issues services October 2014	205.93
Local	Fusion IT LLC	Administration	Share of - manage email archive October 2014	205.63
Non Tax	DDA Petty Cash	DGRI Event Production	ArtPrize Kickoff Reception - live painting during event	200.00
Non Tax	Gerald R. Ford Presidential Museum	DGRI Event Production	Dear DC Love GR event - security services	200.00
Non Tax	Swift Printing & Communications	Public Space Activation	Pop-Up Performer postcards - October 2014	195.00
Local	TDS Metrocom LLC	Administration	Share of 29 Pearl NW telephone svc - November 2014	191.14
Non Tax	Deutsch Inc.	DGRI Event Production	Equipment for movie projector	185.00
Local	Adam Bird, Photographer	Downtown Plan	Photography of GR Forward popup October 2014	180.00

*continued on the next page*



**STATEMENT D - continued**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Schedule of Expenditures**  
**November, 2014**

**Page 2**

Source	Vendor	Purpose / Project	Description	Amount
<i>continued from previous page</i>				
Local	Eric Pratt	Administration	Mileage - MDA conf / State Comm. Oct 2014	\$ 177.07
Local	Comcast	Administration	Share of high speed internet - Sept/Oct 2014	175.74
Non Tax	Swift Printing & Communications	DGRI Event Production	"Dear D.C. Love GR" poster prints November 2014	173.18
Local	Local First	Administration	Local First 2015 membership	165.00
Local	PCS Gophers Ltd	Administration	Interoffice and mail service	156.84
Local	Great America Financial Services	Administration	Share of Ricoh Copier System lease - November 2014	152.50
Local	Dickinson Wright PLLC	Development Project Guidance	Legal services - Arena Place project Sept 2014	145.60
Local	Staples Contract & Commercial Inc	Administration	Share of office supplies	137.52
Local	Paychex	Administration	Payroll processing fees - November, 2014	136.42
Local	Paychex	Administration	HRS processing fees - November, 2014	135.00
Non Tax	Cellco Partnership dba Verizon	Transportation Demand Mmnt Program	B Kirk cellphone svc/equip 10/02-11/01/2014	129.75
Non Tax	City Treasurer - Parking Services	Downtown Safety Ambassadors	Parking card - Melvin Eledge November 2014	127.00
Non Tax	Swift Printing & Communications	Public Space Activation	Pop-up performer postcards October 2014	125.00
Non Tax	Fifth Third Bank - Procurement Card	Administration	K. Larson lunch meetings	116.82
Local	Dickinson Wright PLLC	Development Project Guidance	Legal services - Waters Bldg devel support Sept 2014	109.20
Non Tax	Fifth Third Bank - Procurement Card	DGRI Event Production	Linens and laminator	97.61
Non Tax	Swift Printing & Communications	DGRI Event Production	State of the Downtown print map poster August 2014	95.00
Non Tax	Fifth Third Bank - Procurement Card	Downtown Marketing	Nationbuilder subscription - October 2014	63.00
Local	Ferris Coffee & Nut Company, Inc.	Administration	Share of coffee for staff and meetings	62.45
Local	Staples Contract & Commercial Inc	Administration	Share of office supplies	57.03
Local	Ferris Coffee & Nut Company, Inc.	Administration	Share of coffee for staff and meetings	56.01
Local	Staples Contract & Commercial Inc	Administration	Share of office supplies	52.81
Local	DDA Petty Cash	Building Re-use Incentive Program (BRIP)	Lien recording services	44.00
Local	Gemini Corporation	Administration	Share of Grand Rapids Business Journal subscription	43.78
Non Tax	Kristopher Larson	Transportation Demand Mmnt Program	Innovation Exch Chicago - prof dev/travel 10/29-/30/14	43.69
Local	Ferris Coffee & Nut Company, Inc.	Administration	Share of coffee for staff and meetings	43.54
Non Tax	City Treasurer - Special Events Dept	DGRI Event Production	Hourly labor for "Dear DC, Love GR"	42.00
Local	DDA Petty Cash	Administration	Coffee for DDA Board meetings	40.26
Local	Eric Pratt	Administration	Travel reimbursement - MDA conference 10/22-24/2014	36.98
Local	JPMorganChase	Administration	Payroll account bank fees - November, 2014	33.68
Local	Ferris Coffee & Nut Company, Inc.	Administration	Share of coffee for staff and meetings	23.95
Local	Model Coverall Service, Inc.	Administration	Share of floor mats - DGRI offices 10/15/2014	23.31
Local	Model Coverall Service, Inc.	Administration	Share of floor mats - DGRI offices 10/01/2014	23.31
Local	Model Coverall Service, Inc.	Administration	Share of floor mats - DGRI offices 10/29/2014	23.31
Non Tax	Consumers Energy	Monroe Ave Phase 3 Services	Monroe Center Phase 3 electricity - 08/24-09/24/2014	22.60
Local	Fusion IT LLC	Administration	Share of bulk email troubleshooting - October 2014	17.62
Local	Fusion IT LLC	Administration	Share of 4 quarterly renewals October 2014	17.62
Non Tax	DDA Petty Cash	Transportation Demand Mmnt Program	Innovation Exchange Chicago - postage	15.54
Local	City Treasurer - Facilities Mmnt	Administration	Metered mail - October 2014	15.10
Local	DDA Petty Cash	Administration	Staff professional development	15.00
Local	DDA Petty Cash	Administration	Parking fees	12.75
Non Tax	DDA Petty Cash	DGRI Event Production	ArtPrize Kickoff Reception supplies	9.00
Local	Staples Contract & Commercial Inc	Administration	Share of office supplies	8.90
Local	Gordon Water Systems	Administration	Share of water cooler rental	5.94
Local	DDA Petty Cash	Administration	Postage to mail DDA Board agenda packets	4.90
<b>NOVEMBER 2014 EXPENDITURES</b>				<b>\$ 345,620.08</b>

Local - local tax increment funds  
Non-tax - non-tax funds  
Debt - school tax increment funds

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

Agenda Item 4  
December 10, 2014  
DDA Meeting

DATE: December 5, 2014

TO: Downtown Development Authority

FROM: Bill Kirk  
Mobility Manager



**SUBJECT: Request to renew partnership agreement for DASH North service**

In December of 2012, the Parking Commission, The Rapid (ITP), the Monroe North Tax Increment Finance Authority (MNTIFA), and the Grand Rapids Downtown Development Authority (DDA) recommended and authorized agreements under which DASH service was expanded to the Monroe North area. Historically, the Monroe North Business Association (MNBA), residents, and other stakeholders in the neighborhood have advocated for some form of public transit connection and access. Although home to thousands of residents and employees, the Monroe North neighborhood is currently not connected to Downtown via fixed-route transit. Two years ago, city staff, representatives of the Monroe North Business Association (MNBA) and the DDA met to consider the request to participate in offering DASH transit service from Monroe North into central Downtown. The estimated annual pilot service cost ranged from \$175,000 - \$225,000.

The proposed financing model sought funding support from the DDA, Parking Services and the MNTIFA. Working with The Rapid, a route was identified and service implemented. The route has been well received and greatly appreciated in the Monroe North neighborhood. Ridership has grown consistently over the pilot period, with promotional support from the MNBA and other stakeholders in the area. In addition, DGRI staff developed marketing materials for the service in September of 2014, and the MNBA has assisted with the distribution of these materials (ridership information and a sample of the DASH poster are included after this memo).

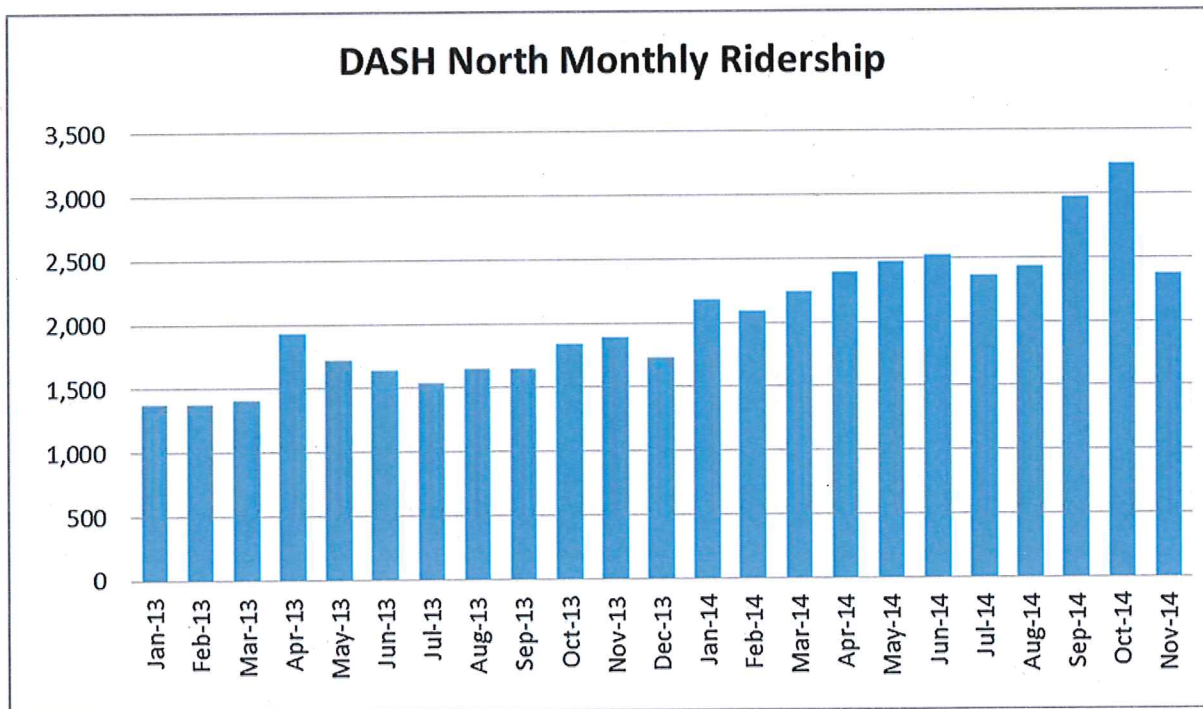
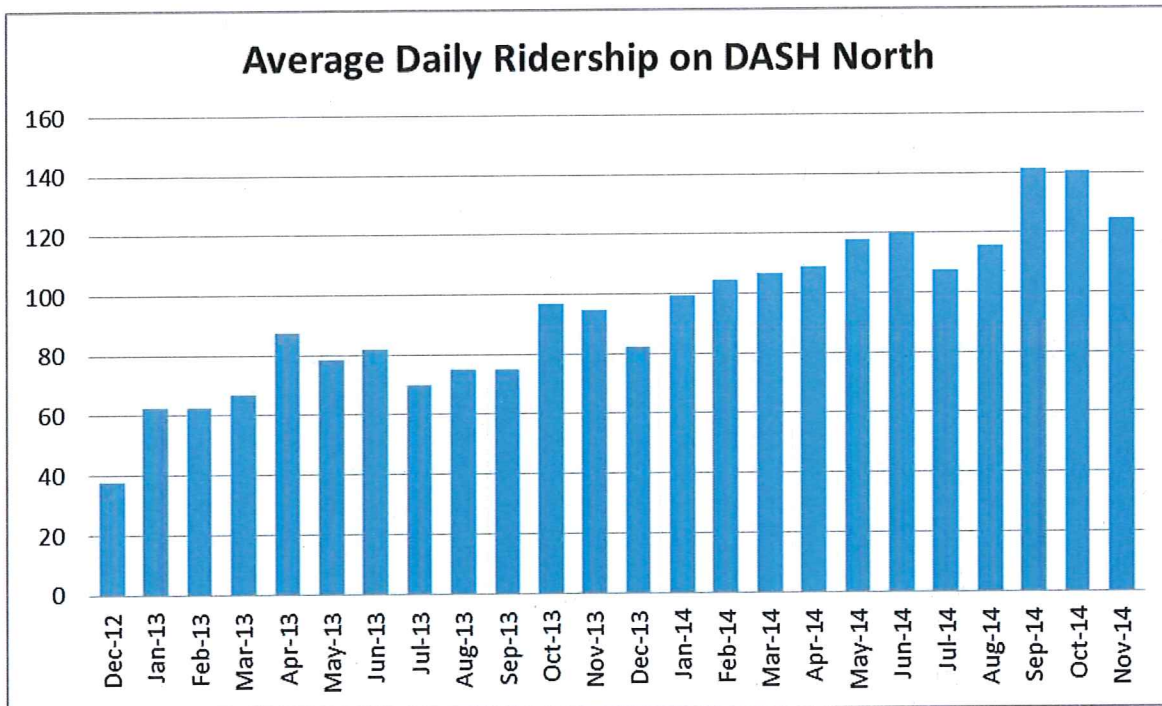
Actual cost of the program was \$222,798 in 2013 and \$177,722 through October 2014. MNTIFA and the DDA each pay \$6,250 monthly for the service, with the City of Grand Rapids paying the remainder.

Staff from the City, the DDA, The Rapid, and MNTIFA met to discuss extension of DASH North agreements through December 2016. No major changes are contemplated, with the following exception: MNTIFA and the DDA wish to sell (or allow) advertising on the inside of the DASH busses.

As lessees of the busses, requests for advertising would be administered by representatives of MNTIFA and DGRI. Any net revenue collected would offset the monthly cost of providing the service, to be shared equally amongst the three providers of the service: the City, MNTIFA and the DDA.

Renewal of the partnership agreements to offer DASH North service in Monroe North, selling or allowing advertising on the inside of the DASH North bus, and funding the cost of service up to \$80,000 per year was reviewed and recommended by the Parking Commission at the November 2104 meeting.

The current agreements expire on December 9, 2014. Prior to renewal of the agreements, Parking Services has recommended operating under the existing agreement and has proposed that ITP write a letter and provide



**Connect  
for free.**

**Connect  
every twenty  
minutes.**

**Connect  
with DASH  
North.**

**Connect  
with your  
city.**

**DASH**



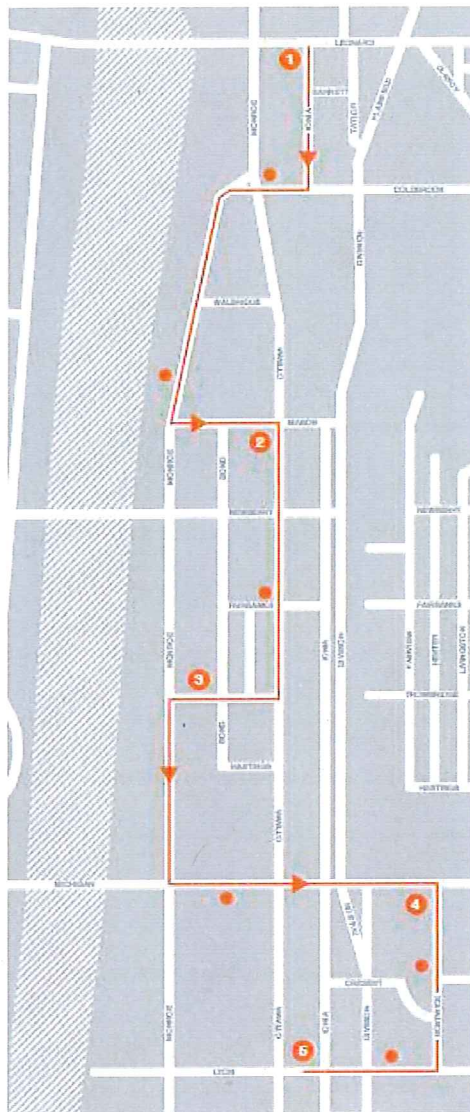
Downtown  
Area  
Shuttle



**Connect.**

For more information  
please visit [downtowngo.org](http://downtowngo.org)





## South Bound

Mon - Friday  
6:30 am - 10 pm

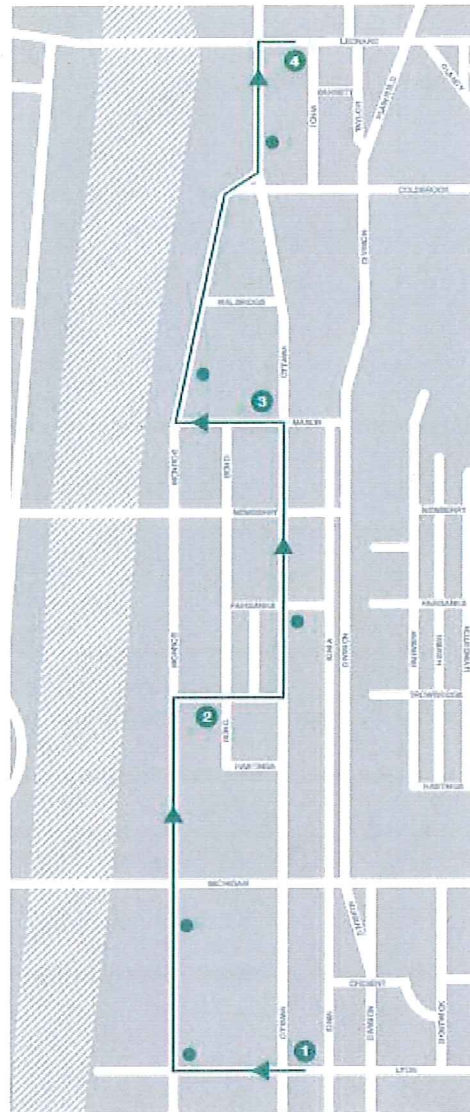
Towards  
Downtown

All times are approximate.  
Please take traffic into consideration.

- 1 Leonard & Ionia  
:10, :30, & :50  
past the hour
- 2 Mason & Ottawa  
:12, :32, & :52  
past the hour

- 3 Monroe & Trowbridge  
:13, :33, & :53  
past the hour
- 4 Michigan & Bostwick  
:16, :36, & :56  
past the hour

- 5 Lyon & Ottawa  
:19, :39, & :59  
past the hour



## North Bound

Mon - Friday  
6:30 am - 10 pm

Towards  
Monroe North

All times are approximate.  
Please take traffic into consideration.

- 1 Lyon & Ottawa  
:13, :33, & :53  
past the hour
- 2 Monroe & Trowbridge  
:22, :42, & :42  
past the hour

- 3 Mason & Ottawa  
:24, :24, & :44  
past the hour
- 4 Monroe

- 4 Leonard & Ionia  
:27, :27, & :47  
past the hour

## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING** (the “Memorandum”) is entered into as of December 10, 2014, by and between the **CITY OF GRAND RAPIDS** (the “City”), the **DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF GRAND RAPIDS** (the “DDA”) and the **TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF GRAND RAPIDS**, a/k/a the Monroe North Tax Increment Finance Authority (the “MNTIFA”).

### RECITALS

A. The City, DDA and MNTIFA have determined to collaborate in the provision of downtown area shuttle, a/k/a DASH transit service between the DDA’s Downtown District and MNTIFA’s Monroe North Development Area on a two-year fare-free pilot program (the “DASH North Service”) which service is within the scope and authority of both the DDA’s and MNTIFA’s development and tax increment finance plans.

B. On December 10, 2012, the City, DDA and MNTIFA agreed to extend the DASH North Service for an additional two years ending December 9, 2014.

C. Subject to the terms and conditions of this Memorandum, the DDA and MNTIFA each agree to pay the City \$6,667 (total of \$13,334) per month for 24 consecutive months (the “Rent”) for lease from the City of a bus to provide the DASH North Service subject to the terms and conditions of this memorandum.

D. Subject to the terms and conditions of this Memorandum, the City agrees to provide the bus for the DASH North Service and to enter into an agreement with the Interurban Transit Partnership (“ITP”) to operate the DASH North Service, provide bus operators, maintain and clean the bus and store the bus.

E. In addition to the Rent it receives from the DDA and MNTIFA, the City agrees to provide through funds from its Parking System of up to \$80,000 per year for each year of the two-year pilot program to cover the cost of the DASH North Service.

### UNDERSTANDING

**Section 1. DASH North Service.** The parties hereto agree that DASH North Service, including the level and frequency of service, shall be provided as described and in accordance with the terms and conditions of the DASH North Shuttle Bus Service Agreement dated as of December 10, 2012, between the City and ITP and attached hereto as Attachment I (the “Service Agreement”). The service schedule for the DASH North Service may only be modified pursuant to the provisions of the Service Agreement and with the prior written approval of staff of the DDA and MNTIFA.

**Section 2. Term of Service.** The DASH North Service shall be for a two-year trial period commencing December 10, 2014, and ending December 9, 2016 (the “Term”).

**Section 3. Lease of Bus.** The DDA and MNTIFA each agree to pay the City \$6,667 monthly during the Term as the Rent for lease of a bus to be used to provide the DASH North Service. The maximum amount each of the DDA and MNTIFA shall be obligated to pay for the DASH North Service during the Term is \$160,000. It is agreed and understood that the bus leased and therefore used to provide the DASH North Service shall not be one that the DDA had previously paid for. The City shall invoice the DDA and MNTIFA each its share of the monthly Rent on about the 20th day of the prior month which payment shall be due on the first business day of the next month for that month’s Rent.

**Section 4. Obligations of the City.** The City agrees to enter into the Service Agreement with ITP effective as of the date of this Memorandum and to be responsible for paying ITP for the cost of the DASH North Service as provided in the Service Agreement with the Rent it receives from the DDA and MNTIFA and up to \$80,000 annually during the Term from funds of the City’s Parking System. The maximum amount the City shall be obligated to pay for DASH North Service during the Term is \$160,000 (the “City Contribution”).

**Section 5. Net Revenues from Advertising.** The DDA and MNTIFA may sell inside bus advertising in coordination with ITP. All net revenues received from such advertisings shall be credited against payments made by each of the City, DDA and MNTIFA.

**Section 6. Costs Exceed Budgeted Amount.** If it appears to any of the parties hereto that the cost of DASH North Service during the Term will exceed the total Rent and City Contribution less any advertising revenues, the parties agree to promptly meet together with ITP to bring the cost of the DASH North Service within the budgeted amount. No party to this Memorandum shall be obligated to pay more than \$160,000 for the DASH North Service during the Term without the prior written approval of such party.

**Section 7. Daily Boarding Information.** As provided in the “DASH Service Plan” paragraph 5 of the Service Agreement, the City agrees to request from ITP monthly, and upon receiving same promptly provide the DDA and MNTIFA, daily on/off boarding information for the DASH North Service.

**Section 8. Quarterly Meetings.** The parties hereto agree to meet along with ITP quarterly during the Term to review and discuss user activity, customer feedback and other matters affecting the character and quality of the DASH North Service.

**Section 9. Insurance Coverage.** The City shall cause ITP to provide the insurance coverage prescribed in “DASH Service Plan” paragraph 14 of the Service Agreement naming the DDA and MNTIFA and their respective officers, board members, employees and agents as additional or co-insureds. In addition, the City shall name the DDA and MNTIFA and their respective officers, board members, employees and agents as additional or co-insureds with respect to the insurance coverage required by paragraph 5 under “City Responsibilities” in the Service Agreement. Upon request, the City shall provide or cause to be provided a certificate of

insurance or other documentation reasonably acceptable to the DDA and MNTIFA evidencing the insurance coverage required by this Section 8.

**Section 10. Indemnification.** Each party to this Memorandum agrees to hold harmless and indemnify the other parties hereto and their respective officers, board members, employees and agents from any and all claims, liability, demands, losses, damages, expenses and costs (including attorneys' fees and costs) based on (i) each such party's own negligent or wanton and willful acts or omissions or (ii) the indemnifying party's breach of this Memorandum. The intent of this Section 8 is that each party be responsible for claims and liable for its own acts or omissions, including that of its respective officers, board members, employees and agents. None of the parties to this Memorandum, however, waives any defenses it may have available to it at law or in equity.

**Section 11. Early Termination.** This Memorandum shall terminate before the end of the Term if the Service Agreement shall be terminated. Termination shall be effective as of the date and time of termination of the Service Agreement (the "Termination Effective Date"). No party to this Memorandum shall have any obligation to any other party on and after the Termination Effective Date except for such DASH North Service provided prior to the Termination Effective Date.

**CITY OF GRAND RAPIDS**

By: \_\_\_\_\_  
George K. Heartwell, Mayor

Attest:

\_\_\_\_\_  
Darlene O'Neal, City Clerk

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

By: \_\_\_\_\_  
Brian Harris, Chairperson

**TAX INCREMENT AUTHORITY OF THE  
CITY OF GRAND RAPIDS**  
a/k/a Monroe North Tax Increment  
Finance Authority



By: \_\_\_\_\_  
Howard Hansen, Chairperson

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: December 5, 2014

TO: Downtown Development Authority

FROM: Eric Pratt   
Project Manager

Agenda Item #5a  
December 10, 2014  
DDA Meeting

SUBJECT: Development Area Liquor License Request – 10 Jefferson Avenue SE

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 for licenses received 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. The policy also gives the highest priority for approval of these licenses to existing restaurants in the district.

A new application under this procedure has been submitted by:

Cult Pizza, LLC, the owner and operator of both Cult Pizza Restaurant and Bartertown Diner, is proposing to open a new business, Live Food Bar, within one of the vacant storefronts located at 10 Jefferson Avenue SE. Live Food Bar will be a fresh juice, smoothie bar, but will also serve package beer and wine for on premise consumption. Located between Cult Pizza and Bartertown, Live Food Bar will be connected to the two existing businesses by means of a newly constructed internal corridor. Once complete, Live Food Bar will have seating for up to 75 people. The total project cost is estimated to be \$234,000.

Staff has evaluated the application and finds that it meets or exceeds the requirements of the act. Concurrent review by other departments and the Planning Commission is underway.

#### Recommendation:

Staff recommends approval of the attached resolution.

Attachment.

**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, Cult Pizza, LLC, a Michigan Limited Liability Company, located at 161 Ottawa Avenue NW, Suite 600, 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, Cult Pizza, LLC, in its application, has indicated its intention to operate Live Food Bar, at 10 Jefferson Avenue SE, Grand Rapids, MI 49503 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 Cult Pizza, LLC, as proposed by Cult Pizza, LLC, 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. facilitating private investment in rehabilitation of or restoration of leased space at 10 Jefferson Avenue SE.
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 Cult Pizza, LLC, at 10 Jefferson Avenue SE, above all others.

YEAS: Boardmembers \_\_\_\_\_  
\_\_\_\_\_

NAYS: Boardmembers \_\_\_\_\_

ABSTAIN: Boardmembers \_\_\_\_\_

ABSENT: Boardmembers \_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

Dated: December 10, 2014

\_\_\_\_\_  
Kris 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 December 10, 2014, 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.

\_\_\_\_\_  
Mary Sierawski  
DDA Secretary

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: December 5, 2014

TO: Downtown Development Authority

FROM: Eric Pratt   
Project Manager

Agenda Item #5b  
December 10, 2014  
DDA Meeting

**SUBJECT: Development Area Liquor License Request – 95 Monroe Center Avenue NW**

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 for licenses received 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. The policy also gives the highest priority for approval of these licenses to existing restaurants in the district.

A new application under this procedure has been submitted by:

Fat Johnny's, Inc. owns and operates Fat Johnny's Philly Cheesesteak Company at 95 Monroe Center Avenue NW. Known for its original Jersey style & Philly style rib eye cheesesteaks, Fat Johnny's Cheesesteak Company also sells hand cut fries, garlic roast fries and Guinness battered onion rings with its cheesesteaks. In addition to cheesesteak sandwiches, Fat Johnny's Inc would also like to sell package beer, wine and spirits for on premise consumption. Located within the ground floor of the Aldrich Building, Fat Johnny's is open six days a week and has seating for up to 49 people. The total project cost is estimated to be \$50,000.

Staff has evaluated the application and finds that it meets or exceeds the requirements of the act. Concurrent review by other departments and the Planning Commission is underway.

#### Recommendation:

Staff recommends approval of the attached resolution.

Attachments.

**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, Fat Johnny's, Inc., a Michigan Limited Liability Company, located at 7900 Golf Meadows Drive, Caledonia, Michigan, 49316 ; has applied to the City for approval of a license under the Act, and is located within the DDA district, and

WHEREAS, Fat Johnny's, Inc., in its application, has indicated its intention to operate Fat Johnny's Cheesesteak Company, a Michigan Corporation, 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 Fat Johnny's, Inc., as proposed by Fat Johnny's, Inc., 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. facilitating private investment in rehabilitation of or restoration of leased space at 95 Monroe Center Avenue NW, Suite B.
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 Fat Johnny's, Inc., at 95 Monroe Center Avenue NW, Suite B, above all others.

YEAS: Boardmembers \_\_\_\_\_  
\_\_\_\_\_

NAYS: Boardmembers \_\_\_\_\_

ABSTAIN: Boardmembers \_\_\_\_\_

ABSENT: Boardmembers \_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

Dated: December 10, 2014

\_\_\_\_\_  
Kris 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 December 10, 2014, 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.

\_\_\_\_\_  
Mary Sierawski  
DDA Secretary

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

Agenda Item 6.  
December 10, 2014  
DDA Meeting

DATE: December 5, 2014

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP  
Executive Director



SUBJECT: Safety Ambassador Program Contract Amendments

In September of 2013, DGRI officially launched its Safety Ambassador program (The Program). Since that time, the program has made measureable impacts in Downtown Grand Rapids through the provision of hospitality, informational, environmental, social, and safety oriented services. A reflective year-in-review presentation accompanies this memo and includes highlights of many of the program's accomplishments from its initial year.

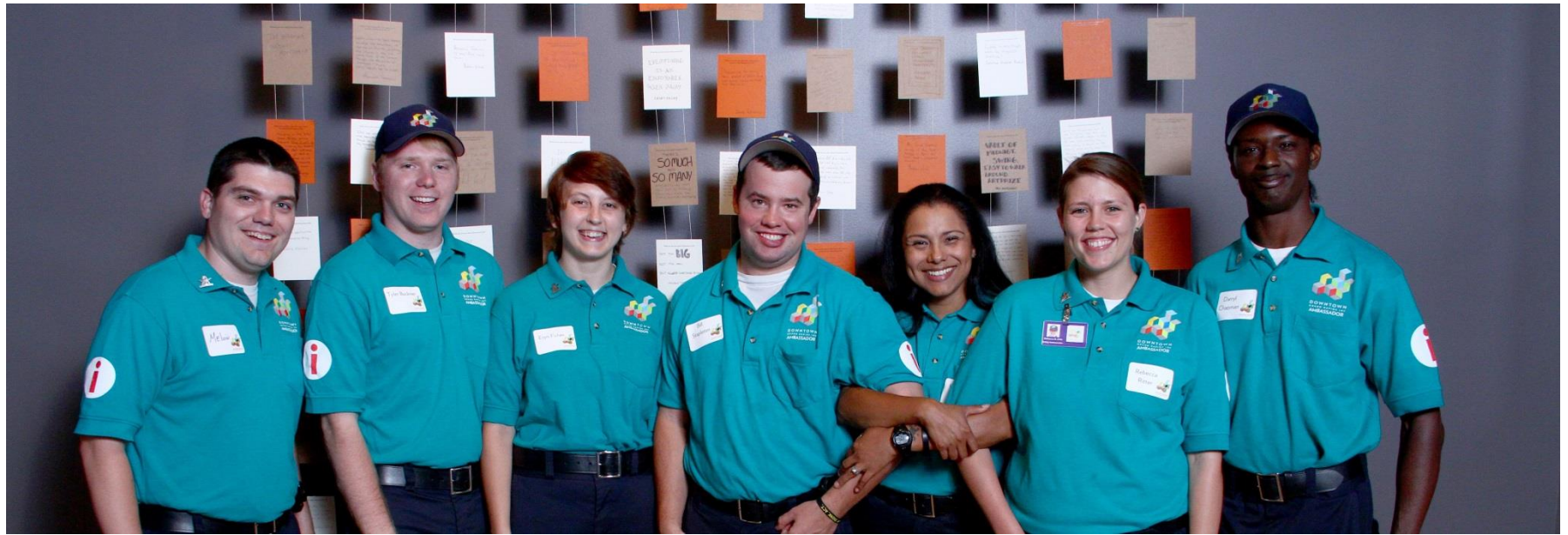
The Downtown Development Authority (DDA) Board authorized entering into a contract with MYDATT SERVICES INC, dba BLOCK BY BLOCK, the administration entity responsible for performing the program's host of services. The Agreement included a one-year term ending on September 24<sup>th</sup>, 2014, plus two one-year renewals.

At this time, it is requested that the DDA Board authorize its Executive Director and Legal Counsel prepare an amendment to the Agreement that would include a retroactive three-month extension that would continue Program services through December 31, 2014 at the current rates, and authorize the Executive Director to negotiate an 18-month extension for the period beginning January 1, 2015 through June 30, 2016.

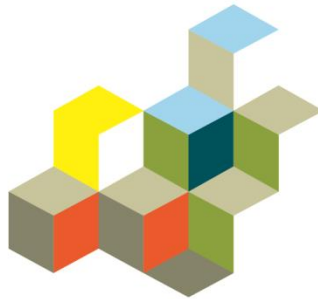
The amended contracted amounts shall not exceed the annual allocation of \$300,000 for FY15 or FY16, as authorized within the FY15 DDA Budget and Priority Plan, and once finalized, will be executed by the DDA Board Chair.

Recommendation: Authorize the DDA Executive Director and Legal Counsel to negotiate terms of a contract amendment with Block by Block consistent with the intent of the program and the approved budgetary allocations.





# Downtown Grand Rapids Safety Ambassador 2013 – 2014 Annual Report



**DOWNTOWN**  
GRAND RAPIDS INC.



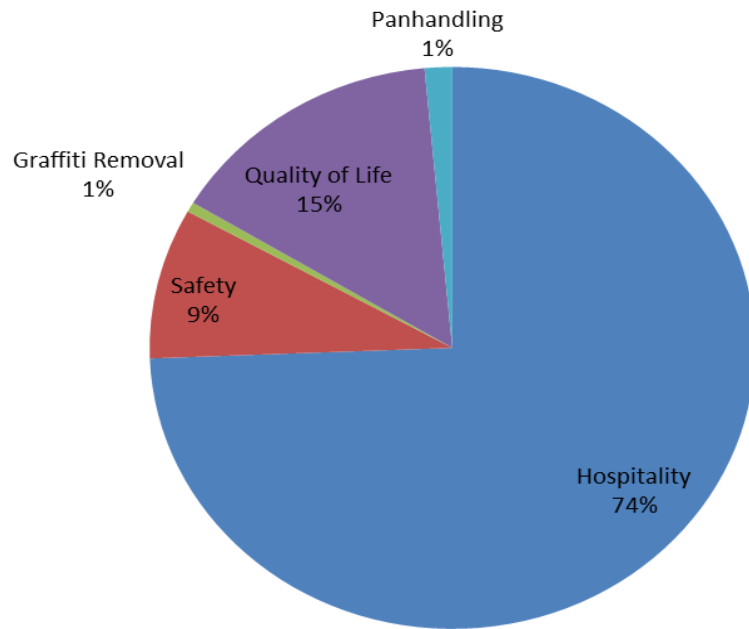
# Intro

Launched in September 2013 the Downtown Safety Ambassador Program was designed to be a friendly and welcoming team that patrols Downtown sidewalks and other areas of the public realm for the benefit of residents, visitors, workers and anyone who needs a helping hand.



# Annual Statistics

## Statistics Sept. 2013 - Sept. 2014



259,204	Total Contacts
192,859	Hospitality Contacts
38,604	Outreach Contacts
22,473	Safety Contacts
3,806	Panhandling Contacts
1,462	Graffiti Removed



DOWNTOWN  
GRAND RAPIDS INC.



AN SMS HOLDINGS COMPANY



# Graffiti Removal



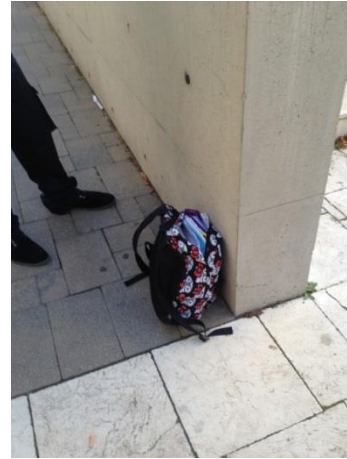
DOWNTOWN  
GRAND RAPIDS INC.

1,462 | Graffiti Removed

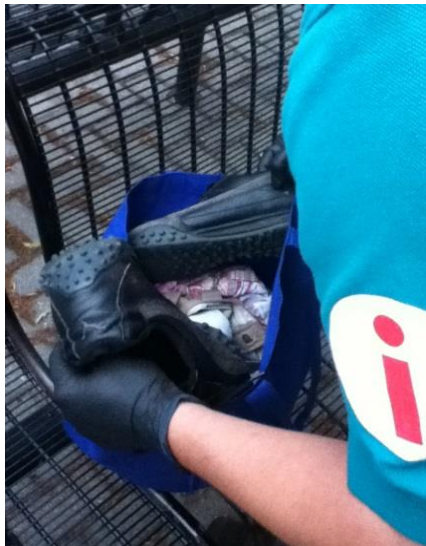




# Safety



<b>22,473</b>	<b>Total Safety Contacts</b>
<b>11,778</b>	<b>Safety Escorts</b>
<b>7,587</b>	<b>Sidewalk Violations</b>
<b>1,861</b>	<b>Suspicious People</b>
<b>502</b>	<b>Emergency Requests</b>
<b>425</b>	<b>Fights Observed</b>
<b>320</b>	<b>Suspicious Packages</b>



**DOWNTOWN**  
GRAND RAPIDS INC.



# Outreach



DOWNTOWN  
GRAND RAPIDS INC.

38,604 | Total Outreach Contacts  
210 | PIC Walks





# Hospitality

192,859	Total Hospitality Contacts
65,249	Other Contacts
55,341	Information Provided
36,522	Program Info Provided
29,163	Directions Given
3,502	Business Contacts
2,981	Umbrella Escorts
101	Motorist Assistance



DOWNTOWN  
GRAND RAPIDS INC.



# Partnerships



**H.N.C.P.**  
**Take Hold Church**  
**Degage Ministries**  
**Heartside Ministries**  
**Salvation Army H.A.P.**  
**Mel Trotter Ministries**  
**Red Project/Clean Works**  
**Experience GR**  
**And Many More...**



**DOWNTOWN**  
GRAND RAPIDS INC.





# Events

**Valent-ICE  
I.D.A. Conference  
Santa Parade  
The Great Skate  
Art Prize  
LaughFest  
Festival of the Arts  
Movies in the Park  
Free Comic Book Day  
Halloween on Ionia  
New Year's Eve  
And Many, Many More...**



**DOWNTOWN**  
GRAND RAPIDS INC.



**BLOCK by BLOCK**  
AN SMS HOLDINGS COMPANY

# Highlights

**5.5.2014** 100,000 Contacts

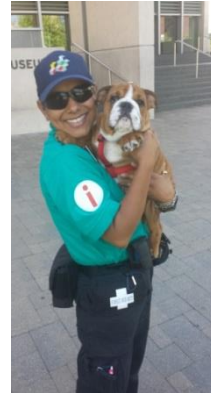
**9.25.2014** 259,204 Contacts

**Veronica Aho** Ambassador of the Year

**Bill Stapleton**

**Rebecca Ritter** Ambassadors of the Quarter

**Darryl Chapman**



**DOWNTOWN**  
GRAND RAPIDS INC.



# Community Comments

From: Ashley Lenhart [alenhart@oaisd.org]

Sent: Friday, November 07, 2014 11:19 AM

To: Melvin Eledge - BBB

Subject: Compliments to Veronia

To whom it may concern,

My name is Ashley Lenhart and I am a teacher at the Ottawa Area Center in Allendale. My classroom recently attended the Griffins hockey game and was very fortunate to receive help from Veronica. My classroom consisted of 6 students who have severely cognitive impairments and are wheelchair bound. Veronica was very friendly and talked to my student in a very appropriate manner. She help guide us to our seats and made sure we were taken care of. I really appreciated all the help that Veronica offered.

Ashley Lenhart

Special Education Teacher

Ottawa Area Center

Email: [alenhart@oaisd.org](mailto:alenhart@oaisd.org)

Phone: 616.738.8960 x4690



DOWNTOWN  
GRAND RAPIDS INC.





# Community Comments

From: Harris, Jackie [Jackie.Harris@tempursealy.com]  
Sent: Tuesday, October 28, 2014 10:38 PM  
To: Melvin Eledge - BBB  
Subject: Thank you

I just wanted to send a quick email to say I think this program is wonderful! I found out about your organization when Tyler asked me if I would feel safer having an escort walk me home tonight. I love that something like this is available to help people feel safe downtown :)

Thanks,  
Jackie Harris

---

From: Korkye [<mailto:ksternburgh@yahoo.com>]  
Sent: Saturday, October 11, 2014 3:48 PM  
To: Info  
Subject: Re: Downtown Ambassadors

What a lovely program to have for visitors to your town. Last week my husband and I visited while enjoying your fantastic Art Prize. In our excitement to see exhibits we didn't pay particular attention to which city lot we had parked our car. Just before dark while trying to remember which lot we had left our car we were approached by a friendly young lady named Emily. Explaining our situation she quickly assured us she could help. We gave her bits and pieces of information and within minutes she had walked us to the correct city parking ramp. Thanks to Emily, Art Prize participants and volunteers, downtown merchants and friendly GR people, we had a wonderful day and plan to return again for other events in your area. Kudos to Grand Rapids Michigan. Thank you, and Emily, for having your Downtown Ambassadors program.

SSternburgh



DOWNTOWN  
GRAND RAPIDS INC.



# Community Comments

**From:** Hau, Errol [Errol.Hau@captrustadvisors.com]

**Sent:** Thursday, October 09, 2014 12:39 PM

**To:** Melvin Eledge - BBB

**Subject:** My experience

Wow. What an unbelievable service. I was so impressed with your ambassador program in Grand Rapids that I've been sharing my story with everyone I know (I live in the Detroit Metro area). Not only did it heighten my impression of the city, it made me want to spend more time there.

I raced into a meeting without paying much attention to where I parked my car. Rebecca noticed that I was searching and stepped up to help. I gave her some general clues and she escorted me to where I needed to go. Her attentive to my situation and willingness to see that I found my way was really impressive. Please pass along my note of gratitude to her and thank you again for providing such an exceptional service!

Sincerely,  
Errol

Errol Hau, AIF®

Vice President | Financial Advisor

[Errol.Hau@captrustadvisors.com](mailto:Errol.Hau@captrustadvisors.com)

248.620.8100 (ext. 21058)

888.655.4015 toll free

248.620.8111 fax

**CAPTRUST Financial Advisors**

8031 M-15, Clarkston, MI 48348



**DOWNTOWN**  
GRAND RAPIDS INC.



AN SMS HOLDINGS COMPANY

# Community Comments

**From:** Christina Klunder [grandcentralmarketgr@yahoo.com]

**Sent:** Tuesday, October 14, 2014 11:04 AM

**To:** Melvin Eledge - BBB

**Subject:** Grand Central Market

Hey Melvin,

We just wanted to give Veronica a shout out. We love the ambassador program from a business owner standpoint, it is very helpful having all of you here. Just wanted to let you know how much we appreciate you guys and Veronica especially. We don't get time very often to thank people for all their hard work and now that ArtPrize is over and we have a second would like to thank Veronica for everything she's done for us since the program has started. She has made it a point if not everyday at least a couple times a week made sure to stop into the Market in the morning to let us know of anything that's going on downtown that we may not have known about, such as events, conferences, street closures, meter hoodings, even interesting characters that you guys might be on the lookout for. She has always made it a point when we're grilling outside to stop by the grill and check on the guys to make sure that no one is harassing any of our customers or employees as we've had trouble with that in previous years. She has escorted numerous customers during rainy days including Cheryl's elderly parents, not even knowing that they were her parents. They were so thankful for her doing that, they had mentioned it to Tom and Cheryl multiple times when they had come into the store to visit and when they had seen Veronica again. She's an integral part of your team, we think Veronica is wonderful and it shows in her interactions with us and our customers. Thank you for all of your teams hardwork, we love that you're here and don't ever want to see you guys go anywhere!

Christina, Tom, Cheryl & Team

Grand Central Market & Deli



**DOWNTOWN**  
GRAND RAPIDS INC.



# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: December 5, 2014

TO: DDA Board

FROM: Kristopher Larson, AICP  
Executive Director



Agenda Item #7  
December 10, 2014  
DDA Meeting

SUBJECT: Development Agreement for 158 Weston – Arena Place

On January 8, 2014, the Downtown Development Authority (DDA) approved entering into a development agreement with Arena Place Development, LLC that describes the terms associated with their development of a mixed-use infill building that includes 60,000 square feet of commercial office space, 101 market-rate residential units, 15,200 square feet of ground-floor active-use space, and 250 parking spaces on the parcel known as "Parking Area One" (158 Weston St. SW). A copy of the development agreement is included with this memo as an exhibit, and details the requirements of both parties, including site preparation and tax-increment rebates from the DDA.

The development project is now under construction, and the underground site preparation work has been completed. Per item K on page 2 of the development agreement, the DDA is responsible for the costs associated with site preparation work that includes various utility relocations from the site and into the public right-of-way.

DGRI staff has received and inspected invoices from subcontractors of Arena Place Development, LLC totaling approximately \$187,000. The invoice for stormwater and sanitary sewer relocation is included with this memo, and DGRI is awaiting the final invoice for signal box relocation from the City's engineering department. These amounts total to less than the engineer's construction estimate of \$200,000. This was a budgeted expense, and appears in the FY15 DDA Budget and Priority Plan under Local Tax Increment: Investment: Public Infrastructure: Ottawa Ave. Public Improvements.

**Recommendation:** Authorize payments of \$172,029.26 to Dykema Construction, and up to \$15,000 to Geotech, Inc. for work associated with utility relocation for the Arena Place Development.

**DEVELOPMENT AGREEMENT**

**between the**

**CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**

**and**

**ARENA PLACE DEVELOPMENT, LLC**

**dated as of**

**January 8, 2014**



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## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (the “Agreement”) is made and entered into as of January 8, 2014, by and between the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, a statutory authority created by the City of Grand Rapids, Michigan (the “City”) pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), (the “DDA”) and **ARENA PLACE DEVELOPMENT, LLC**, a Michigan limited liability company (“APD”).

### RECITALS

A. The DDA owns a public surface parking lot located at 158 Weston Street, S.W. in the City and legally described on the attached Exhibit A (the “Property”).

B. The DDA and APD have previously entered into an Option Agreement (the “Option Agreement”) dated June 24, 2013, which, subject to its terms and conditions, granted APD an option to acquire the Property for \$2,250,000 through June 27, 2014.

C. As a condition for closing on the Property, APD is required to develop a detailed proposal, including financing, for the development and use of the Property (the “Project”) incorporating the requirements of the Option Agreement to be set forth in a development agreement acceptable to and executed by both the DDA and APD.

D. APD will acquire the Property from the DDA and develop and use the Property for the development and construction of the Project in accordance with the terms and condition of this Agreement.

E. The DDA has, pursuant to Act 197, established a Tax Increment Financing and Development Plan as from time to time amended (the “Plan”) for the implementation of development activities within Grand Rapids Development Area No. 1 (the “Development Area”).

F. The Plan provides, in part, that it is the purpose of the DDA to support the development of property in the Development Area by entering into development agreements with private parties owning such property and reimbursing said private parties the costs of public facilities as defined in Act 197, related to the development of such property from tax increment revenues, also as defined in Act 197, realized from the development of such property and available to the DDA for reimbursement.

G. In order to implement said provisions of the Plan, the DDA has adopted a Development Support Policy approved by the DDA Board of Directors on January 11, 2006 (the “Policy”).

H. The Property is located in the DDA Development Area.

I. In connection with its development and construction of the Project on the Property, APD will incur the cost of certain “public facilities”, as defined in Act 197, including, but not limited to, certain costs related to compliance with the legal requirements of the Michigan State Construction Code for architectural designs which eliminate barriers and hindrances thus deter persons with disabilities from having access to free mobility in and around a building or structure (the “Public Facility Improvements”)

J. APD has requested reimbursement of such Public Facility Improvement costs from tax increment revenues to be realized by the DDA from the Project (the “Project Tax Increment Revenues”) in accordance with the terms and conditions of the Policy, in connection with its development of the Project.

K. APD has further requested that the DDA, at its cost, to (i) relocate or cause the relocation of a twelve (12) inch public sanitary sewer along the northern boundary of the Property, (ii) relocate an electric signal box located on the Property, and (iii) undertake certain additional public infrastructure/site work improvements all of which are public facilities as defined in Act 197 (the “Additional Public Facility Improvements”).

L. The Project, including the Public Facility Improvements and the Additional Public Facility Improvements, will fulfill, in part, the purposes of Act 197 and the Plan and assist in the development and redevelopment of the Development Area.

**NOW, THEREFORE**, for and in consideration of the mutual undertakings as set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the DDA and APD agree as follows:

## **ARTICLE I DEFINITIONS, LANGUAGE AND CONTEXT**

**Section 1.01. Definitions.** In addition to the terms defined elsewhere in this Agreement, for purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the following meanings:

“APD Affiliate” means an entity which controls, is controlled by, or is under common control with APD and which has the same members, partners or shareholders owning in the aggregate at least fifty percent (50%) of the ownership interest in APD. As used herein “control” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or rights, by contract or otherwise.

“APD Representative” means a person designated by APD to the DDA in writing to act as its representative in connection with the planning, development, construction and financing of the Project and the administration of this Agreement.

“Change in Law” means the occurrence, after the Effective Date, of one of the following events, provided (i) such event materially changes the costs or ability of APD to carry out its obligations under this Agreement and (ii) such event is not caused by APD:

- a. the enactment, adoption, promulgation or modification of any federal, State or local law, ordinance, rule or regulation;
- b. the order or judgment of any federal or State court, administrative agency or other governmental body;
- c. the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for undertaking the services or obligations to be performed under or required by this Agreement; or
- d. the adoption, promulgation, modification or change in interpretation in a written guideline or policy statement by a governmental agency.

“Closing” means the date APD acquires the Property pursuant to this Agreement.

“Completion of the Project” means APD has substantially completed the building, parking facilities and site improvements for the Project. For purposes of this definition “substantially completed” means receipt of a certificate of occupancy for the Project.

“Covenant Deed” means the deed attached hereto as Exhibit B.

“Day” means a calendar day.

“DDA Board” means the Board of Directors of the DDA.

“Effective Date” means the date indicated in the first paragraph of this Agreement.

“Environmental Condition” means any condition or situation existing on, under, at or about the Property, the groundwater, subsurface water, and/or underground soil and geologic conditions thereunder, as of the Execution Date which (i) constitutes a violation of any State or federal environmental law, regulation or ordinance, (ii) which does or might form the basis of any public or private claim or cause of action for the cleanup or remediation as a result of the release, threatened release, migration or the existence of any contaminants, pollutants, petroleum and petroleum byproducts, crude oil or any fraction thereof, chemicals, wastes or substance (including, without limitation, regulated substances, hazardous wastes and hazardous substances as such terms are commonly used or understood within the framework of existing federal and State laws), (iii) are a release or a threatened release of hazardous wastes or hazardous substances, or (iv) are described or included in any report provided by the DDA to APD or in any report or assessment generated by APD related to the Property.

“Environmental Law” means any federal or State law, statute, regulation, rule, order, decree, judgment or direction concerning environmental protection or health and safety including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act 1980, as amended, and the Toxic Substance Control Act, as amended.

“Executive Director” means the Executive Director of the DDA and his/her designee.

“Person” means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, trust or government or any agency or political subdivision thereof.

“Project” means the planning, development, construction and financing of a mixed use residential/office/retail development consisting of a minimum of 150,000 square feet of interior floor space and related parking and a minimum investment of \$20,000,000 (exclusive of the cost of acquiring the Property from the DDA).

“State” means the State of Michigan.

“Uncontrollable Circumstances” means any event that:

- a. is beyond the reasonable control of and without the fault of APD; and
- b. is one or more of the following events:
  - i. a Change in Law;
  - ii. insurrection, riot, civil disturbance, sabotage, act of a public enemy, act of terrorism, explosion, nuclear incident, war or naval blockade;
  - iii. epidemic, hurricane, tornado, landslide, earthquake, lightening, fire, windstorm, other extraordinary weather conditions or other similar act of God;
  - iv. governmental condemnation or taking;
  - v. strikes or labor disputes;
  - vi. delays in the issuance of building or other permits, variances, licenses or approvals by the City or other governmental authority having jurisdiction;
  - vii. shortage or unavailability of essential materials which materially changes the ability of APD to carry out its obligations under this Agreement;
  - viii. unknown or unforeseeable Environmental Conditions;



ix. unknown or unforeseeable geotechnical conditions which delay construction of the Project; or

x. non-performance of the DDA which delays construction of the Project.

Uncontrollable circumstances shall not include economic hardship or a failure of performance related to the construction of the Project by a contractor(s) (except as caused by events which are Uncontrollable Circumstances as to the contractor(s)).

**Section 1.02. Language and Context.** Except where the context by clear implication shall otherwise require, this Agreement shall be construed and applied as follows:

a. Definitions include both singular and plural.

b. Pronouns include both singular and plural and cover all genders.

c. Section headings are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

d. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be incorporated by reference in the context of use where mentioned and referenced in this Agreement and in the event of a conflict between any exhibit and the terms of this Agreement, this Agreement shall control.

e. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth.

f. Reference herein to supplemental agreements, certificates, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.

g. The Executive Director, unless the provisions of this Agreement otherwise require, shall be the DDA's representative in connection with the implementation of the provisions of this Agreement and shall have the authority to make or grant or do those things, certificates, requests, demands, notices and other actions described in this Agreement for and on behalf of the DDA as indicated herein.

h. The DDA and APD shall respectively be entitled to rely on the full power and authority of the persons executing this Agreement on behalf of the DDA and APD, respectively, as having been properly and legally given by the DDA and APD, respectively.

i. In connection with all actions to be taken by APD under this Agreement and unless this Agreement requires action of APD in a different manner, APD agrees to designate an APD Representative as its authorized representative who shall have the authority to make or grant or do all things, supplemental agreements, certificates, requests, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of APD as indicated herein. APD shall have the right to change its APD Representative by providing the DDA written notice of such change in accordance with Section 15.13 hereof.

## **ARTICLE II. PROJECT**

**Section 2.01. Acquisition of the Property.** Subject to the terms of this Agreement, including specifically Article VIII hereof, and in accordance with the Option Agreement, APD will acquire and the DDA will convey all ownership and/or rights in and to the Property by Covenant Deed for the Project.

**Section 2.02. Inspection and Investigation.** APD acknowledges that it has conducted inspections, tests, surveys, assessments, studies and investigations of the Property as it determined necessary in accordance with Section 12 of the Option Agreement and has satisfied itself pursuant to said Section 12 that the Property is suitable for the Project. By execution of this Agreement APD is acknowledging to the DDA of such satisfaction and suitability.

**Section 2.03. Development of Project.** APD agrees, in accordance with the terms of this Agreement, to plan, develop, construct, finance and complete the Project. The terms of this Section 2.03 shall run with the Property, bind the successors in interest of APD and shall remain in effect for fifteen (15) years from the Effective Date of this Agreement.

## **ARTICLE III. ENVIRONMENTAL AND OTHER SITE CONDITIONS OF PROPERTY**

**Section 3.01. Environmental Condition of Property.** APD acknowledges that it has performed such environmental assessments of the Property as it determined necessary in accordance with Section 13 of the Option Agreement and has determined that the environmental condition of the Property is satisfactory. By execution of this Agreement APD is acknowledging to the DDA of such satisfaction. APD hereby waives and releases any claim for contribution against, and covenants not to sue the DDA or the City or their respective officers, boardmembers, commissioners, employees, agents, attorneys, representatives, successors or assigns, whether asserted directly or indirectly, or whether in the nature of an action for contribution, third party proceedings or other action or proceeding whatsoever, for all damages including without limitation, punitive damages, liabilities, costs, diminution of value, fines, penalties, demands, claims, cost recovery actions, lawsuits, administrative proceedings, orders, response action costs, compliance costs, investigation expenses, consultants fees, attorney fees and litigation expenses (collectively, the "Claims") arising out of or in connection with an Environmental Condition on the Property or its migration to any other site or location or arising out of or in connection with any Environmental Law.

**Section 3.02. APD Acquiring Property As Is.** APD hereby acknowledges and agrees that it is purchasing the Property in its “as is,” “where is,” “with all faults” condition without warranty from the DDA and that, as of the Closing, APD will be purchasing the Property with no recourse or rights of action against the DDA or its officers, boardmembers, Executive Director, employees, agents, attorneys, representatives, successors or assigns. APD shall be responsible for conducting a sidewalk inspection related to the Property in accordance with the requirements of Section 4.90 of the City Code of Ordinances and the cost of any required repairs to such sidewalk required as a result of such inspection.

**Section 3.03. APD’s Covenant Not to Sue.** APD for itself and its successors, assigns and grantees, hereby covenants and agrees that in consideration of this Agreement, neither APD nor its successors, assigns or grantees shall directly or indirectly sue the DDA or the City or their respective officers, boardmembers, commissioners, employees, agents, attorneys, representatives, successors and assigns for any Claims directly arising out of any Environmental Condition or any other condition of, or with respect to, the physical condition of the Property or any Environmental Law (the “Covenant Not to Sue”). The parties hereto understand and agree that APD’s Covenant Not to Sue as stated herein does not apply to any action taken by APD to enforce any contractual obligations of the DDA as may be specifically set forth in this Agreement.

#### **ARTICLE IV. ACQUISITION OF PROPERTY**

**Section 4.01. Closing on Property.** The Closing on the conveyance of the Property from the DDA to APD shall be on a Day not later than June 27, 2014 (the “Closing Date”). The Closing shall be at the offices of Dickinson Wright PLLC in Grand Rapids, Michigan, or such other location mutually agreeable to the parties hereto.

**Section 4.02. Purchase Price.** In accordance with the Option Agreement the purchase price of the Property shall be Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (the “Purchase Price”). APD shall be credited with the balance, if any of the Fifty Thousand Dollars (\$50,000) option price paid by APD to the DDA, upon execution of the Option Agreement, after deducting from such amount the costs related to providing the Option Agreement, the DDA’s legal, engineering and real estate expenses, the cost of preparing and obtaining formal acceptance of this Agreement, the cost of reviewing development plans for the Project and the cost of preparing the property for sale (the “DDA Transaction Costs”). The balance of the Purchase Price, i.e., Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) less the DDA Transaction Costs not exceeding Fifty Thousand Dollars (\$50,000) (the “Net Purchase Price”), shall be paid by APD to the DDA at the Closing in immediately available funds by certified check, wire transfer or other method acceptable to the DDA.

**Section 4.03. Conveyance of Property.** The DDA will, at the Closing, convey to APD all of its rights, title and interest in the Property, whatever that might be, by Covenant Deed. Other than the representations contained in the Covenant Deed, APD acknowledges that the DDA has not made any warranty with respect to its ownership interest in the Property.

**Section 4.04. Survey and Title Insurance.** APD acknowledges that it has received the Survey and the Commitment (both as identified and defined in the Option Agreement) related to the Property and that it has determined that the Property either has no defects or that it, in the alternative, waives any defects with respect to the Property in accordance with provisions of the Option Agreement. The DDA shall, at its cost, at the time of the Closing order or cause to be ordered an owner's policy of title insurance with standard exceptions (the "Policy") from the Title Company (as defined in the Option Agreement) pursuant to the Commitment for prompt delivery to APD.

**Section 4.05. Property Taxes and Assessments.** The Property is not currently subject to *ad valorem* property taxes and therefore no pro ration between the DDA and APD of such taxes is required to be made at Closing. All assessments, if any, including the downtown improvement district assessment on the Property due prior to Closing shall be paid prior to Closing by the DDA and assessments, if any, including the downtown improvement district assessment due on and after Closing shall be the responsibility of APD. Any sidewalk repair charges as may be required to bring the public sidewalk surrounding the Property into conformance with the City's Code of Ordinances shall be the responsibility of APD.

**Section 4.06. Closing Costs.** APD shall pay the cost of recording the Covenant Deed conveying the Property to it and for all documentary, intangible, transfer and other taxes, if any, with respect to the Covenant Deed. APD shall be responsible for the cost of all soil borings and other tests, studies or Environmental Assessments it elects to perform or have performed with respect to the Property. The DDA shall pay a premium for an ALTA fee owner's policy of title insurance in the amount of the Purchase Price and the cost of the Survey.

**Section 4.07. Brokers and Brokerage Fees.** The DDA acknowledges that APD has used Ray Kisor, SIOR, a real estate broker, in connection with the sale and purchase of the Property and that such person shall be entitled to a real estate commission equal to 4% of the Purchase Price of the Property upon purchase of the Property by APD, provided such person has no interest or proposed future interest in the Project as documented to the reasonable satisfaction of the DDA. Each party hereby indemnifies and holds the other party harmless with respect to any other, the claims of any other real estate broker or salesperson who may have dealt with such party in connection with this transaction.

## **ARTICLE V. REQUIREMENTS AT CLOSING**

**Section 5.01. Title Insurance.** The DDA shall, at its cost, order or caused to be ordered the Policy from the Title Company as provided and required by Section 4.04 of this Agreement.

**Section 5.02. DDA Compliance.** All representatives and warranties of the DDA set forth in this Agreement shall be true as of the Closing Date and the DDA shall have timely performed and complied in all respects with all covenants, obligations and agreements to be performed or complied with by the DDA under this Agreement.

**Section 5.03. Insurance.** APD, at its expense, shall have insured the Property in accordance with Article XI hereof and prior to Closing shall have delivered to the DDA insurance binders or certificates evidencing the required coverages.

**Section 5.04. APD's Requirements at Closing.** At the Closing, APD shall provide the following:

- a. The payment of the Net Purchase Price.
- b. An opinion of counsel to APD reasonably acceptable to the Executive Director.

**Section 5.05. DDA's Requirements at Closing.** At the Closing, the DDA shall provide the following:

- a. Covenant Deed for the Property in favor of APD in recordable form.
- b. A real estate transfer valuation affidavit executed by the Executive Director in a form prescribed by the Kent County Register of Deeds with respect to conveyance of the Property to APD.
- c. An affidavit that the DDA is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended.
- d. A closing statement related to the Property reasonably satisfactory to APD.
- e. The Policy from the Title Company in accordance with Sections 4.04 and 5.01 of this Agreement.
- f. A standard form of title insurance company owner's affidavit reasonably acceptable to the DDA and APD, *provided, however*, it is understood that the DDA will provide no indemnification to the Title Company in connection with the giving of such affidavit.

**Section 5.06. Recording.** Promptly after the Closing the DDA shall cause this fully executed Agreement including all exhibits attached hereto or a memorandum thereof to be recorded with the Kent County Register of Deeds. APD shall reimburse the DDA the cost of all fees and charges incurred in connection with such recording. Upon recording, the DDA shall provide APD with an executed copy of this Agreement or the memorandum showing the recording information.

## **ARTICLE VI. OBLIGATION OF DDA PRIOR TO CLOSING**

**Section 6.01. Obligations of DDA Prior to Closing.** During the period commencing on the Execution Date of this Agreement and ending on the Closing Date the DDA shall:

- a. maintain the Property in substantially the same condition as on the Execution Date of this Agreement;
- b. pay all costs and expenses and discharge all liabilities, obligations and claims arising out of its ownership of the Property;
- c. not enter into any agreement, lease, use, occupancy arrangement, easement or other agreement, other than with daily and monthly parkers, with respect to all or any portion of the Property without APD's prior written consent;
- d. not create, grant or accept any option to purchase, right of first refusal, installment sale agreement or other agreement for the leasing or sale of all or any portion of the Property without APD's prior written consent;
- e. not create or suffer any right, claim, lien or encumbrance of any kind whatsoever on all or any portion of the Property that would bind APD as the DDA's successor; and
- f. maintain the Property in compliance with all laws, statutes, ordinances, rules and regulations applicable thereto.

## **ARTICLE VII. PROJECT PLAN'S APPROVALS AND SCHEDULE**

**Section 7.01. Conceptual Plans.** Prior to commencement of construction of the Project, APD shall, subject to Uncontrollable Circumstances, on or before February 15, 2014, submit to the DDA conceptual development plans for the Project (the "Conceptual Plans"). Such Conceptual Plans shall be promptly reviewed and approved by the Executive Director, which approval shall not be unreasonably withheld. For purposes of this Agreement the Executive Director shall be deemed to have approved all plans, specifications, drawings, reports or other documents comprising the Conceptual Plans to which he/she does not object to APD within fifteen (15) business days after receipt.

**Section 7.02. Final Plans.** Prior to commencement of construction of the Project, the Developer shall, subject to Uncontrollable Circumstances, on or before May 15, 2014, submit final development plans for the Project substantially in conformance with the Conceptual Plans (the "Final Plans"). Such Final Plans shall be promptly reviewed for substantial conformance with the Conceptual Plans and approved by the Executive Director, which approval shall not be unreasonably withheld. For purposes of this Agreement the Executive Director shall be deemed

to have approved all plans, specifications, drawings, reports or other documents comprising the Conceptual Plans to which he/she does not object to APD within fifteen (15) business days after receipt.

**Section 7.03. Presentation of Plans.** At the request of the DDA, APD shall assist the DDA in presenting the Conceptual Plans and Final Plans to the neighboring property owners and the community and shall make representatives of APD available at public meetings related to the Project.

**Section 7.04. Requirements of Final Plans.** The Final Plans submitted by APD to the DDA shall contain each of the following elements and conform to the following requirements and descriptions:

**A. Site Plan.** A dimensional site plan of minimum scale of one sixteenth (1/16) inch equals one (1) foot and conforming to the requirements of the City's Code of Ordinances, rules and regulations indicating the arrangement, location and setback of all proposed uses, including buildings, structures, signage, open space, loading areas, pedestrian areas and walkways and utilities.

**B. Building Elevations.** Architectural renderings prepared by a registered architect of all elevations of proposed buildings and structures.

**C. Landscape Plans.** A landscape plan by a registered landscape architect prepared to the same scale as the site plan showing (i) the appropriate location, common name species and size of proposed plantings, (ii) street furniture and (iii), if applicable, any irrigation systems.

**D. Exterior Lighting Plan.** An exterior lighting plan prepared to the same scale as the site plan indicating the location of all proposed exterior lighting and including the proposed level of illumination and specific design details to include light color, height of fixtures, illustration of design and applicable screening of light sources.

**Section 7.05. Approvals and Permits.** Prior to commencement and construction of the Project, APD shall obtain such approvals as may be required by the City's Code of Ordinances, rules and regulations and applicable State law (the "Applicable Laws"), including, but not limited to, site plan approval and any and all other applicable approvals required by and from the City's Planning Department and Planning Commission, and apply for and receive such permits as required by Applicable Laws. In addition, if required, APD shall obtain such City zoning ordinance variances as necessary in connection with the development and construction of the Project. Such required approvals, permits and zoning law variances shall be obtained in accordance with the Project Schedule referenced in Section 7.06 hereof.

**Section 7.06. Schedule.** The Project shall be developed and constructed by APD, subject to Uncontrollable Circumstances, in accordance with the schedule set forth in the attached Exhibit C (the "Project Schedule") and the terms and conditions of this Agreement.

**Section 7.07. Progress Reports.** APD shall provide the DDA during the term of this Agreement prior to the completion of the Project with written semi-annual reports within fifteen (15) days after the end of each 6-month period beginning with the period ending June 30, 2014, detailing the status of the Project.

## **ARTICLE VIII. APD REPRESENTATIONS AND WARRANTIES**

**Section 8.01. General.** APD represents and warrants that:

- a. it is a Michigan limited liability company duly organized, validly existing and qualified to do business in the State;
- b. it has the right, power and authority to enter into, execute, deliver and perform this Agreement;
- c. the execution, delivery and performance by it of this Agreement has been duly authorized by all necessary action, and does not and will not violate its operating agreement, as amended and supplemented, any applicable provisions of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which it is now a party or by which it is now or may become bound;
- d. there are no actions or proceedings by or before any court, governmental body, board or any other administrative agency pending or, to the best of its knowledge, threatened or affecting it which would impair its ability to perform under this Agreement;
- e. it is not, as of the date of this Agreement, in default with respect to any indenture, loan agreement, mortgage, deed or any other agreement or instrument related to the borrowing of money to which APD is a party or by which it is bound;
- f. prior to Completion of the Project, it shall not, without the prior written consent of the Executive Director, (i) be a voluntary party to any liquidation or consolidation; (ii) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including, but not limited to, any fixtures or equipment now or hereafter attached thereto) except for a sale in the ordinary course of business; (iii) assume, guarantee, endorse or otherwise become liable in connection with the obligations of any other Person except in the ordinary course of business; or (iv) enter into any transaction outside the ordinary course of its business.
- g. it has not incurred and, prior to Completion of the Project, shall not, without the prior consent of the Executive Director, allow the existence of any lien against the Property other than liens for *ad valorem* property taxes, assessments and public water and sanitary sewer service fees and charges not yet past due, liens related to lender financing for the Project and liens for which it has obtained insurance, or incur any indebtedness secured or to be secured by the Property or any fixtures now or hereafter attached thereto except liens related to lender financing of the Project and except for liens



which APD prevents from enforcement or foreclosure by contest, payment, deposit, bond or order of the court or otherwise;

h. to the best of its knowledge, after due inquiry, no judgments are outstanding against it, nor is there now pending or threatened any litigation, contested claim or governmental proceeding by or against it or affecting it or its Property; or seeking to restrain or enjoin the performance by it of this Agreement or the transactions contemplated by this Agreement, or contesting the validity thereof;

i. to the best of its knowledge, after due inquiry, it is not in default with respect to any order, writ, injunction or decree from any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand or any government authority or agency or instrumentality, a default under which would have a material adverse effect on it or its business; and

j. to the best of its knowledge, after due inquiry, there is no default by it or any other party under any material contract, lease, agreement, instrument or commitment to which it is a party or by which it or its properties is bound.

**Section 8.02. Covenant to Construct.** Upon APD's receipt of all required permits and government approvals, APD shall construct the Project in accordance with this Agreement and all exhibits attached hereto including specifically Exhibit C and the Final Plans, the Plans and Specifications (as identified in Section 9.01 hereof) and all federal, State and City laws, ordinances, rules, regulations applicable to APD, the Property and the Project.

**Section 8.03. APD to Pay All Fees.** APD shall pay all of the applicable fees, rates and charges in connection with the development and construction of the Project.

**Section 8.04. Use Covenant.** APD shall use the Property and the Project solely as permitted by this Agreement.

**Section 8.05. Insurance.** APD, at its sole expense, shall comply with all insurance coverage provisions contained in Article XI of this Agreement.

**Section 8.06. APD Liabilities.** APD shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The APD Representative shall immediately notify the DDA of any event or action which may materially affect its ability to perform its obligations under this Agreement.

**Section 8.07. Survival of Warranties, Representations and Covenants.** All warranties, representations and covenants of APD contained in this Article VIII, Article IX and elsewhere in this Agreement shall be true, accurate and complete at the time of the Execution Date of this Agreement and remain in effect during the term of this Agreement unless specifically provided otherwise in this Agreement.

## **ARTICLE IX. APD OBLIGATIONS**

## COVENANTS AND AGREEMENTS

**Section 9.01. Covenant to Complete Project.** APD shall construct the Project in substantial accord with the Final Plans, the plans and specifications submitted for building and other required permits (the “Plans and Specifications”) within the time periods specified in the Project Schedule and in material compliance with all applicable laws, ordinances, rules and regulations subject to (i) the completion by the DDA of its obligations that may be conditions thereto, (ii) the issuance of permits and governmental approvals for which timely application is made and (iii) Uncontrollable Circumstances.

**Section 9.02. Application for Building Permits and Governmental Approvals.** Unless otherwise permitted by the DDA in writing, APD shall not later than July 15, 2014, (which may be extended due to Uncontrollable Circumstances), have filed for all necessary building permits and other governmental approvals. If APD has not done so, the DDA may notify APD in writing that the DDA desires to repurchase the Property (the “Repurchase Notice”). If APD does not file for such building permits and other governmental approvals within thirty (30) days of receipt of the Repurchase Notice, APD shall have forty-five (45) days after APD’s receipt of the Repurchase Notice to clear title or arrange to clear title to the Property of any liens and encumbrances and return the status of title of the Property to the same condition as it was when the DDA conveyed the Property to APD. The amount paid for the Property shall equal the Net Purchase Price paid by APD to the DDA less any amount expended by the DDA to clear title to the condition it was when the DDA conveyed the Property to APD (the “Repurchase Price”). Any mortgage or other lien encumbering the Property (the “Property Liens”) shall be an offset from the Repurchase Price otherwise payable to APD hereunder. In the event the Property Liens encumbering the Property are for an amount in excess of the Repurchase Price, APD shall be obligated to pay off the excess amount prior to reconveyance of the Property back to the DDA. APD shall cause any mortgagee of the Property or any portion thereof to release its lien on the Property upon repurchase of the Property by the DDA. APD shall reconvey the Property to the DDA by warranty deed.

APD, at its sole expense, shall have the obligation to take all steps necessary to seek any and all permits, variances, licenses and other approvals for the Project.

**Section 9.03. Commencement of Construction.** Unless otherwise permitted by the DDA in writing, APD shall commence construction of the Project no later than September 1, 2014, subject to extension due to Uncontrollable Circumstance. If APD has not done so, the DDA may notify APD in writing that the DDA desires to repurchase the Property (the “Repurchase Notice”). If APD does not commence construction of the Project within thirty (30) days of receipt of the Repurchase Notice, then the APD shall have forty-five (45) days after APD’s receipt of the Repurchase Notice to clear the Property of any liens and encumbrances and return the status of title of the Property to the same condition as it was when the DDA conveyed the Property to APD. The amount paid for the Property shall equal the Net Purchase Price paid by APD to the DDA less any amount expended by the DDA to clear title to the condition it was when the DDA conveyed the Property to APD (the “Repurchase Price”). Any mortgage or other lien encumbering the Property (the “Property Liens”) shall be an offset from the Repurchase Price otherwise payable to APD hereunder. In the event the Property Liens encumbering the

Property are for an amount in excess of the Repurchase Price, APD shall be obligated to pay off the excess amount prior to reconveyance of the Property back to the DDA. APD shall cause any mortgagee of the Property or any portion thereof to release its lien on the Property upon repurchase of the Property by the DDA. APD shall reconvey the Property to the DDA by warranty deed. For purposes of this Section 9.03 the phrase “commence construction” shall mean the commencement of material earth moving at the Property.

**Section 9.04. Completion Guaranty.** APD shall pay a completion guaranty of Two Hundred Fifty Thousand Dollars (\$250,000) (the “Completion Guaranty”) to the DDA on the date APD acquires the Property to be held in escrow by the DDA and paid to the DDA if APD fails to achieve Completion of the Project within the time provided in Section 9.05 hereof, *provided, however*, such guaranty shall not be required if APD provides documentation reasonably acceptable to the DDA that it has committed financing to complete the Project. If the completion date milestone is met, the DDA shall return the Completion Guaranty to APD within ten (10) days of the completion of the Project. If the DDA is entitled to the Completion Guaranty, it may be used as the DDA shall solely determine..

**Section 9.05. Completion of the Project.** If construction of the Project has commenced and completion of the Project has not occurred by April 1, 2016, subject to extension due to Uncontrollable Circumstances, the DDA shall notify APD in writing. If APD does not achieve Completion of the Project within forty-five (45) days of receipt of such notice, the DDA shall be entitled to retain the Completion Guaranty, if any, and use it as the DDA shall solely determine.

## **ARTICLE X. DDA REPRESENTATIONS AND WARRANTIES**

**Section 10.01. General.** The DDA represents, warrants and covenants that:

- a. it is a statutory authority created by the City under the laws of the State with the power and authority to enter into this Agreement and to consummate all of the transactions contemplated hereby;
- b. execution of this Agreement and the consummation of all of the transactions contemplated hereby will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed or other instrument to which the DDA is a party;
- c. there are no actions, suits or proceedings pending, or to the knowledge of the DDA threatened, against or affecting the DDA, at law or in equity, or before any governmental authority, which, if adversely determined, would impair the DDA’s ability to perform its obligations under this Agreement; and
- d. all actions of the DDA Board required to be taken to authorize execution of this Agreement have been validly and duly taken and the Chairperson of the DDA Board has been duly authorized to execute this Agreement for and on behalf of the DDA.

## **ARTICLE XI. INDEMNIFICATION AND INSURANCE**

**Section 11.01. Indemnification.** Except for matters arising out of the willful misconduct or gross negligence of the DDA, its officers, boardmembers, employees or agents (the “Indemnified Parties”), APD hereby agrees to indemnify, defend and hold the Indemnified Parties harmless from and against any cost, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys fees and court costs) suffered or incurred by the Indemnified Parties arising from or in connection with (i) the work performed by APD, its employees, agents and contractors related to the Project or under this Agreement, (ii) material misrepresentations of APD in this Agreement or any information APD is required to provide the DDA pursuant to this Agreement, (iii) the failure of APD to promptly cure or otherwise correct any material misrepresentations or omissions of APD in this Agreement or any other agreement related hereto, or (iv) any violation which occurred during the time APD owned and/or controlled the Property or any portion thereof, of any applicable law, statute, rule or regulation related to the protection of the environment (an “Environmental Violation”), which occurs or is alleged to have occurred upon the Property or in connection with the imposition of any governmental lien for the recovery of environmental clean-up costs expended by reason of an Environmental Violation, provided that to the extent that the DDA is strictly liable or alleged to be strictly liable in respect to the Property under any Environmental Law, statute, rule or regulation as a result of an Environmental Violation, APD’s obligations to the Indemnified Parties shall be without regard to fault on the part of APD, who will also indemnify the Indemnified Parties with respect to the Environmental Violation which results in liability to the Indemnified Parties. The indemnity related to (iv) above shall not apply to any act or omission resulting in an Environmental Violation which arises from the DDA’s own negligence or which arose on any portion of the Property prior to the date on which APD acquired the Property.

**Section 11.02. All Risk Insurance.** APD shall, at its own expense, cause the Project to be insured against loss or damage by fire, windstorm, hail, explosion, riot and civil commotion, smoke damage, and such other risks as are from time to time included in “extended coverage” endorsements (including during construction thereof builder’s risk insurance) in an amount and form so that the proceeds are sufficient to provide for actual replacement of the improvements. Said policies of insurance shall, if reasonably available, provide for waivers of subrogation and shall name the DDA and the City as an additional insureds.

**Section 11.03. General Liability Insurance.** APD shall, at its own expense maintain or cause to be maintained general liability insurance against claims for personal injury or death and property damage occurring upon, in or about the Property and the Project with coverage in an amount not less than Two Million Dollars (\$2,000,000) with respect to injury or death to one or more persons arising out of any one occurrence and an amount of not less than One Million Dollars (\$1,000,000) with respect to damage to property per occurrence. Said insurance shall, if reasonably available, provide for waivers of subrogation and shall name the DDA and the City as an additional insureds.

## **ARTICLE XII. DEVELOPMENT SUPPORT REIMBURSEMENT**

**Section 12.01. Eligible Costs.** In connection with the development and construction of the Project, APD will incur the costs for the Public Facility Improvements in an amount of not to exceed \$ \_\_\_\_\_ as set forth in Exhibit D attached hereto (the “Eligible Costs”).

**Section 12.02. Capture of Taxes.** In accordance with the Plan, Project Tax Increment Revenues will be captured and transmitted to the DDA. It is agreed that Project Tax Increment Revenues exclude those Tax Increment Revenues realized from the Project from operating tax levies of the Grand Rapids Public Schools and the Kent Intermediate School District and the State Education Tax, all of which may not in accordance with Act 197 be used to pay for, or reimburse the cost of, the Public Facility Improvements.

**Section 12.03. Conditions Precedent to Reimbursement.** APD shall meet each of the following conditions in order to be entitled to reimbursement of Eligible Costs:

a. The APD's investment in the Project, exclusive the Purchase Price of the Property, must be at least \$20,000,000 which APD shall document and verify to the reasonable satisfaction of the DDA.

b. APD shall only be entitled to reimbursement of Eligible Costs not to exceed \$ \_\_\_\_\_, provided, APD shall have included in the Project the retention and/or creation of one permanent job for each \$10,000 of Eligible Costs reimbursed plus one residential housing unit for each additional \$10,000 of Eligible Costs reimbursed which APD shall document and verify to the reasonable satisfaction of the DDA.

c. The Project shall be located in the Development Area.

d. The Project shall conform to all applicable City building code and zoning ordinance requirements.

e. Construction of the Project shall commence within two (2) years of the Effective Date of this Agreement.

**Section 12.04. Submission of Eligible Costs.** For those Eligible Costs for which APD seeks reimbursement from the DDA pursuant to the Policy, APD shall submit to the DDA the following, all of which must be reasonably satisfactory to the DDA:

a. a written statement detailing the costs and substantiating they are Eligible Costs for Public Facility Improvements;

b. a written explanation of the calculation of the costs reasonably acceptable to the DDA;

c. copies of invoices from contractors, engineers, vendors or others who have provided services and materials for the Project showing sufficient detail to correlate said invoices with Eligible Costs to the satisfaction of the Executive Director; and

d. for APD personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals.

#### **Section 12.05. Reimbursement Payments.**

a. Subject to the conditions contained in Section 12.4 above and the limitations contained in Section 12.6 below, Seventy-Five Percent (75%) of the Project Tax Increment Revenues received annually by the DDA on and after completion of the Project (the “Start Date”), shall be paid to APD until APD has been reimbursed for Eligible Costs of Public Facility Improvements in an amount not to exceed \$\_\_\_\_\_ without interest. Except as otherwise provided in Section 12.6 below, the DDA shall have no obligation to reimburse APD for Eligible Costs from Project Tax Increment Revenues captured and received by the DDA after December 31 of the fifteenth (15<sup>th</sup>) year after the Start Date (the “Termination Date”).

b. The DDA shall pay APD the amounts for which submissions have been made pursuant to Section 12.4 above within thirty (30) days after the DDA receives Project Tax Increment Revenues after the Start Date from which the submission may be wholly or partially paid. If partial payment is made by the DDA because of insufficient Project Tax Increment Revenues, the DDA shall make additional payments toward the remaining amount payable within thirty (30) days of its receipt of additional Project Tax Increment Revenues until (i) APD has been fully paid Eligible Costs or (ii) the Termination Date (as such date may be extended pursuant to Section 12.6 below) whichever occurs first.

**Section 12.06. Limitation on Reimbursement.** The obligation of the DDA to reimburse APD for Eligible Costs pursuant to Section 12.5 hereof shall be subordinate to the payment of existing and future debt obligations of the DDA. To the extent that such obligations are an “eligible advance,” “eligible obligation” or “other protected obligation” as defined in Act 197 and school tax increment revenues, i.e., Grand Rapids Public Schools and Kent Intermediate School District operating tax levies and the State Education Tax levy received by the DDA in any fiscal year of the DDA are not sufficient to pay debt service on such obligations in such fiscal year, a pro rata portion of the Project Tax Increment Revenues received by the DDA from the Property in the same percentage of all other non-school tax increment revenues received by the DDA in such fiscal year and used to pay debt service on such obligations shall be used to pay such debt service. For all other existing and future debt service obligations of the DDA, a percentage of the Project Tax Increment Revenues received by the DDA each fiscal year equal to the percentage of all other non-school tax increment revenues received by the DDA in such fiscal year and used to pay debt service on such obligations may be used to pay debt service on such obligations in such fiscal year. To the extent Project Tax Increment Revenues are used to pay debt service on DDA debt obligations pursuant to this Section 12.6, the Termination Date shall be extended an appropriate time to reflect such use of Project Tax Increment Revenues, *provided, however*, the Termination Date may not be extended beyond the term of the Plan.

**Section 12.07. Adjustments in Reimbursement.** If due to an appeal of any tax assessment of all or any portion of the Property, or for any other reason, the DDA is required to reimburse any Project Tax Increment Revenues (that have been used to reimburse APD for Eligible Costs) to the City or any other tax levying governmental entity, the DDA may deduct



the amount of any such reimbursement, including interest, penalties and other amounts due in relation thereto, from any amounts due and owing to APD. If all amounts due APD under this Article XII have been fully paid or the DDA is no longer obligated to make any further payments to APD, the DDA shall invoice APD for the amount of such reimbursement, including interest, penalties and other amounts due in relation thereto, and APD shall pay the DDA such invoiced amount within thirty (30) days of APD's receipt of the invoice. Nothing in this Agreement shall limit the right of APD or any other owner of any portion of the Property to appeal any tax assessment. Amounts invoiced to APD and paid to the DDA by APD pursuant to this Section 12.7, excluding interest, penalties and other amounts due in relation thereto, shall be reinstated as Eligible Costs for which APD shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement.

**Section 12.08. Term of Reimbursement.** The obligation of the DDA to reimburse APD for Eligible Costs from Project Tax Increment Revenues shall terminate the sooner of (i) the date the DDA fully reimburses APD for Eligible Costs or (ii) the Termination Date as it may be extended pursuant to Section 12.6 above.

### **ARTICLE XIII. ASSIGNMENT**

**Section 13.01. Assignment to APD Affiliate.** APD shall have the right to transfer any or all of its interest in the Property and the Project and this Agreement to an APD Affiliate and such assignment shall transfer to the APD Affiliate all of APD's rights, duties, obligations, covenants, undertakings and liabilities hereunder and the APD Affiliate by accepting such assignment shall assume in writing all of APD's rights, duties, obligations, covenants, undertakings and liabilities hereunder.

**Section 13.02. Other Assignment Requirements.** The following shall apply with respect to assignments:

- a. Except as provided in Section 13.01 hereof, this Agreement is personal and may not be assigned prior to Completion of the Project without the prior written approval of the DDA.
- b. After Completion of the Project, this Agreement may be assigned to any Person, without approval of, but upon written notice to, the DDA.

**Section 13.03. Leasing.** Notwithstanding the foregoing restrictions on transfers and assignments in this Article XIII, APD and APD Affiliates are permitted to lease or sublease all or any portion of the Project by and among one another and to third parties so long as the lease or sublease is and remains subject to the terms of this Agreement.

### **ARTICLE XIV. TERM OF AGREEMENT, RECORDING, BINDING EFFECT, RIGHTS AND REMEDIES**

**Section 14.01. Term.** The term of this Agreement shall commence as of the Execution Date and shall end fifteen (15) years after Completion of the Project, unless extended pursuant to

Section 12.06 hereof or otherwise terminated in accordance with the provisions of this Agreement.

**Section 14.02. Recording.** The DDA and APD agree to execute and deliver an original copy of this Agreement in proper form for recording with the Kent County, Michigan Register of Deeds and further agree that this Agreement or a memorandum thereof shall be recorded with the Kent County, Michigan Register of Deeds to evidence the obligations and covenants contained herein, each of which shall, upon such recording run with the land and bind the Property and each successor of interest of APD until this Agreement has been terminated or by written instrument signed by the DDA and APD.

**Section 14.03. Binding Effect.** This Agreement shall bind the parties hereto and their successors and assigns.

**Section 14.04. Rights and Remedies.** Except to the extent expressly limited herein, both the DDA and APD shall have the right to avail itself of any equitable or legal right or remedy to enforce the provisions hereof.

## **ARTICLE XV. MISCELLANEOUS**

**Section 15.01. Relocation of Sanitary Sewer and Signal Box and Additional Public Infrastructure/Sitework Improvements.** The DDA agrees, provided APD has complied with the terms and conditions of this Agreement, to, at its cost, (i) relocate the twelve (12) inch public sanitary sewer located along and within the northern boundary of the Property at an estimated cost of \$65,800, (ii) relocate an electric signal box located on the Property at an estimated cost of \$40,000 and (iii) undertake certain additional public infrastructure/sitework improvements as identified in the attached Exhibit E at a total estimated cost of \$185,501. The relocation shall be coordinated between the DDA and APD to enable the APD to meet the Project Schedule attached as Exhibit C to this Agreement for Completion of the Project.

**Section 15.02. Signs.** APD may erect signs on the Property prior to and during construction of the Project in conformity with the City Code of Ordinances, rules and regulations. At least one of the signs shall identify the DDA as a financial supporter of the Project.

**Section 15.03. Construction Staging.** The DDA and APD shall cooperate with each other to assure that construction of the Project is carried out in a manner that minimizes the negative impact and inconvenience to the surrounding neighborhood. The DDA and APD shall agree upon procedures governing staging, staging areas, pedestrian and vehicular traffic control, construction boundaries, worker parking and other matters related to the construction of the Project.

**Section 15.04. Time of Essence.** Time is of essence with respect to this Agreement and, therefore, all dates and terms shall be strictly adhered to unless waived in writing by the parties hereto.

**Section 15.05. DDA Review and Approval.** Whenever in this Agreement, the DDA or the Executive Director are required to approve plans, specifications, drawings, reports or other documents (the "Documents"), such Documents shall be deemed to have been approved unless the DDA or Executive Director shall object in writing to APD within fifteen (15) business days after receipt of such Documents.

**Section 15.06. Extension of Time.** In the event APD requires an extension of time for any of the milestone events identified in the Project Schedule, because of an Uncontrollable Circumstance, APD shall notify the DDA in writing indicating the reason(s) for such extension and the estimated number of days of the extension. If APD requires an extension for other than Uncontrollable Circumstances, it shall request an extension in writing from the DDA. Such request shall indicate the reason(s) and the amount of additional time being requested. Except as otherwise provided in Section 12.6 hereof, any extension other than for Uncontrollable Circumstances shall be at the sole discretion of the DDA.

**Section 15.07. Non-Discrimination.** APD agrees not to discriminate against any employee or applicant for employment to be employed in the performance of services under this Agreement with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, handicap or marital status. Breach of this covenant may be regarded as a material breach of this Agreement as provided for in Act 453 of the Public Acts of Michigan of 1976, as amended, entitled the "Michigan Civil Rights Act." APD also agrees that it will require similar non-discrimination covenants from all subcontractors under this Agreement and all contractors and subcontractors related to the development and construction of the Project.

**Section 15.08. Amendment.** Except as otherwise may be expressly permitted in this Agreement, this Agreement and any of the exhibits attached hereto may not be amended except in writing by a document signed by both parties.

**Section 15.09. No Other Agreements.** Except as may otherwise be expressly provided in this Agreement, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and represents the full understanding of the parties with respect to such subject matter.

**Section 15.10. Consent.** Except as otherwise provided in this Agreement, whenever consent or approval of either party is required herein, such consent or approval shall not be unreasonably withheld.

**Section 15.11. Remedies Cumulative.** The remedies of either the DDA or APD hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of the other remedies of such party unless specifically so provided herein.

**Section 15.12. Governing Law.** This Agreement shall be construed in accordance with the laws of the State and any action brought in law or equity arising out of its construction or

enforcement shall be filed in the Circuit Court for the 17th Judicial District of Michigan (Kent County Circuit Court) or in the United States District Court for the Western District of Michigan, Southern Division.

**Section 15.13. Notices.** All notices or other communications hereunder shall be sufficiently given and shall be deemed given when in writing and dispatched by regular, registered or certified mail, postage prepaid or hand delivered, addressed or delivered as follows:

If to the DDA:

City of Grand Rapids, Downtown Development Authority  
29 Pearl Street, N.W., Suite 10  
Grand Rapids, Michigan 49503  
Attention: Executive Director

With copy to;  
Dickinson Wright PLLC  
200 Ottawa Avenue, N.W.  
Suite 1000  
Grand Rapids, Michigan 49503  
Attention: Richard A. Wendt

If to APD

Arena Place Development, LLC  
32 Market Avenue, S.W.  
Suite 200  
Grand Rapids, Michigan 49503  
Attention: John Wheeler

With copy to:  
Arena Place Development, LLC  
32 Market Avenue, S.W.  
Suite 200  
Grand Rapids, Michigan 49503  
Attention: Gary Postma

The parties hereto may, by notice given hereunder, designate any further or different address to which subsequent notices or other communications may be sent.

**Section 15.14. Counterparts.** This Agreement may be executed by the parties hereto in counterparts, each of which shall be an original and both of which, when taken together, shall constitute a single agreement.

**Section 15.15. Successors and Assigns.** The terms, conditions, covenants and restrictions of this Agreement shall extend and apply to and bind the successors and assigns of the DDA and APD.

**Section 15.16. Severability.** The invalidity or enforceability of any provision or part of any provision of this Agreement shall not affect the other provisions or parts hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted, provided, that removal of such provisions or parts does not materially change the terms and provisions of this Agreement and the intent of the parties hereto.

**Section 15.17. Survival of Agreement.** This Agreement shall not be merged into any instruments or documents executed and delivered at Closing, but shall survive the Closing and the representations, warranties, covenants and obligations herein shall remain in full force and effect.

**Section 15.18. No Partnership or Joint Venture.** The DDA and APD are not partners, fiduciaries or joint ventures and nothing in this Agreement creates or will create the relation of partners, fiduciaries or joint ventures between them. Without limiting the generality of the foregoing, each is acting independently, is obligated to separately account for its respective activities and expressly disclaims any fiduciary duty to the other.

**Section 15.19. No Third Party Beneficiaries.** The terms, conditions, obligations and benefits of this Agreement are intended solely for the parties hereto. No third party is an intended beneficiary of this Agreement nor is entitled to enforce the provisions hereof.

**Section 15.20. Additional Documents.** Each party hereto agrees to execute any additional documents reasonably requested by the other party to carry out the intent of this Agreement.

**Section 15.21. DDA and City Use of the Property for Parking.** Continuing on and after the date that APD acquires the Property pursuant to this Agreement, the DDA and City shall have the right to continue to operate the Property as a surface parking lot and retain the revenues received therefrom. The DDA and City shall vacate the Property and deliver possession of the Property to APD no later than 30 days after APD gives the DDA and City written notice ("Notice of Intent") of its intent to commence construction of the Project (the "Possession Date"). If APD shall not commence construction within 60 days following the Possession Date, the right of the City and/or DDA to operate the Property as a surface parking lot shall be reinstated and a new Notice of Intent will be required before possession will again be returned to APD.

During the time that the DDA and/or City has possession of the Property pursuant to the provisions of this Section 15.21, the DDA agrees to indemnify and hold APD harmless from and against any and all claims, damages, demands, expenses, liabilities and losses of any character or nature whatsoever arising out of or resulting from any injury or damage to person or property with respect to the DDA's and the City's and their respective invitees' use of the Property during such period. The indemnification obligation provided above shall include the payment of all reasonable attorneys' fees and other expenses of defense. The DDA shall have the option to settle such claim, demand or liability on such terms it shall determine. In providing the above indemnification, the DDA is not waiving any defense otherwise available to it by law. The DDA

shall not be responsible for the indemnification obligation set forth above to the extent that APD has waived a defense that was otherwise available to it by law.

**IN WITNESS WHEREOF**, the DDA and APD have caused these presents to be signed by their respective duly authorized officer and member as of the date and year first written above.

**CITY OF GRAND RAPIDS  
DOWNTOWN DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_  
Brian Harris, Chairperson

**ARENA PLACE DEVELOPMENT, LLC**

By: \_\_\_\_\_  
John Wheeler, Member

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF KENT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of January, 2014, by Brian Harris, the Chairperson of the Board of Directors of the City of Grand Rapids, Downtown Development Authority.

\_\_\_\_\_  
Notary Public, Kent County, Michigan  
My commission expires: \_\_\_\_\_  
Acting in Kent County



STATE OF MICHIGAN     )  
                                      ) ss.  
COUNTY OF KENT         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of January, 2014, by John Wheeler a member of Arena Place Development, LLC.

---

Notary Public, Kent County, Michigan  
My commission expires: \_\_\_\_\_  
Acting in Kent County

## **EXHIBIT A**

### **Legal Description of Property**

LOTS 13, 15, 17, 19, 21, 23, 25 AND 27 OF THE CALDER STREET BLOCK OF KENT PLAT, CITY OF GRAND RAPIDS, KENT COUNTY, MICHIGAN, AS RECORDED IN LIBER 1 OF PLATS, PAGE 4 AND 5, KENT COUNTY RECORDS, TOGETHER WITH THE EAST HALF OF THE VACATED CALDER STREET ALLEY (NOW KNOWN AS OTTAWA AVENUE ALLEY) (20 FEET WIDE) ADJACENT TO THE WEST. PERMANENT PARCEL NO. 41-13-25-431-003.

## **EXHIBIT B**

### **Covenant Deed**

THE GRANTOR: CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT  
AUTHORITY, a Michigan statutory authority

WHOSE ADDRESS IS: 29 Pearl Street, S.W., Suite 10, Grand Rapids, Michigan 49503

GRANTS and CONVEYS  
TO THE GRANTEE: ARENA PLACE DEVELOPMENT, LLC, a Michigan limited  
liability company

WHOSE ADDRESS IS: 32 Market Avenue, S.W., Suite 200, Grand Rapids, Michigan  
49503

the real estate situated in the City of Grand Rapids, Kent County, Michigan, more fully described on **Exhibit A** attached to this Deed, together with all improvements, fixtures, easements, hereditaments and appurtenances associated with the real estate ("**Property**"), subject to (a) easements and restrictions of record; (b) taxes and assessments not yet due and payable; (c) any matters that would be disclosed by an accurate ALTA/ACSM Land Title Survey and (d) the Development Agreement between the Grantor and Grantee dated as of January 8, 2014.

The Grantor shall defend title to the Property from and against all lawful claims and demands of all parties claiming by, through, or under the Grantor, but against no other parties.

This Deed is given for the consideration shown in the Real Estate Transfer Tax Valuation Affidavit filed with this Deed.

[Signatures on Page 2]

Dated: \_\_\_\_\_, 2014

**CITY OF GRAND RAPIDS  
DOWNTOWN DEVELOPMENT  
AUTHORITY**, a State of Michigan  
statutory authority

By: \_\_\_\_\_  
Brian Harris, Chairperson

STATE OF MICHIGAN     )  
  ) ss.  
COUNTY OF KENT         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2014, by Brian Harris, the Chairperson of the Board of Directors of the City of Grand Rapids Downtown Development Authority, a Michigan statutory authority.

\_\_\_\_\_  
Notary Public, Kent County, Michigan  
My commission expires: \_\_\_\_\_  
Acting in Kent County

Prepared by:  
Richard A. Wendt, Esq.  
Dickinson Wright PLLC  
Suite 1000  
200 Ottawa Avenue, N.W.  
Grand Rapids, Michigan 49503

## **EXHIBIT A**

### **Legal Description of Property**

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## EXHIBIT C

### Project Schedule

<u>Milestone Event</u>	<u>Development Agreement Section Reference</u>	<u>Completion/Deadline Date</u>
APD Acquires Property	4.01	June 27, 2014
Completion and submission to DDA of Project Conceptual Plans	7.01	February 15, 2014
Completion and submission to DDA of Project Final Plans	7.02	May 15, 2014
APD files for necessary building permits and other governmental approvals	9.02	July 15, 2014
APD commences construction of Project	9.03	September 1, 2014
APD completes construction of Project	9.05	April 1, 2016

## **EXHIBIT D**

### **Public Facility Improvements and Estimated Costs**



## **EXHIBIT E**

### **Public Infrastructure/Sitework Improvements and Estimated Costs**

<b><u>Item</u></b>	<b><u>Estimated Cost</u></b>
<b>Property demolition, excavation, backfill and infill</b>	<b>\$35,271</b>
<b>Public sidewalks</b>	<b>64,480</b>
<b>Tree grates</b>	<b>12,750</b>
<b>Landscaping</b>	<b>15,000</b>
<b>Public accessories</b>	<b>45,000</b>
<b>Ramps and curbs</b>	<b>7,000</b>
<b>Public drainage</b>	<b><u>6,000</u></b>
<b>Total</b>	<b>\$185,501</b>



# Dykema Excavators, Inc.

1730 Three Mile Road, N.E. • Grand Rapids, MI 49505 • Phone: (616) 363-6895 • Fax: (616) 363-1150  
"An Equal Opportunity Employer"

## INVOICE

INVOICE NO.: 43355

Date: 08/28/2014

CITY OF GRAND RAPIDS  
300 MONROE AVENUE NW  
GRAND RAPIDS MI 49503

ARENA PLACE

CUSTOMER NO.  
1035

PURCH ORD NO.

JOB NUMBER  
1857

Date	Description	Quantity	Price	Amount
	STORM/SANITARY RELOCATION ON WESTON & OTTAWA			
	STORM WORK		48870.26	48,870.26
	SAMITARY WORK		123159.00	123,159.00

INVOICE TOTAL


172,029.26

# MEMORANDUM

CITY OF GRAND RAPIDS

DATE: December 5, 2014

TO: Kris Larson, Executive Director  
Downtown Grand Rapids, Inc.

FROM: Erin Banchoff, Community Development Manager   
Community Development Department

**SUBJECT: Tax Exemption and Payment in Lieu of Taxes Request for the  
Weston Apartments**

Dwelling Place of Grand Rapids Nonprofit Housing Corporation seeks continuation and extension of a tax exemption and Payment in Lieu of Taxes (PILOT) for the Weston Apartments located at 44 Ionia Avenue, SW and 21 Weston Street, SW within the Downtown Development Authority boundary. Together the two buildings contain 190 units that are available for rent by households with income at or below 50% of the area median income. The current owner of the property is the 44 Ionia Limited Dividend Housing Association Limited Partnership.

A PILOT has been in place for the Weston Apartments since it was initially developed in the early 1980's as allowed under the Michigan State Housing Development Authority (MSHDA) Act. The project has made payments in lieu of taxes equal to 4% of its annual rent receipts. The project was restructured in 2005. At that time, the City Commission adopted a resolution (Proceeding #73436) that granted tax exemption and PILOT for the life of the new federally-aided mortgage (30 years). In early 2015, the owner plans to refinance the HUD mortgage to take advantage of lower interest rates and provide more cash for operating and maintenance costs. This loan will be for a 35-year term. To facilitate the refinancing, it is necessary that the term of the project's PILOT extend for the entire term of the HUD loan. Since the current PILOT would have existed for another 20 years, the net effect of this action will be a 15-year extension of the PILOT, not 35.

The Community Development Department plans to request City Commission authorization for tax exemption and PILOT at its December 16, 2014 meeting. If you have any questions, I can be reached at 456-4249.



**City of Grand Rapids  
Community Development Department**

**PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION**

PROJECT NAME: Weston Apartments  
PILOT PERIOD REQUESTED: 35 Years (should match term of qualifying mortgage)  
NUMBER OF PARCELS IN PROJECT: 2 Parcels

**A. OWNERSHIP INFORMATION**

Name of Ownership Entity: 44 Ionia Limited Dividend Housing Association Limited Partnership

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

Developer/Sponsor: Dwelling Place of Grand Rapids Nonprofit Housing Corporation  
Developer Address: 101 Sheldon SE, Suite 2, Grand Rapids, MI 49503

Contact Person: Dennis Sturtevant  
Telephone: 616-855-0410  
Fax: 616-454-5249  
Email: dsturtevant@dwellingplacegr.org

**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: NA - Refinancing  
Expected Project Completion Date: NA - Refinancing

## PROJECT INFORMATION

Project Address:  
General Location:  
(e.g. cross streets)

50 Weston SW and 21 Weston SW  
Weston Street SW at Ionia and Commerce

Is Project located in a Renaissance Zone?  
Is Project located in a Neighborhood Enterprise Zone?  
Is Ownership Entity able to demonstrate site control?

☐ Yes ☒ No  
☐ Yes ☒ No  
☒ 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. Please contact the Community Development Department if you have questions regarding sufficient documentation.

Please provide a complete description of the project including the parties involved, necessary background information, how the project fits into the neighborhood, parking spaces being provided, and any special certification (e.g. LEED) the project will target:

Project Description (Provide as attachment if necessary):

Weston Apartments is an existing Section 8 low-income housing project situated on two separate parcels located near one another in the Heartside neighborhood. The owner plans to refinance its HUD 223 loan in early 2015 to take advantage of lower interest rates and provide more cash for operating and maintenance costs; the term of the existing PILOT isn't sufficient for the term of the refinanced HUD loan.

## C. BUILDING INFORMATION

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

2 multi-family buildings.  
21 Weston has 96 apartments on six floors.  
50 Weston has 94 apartments on six floors.

Total Number of Units:  
Number of Rent Restricted Units:  
Number of Market Rate Units:  
Total Number of Barrier-Free Units:

190  
190  
0  
18

Targeted Demographic(s)  
(seniors, families, persons with disabilities)  
Transitional Housing for homeless project  
Emergency Shelter project  
Targeted Income  
(% of Area Median Income)

Very low income families  
☐ Yes ☒ No  
☐ Yes ☒ No  
50% AMI

Residential Space Square Footage:  
Non-Residential (N/R Space):  
Square Footage (of N/R Space):

187,167  
☒ Yes ☐ No  
12,784

Use (of N/R Space): Leased to commercial tenants

Neighborhood District: Heartside

Describe how the project will fit into the neighborhood:

Weston Apartments has been in the neighborhood, at this location, since the early 1980s.

#### **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	50	479	640	750
1 - Bedroom	126	662	750	875
2 - Bedroom	14	760	875	1150
3 - Bedroom				
4 - Bedroom				
5 - Bedroom				
Subtotal	190			

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

Please provide a description of the units in the project:

All units have a kitchen with basic appliances. Units have air conditioning and ceiling fans.

Please 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)	Unit Type
Market Rate Units				
0 - Bedroom				
1 - Bedroom				
2 - Bedroom				
3 - Bedroom				
4 - Bedroom				
5 - Bedroom				
Subtotal				
Total				

#### **E. PROJECT FINANCING**

<b>Federally-aided Mortgage, Advance or Grant</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Name of Loan/Credit Program</b>	<b>Term of Financing</b>	<b>Amount</b>
HUD 223 Loan - This loan will be refinanced with HUD in 2015 for the expected term and amount shown here.	35	\$3,215,000

\$  
\$

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

\$  
\$  
\$

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

\$  
\$  
\$

<b>Low Income Housing Tax Credits (LIHTC)</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Name of Loan/Credit Program</b>	<b>Term of Financing</b>	<b>Amount</b>
Existing LIHTC awarded in 2005		\$

\$  
\$  
\$

<b>LIHTC Application Date:</b>	NA
<b>LIHTC Status:</b>	Project awarded LIHTC in 2005
<b>Initial Use Commitment in LIHTC Application:</b>	15 Years
<b>Extended Use Commitment in LIHTC Application:</b>	30 Years
<b>Total Length of Affordability Commitment in LIHTC Application:</b>	45 Years

<b>Contact Person for qualifying Federal or State financing:</b>	Portia Pongori, Pillar Finance
<b>Phone Number:</b>	(248) 290-2200
<b>Email:</b>	portia.pongori@pillarfinance.com

**Description and status of other (private) financing:**

There is an existing Mortgage Restructuring Note and Mortgage (in place since the 2005 restructuring) from the owner to Heartside Non-profit Housing Corporation. The term of this financing was 30 years and the original amount (and current balance) was \$4,465,664.

**Please describe why a PILOT is necessary:**

In conjunction with the refinancing of the HUD loan, it is necessary that the term of the project's PILOT extend for the entire term of the HUD loan which will be 35 years. Continuation and extension of the PILOT term will allow Weston Apartments to remain financially viable and able to continue to serve the very low income population in the Heartside neighborhood.



## **F. ADDITIONAL INFORMATION**

Please 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)
- ☐ Other Attachment (Describe)

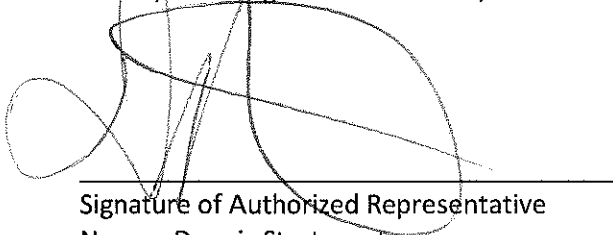
Please provide explanations below if any required documents are unavailable at the time of this application:

The attached Mortgage and Note relate to the project's existing Heartside NPHC financing. The Mortgage and Note associated with the refinanced HUD 223 loan will not be available until the refinancing is complete in 2015.

**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.



Date: November 11, 2014

Signature of Authorized Representative

Name: Dennis Sturtevant

Title: President of the General Partner of the Owner, 44 Ionia Limited Dividend Housing Association Limited Partnership

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# ALLIANCE *for* INVESTMENT:

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FY2015  
Summary Report  
*Draft*



**DOWNTOWN**  
GRAND RAPIDS INC.

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## MISSION

### **Alliance for Investment:**

Advises on projects related to downtown infrastructure, real estate development incentives, urban planning, and economic development:

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## ALLIANCE ROSTER

Nick Monoyious (*Chair*)

James Botts

Eric Brown

Kate Bylsma

Suriya Davenport

Rick DeVries

Dave Hill

Rachel Hood

Ted Lott

Nick Koster

Mark Miller

Kirt Ojala

Sarah Rainero

Mark Roys

Megan Sall

Phil Skaggs

Wes Steer

Jay Steffen

Tom Tilma

Rick Winn

Kara Wood

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IV. REAL ESTATE INCENTIVES

# I. PUBLIC SPACE

---

As part of their FY2015 priority development, the DGRI Alliance for Investment identified completing public realm and pedestrian improvements throughout Downtown as a primary area of focus. To that end, the FY15 Priority Plan includes \$200,000 for Public Realm Improvements. The Public Space Working Group will work collaboratively with DGRI staff to identify specific investments that will accomplish an improved public realm throughout Downtown.

---

## OPPORTUNITIES

*Below is a list of projects and opportunities that have been proposed to enhance public space improvements Downtown:*

- » Improved connectivity between Downtown points of interest (e.g. Arena District and Grandville Ave.)
- » Improved walking environment for pedestrians by way of more street furniture, a public parklet, etc.
- » Enhanced landscaping and Low-Impact Development (LID) installations on Downtown streets
- » Better lighting along Downtown streets, particularly at US-131 underpasses
- » Install more trash and recycling receptacles on downtown streets
- » Encourage more outdoor dining
- » Work collaboratively with the Rapid to enhance bus and BRT stations.
- » Pedestrianize area between Van Andel Arena and BR 131 between Fulton and Oakes
- » Form an advisory urban design committee to review and comment on proposed projects.

---

## CONSTRAINTS

*While DGRI does have the ability to influence public realm improvements, a number of constraints exist. The list below is a description of some of those limiting factors:*

- » City ordinance and policies, such as the Downtown zoning
- » DDA Act definition of eligible activities
- » State and Federal accessibility laws (Americans with Disabilities Act)
- » Business relations (i.e “picking” winners)
- » Existing infrastructure (i.e. snowmelt)



*Green Streets*



*Parklets*

---

## SUMMARY OF QUESTIONS

*In light of the budget and constraints, and in an effort to capitalize on existing opportunities, please answer the following questions within your working group to help further define the public realm projects in FY15:*

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### » Top three goals for the Public Space Working Group this year:

1. Increase connectivity between core Downtown with Monroe North and through the Arena District.
2. As part of the connectivity, focus on alleyways and underpasses in these areas.
3. Review policy matters related to redevelopment (to ensure that redevelopment takes into account public spaces) and focus on activation and usage of public spaces, including potential education on outdoor seating.

---

### » Primary Focus:

The primary element lacking from downtown's public realm is a common theme or standard such that those who visit downtown receive a consistent experience and can move within and through different areas downtown and find the same standard of improvements and safety.

---

### » Geographic Focus Areas:

The neighborhoods and streets that need the most attention are the alleyways in the Arena District including between the Arena and Grand Rapids Brewing Company to Hopcat as well as the alleyway from Fulton to and beyond Stella's. In addition, connections to Monroe North specifically underneath the 196 overpass and, more generally, to and across the river particularly on the Michigan, Pearl and Fulton bridges.

---

### » Policy/Advocacy:

The policies that the public space working group should advocate for to improve the downtown public realm should relate to the goals of connectivity as well as the policy goals related to planned redevelopment and outdoor seating/activation of public spaces. We suggest review of zoning and other rules and regulation which affect connectivity, redevelopment and outdoor seating (or other public realm activation).





*Street Furniture*

## PUBLIC SPACE WORKING GROUP FOLLOW UP QUESTIONS

- » What methods or interventions should be prioritized to improve connections between key areas of Downtown?
- » What policies should DGRI and the Alliance for Investment promote to make sure development and redevelopment account for public spaces?
- » What might an educational campaign on outdoor seating look like? What are the intended outcomes?
- » What are the desired outcomes or metrics that can be analyzed to verify the goals of improved connectivity and activated public space have been achieved?

## PUBLIC SPACE PRIORITY SUMMARY

- » Create a common experience
- » Focus on pinch points
- » Improve with public Art
- » Outdoor seating
- » Provide an inventory of existing outdoor seating, and identify opportunities to improve.
- » Connectivity
- » Improve pedestrian experience on bridges
- » Guidelines / Framework
- » Develop models to demonstrate good urbanism
- » Collaborate w/ Alliance for Livability and the Alliance for Vibrancy on priority projects
- » Reclaim space between buildings for humans



---

## PUBLIC SPACE WORKING GROUP

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### *Goal 1:*

#### **Reclaim space between buildings for humans.**

##### **» Objective 1:**

Continue to add new seats for outdoor dining or pedestrian seating.

##### **» Policy 1:**

Downtown Grand Rapids Inc. shall continue to promote and educate business and property owners about the Streetscape Incentive Improvement Program. Further, preference will be shown to those project that incorporate outdoor seating into public space.

##### **» Implementation Measure 1:**

Downtown Grand Rapids Inc. shall amend the guidelines to the SIIP program to place a higher value on outdoor seating.

##### **» Implementation Measure 2:**

In collaboration with Kendall College of Art and Design, DGRI shall design and install a public parklet that incorporates outdoor seating into the public realm.

### *Goal 2:*

#### **Connected Downtown activity centers.**

##### **» Objective 2:**

Add pedestrian and bicycling amenities to Downtown streets, including enhanced pedestrian lighting, trees, and planters, to encourage use of all transportation modes.

##### **» Policy 2:**

Downtown Grand Rapids Inc. and the Alliance for Investment shall only provide resources to projects that incorporate pedestrian and bicycling elements into their design.

##### **» Implementation Measure 3:**

For future streetscape projects that DGRI provides funding for, the project will be evaluated by DGRI staff to ensure pedestrian and bicycling elements are incorporated.

##### **» Implementation Measure 4:**

Develop guidelines and a framework to demonstrate what is meant by good urbanism which aids in the connections between Downtown activity centers.

### *Goal 3:*

#### **An implementable Downtown and River Corridor Plan.**

##### **» Objective 3:**

For the duration of the GR Forward planning effort, provide resources that support the intended outcomes.

##### **» Policy 3:**

To the extent they are known, in FY15 all Investment spent shall work to aid in the implementation of the goals of GR Forward.

##### **» Implementation Measure 6:**

In collaboration with the GR Forward effort, DGRI shall utilize the funding from the Public Space line item in the FY15 Priority Plan to promote public space activation and programming.

## II. RIVER ACTIVATION

---

As part of their FY2015 priority development, the DGRI Alliance for Investment identified Grand River activation as a primary area of focus. To that end, FY15 Priority Plan includes \$100,000 for River Activation projects. In collaboration with DGRI staff, the River Activation Working Group will work to identify specific infrastructure investments to accomplish this goal.

---

### OPPORTUNITIES

*Below is a list of projects and opportunities that have been proposed to enhance River activation opportunities in Downtown:*

- » Establish a trailhead with fitness equipment to enhance river adjacent utilization
- » Create seasonal running routes starting at a location on the River
- » Create additional or improve existing access points
- » Provide more public facilities along the River (i.e water fountains, dog fountains, etc.)
- » Improve lighting along the Riverwalk
- » Enhance signage and wayfinding to and along the River
- » Provide additional seating options and transparency at businesses along the River
- » Create a temporary (or permanent!) Downtown beach, similar to Sugar Beach in Toronto.
- » Provide opportunities to swim in or alongside the River.

---

### CONSTRAINTS

*While DGRI does have the ability to influence improvements along the River, a number of constraints exist. The list below is a description of some of those limiting factors.*

- » City ordinance and policies
- » DDA Act definition of eligible activities
- » River adjacent property ownership
- » GR Forward recommendations
- » Coordination with existing groups working along and in the River



*Tampa Riverfront Playground*

---

## SUMMARY OF QUESTIONS

*In light of the budget and constraints, and in an effort to capitalize on existing opportunities, please answer the following questions within your working group to help further define the River Activation projects in FY15.*

---

### » Top three goals for the River Activation Working Group:

1. Maintaining and improving existing infrastructure including enhanced lighting on walkways, underpasses, and bridges
2. Assessing multiuse pathways, wayfinding, historical, environmental and cultural interpretive education opportunities. Need assessment, design plan for continuous access for multi-modal use (i.e. bikes crossing bridges, etc.)
3. Establish design and aesthetic standards for the riverwalk – assess inventory of existing standards – gather public input on the future aesthetic via social media, etc.

---

### » Geographic Focus Area:

1. Fishladder
2. South end
3. 6th Street Park
4. Basic Safety (see above)

---

### » Policy/Advocacy:

1. Design Guide
2. Incentivizing public space investments and best use.

---

### » Primary Focus:

1. Activity Points: life and people, restaurants, night life
2. Safe Places for families to touch the River
3. Basic Safety (areas w/out railings, lighting, failing infrastructure).





*Oslo River Access*

## RIVER ACTIVATION WORKING GROUP FOLLOW UP QUESTIONS

- » What is the best way to incentivize public space investments on the River?
- » What might an assessment of multiuse pathways, wayfinding, historical, environmental and cultural interpretive education opportunities look like?
- » What are the desired outcomes or metrics that can be analyzed to verify the goal of River activation has been accomplished?

## RIVER ACTIVATION PRIORITY SUMMARY

- » Inventory of what's on the ground now
- » Develop guidelines for improvement
- » Identify the short-term opportunities
- » Identify infrastructure improvement needs
- » River walk
- » Focus on upgrading design
- » Education for business and land owners
- » Activate the River's edges
- » Prioritize touching water

---

## RIVER ACTIVATION WORKING GROUP

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### *Goal 1:*

**A clean, safe, and accessible Grand River that provides recreational opportunities for all Downtown users.**

#### *» Objective 1:*

Add new programming at public spaces along the River.

#### *» Objective 2:*

Provide or enhance areas that allow visitors to touch the River.

#### *» Policy 1:*

DGRI funding in projects adjacent to the River shall be contingent upon incorporating enhanced public access to the River.

#### *» Implementation Measure 1:*

Revise incentive program guidelines to prioritize River access, where applicable, as a component of DGRI's participation in projects adjacent to the River.

### *Goal 2:*

**An implementable Downtown and River Corridor Plan.**

#### *» Objective 1:*

For the duration of the GR Forward planning effort, provide resources that support the intended outcomes.

#### *» Policy 1:*

To the extent they are known, in FY15 all DGRI investments shall work to aid in the implementation of the goals of GR Forward.

#### *» Implementation Measure 2:*

In collaboration with the GR Forward effort, DGRI shall utilize the funding from the River Activation line item in the FY15 Priority Plan to promote River recreation and programming.

# III. INFRASTRUCTURE

---

The role of the Infrastructure Working Group is to advise DGRI and City of Grand Rapids staff on various Downtown infrastructure projects. This will include review of proposed and pending projects, as well as recommendations on policies governing future Downtown infrastructure development. The FY15 Priority Plan includes \$790,000 for Public Infrastructure projects, mainly as a partial funder for street improvements projects with the City.

---

## OPPORTUNITIES

*Below is the list of street improvement projects that DGRI will be contributing to this year:*

- » Bridge Street Streetscape / US 131 Underpass
- » Bostwick Avenue – Lyon St to Crescent St.
- » Monroe Avenue Resurfacing – Louis to I-196
- » Ottawa Avenue Public Improvements – Arena Place Public Realm
- » State Street –Jefferson Ave to Lafayette Ave.

## CONSTRAINTS

*While DGRI does have the ability to influence infrastructure improvements Downtown, a number of constraints exist. The list below is a description of some of those limiting factors:*

- » Multi-year projects already defined and funded
- » City ordinance and policies
- » State and Federal laws
- » Street Millage
- » GR Forward recommendations
- » Impact on existing businesses
- » Limited construction season



*Underpass Lighting*



---

## SUMMARY OF QUESTIONS

*In light of the budget and constraints, and in an effort to capitalize on existing opportunities, please answer the following questions within your working group to help further define the infrastructure investment projects in FY15:*

---

### » Top three goals for the Infrastructure Working Group:

Promote the Triple Bottom Line through:

1. Equity in mobility (choice) (social)
2. Design based environmental stewardship (environmental)
3. Ensure Investment maximizes economic impact of proposed intervention (ROI)

---

### » Programmatic Focus:

Street life & activity

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### » Policy/Advocacy:

Contribute to a prioritized project selection list

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### » Primary Focus:

Advocacy & Partnership

#### ***Additional Notes***

- » Does the proposed investment align and support the values of the Alliance for Investment?
- » When a project is identified for funding:
  - Scope shared w/ DGRI
  - Schematic design review w/ commentary
  - Understanding what % of investment contributes to the final result & investment
- » Support excellence in urban design
- » Support wide range of transit choice
- » Support use and expanded use of clean energy & stormwater infrastructure



*Bostwick*



*Monroe*

---

## INFRASTRUCTURE WORKING GROUP FOLLOW UP QUESTIONS

- » How will we know if we have achieved equity in mobility?
- » What measures should be utilized to identify economic impact of infrastructure investments?
- » Who should DGRI and the Alliance for Investment partner with, or advocate to, on infrastructure projects Downtown?
- » What activities would you prioritize to improve Downtown street life?
- » What are the best methods to employ and advocate for excellence in urban design?

---

## INFRASTRUCTURE PRIORITY SUMMARY

- » Laker Line Public Input
  - Provide the consultant with an outline of the principles supported by the Alliance for Investment
- » Maximize Choices
  - Improve opportunities for pedestrians and bicycle mobility

---

## INFRASTRUCTURE INVESTMENT

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### *Goal 1:*

**A Downtown that is accessible and navigable by all transportation modes.**

#### *» Objective 1:*

Promote equity in transportation, such that the use of all modes of transportation is supported.

#### *» Policy 1:*

DGRI shall only provide resources to infrastructure projects that incorporate pedestrian and bicycling elements into their design.

#### *» Implementation Measure 1:*

Create a protocol for the review of Downtown infrastructure projects, such that when they are known the scope of work and schematic designs are shared with DGRI for review and comment.

# IV. REAL ESTATE INCENTIVES

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The role of the Real Estate Incentives Working Group is to advise DGRI on the administration, implementation, and utilization of various incentive programs. This will include an analysis of existing programs and policies, recommendations for improvements, and exploration of best practices in other communities.

---

## OPPORTUNITIES

*Below is a list of policy amendments that have been proposed to enhance the DGRI incentive programs:*

- » Amend the existing fee schedule
- » Revise the eligibility criteria to require a greater demonstration of need by existing applicants
- » Amend existing programs
- » Update the existing guidelines for each program to more closely align with changes Downtown
- » Create new incentive programs to align with the goals of the community and DGRI after GR Forward concludes.

---

## CONSTRAINTS

*While DGRI does have the ability to amend its incentive programs, a number of constraints exist. The list below is a description of some of those limiting factors.*

- » City ordinance and policies
- » DDA Act definition of eligible activities
- » GR Forward recommendations



---

## SUMMARY OF QUESTIONS

*In light of the budget and constraints, and in an effort to capitalize on existing opportunities, please answer the following questions within your working group to help further define the River Activation projects in FY15:*

---

### » Top three goals for the Real Estate Incentives Working Group:

1. Amend eligibility criteria to require a greater requirement to demonstrate new demand for development
2. Amend existing program guidelines to be more practical
3. Amend fee schedule to aid in implementation

---

### » What incentive program do you believe currently needs the most attention?

Development Support

---

### » Policy/Advocacy:

New demand based criteria for eligibility

---

### » Primary Focus:

Eligibility criteria needs to be updated and then need to figure out how to implement





## REAL ESTATE INCENTIVES WORKING GROUP FOLLOW UP QUESTIONS

- » What would you characterize as the goal of the Downtown incentive programs (i.e. BRIP, Development Support, etc.)?
- » What are the evaluative criteria that need to be assessed to determine new demand exists?
- » How should the eligibility criteria of the incentive programs be amended to include?
- » What are appropriate models to examine to increase the fee schedule for incentive program applications?
- » What changes are most needed to the Development Support Program?

## REAL ESTATE PRIORITY SUMMARY

- » Update eligibility guidelines
- » Programs should reflect goals of the Alliance for Investment
- » Need to establish what those goals are
- » Develop evaluation guidelines
- » What are our evaluation thresholds?
- » Identify tipping points of development
- » Our values can/should change
- » Density is a priority
- » Mix of housing types is a priority
- » Strategically invest in areas that are most important

---

## REAL ESTATE INCENTIVES

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### *Goal 1:*

**A Downtown that is friendly to economic development and reflective of the priorities established by community.**

#### *» Objective 1:*

Revised incentive programs that aid in the realization and implementation of community priorities.

#### *» Policy 1:*

Prioritize projects in key development areas where new investment has recently occurred, or where it is planned to occur.

#### *» Policy 2:*

Prioritize projects that promote density.

#### *» Implementation Measure 1:*

Amend the incentive programs fee schedule.

#### *» Implementation Measure 2:*

Establish new evaluation criteria and guidelines for each incentive program in line with existing priorities.

#### *» Implementation Measure 3:*

Identify and monitor where Downtown development and infrastructure project are scheduled to occur to establish target areas for investment.





**DOWNTOWN**  
GRAND RAPIDS INC.