

# **MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY**

**Wednesday, February 13, 2013**

**8:30 a.m. Meeting**

**Room 601, City Hall**

## **AGENDA**

1. Call to order
2. Approval of minutes of January 9, 2013 meeting (enclosed).....*Motion Harris*
3. DDA financial reports for the period ending January 31, 2013 .....*Motion Wallace*  
(enclosed)
4. Authorization to Execute Agreement with Kent County to Refund 2003B Bonds *Motion Wallace*  
(enclosed)
5. Request for Approval of Arena South Visioning Steering Committee..... *Motion Larson*  
(enclosed)
6. Authorize Budget Amendment for Snow Melt System Analysis.....*Motion DeClercq*  
(enclosed)
7. Request for Consent to Utilize Obsolete Property Rehabilitation Exemption. ....*Motion Pratt*  
(enclosed)
  - Morton House - Monroe Center NE
8. Request for Approval of Alcohol License (enclosed) .....*Motion Pratt*
  - Downtown Market
9. Request for Building Reuse Incentive Program Grants (enclosed).....*Motion Pratt*
  - Gina's and Lia Rose Boutiques – 40 Monroe Center NW
  - Lifestyle Kitchen Studio – 222 E. Fulton
10. Request for Support for Build a Better Block re:State.....*Motion Larson*
11. Executive Director's Report.....*Info Item Larson*
12. Action Group Reports .....*Info Item Various*
13. Public Comment
14. Board Member Discussion
15. Adjournment

*Downtown Grand Rapids*

*Prosperous ❖ Livable ❖ Walkable ❖ Inclusive ❖ Green ❖ Connected ❖ Distinctive*

## UNAPPROVED MINUTES

### MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

January 9, 2013

1. Call to Order – The meeting was called to order at 8:32 a.m. by Chair Brian Harris.

2. Attendance

Present: Kayem Dunn, Brian Harris, Mayor George Heartwell, Jim Talen, Mary Tuuk, Rick Winn

Absent: Jane Gietzen, Elissa Hillary

Others Present: Kristopher Larson (Executive Director), Mary Sierawski (DDA Executive Asst/Office Manager), Jana Wallace (DDA Treasurer), Richard Wendt (DDA Counsel), Eric Pratt, Kim VanDriel (staff), Jim Harger (Mlive Media Group), Chuck Henderson (NTH Consultants), Mark Miller (Nederveld), Sharon Evoy (Downtown Alliance) and others.

3. Approval of Minutes of December 12, 2012

Ms. Dunn pointed out one correction from the December 12, 2012 minutes within agenda item 12 (Downtown Market Project Update). The Downtown Market has contracted with MRetail to fill the market hall and to fill the entire facility, not Ms. Dunn as previously written. Adjustment was noted and corrected by Ms. Sierawski.

*Motion: Brian Harris, supported by Mayor George Heartwell, moved approval of the minutes of the December 12, 2012 DDA meeting as presented. Motion carried unanimously.*

4. Introduction of New Board Members

Mayor Heartwell introduced Rick Winn as a new member of the DDA Board, replacing Joe Tomaselli who retired in December 2012. Rick Winn is the President of the Amway Hotel Corporation. Winn is deeply involved in the community and possesses great leadership skills. The DDA Board and Mayor Heartwell welcome him as a member of the Board. Winn shared that he is happy to be on the Board and added that he has worked in Grand Rapids for several years and is also a downtown resident. Winn has a keen interest in the downtown and hopes he can contribute positively.

5. Election of Officers

Heartwell entered into nomination Brian Harris for Chair and Kayem Dunn for Vice-Chair.

*Motion: Mayor George Heartwell, supported by Jim Talen, moved approval of the election of Brian Harris for Chair and Kayem Dunn for Vice-Chair. Motion carried unanimously.*

6. DDA Preliminary Financial Reports for the Period Ending December 31, 2012

Ms. Wallace provided preliminary financial statements for the one month period ending December 31, 2012, including: Statement A: Balance Sheet; Statement B: Comparison of FY2013 Year to Date Budget vs Actual Results; Statement C: Statement of Current Project Expenditures; and Statement D: Schedule of December, 2012 Expenditures.

Mr. Talen observed that on Statement C it may be helpful if staff can indicate progress on the various projects. Ms. Wallace responded that the engineering bills come in slowly and it may be best to have the project managers update the action groups on the progress of projects. Mr. Harris asked how it would be actionable if we did have the status of the projects. Mr. Talen responded that for planning purposes it would be helpful to see if the projects are coming in over or under budget. Mr. Harris asked if it would be helpful to bring Statement C to the action groups. Mr. Larson added that staff may be able to put together some estimates on the status of the projects in progress. Mr. Talen added that perhaps putting timeframes on Statement C would be helpful as well. Ms. Dunn contributed that the billing dates compared to the project dates are sometimes very different. Mr. Winn added that utilizing PO's to track projects might help. Ms. Wallace responded that staff can look at the priority plan to evaluate the projects. Ms. Tuuk added that we have additional areas of opportunity and the Board needs clarification of what we are trying to solve, a bigger picture issue or a project management issue. Mr. Harris asked Mr. Larson to propose a potential solution and have the treasurer be involved as necessary. Mr. Larson responded that several projects that the DDA supports are managed by the Engineering department and the DDA learns about the progress of projects sometimes after they are completed. Ms. Wallace added that reviewing the priority plan may be an exercise the DDA should conduct twice per year instead of once per year and give a semi-annual update. Mayor Heartwell contributed that this issue raises another big picture question of why the current process takes so long and what are some ways we may streamline this process between Engineering, Fiscal services, and the DDA. Ms. Wallace responded that the Engineering department had cut its staff in half and in some cases the bills get held because it's the only leverage the city has to receive payment. Mr. Harris concluded that we should give ourselves sixty days to evaluate this issue and come back with some discussion.

*Motion: Kayem Dunn, supported by Mary Tuuk, moved to approve Statement D: Schedule of December, 2012 Expenditures, as recommended. Motion carried unanimously.*

7. Presentation of the FY 2012 Audit

Ms. Wallace shared that the DDA did very well in their audit that was conducted by BDO Seidman. Ms. Wallace demonstrated how she went through the audit to evaluate the information. Ms. Wallace assigned the action groups to each project for clarification. Ms. Tuuk asked if there were internal deficiencies found. Ms. Wallace responded no. Mr. Wendt shared it would be appropriate for the board to conduct a motion to approve.

Ms. Wallace concluded that we are looking to refund bonds and that she will be moving forward with that process. Ms. Wallace added that there will be an agenda item for the next meeting.

*Motion: Mayor George Heartwell, supported by Brian Harris, moved to approve the FY 2012 Audit. Motion carried unanimously.*

8. Authorization to execute a contract for Arena South Visioning

Mr. Larson shared that in October 2012, the DDA Board provided the Executive Director with the authority to compose and issue a request for proposals (RFP). Following the authorization, the board instructed that the DDA staff work with the Economy Action group and put together a task force to evaluate the received proposals. The task force consisting of South Arena stakeholders reviewed the three proposals and decided on Cornerstone Architecture, Viridis Design Group, and Williams and Works. Mr. Larson is requesting recommendation to finalize the contract with involvement of legal counsel.

Mayor Heartwell shared that before Mr. Larson's arrival several members spent time with Jeff Speck who is an architect and urban designer who looked with fresh eyes on our downtown. Mayor Heartwell inquired if it would be appropriate for the South Arena visioning contractor to contact Mr. Speck to see if he can add to the project in some way. Mr. Larson shared he is familiar with Speck's work. Mr. Larson cautioned that this project is smaller in scope, but bringing in talent is always open for consideration. Ms. Dunn pointed out that this project looks to be on a fast track for completion in April and asked if the timeframe is realistic. Mr. Larson responded that he wants to move forward with the public participation and the public process fairly quickly.

*Motion: Mayor George Heartwell, supported by Kayem Dunn, moved to provide the DDA Executive Director with authorization to enter into a consulting contract with Cornerstone Architecture as the lead agency for the South Arena Area Visioning Plan.*

9. Downtown Grand Rapids, Inc. Formation Update

Mr. Larson shared an update with the Board about the formation of Downtown Grand Rapids, Inc. (DGRI) This agenda item is in response from inquiries from the Board about DGRI. Mr. Larson presented a formation overview. So far, there has been a legal overview of existing organizations, a review of the organizational plan, objectives created

for the union of organizations, the creation of vision and values, stakeholder analysis, a conceptual input-output model, and a draft organizational model development. What is driving the vision and values is how to combine the best of both organizations to create better returns for downtown by eliminating redundancy and providing open, ongoing opportunities for public involvement. Some other ways to drive the vision and values is to keep our finger on the pulse of the community, improve communications, create an effective, collaborative environment for all partners, focus on stakeholder involvement, and create pathways for leadership development.

Mr. Larson mentioned the Framework Plan and is looking to expand upon that plan. Mr. Larson also shared a draft plan of the potential organizational structure of the DGRI. There will be two funding and oversight bodies, and three main groups that oversee built environment/investment, compelling cause/vibrancy, and DT management/public good. There is also the creation of listening posts such as a residents' council and opportunities for the public to convene such as urban think tanks. At the highest level, will be the DGRI board, which all the instruments will feed into. The DGRI board focus will be the long-term, big picture and they will be responsible for creating the vision for the downtown over five to ten year timeframes. Mr. Harris responded that this is a lot to take in for those who have not seen it before and welcomed comments or questions.

Mr. Talen added that the model is very helpful and he asked how the responsibilities that the current boards have will change. Mr. Harris responded that that topic will be discussed but that there will be opportunities for everyone to continue to participate. Ms. Tuuk added that her initial feedback is that the model is focused on the right priorities. Mayor Heartwell added that he likes what he sees but reiterates that each group must weave together to be most effective. Mr. Larson added that there will be opportunities for cross-pollination. Mayor Heartwell asked if there are any other obstacles that the DDA board needs to be aware of. Mr. Larson responded that if people can corral themselves around ideas to achieve outcomes then everyone will be able to achieve their goals and participate to the betterment of the downtown in a positive manner. Mayor Heartwell made an additional comment about merging existing organizations and to note the cultural differences between the three organizations as being an important aspect of this process. Mr. Harris asked for counsel's input, and Mr. Wendt responded that this model is within the legal obligations. Mr. Winn asked if this was a true merger and Mr. Larson responded that it is not a merger, it's an alignment of existing organizations. Mr. Larson added that each body has different revenue sources and the goal is to focus them in such a way that they are all directing their energies towards the betterment of the downtown. The staff will be employed by DGRI who contracts with the revenue sources to fund staffing. Mr. Harris ended by saying that the group is moving ahead with a structural plan and the Board will be updated as progress is made.

10. Executive Director's Report

Mr. Larson shared an update with the board.

- A DDA Project Manager was hired. The DDA received 80 applications, conducted 9 phone interviews and 4 face-to-face interviews. The final decision was to extend an offer to Mr. Tim Kelly. Mr. Kelly will begin on February 4, 2013.
- Mr. Larson continues to update the community through speaking to various boards within the community such as the County Commission, the Library Board, the Chamber of Commerce, Grand Rapids Public Schools, Experience Grand Rapids, and others.
- There will be a Monument and Veterans Park public input event being held on Saturday, January 19 at Park Church (10 E. Park Place NE). This is a project that is funded by the DDA.
- After conducting public participation events concerning the Indiana Railroad Bridge (the Blue Bridge), 75% of participants said to keep the bridge blue. The DDA will be exploring color changing LED lighting, the appearance under the bridge, and expand the idea of the “blue” moniker. A conceptual design is prepared and we will need the historic district approval before moving forward.

11. Action Group Reports

Mr. Larson gave the dates in which the Economy, Experience, and Environment Action Groups are scheduled to meet next and stated that they will have some proposed projects on the agendas for review.

12. Public Comment

Mark Miller with Nederveld commented to the DDA Board that he was the second place contractor for the South Arena Visioning project. Mr. Miller shared that his team is passionate about urban development and wanted the Board to know that Nederveld will contribute in any capacity in moving this project along. Mr. Miller added that there are many local urbanists that could give their expertise and instead of bringing in someone from out of town, we should utilize our local people. Mr. Miller concluded by reiterating his belief in building a better city and Nederveld's passion for building a better city.

Mr. Harris read a public comment that was delivered via e-mail from Scott Atchison reiterating the idea of a visitor center. The e-mail read: Continued Plan for Scott Atchison (2013) Until I see plans for a state of the art "structure" to be built at the main intersection (Monroe Ave./Pearl St./Monroe Center) with a plan to have the structure staffed with helpful humans everyday of the year, I will continue my quest. Everyday without a highly visible and accessible Visitor's Center/Information Booth/Go-Site (all the same thing) is another missed opportunity.

If the Convention & Visitors Bureau (CVB) does not wish to operate the Visitor's Center/Information Booth/Go-Site, the Convention & Visitors Bureau will do so in writing. The DDA should build the best Visitor's Center/Information Booth/Go-Site "structure." Main intersection: (Monroe Ave./Pearl St./Monroe Center)

13. Board Member Discussion

None.

14. Adjournment

The meeting adjourned at 9:48 a.m.

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 3.  
February 13, 2013  
DDA Meeting**

DATE: February 7, 2013

TO: Brian Harris  
Chairman

FROM: Jana M. Wallace   
Downtown Development Authority Treasurer

**SUBJECT: Financial Statements as of January 31, 2013**

Attached are the FY2013 financial statements for the seven months ended January 31, 2013.

The attached statements include:

Statement A: Balance Sheet

Statement B: Comparison of FY2013 Year to Date Budget vs Actual Results

Statement C: Statement of Project Expenditures

Statement D: Schedule of January, 2013 Expenditures

Winter tax increment revenues were distributed during January. Most expenditure categories are trending lower than expected after seven months of activity. The Authority has sufficient cash to meet 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 January 31, 2013

	Non-Tax Funds	Debt Increment	Local Tax Increment	TOTAL
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 4,089,619	\$ 9,034,724	\$ 6,014,756	\$ 19,139,099
Petty Cash	-	-	200	200
Debt Service Reserve Fund	-	5,395,922	-	5,395,922
Accounts Receivable	5,924	-	-	5,924
Loan Receivable - Project Developer	898,848	-	-	898,848
Loan Receivable - Special Assessments	22,104	-	-	22,104
General Fixed Assets	-	-	90,336,450	90,336,450
Future Tax Increment Revenues Anticipated	-	33,805,476	227,501	34,032,977
<b>TOTAL ASSETS</b>	<b>\$ 5,016,495</b>	<b>\$ 48,236,122</b>	<b>\$ 96,578,907</b>	<b>\$ 149,831,524</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Current Liabilities	\$ -	\$ -	\$ 2	\$ 2
Parking Revenue Payable	37,828	-	-	37,828
Project Increment Due to Developers	-	-	47,216	47,216
Due to Other Governmental Units	-	3,318,364	-	3,318,364
Debt Increment Reimbursement Payable	-	2,520,629	-	2,520,629
Deposit - Area 5 Option to Buy	50,000	-	-	50,000
Net Retiree Health Care Obligation <sup>1</sup>	-	-	(6,120)	(6,120)
Prior Year Property Tax Appeals	-	326,908	177,013	503,921
Deferred Revenue - Developer Loan	898,848	-	-	898,848
Contract Payable	-	-	227,501	227,501
Bonds Payable	-	33,805,476	-	33,805,476
<b>TOTAL LIABILITIES</b>	<b>986,676</b>	<b>39,971,377</b>	<b>445,612</b>	<b>41,403,665</b>
<b>Fund Balance / Equity:</b>				
Investments in General Fixed Assets	-	-	90,336,450	90,336,450
Non-Tax Increment Reserve	3,425,565	-	-	3,425,565
Reserve for Authorized Projects	-	-	4,608,173	4,608,173
Reserve for Brownfield Series 2012 Bonds	500,144	-	-	500,144
Reserve for Compensated Absences	-	-	17,969	17,969
Reserve for Eligible Obligations	-	7,999,745	-	7,999,745
Reserve for Encumbrances	104,110	-	1,170,703	1,274,813
Reserve for Long-Term Lease	-	265,000	-	265,000
<b>TOTAL FUND EQUITY</b>	<b>4,029,819</b>	<b>8,264,745</b>	<b>96,133,295</b>	<b>108,427,859</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 5,016,495</b>	<b>\$ 48,236,122</b>	<b>\$ 96,578,907</b>	<b>\$ 149,831,524</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 FY2013 Budget vs Actual Results Year to Date for July 1, 2012 - January 31, 2013

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
Property Tax Increment - General	\$ -	\$ -	\$ 7,940,245	\$ 7,995,104 <sup>1</sup>	\$ 4,120,400	\$ 4,128,930 <sup>1</sup>
Property Tax Increment - Transit Millage	-	-	-	-	380,760	380,760
Property Tax Increment - Prior Year Appeals	-	-	(100,000)	(157,469)	(129,372)	45,393
Property Tax Increment - Rebates to City / ITP	-	-	-	-	(50,000)	-
Special Assessments	20,000	1,805	-	-	32,000	215,951
Brownfield Authority - Grandville Avenue	-	-	-	-	39,518	-
Brownfield Authority - Veteran's Park	-	-	-	-	100,000	-
Grant - Michigan Dept of Transportation	-	-	-	-	250,000	-
Interest on Investments - General	38,030	13,498	5,000	13,319	88,634	31,979
Interest on Investments - The Gallery Note	40,448	-	-	-	-	-
Miscellaneous Fees / Reimbursements	-	5,924	-	-	4,000	85,722
Property Rental - DASH Parking Lots	162,000	96,160	-	-	-	-
Property Rentals - Other	60,498	31,659	-	-	-	-
From / (To) Fund Balance	414,024	-	(5,000)	-	2,190,884	-
<b>TOTAL REVENUES</b>	<b>\$ 735,000</b>	<b>\$ 149,046</b>	<b>\$ 7,840,245</b>	<b>\$ 7,850,954</b>	<b>\$ 7,026,824</b>	<b>\$ 4,888,735</b>
<b>EXPENDITURES</b>						
<b>Economy</b>						
Cash Financed Projects	\$ -	\$ -	\$ -	\$ -	\$ 1,935,000	\$ 860,144
Debt Financed Projects - Principal / Interest	-	-	-	-	385,763	307,631
<b>Economy Action Group Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,320,763</b>	<b>\$ 1,167,775</b>
<b>Environment</b>						
Cash Financed Projects	\$ -	\$ -	\$ -	\$ -	\$ 3,506,729	\$ 502,306
Debt Financed Projects - Principal / Interest	-	-	5,474,475	1,005,588	124,332	44,606
<b>Environment Action Group Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,474,475</b>	<b>\$ 1,005,588</b>	<b>\$ 3,631,061</b>	<b>\$ 546,912</b>
<b>Experience</b>						
Cash Financed Projects	\$ 734,000	227,136	\$ -	\$ -	\$ 275,000	\$ 43,750
<b>Total Action Group Project Expenditures</b>	<b>\$ 734,000</b>	<b>\$ 227,136</b>	<b>\$ 5,474,475</b>	<b>\$ 1,005,588</b>	<b>\$ 6,226,824</b>	<b>\$ 1,758,437</b>
<b>Administration</b>	<b>1,000</b>	<b>540</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>246,618</b>
<b>Estimated Capture to be Returned</b>	<b>-</b>	<b>-</b>	<b>2,365,770</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 735,000</b>	<b>\$ 227,676</b>	<b>\$ 7,840,245</b>	<b>\$ 1,005,588</b>	<b>\$ 7,026,824</b>	<b>\$ 2,005,055</b>
<b>EXCESS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (78,630)</b>	<b>\$ -</b>	<b>\$ 6,845,366</b>	<b>\$ -</b>	<b>\$ 2,883,680</b>

Note 1: Budgeted, negative IFT revenues will be distributed later in the fiscal year.

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**STATEMENT C**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Statement of Current Project Expenditures**  
**As of January 31, 2013**

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)		600,000 <sup>1,2</sup>	-	38,555	38,555	561,445
Development Project Reimbursements		950,000 <sup>1,2</sup>	-	749,894	749,894	200,106
Downtown Market Administrative Costs		-	346	2,415	7,965	(7,965)
Economic Development / Retail Support		105,000 <sup>1,2</sup>	-	23,080	23,080	81,920
Economy - Miscellaneous		50,000 <sup>1,2</sup>	-	-	-	50,000
Other Framework Plan Priorities		25,000 <sup>1,2</sup>	-	-	-	25,000
Retail Merchandising Plan		100,000 <sup>1,2</sup>	33,800	33,800	33,800	66,200
Retail Support Program		30,000 <sup>1,2</sup>	200	12,400	12,400	17,600
Streetscape Improvement Incentive Program		25,000 <sup>1,2</sup>	-	-	-	25,000
<b>Sub-Total Economy Support</b>	<b>12.71%</b>	<b>\$ 1,920,000</b>	<b>\$ 34,346</b>	<b>\$ 860,144</b>	<b>\$ 865,694</b>	<b>\$ 1,054,306</b>
Accessibility and Mobility Repairs		15,000 <sup>1,2</sup>	-	-	-	\$ 15,000
Bicycle Friendly Improvements		60,000	-	-	-	60,000
Cherry Street 2 - Commerce to Division		742,000	3,083	3,083	712,908	29,092
Environment / Infrastructure - Miscellaneous		50,000 <sup>1,2</sup>	-	20	20	49,980
Fulton St - Division Ave to the Grand River		680,000	46,400	146,431	624,779	55,221
GR / Indiana Railroad Bridge Painting / Rehab		900,000	-	933	933	899,067
Grand River Recreation Improvements		650,000	-	-	32,435	617,565
Ionia Ave 9 - Buckley St to Wealthy St		475,000	-	-	356,063	118,937
Jefferson Avenue - Cherry St to Fulton St		395,000	-	-	-	395,000
Lyon Square Reconstruction		655,000	-	52	90,463	564,537
Monroe Center - Phase 3		350,000	21,152	45,228	45,228	304,772
Oakes Street 1 - Market to Ottawa		1,700,000	18,980	109,730	1,358,642	341,358
Public Transit Millage Improvements		2,693,735	-	22,830	1,466,608	1,227,127
River Edge - South of Fulton		650,000	-	-	-	650,000
Riverfront Trails / Whitewater Management		25,000 <sup>1,2</sup>	-	-	-	25,000
Seward Avenue Extension		1,093,000	-	13,289	1,076,078	16,922
Sixth Street Bridge Capital Repairs		480,000	11,013	157,820	311,698	168,302
Traffic Circulation & Parking Plan		250,000	-	2,890	68,438	181,562
Urban Recreation Plan		25,000 <sup>1,2</sup>	-	-	-	25,000
<b>Sub-Total Environment Support</b>	<b>78.71%</b>	<b>\$ 11,888,735</b>	<b>\$ 100,628</b>	<b>\$ 502,306</b>	<b>\$ 6,144,293</b>	<b>\$ 5,744,442</b>
ArtPrize Support		20,000 <sup>1,3</sup>	-	20,000	20,000	\$ -
Bridge Lighting Operations		15,500 <sup>1,3</sup>	-	-	-	15,500
Downtown Marketing		100,000 <sup>1,2</sup>	-	43,750	21,875	78,125
Downtown Marketing		100,000 <sup>1,3</sup>	-	43,750	21,875	78,125
Experience - Miscellaneous		25,000 <sup>1,2</sup>	-	-	-	25,000
Experience - Miscellaneous		51,000 <sup>1,3</sup>	-	18,800	18,800	32,200
Project and Fixed Asset Maintenance		75,000 <sup>1,3</sup>	445	12,727	12,727	62,273
Public Safety Enhancements Downtown		40,000 <sup>1,3</sup>	2,185	17,039	17,039	22,961
Restaurant Week Sponsorship		25,000 <sup>1,3</sup>	-	25,000	25,000	-
Riverwalk Maintenance		10,000 <sup>1,3</sup>	-	-	-	10,000
Riverwalk Wayfinding Sign System		40,915	-	-	25,915	15,000
Rosa Parks Circle Skating Operations		42,000 <sup>1,3</sup>	-	-	-	42,000
Skywalk Wayfinding Sign Improvements		179,842	-	-	19,842	160,000
Snowmelt System Repairs / Investigation		214,140	-	-	164,140	50,000
Special Events - Grants		50,000 <sup>1,3</sup>	-	-	-	50,000
Special Events - Office of		104,000 <sup>1,3</sup>	52,000	52,000	52,000	52,000
Street Trees Maintenance Program		20,000 <sup>1,3</sup>	-	-	-	20,000
Ticketed Events - Police Services		80,000 <sup>1,3</sup>	-	12,359	12,359	67,641
Wayfinding Sign Maintenance		100,000 <sup>1,3</sup>	-	25,460	25,460	74,540
Winter Avenue Building Lease		2,500 <sup>1,3</sup>	-	-	-	2,500
	<b>8.57%</b>	<b>\$ 1,294,897</b>	<b>\$ 54,630</b>	<b>\$ 270,885</b>	<b>\$ 437,032</b>	<b>\$ 857,865</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>\$ 15,103,632</b>	<b>\$ 189,604</b>	<b>\$ 1,633,335</b>	<b>\$ 7,447,019</b>	<b>\$ 7,656,613</b>

Note 1: Current year (FY2013) budget only  
Note 2: Paid from local tax increment.  
Note 3: Paid from non-tax funds.

**STATEMENT D**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Schedule of Expenditures**  
**January, 2013**

Source	Vendor	Purpose / Project	Description	Amount
Debt	Bank of New York - Mellon Trust	CCBA 1993 Bonds - Public Museum Ramp	Annual principal payment	\$ 250,000.00
Local	Katerberg - Verhage Inc	Fulton St - Division Ave to the Grand River	Reconstruction services - 09/15-10/19/2012	44,391.66
Local	Gibbs Planning Group	Retail Merchandising Plan	Retail market analysis & business recruitment	33,800.00
Non Tax	City Treasurer - Special Events Dept	Special Events - Office of	First quarter 2013 special events support	26,000.00
Non Tax	City Treasurer - Special Events Dept	Special Events - Office of	Second Quarter 2013 special events support	26,000.00
Local	O'Boyle Cowell Blalock & Assoc	Monroe Center - Phase 3	Construction engineering through 10/31/2012	21,152.01
Local	Grand Woods, LLC	Oakes Street 1 - Market to Ottawa	Right of way compensation	18,980.00
Local	Paychex	Administration	Staff services - December 2012	13,249.22
Debt	Bank of New York - Mellon Trust	CCBA 1993 Bonds - Public Museum Ramp	Semi-annual interest payment	12,875.00
Local	City of Grand Rapids	Administration	Staff services - January 2013	10,620.15
Local	Michigan Dept of Transportation	Sixth Street Bridge Capital Repairs	Construction services through 11/14/2012	9,560.06
Local	BDO USA LLP	Administration	FYE June 30, 2012 financial statement audit	4,900.00
Local	City Treasurer - Traffic Safety	Cherry Street 2 - Commerce to Division	Installation of pole skirts - May, 2011	3,083.23
Local	City Treasurer - Budget Office	Administration	Support services allocation - January 2013	2,656.00
Non Tax	City Treasurer - Police Department	Public Safety Enhancements Downtown	Extra patrols - November and December 2012	2,185.39
Local	O'Boyle Cowell Blalock & Associates	Fulton St - Division Ave to the Grand River	Construction engineering through 11/30/2012	1,881.80
Local	City Treasurer - Facilities Mgmt	Administration	Office space & maintenance - December 2012	1,521.23
Local	Scott Civil Engineering Company	Sixth Street Bridge Capital Repairs	Construction engineering through 11/07/2012	1,453.30
Local	City Treasurer - Info Technology	Administration	Computer access & support - January 2013	1,398.75
Local	Dickinson Wright PLLC	Administration	Legal services - misc matters November 2012	1,386.80
Local	Wondergem Consulting	Administration	Public relations - 12/01-12/15/2012	1,281.00
Local	Priority Health	Administration	Health insurance - January 2013	784.92
Local	Fifth Third Bank - Procurement Card	Administration	K. Larson - travel and training expenses	774.74
Local	Dickinson Wright PLLC	Administration	Legal services - DGRI formation November 2012	637.00
Local	Dickinson Wright PLLC	Administration	Legal services - New X-project November 2012	637.00
Local	Dickinson Wright PLLC	Administration	Legal services - sale of lot 5 November 2012	509.60
Local	City Treasurer - Risk Management	Administration	General insurance - January 2013	502.00
Debt	Bank of New York - Mellon Trust	CCBA 1993 Bonds - Public Museum Ramp	Annual paying agent fee	450.00
Non Tax	Electrical Maintenance Corporation	Project and Fixed Asset Maintenance	Bridge light repairs on 9/25/2012	445.00
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 12/02/2012	404.50
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 12/16/2012	382.27
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 12/09/2012	355.60
Local	Dickinson Wright PLLC	Downtown Market Administrative Costs	Legal services - Downtown Market Nov 2012	345.80
Local	Adams Remco	Administration	Color copies - 09/27-12/27/2012	345.66
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 11/18/2012	337.82
Local	Wondergem Consulting	Administration	Public relations - 12/16-12/31/2012	330.00
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 11/04/2012	328.93
Local	City Treasurer - Parking Services	Administration	Parking - Exec Director/Secretary - January 2013	294.00
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 10/14/2012	275.59
Local	U. S. Bank NA	CCBA Series 2003B - DeVos Place Bonds	Annual paying agent fee	250.00
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 10/07/2012	240.03
Non Tax	Fifth Third Bank - Procurement Card	Administration	Lunch meeting expenses	224.29
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 11/11/2012	204.47
Local	Dickinson Wright PLLC	Retail Support Program	Legal services - Grand River Cigar Nov 2012	200.20
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 10/28/2012	160.02
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 12/30/2012	160.02
Local	City Treasurer - Parking Services	Administration	Parking validations - January 2013	153.00
Local	AT & T Mobility	Administration	Exec Director cell phone - 11/26/2012-12/25/2012	152.36
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 01/06/2013	142.24
Local	O'Boyle Cowell Blalock & Assoc	Fulton St - Division Ave to the Grand River	Construction engineering through 10/31/2012	126.34
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 09/30/2012	124.46
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 09/16/2012	124.46
Local	Integrity Business Solutions	Administration	Office supplies	117.12
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 01/13/2013	115.57
Local	Paychex	Administration	Payroll processing fees - December, 2012	112.20
Local	Derk Pieter Co / Sir Speedy	Administration	Business cards - K. Larson, M. Sierawski	108.00
Local	Adams Remco	Administration	Copier base rental - 12/11-01/11/2013	74.48
Local	City Treasurer - Facilities Mgmt	Administration	Metered mail - July 2012 chargeback	55.94
Local	Dickinson Wright PLLC	Administration	Legal services - L Campau Promenade Nov 2012	54.60
Local	Dickinson Wright PLLC	Administration	Legal services - 45 Ionia site November 2012	54.60
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 11/25/2012	53.34
Local	Fifth Third Bank - Procurement Card	Administration	Meeting supplies	47.96
Local	City Treasurer - Parking Services	Administration	Parking - Planner - January 2013	43.00
Local	JPMorganChase	Administration	Bank fees - December, 2012	31.77
Local	Adams Remco	Administration	Black and white copies - 12/27-01/27/2013	22.72
Local	Fifth Third Bank - Procurement Card	Administration	Meeting supplies	19.06
Local	Elwood Staffing Services Inc	Administration	K. VanDriel - week ending 12/23/2012	17.78
Local	City Treasurer - Parking Services	Administration	Car pool vehicle usage - December 2012	12.00
Local	Fifth Third Bank - Procurement Card	Administration	K. Larson - parking	3.50
Local	City Treasurer - Facilities Mgmt	Administration	Metered mail - August 2012 chargeback	1.85
Local	City Treasurer - Parking Services	Administration	Refund SAM meter pre-payment	(62.00)
<b>JANUARY, 2013 EXPENDITURES</b>				<b>\$ 499,661.41</b>

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

# MEMORANDUM

CITY OF GRAND RAPIDS

**Agenda Item 4.  
February 13, 2013  
DDA Meeting**

DATE: February 8, 2013

TO: Brian Harris, Chairman  
Grand Rapids Downtown Development Authority

FROM: Jana M. Wallace, Treasurer *JMW*  
Grand Rapids Downtown Development Authority

**SUBJECT: Resolution Authorizing a Reimbursement Agreement and an Intercept Agreement Related to the Issuance of City-County Building Authority Refunding Bonds – Series 2013B**

## Introduction

Three series of bonds were issued by the City of Grand Rapids - County of Kent Building Authority (the "Authority") to pay for a portion of the costs of designing, engineering, acquiring, and constructing improvements for DeVos Place.

The first series of bonds was issued in 2001 ("Series 2001") with par in the amount of \$84,578,903.75. These bonds are backed by the County of Kent (the "County") which pledged to pay semi-annual "Rental Payments" to the Authority equal to the amount of annual debt service from revenues received by the County as authorized by Act 263 of the Public Acts of Michigan of 1974 (the "Hotel-Motel Tax.") As additional security for payment of the Rental Payments, the County pledged its full faith and credit.

The Authority issued the remaining two series of bonds in October, 2003 ("Series 2003A&B") with par in the amount of \$10 million. The security pledged for these bonds is the same as the Series 2001 bonds. However, pursuant to reimbursement and intercept agreements between the City of Grand Rapids, the Grand Rapids Downtown Development Authority (the "DDA") and the County, the DDA agreed to reimburse the County for the Rental Payments associated with the payment of the principal of and interest on the Series 2003B Bonds. The DDA had previously contributed \$5 million in cash for the DeVos Place project but chose to finance the remaining \$5 million of their \$10 million DeVos Place pledge via the Series 2003B Bonds.

Operation of DeVos Place is the responsibility of the Grand Rapids – Kent County Convention / Arena Authority (the "CAA") to which the County has subleased DeVos Place pursuant to an agreement between the County and the CAA. The CAA has no obligation under the sublease to make Rental Payments to the Authority or to pay principal of or interest for the Series 2001 or the Series 2003A&B bonds.

Brian Harris  
February 8, 2013  
Page 2

### **The Refunding Bonds**

The Authority's Series 2001 bonds are not subject to redemption prior to maturity. The Authority's Series 2003A&B bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity, at the option of the Authority, on any date on or after December 1, 2013 at par plus accrued interest.

Current municipal bond market conditions indicate that if we were to refund the Series 2003A&B bonds now, net present value ("NPV") savings would be nearly 14%. The estimated reduction in the amount of Rental Payments would be approximately \$92,000 annually with half of the savings benefitting the County and half benefitting the DDA.

The proposed Refunding Bonds will have an average term not to exceed the original term of the bonds being refunded. Given the current market, it is expected that the interest rate on the Series 2013A and Series 2013B refunding bonds will not exceed a tax-exempt interest rate of 5% per annum.

The DDA's approval of the attached reimbursement resolution will authorize the DDA Executive Director or Chairperson to execute the amendments to the original Series 2003A&B reimbursement and intercept agreements to reflect the terms and covenants of the Series 2013A and Series 2013B refunding bonds.

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

Attachments

bondscbjbarefdg2013dda.docx jmw

cc: Stephen Duarte, County of Kent Fiscal Services Director

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION  
OF A REIMBURSEMENT AGREEMENT WITH KENT COUNTY AND  
AN INTERCEPT AGREEMENT WITH THE CITY OF GRAND RAPIDS  
IN CONNECTION WITH THE ISSUANCE OF BUILDING AUTHORITY  
REFUNDING BONDS OF THE CITY-COUNTY BUILDING AUTHORITY  
TO REFUND A PORTION OF THE OUTSTANDING BUILDING  
AUTHORITY BONDS, SERIES 2003B (DEVOS PLACE BONDS)**

Boardmember \_\_\_\_\_, supported by Boardmember \_\_\_\_\_,

moved the adoption of the following resolution:

**WHEREAS**, the City of Grand Rapids and County of Kent Joint Building Authority (the “City-County Building Authority”) issued its \$5,000,000 City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Bonds, Series 2003B (DeVos Place Project) (the “Series 2003B Bonds”) to pay a portion of the cost of construction of DeVos Place convention center; and

**WHEREAS**, the DDA agreed to be responsible for payment of debt service on the Series 2003B Bonds; and

**WHEREAS**, since the Series 2003B Bonds were issued interest rates on tax-exempt municipal bonds have significantly declined and the City-County Building Authority has agreed to issue its City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Refunding Bonds, Series 2013B (DeVos Place Project) (the “Series 2013B Refunding Bonds”) to refund the Series 2003B Bonds maturing on and after December 1, 2014, resulting in a significant reduction in the debt service the DDA is required to pay; and

**WHEREAS**, in connection with the issuance of the Series 2013B Refunding Bonds, the County of Kent (the “County”) has agreed to enter into a Second Supplement to Lease Contract (the “Second Supplement”) with the City-County Building Authority pursuant to which the

County has agreed (a) to make rental payments to the City-County Building Authority sufficient to pay debt service on the Series 2013B Refunding Bonds when due and (b) to secure its obligation to make such rental payments with a limited full faith and credit pledge (the "Pledge"); and

**WHEREAS**, the County will agree to enter into the Second Supplement and make the Pledge related to the Series 2013B Refunding Bonds provided (i) the DDA promptly reimburses it for such rental payments paid to the City-County Building Authority representing the debt service on the Series 2013B Refunding Bonds with local tax increment revenues received by the DDA in accordance with an agreement with the County (the "Reimbursement Agreement") and (ii) the City of Grand Rapids (the "City") guarantees the DDA's obligation to reimburse the County; and

**WHEREAS**, the City will agree to guarantee the County the DDA's obligation under the Reimbursement Agreement provided it is permitted to intercept and use local tax increment revenues of the DDA to reimburse the County, or to reimburse the City for any payment it has made to the County pursuant to its guarantee, in accordance with an agreement between the DDA and the City (the "Intercept Agreement").

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. That the Reimbursement Agreement and Intercept Agreement in the forms presented at this meeting are approved and the Executive Director or Chairperson of the DDA is hereby authorized and directed to execute such Reimbursement Agreement and Intercept Agreement for and on behalf of the DDA.

2. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.



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

\_\_\_\_\_

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

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

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

**RESOLUTION DECLARED ADOPTED.**

Dated: February 13, 2013

\_\_\_\_\_  
Kristopher Larson  
Executive Director

**CERTIFICATION**

I, the undersigned duly qualified and acting Executive Director 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 the DDA at a regular meeting held on February 13, 2013, 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.

Dated: February 13, 2013

\_\_\_\_\_  
Kristopher Larson  
Executive Director

## REIMBURSEMENT AGREEMENT

**THIS REIMBURSEMENT AGREEMENT** (the "Agreement") made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2013, by and between the **DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF GRAND RAPIDS**, a Michigan 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, MCL 125.1651, et seq. (the "DDA"), and the **COUNTY OF KENT**, Michigan, a Michigan county organized and existing under the Constitution and laws of the State of Michigan (the "County").

### RECITALS

A. The City of Grand Rapids and County of Kent Joint Building Authority (the "City-County Building Authority") issued its \$5,000,000 City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Bonds, Series 2003B (DeVos Place Project) (the "Series 2003B Bonds") to pay a portion of the cost of construction of DeVos Place convention center.

B. The DDA agreed to be responsible for payment of debt service on the Series 2003B Bonds.

C. Since the Series 2003B Bonds were issued, interest rates on tax-exempt municipal bonds have significantly declined and the City-County Building Authority has agreed to issue its City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Refunding Bonds, Series 2013B (DeVos Place Project) (the "Series 2013B Refunding Bonds") to refund the Series 2003B Bonds maturing on and after December 1, 2014, resulting in a significant reduction in the debt service the DDA is required to pay.

D. In connection with the issuance of the Series 2013B Refunding Bonds, the County has agreed, subject to the terms of this Agreement, to enter into a Second Supplement to Lease Contract (the "Second Supplement") with the City-County Building Authority pursuant to which the County has agreed (a) to make rental payments to the City-County Building Authority sufficient to pay debt service on the Series 2013B Refunding Bonds when due and (b) to secure its obligation to make such rental payments with a limited full faith and credit pledge (the "Pledge").

E. The County's agreement to enter into the Second Supplement and to make the Pledge is subject to the DDA entering into this Agreement and the City simultaneously entering into a Guarantee Agreement of even date herewith (the "Guarantee Agreement") with the County agreeing to guarantee the obligations of the DDA under this Agreement.

**NOW, THEREFORE**, in consideration of the terms and conditions contained in this Agreement and the benefits to be mutually derived therefrom, the receipt and sufficiency of which are mutually acknowledged, the DDA and County agree as follows:

**Section 1. Payment of Series 2013B Refunding Bonds.** The County agrees subject to the terms and conditions of the Second Supplement to make rental payments thereunder to the City-County Building Authority equal to the payments of principal of and interest on the Series 2013B Refunding Bonds when due.

**Section 2. Reimbursement for Payment of Series 2013B Refunding Bonds.** Subject to the terms of this Agreement, the DDA agrees to reimburse the County on the same day the County makes rental payments to the City-County Building Authority pursuant to the Second Supplement, the full amount of such rental payments representing the principal of and interest on the Series 2013B Refunding Bonds then due.

**Section 3. Source of Reimbursement.** It is understood and agreed that the DDA's source of funds for the reimbursement referenced in Section 2 hereof is local tax increment revenues, i.e., tax increment revenues exclusive of such tax increment revenues collected from the State education tax levy and local and intermediate school district operating tax levies, and that the DDA's obligation to use such local tax increment revenues is subordinate to the DDA's obligation to use such revenues, if necessary, to pay debt service on the DDA's \$54,915,720.05 Tax Increment Bonds, Series 1994.

**Section 4. Term of Agreement.** This Agreement shall continue so long as the Series 2013B Refunding Bonds are outstanding or have not been defeased and the County has an obligation to pay rental payments under the Second Supplement or has made such rental payments for which it has not been reimbursed by (i) the DDA pursuant to this Agreement or (ii) the City pursuant to the Guarantee Agreement.

**Section 5. Binding Effect and Assignment.** This Agreement shall bind the parties hereto and their respective successors or assigns. Neither party to this Agreement may assign all or any of its rights or obligations hereunder without the written consent of the other party.

**Section 6. Governing Law.** This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

**Section 7. No Third Parties.** Nothing in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto, and their respective successors or permitted assigns any rights or remedies whatsoever.

**Section 8. Counterparts.** This Agreement may be simultaneously executed in counterparts, both of which shall be an original and which shall constitute one and the same instrument.

**Section 9. Captions.** The captions and headings of this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Agreement.

**Section 10. Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no other representations, warranties, promises, guarantees, oral or written, expressed or implied, between the parties hereto with respect to this Agreement.

**Section 11. Amendments.** This Agreement may not be amended, changed, modified or altered without the written consent of both the DDA and the County.

**Section 12. Effective Date.** The effective date of this Agreement shall be the date indicated in the first paragraph hereof, provided, the Guarantee Agreement has been executed by the County and City and is effective as of such date, otherwise, this Agreement shall be effective on the effective date of the Guarantee Agreement.

**IN WITNESS WHEREOF,** the DDA and the County have caused these presents to be signed as of the date and year first written above.

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

By: \_\_\_\_\_  
Kristopher Larson  
Executive Director

**COUNTY OF KENT**

By: \_\_\_\_\_  
Daniel Koorndyk, Chairperson  
Board of Commissioners

By: \_\_\_\_\_  
Mary Hollinrake, County Clerk

## INTERCEPT AGREEMENT

**THIS INTERCEPT AGREEMENT** (the "Agreement") made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2013, by and between the **CITY OF GRAND RAPIDS**, Michigan, a Michigan municipal corporation (the "City") and the **DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF GRAND RAPIDS**, a Michigan statutory authority created by the City pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. (the "DDA").

### RECITALS

A. The City of Grand Rapids and County of Kent Joint Building Authority (the "City-County Building Authority") issued its \$5,000,000 City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Bonds, Series 2003B (DeVos Place Project) (the "Series 2003B Bonds") to pay a portion of the cost of construction of DeVos Place convention center.

B. The DDA agreed to be responsible for payment of debt service on the Series 2003B Bonds.

C. Since the Series 2003B Bonds were issued, interest rates on tax-exempt municipal bonds have significantly declined and the City-County Building Authority has agreed to issue its City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Refunding Bonds, Series 2013B (DeVos Place Project) (the "Series 2013B Refunding Bonds") to refund the Series 2003B Bonds maturing on and after December 1, 2014, resulting in a significant reduction in the debt service the DDA is required to pay.

D. In connection with the issuance of the Series 2013B Refunding Bonds, the County of Kent (the "County") has agreed, subject to the terms of a Reimbursement Agreement of even date herewith between the DDA and the County (the "Reimbursement Agreement"), to enter into a Second Supplement to Lease Contract (the "Second Supplement") with the City-County Building Authority pursuant to which the County has agreed (a) to make rental payments to the City-County Building Authority sufficient to pay debt service on the Series 2013B Refunding Bonds when due and (b) to secure its obligations to make such rental payments with a limited full faith and credit pledge (the "Pledge").

E. The County's agreement to enter into the Second Supplement and to make the Pledge is subject to the City entering into a Guarantee Agreement of even date herewith (the "Guarantee Agreement") with the County agreeing to guarantee the obligations of the DDA under the Reimbursement Agreement.

F. The City is willing to enter into the Guarantee Agreement provided, subject to the terms of this Agreement, it has the right to intercept local tax increment revenues, if the DDA fails to reimburse the County for rental payments paid to the City-County Building Authority and the City makes payments to the County pursuant to the Guarantee Agreement.

**NOW, THEREFORE,** in consideration of the terms and conditions contained in this Agreement and the benefits to be mutually derived therefrom, the receipt and sufficiency of which are mutually acknowledged, the DDA and the County agree as follows:

**Section 1. DDA Obligation to Reimburse County for Payment of Series 2013B Refunding Bonds.** The DDA agrees, subject to the terms of the Reimbursement Agreement, to reimburse the County on the same day the County makes rental payments to the City-County Building Authority pursuant to the Second Supplement the full amount of such rental payments representing the principal of and interest on the Series 2013B Refunding Bonds then due.

**Section 2. Failure of DDA to Reimburse County for Payment of Series 2013B Refunding Bonds.** If the DDA fails to promptly reimburse the County the rental payments paid by the County to the City-County Building Authority pursuant to the Reimbursement Agreement, the County may require the City to reimburse it for such rental payments pursuant to the terms of the Guarantee Agreement.

**Section 3. Interception of Local Tax Increment Revenues.** If the City reimburses the County rental payments pursuant to the terms of the Guarantee Agreement, the City shall be entitled to direct the City Treasurer to intercept and cause to be deposited in the City's general fund local tax increment revenues, i.e., tax increment revenues exclusive of such tax increment revenues collected from the State education tax levy and local and intermediate school district operating tax levies, of the DDA in an amount (a) equal to the amount paid by the City to the County plus interest on any unpaid amount at 5.50% per annum from the date the City makes a payment to the County until it has been repaid, *provided, however*, the City shall not be entitled to intercept local tax increment revenues necessary to pay current debt service on the DDA's \$54,915,720.05 Tax Increment Bonds, Series 1994. Before intercepting local tax increment revenues, the City shall have requested the DDA in writing directed to the DDA's Executive Director to reimburse the City for a payment made to the County and the DDA shall have failed to reimburse the City for such payment within 5 business days of receipt of the request.

**Section 4. Term of Agreement.** This Agreement shall continue so long as the Series 2013B Refunding Bonds are outstanding or have not been defeased and the County has an obligation to pay rental payments under the Second Supplement or the City has reimbursed the County such payments pursuant to the Guarantee Agreement and has not been repaid such amount plus interest pursuant to this Agreement.

**Section 5. Binding Effect and Assignment.** This Agreement shall bind the parties hereto and their respective successors or assigns. Neither party to this Agreement may assign all or any of its rights or obligations hereunder without the written consent of the other party.

**Section 6. Governing Law.** This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

**Section 7. No Third Parties.** Nothing in this Agreement, expressed or implied, is intended to confer on any person, other than the parties hereto, and their respective successors or permitted assigns, any rights or remedies whatsoever.

**Section 8. Counterparts.** This Agreement may be simultaneously executed in counterparts, both of which shall be an original and which shall constitute one and the same instrument.

**Section 9. Captions.** The captions and headings of this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Agreement.

**Section 10. Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no other representations, warranties, promises, guarantees, oral or written, expressed or implied, between the parties hereto with respect to this Agreement.

**Section 11. Amendments.** This Agreement may not be amended, changed, modified or altered without the written consent of both the City and the DDA.

**Section 12. Effective Date.** The effective date of this Agreement shall be the date indicated in the first paragraph hereof, provided the Guarantee Agreement has been executed by the City and the County and is effective as of such date, otherwise, this Agreement shall be effective on the effective date of the Guarantee Agreement.

**IN WITNESS WHEREOF,** the City and the DDA have caused these presents to be signed as of the date and year first written above.

**CITY OF GRAND RAPIDS**

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

Attest: \_\_\_\_\_  
Lauri S. Parks, City Clerk

**DOWNTOWN DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Kristopher Larson, Executive Director

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: February 7, 2013

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP  
DDA Executive Director

**Agenda Item 5.  
February 13, 2013  
DDA Meeting**

SUBJECT: South Arena Visioning Project Steering Committee

On October 10, 2012, the Downtown Development Authority (DDA) Board provided the DDA Executive Director with the authority to compose and issue a request for proposals (RFP) related to a South Arena Area Visioning plan. On January 9, 2013, the DDA Board authorized the execution of an agreement with Cornerstone Architecture to serve as the consulting team responsible for managing the project.

With the consulting team now beginning discovery and initiating other early-scope objectives, it is appropriate to assemble a volunteer project steering committee to advise on public participation strategies, ensure comprehensive stakeholder engagement, and participate in developing project recommendations that will contribute to the project deliverables.

Working in conjunction with the consulting team, DDA staff has assembled a potential stakeholder steering committee organized by stakeholder typology rather than individuals. The initial list was reviewed by both the Economy and Environment Action Groups, each of which offered amendments to the list that are reflected in the list being presented to the DDA Board. It is important to note that all members of the community will be invited to participate in the public participation elements of the project. Additionally, the project steering committee will be assisted with technical guidance from key partners of City staff. Following approval of the proposed project steering committee, DDA staff will fill the slots identified with stakeholders that represent the sectors, organizations, or categories appropriately.

<b>Proposed Arena South Visioning Steering Committee</b>
Heartside Neighborhood Resident
Heartside Neighborhood Social Service Provider
Higher Education
MDOT
CAA
Avenue for the Arts Representative
Downtown Alliance
DDA Board
The Right Place
Heartside Neighborhood Office Sector Representative
Arena District Food & Beverage Representative
The Rapid
The Downtown Market

**Recommendation:**

**Approve the proposed Arena South Visioning Steering Committee.**



# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: February 7, 2013

TO: Downtown Development Authority

FROM: Mark De Clercq, P.E.

**Agenda Item 6.  
October 10, 2012  
DDA Meeting**

**SUBJECT: Phase I and Phase II Snow Melt System in Monroe Center between Monroe Avenue and Division Avenue – Status Update**

On October 4<sup>th</sup>, 2012, the Downtown Development Authority (DDA) authorized the City Engineer's Office and consulting firm Geotech, Inc. to investigate and repair the leaks to the Phase I and Phase II snow melt system within Monroe Center for a not-to-exceed amount of \$75,000.

The snowmelt system has been in operation for approximately 15 years. During this time, routine operational and maintenance activities were performed annually with the usual start-up and shut-down practices. This was coordinated with the mechanical chiller system for the Rosa Parks Ice Rink. Over time, pressure loss with the closed loop system was identified from leaks in the main header Poly-Vinyl-Chloride (PVC) piping; and most recently, leaks have randomly occurred in the zone controlled Cross Linked Poly-Ethylene (PEX) tubing. The PVC mains are located behind the curbs while the distribution tubing is in the various controllable zones throughout snowmelt system and under the brick pavers.

The snowmelt system circulated a glycol-domestic water mixture until leaks were detected in the PVC mains during the 2008-2009 season. At that time, the circulating mixture was switched to domestic water with a corrosion inhibitor to prevent glycol loss into the ground. During the last three years, leaks at random locations were discovered each time the system was prepped for operational use. Leaks were most recently discovered in the PEX tubing since the circulating water mixture was leaking into basements, surfacing on the sidewalk brick pavers, and causing pressure loss within the snowmelt system. The leaking into basements is of particular concern due to the potential for claims from private owners to the DDA. In an effort to address this, non-destructive testing was performed to locate the leaks, followed by surgical removal of the damaged areas, and repair with new PEX tubing and fittings. Each removal was used to evaluate the nature of the failures; however, a system wide analysis has not been performed.

Over the past 15 years, there has been no maintenance plan for either of the phases of snowmelt systems except for seasonal start-up and shut-down. At this time, we recommend the following approach to return the system to an acceptable level of service for long-term functionality:

**A. Eliminate Current Leaks (Complete)**

1. Detect leaks and perform repairs.
2. Remove and replace problematic controllable zone valves in planter boxes.
3. Prepare for the 2012-2013 operation.

**B. Solicit Request for Proposals to Conduct an Alternatives Analysis (Authorize on Feb 15<sup>th</sup>)**

**C. Present to stakeholders and review for scenario selection (Anticipate by May 3<sup>rd</sup>)**

**D. Design Permanent Improvements based upon Selected Scenario (Anticipate by July 12<sup>th</sup>)**

- E. Conduct competitive bidding, award and construct improvements (Anticipate 2 Phases of Construction spanning into the 2014 construction season)
- F. Develop Standard Operating Procedure for system operation (Oct 2013)
- G. Prepare Asset Management Plan (Anticipate Immediately following Construction)

Until now, reactive repairs have fixed known leaks. Traditional commissioning and decommissioning procedures have been performed each season. The City Engineer, in conjunction with Geotech, has formulated theories for corrective action upon discoveries made from recent repairs to the snowmelt leaks and visual observations of the system in general. At this time, these theories need further exploration and the remaining system service life determined; therefore, the City Engineer is recommending an alternatives analysis to develop and evaluate capital investment scenarios. This will provide stakeholders an opportunity to make a knowledgeable decision based upon various investment options that will better define the anticipated scope and cost for engineering design and construction repairs.

The City Engineer's office is currently awaiting receipt of responses to a RFP issued to provide the professional services necessary for evaluating different scenarios. Following scenario selection and preparation of construction documents, the construction repairs will be competitively bid and a contract authorization will be brought forth to the DDA and DID for approval, proceeded by City Commission concurrence. At this time, we request an increase in the original authorization to an amount not to exceed \$30,000 to develop investment scenarios for selection.

Future system management will require a step-by-step standard operating procedure (SOP) for consistent operation, commissioning, idling, and de-commissioning. Design improvements for the selected scenario and construction as-built records will aid in developing a SOP.

On-going preventive maintenance or Asset Management Planning will be critical in managing the system during the remainder of its service life. At the completion of the improvements, life cycle costs will be forecasted to adequately budget for the annual SOP, aging components, paver recitation and other contingency needs. Further, it is recommended that the DDA include a budgetary line item for Asset Management Planning in the FY15 fiscal plan once the upcoming improvements are completed and a SOP is established.

#### **Recommendation:**

**Approve the request for funds not to exceed \$30,000 to develop alternative investment scenarios for the snow melt system repairs.**

**Increase the "Snowmelt System Capital Repairs / Investigation" line item (7020PROJ 70M554) in the Local Tax Increment priority plan by \$30,000 and decrease the "Building Reuse and Incentive Program" line item (7020PROJ 70C510) by the same figure.**

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: February 8, 2013

TO: Downtown Development Authority

FROM: Eric Pratt  
Planner

**Agenda Item 7**  
**February 13, 2013**  
**DDA Meeting**

**SUBJECT: Request for Obsolete Property Exemption Certificate for 55 Ionia Ave NW (The Morton House Building)**

City staff has received an application requesting an Obsolete Property Rehabilitation Exemption Certificate (OPRE) be granted for the building located at 55 Ionia Avenue NW – known more commonly as the Morton House Building. This program allows for the abatement of a portion of the taxes paid on improvements made to an existing commercial building if the building meets the legal definition of an “obsolete facility.” If the building sits within the boundaries of the DDA, City Commission policy requires that the DDA consent to the exemption before the OPRE can be granted.

The Morton Hotel (also known as the Morton House) was constructed by J. Boyd Pantlind in 1922. The building was the last elaborate hotel built in Downtown Grand Rapids (Downtown) prior to the Great Depression. In addition to the hotel, the building was also home to Kent State Bank, which would later become Old Kent Bank. During the 1970s, the building was renovated and the hotel portion of the building was converted into 224 affordable housing units. During this same time period, Kent State Bank relocated their offices to 111 Lyon St NW as a part of the city’s urban renewal program. For approximately 40 years the Morton House Apartments provided Section 8 housing opportunities to residents in the downtown area. Due to a lack of maintenance and mismanagement, the building fell into disrepair and closed in 2011. The building was recently purchased by Rockford Construction, and the new owners are now ready to move forward with plans to renovate the building and convert the existing 13-story, 170,000 square-foot structure into a mixed-used development with first-floor retail and at least 100 market-rate residential apartments. The developer also plans to fill the areaway that exists along the Ionia Avenue frontage of the building as part of the building renovations. The total project cost is estimated to be \$27 M, with \$18.5 M coming in the form of hard costs related to the improvements. The developer is requesting that the DDA consent to the OPRE to help offset some of the costs associated with renovating the building.

As an economic development tool, the OPRE is fundamentally different than other DDA economic development programs. Under a program such as Development Support, the DDA makes available a substantial portion (up to 75%) of the new tax increment revenues generated by a new development project to reimburse a developer for eligible costs related to the construction of public facilities as a part of the development project. The DDA then retains the remaining portion of the new tax increment revenues (approximately 25%) and then uses those revenues to support additional public improvement projects throughout Downtown. In doing so, the DDA is able to provide both direct and ancillary support to a development project and the surrounding area. Using the OPRE program, the taxable value of an existing commercial building would be frozen over the life of the OPRE and any new tax increment revenues generated by the development project would be abated for a predetermined number of years.

As such, the DDA would not capture any new increment revenues generated by the development project. Used strategically, the OPRE program can be a very powerful tool to help the DDA achieve its goals for Downtown. However, widespread use of this tool could place an additional burden on existing DDA resources, which could impact the DDA's ability to take on new projects.

In the case of the Morton House request to use OPRE, it is anticipated that the DDA's revenues will experience an annual decrease of approximately \$31,700 per year during the life of the OPRE for a total revenue reduction of approximately \$317,000 over the ten-year term. Once the OPRE sunsets, the property will produce about \$204,000 in annual tax capture.

Acknowledging the financial impacts to the DDA, the proposed Morton House adaptive reuse project also presents compelling benefits to Downtown. The DDA's Framework Plan recommends that the DDA concentrate its energy and prioritize its resources on three key geographic areas, one of which is Monroe Center. Additionally, it is also consistent with the A3: Residential and Mixed Use Development goal of the Framework Plan. Further, the addition of 100 new market-rate residential units on Monroe Center will infuse approximately \$2 M in annual consumer spending potential into the core of Downtown which will grow the demand side of retail feasibility, again consistent with the goals Framework Plan.

Examined comprehensively, the benefits of the Morton House renovation exceed the anticipated financial and opportunity costs to the organization. Its location, stature, proposed mix of uses, and ability to induce economic spinoff create a compelling rationale for conceding to this OPRE request. The applicant has indicated that they wish to proceed with the renovation this spring. In order to meet the statutory notification requirements of the Obsolete Property Rehabilitation Act, a recommendation to the City Commission is requested. At the public hearing to be held by the City Commission, other taxing jurisdictions will have the opportunity to request opting out of the tax abatement.

#### **Recommendation:**

**DDA Staff recommends that the DDA Board consent to the granting of a 10-year tax Obsolete Property Rehabilitation Exemption for the Morton House property located at 55 Ionia Avenue NW by City Commission in accordance with the State of Michigan P.A. 146 of 2000.**

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item #8**  
**February 13, 2013**  
**DDA Meeting**

DATE: February 8, 2012

TO: Downtown Development Authority

FROM: Eric Pratt  
Planner

**SUBJECT: Development Area Liquor License Request – 435 Ionia Ave SW (Grand Rapids Downtown Market)**

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:

Grand Rapids Downtown Market Inc. is proposing to operate a year round urban market at 435 Ionia Ave SW. The new urban market will include multi-vendor space for fresh food sales and processing with both a year-round indoor component and a seasonal outdoor component. Additionally, the market will feature restaurants and other food services, educational facilities and a rooftop greenhouse. Total project cost is estimated to be \$27 million.

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, Grand Rapids Downtown Market, Inc., located at 435 Ionia Avenue S.W., 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, Grand Rapids Downtown Market, Inc., in its application, has indicated its intention to operate the Grand Rapids Downtown Market, a multi-vendor space for fresh food sales and processing, upscale event and banquet facility, and

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

WHEREAS, that the DDA finds that the issuance of a liquor license to Grand Rapids Downtown Market, Inc. as proposed by Grand Rapids Downtown Market, 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 435 Ionia Avenue S.W (Grand Rapids Downtown Market).
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 Grand Rapids Downtown Market, Inc. at 435 Ionia Avenue S.W., above all others.

YEAS:

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NAYS:

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ABSENT:

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RESOLUTION DECLARED ADOPTED.

Dated:

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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 February 13, 2013, 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.

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Mary Sierawski  
DDA Secretary

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item #9  
February 13, 2013  
DDA Meeting**

DATE: February 8, 2013

TO: Downtown Development Authority

FROM: Eric Pratt,  
Planner

**SUBJECT: Request for Assistance through the Building Reuse and Incentives Program (BRIP)**

DDA staff has received two new applications for assistance through the DDA's Building Reuse & Incentives Program.

## **Building Reuse Incentives Program**

### **1) Lifestyle Kitchen Studio – 222 E Fulton Street (the former Grand Rapids Ear Nose and Throat Building)**

Lifestyle Properties of Grand Rapids, LLC is requesting a partial Building Renovation Grant and a Commercial Signage Grant to assist with the project at 222 E. Fulton Street, the former Grand Rapids Ear, Nose and Throat Building. Lifestyle Properties of Grand Rapids, LLC is the owner and operator of Lifestyle Kitchen Studio. Lifestyle Kitchen Studio is a custom kitchen and bathroom retailer that offers design services. Currently located in the Gas Light Village shopping area in East Grand Rapids, Lifestyle Kitchen Studio is looking to move into downtown.



To make the building usable, Lifestyle Kitchen Studios is proposing to renovate both the first floor and lower level of the building while reserving the second floor for a possible future use. Because the applicant is only proposing to renovate a portion of the building at this time, a partial grant of \$28,500 is recommended. Grant proceeds will be used to provide barrier free access to the building and install ADA compliant restrooms on the first floor and lower level of the building. The total cost of the improvements is estimated to be \$150,000.

## **Recommendation:**

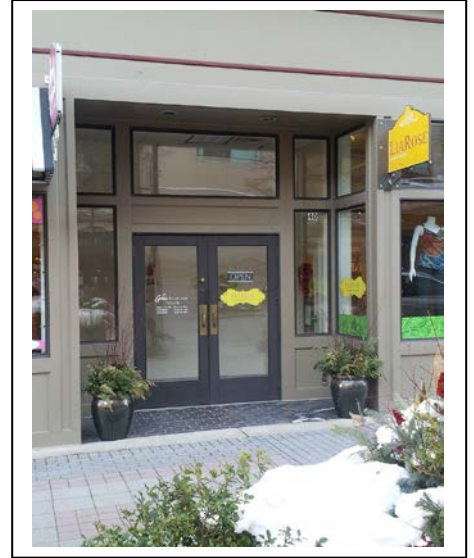
**Staff recommends that the DDA Board approve Lifestyle Properties of Grand Rapids, LLC for a partial BRIP Building Renovation Grant and a Ground Floor Commercial Signage Grant in an amount that is consistent with the BRIP Program Guidelines.**



## **2) Monroe Center Retail, LLC – 40 Monroe Center NW (the Peck Building)**

Monroe Center Retail, LLC requests a BRIP Ground Floor Commercial Retail Improvement Grant to assist with the renovation of the entryway to the Gina's and Lia Rose boutique storefronts at the Peck Building.

Currently, the two businesses share a common entryway and foyer area off Monroe Center. The applicant is proposing the removal of the existing single entryway and foyer and construction of separate new entry ways to the two suites off of Monroe Center. The goal of this project is to provide greater access and visibility to the storefronts. The total cost of this project is estimated to be \$17,100. This project has already been approved by the City of Grand Rapids Historic Preservation Commission.



### **Recommendation:**

**Staff recommends that the DDA Board approve Monroe Center Retail, LLC for a Ground Floor Commercial Retail Improvement Grant in an amount that is consistent with the BRIP Program Guidelines.**

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: February 8, 2013

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP  
Executive Director

**Agenda Item 10**  
**February 13, 2013**  
**DDA Meeting**

**SUBJECT: DDA Support of Build a Better Block: re:State**

Although cities are built with development and infrastructure, they are transformed through ideas. Some ideas are borne of necessity, while others are fortuitous moments of serendipity. To protect public access to sunlight in New York City, architecture developed the setback. On the west coast, agricultural lobbyists sought to protect family farms in Oregon and gave us the urban growth boundary. The preservation of those fertile acres resulted in modern Portland, now a posterchild for contemporary urban planning in America. Across centuries and geographies, the examples are many and their impact great: 19<sup>th</sup> century sewer systems in Paris, the floating foundation in Chicago. Time and time again, ideas have shaped our cities, inspired our citizenry, and enabled our prosperity.

Local volunteers Lynee Wells, Josh Leffingwell, and Tyler Doornbos (the Team) have collaborated to plan a 2-day event entitled Build a Better Block: re:State. Build a Better Block began as a grassroots community building effort in the Dallas-Ft. Worth metro area where members of the community reclaimed a commercial corridor and initiated “trial” interventions such as patio dining and pop-up shops to demonstrate how local regulations were restricting economic investment and placemaking opportunities. The grassroots-driven efforts have since been adopted by more than two dozen American cities and now serve as a collaborative urban laboratory effort to experience progressive urban technologies including bike lanes, bio swales, mid-block crossings, and traffic calming mechanisms such as curb line bulb outs at intersections.

For Downtown Grand Rapids, the Team intends to turn State Street into a 2-day showcase of demonstration projects from which urban planners, policy makers, and the general citizenry can see, touch, and experience. These temporary interventions will also be paired with educational materials and various qualitative and quantitative gauges from which impacts can be determined. Following the completion of the event, the Team will provide a report of the various interventions and related experiences thereof that can be used to determine their utility and transferability within future project planning. This report is especially timely and germane to State Street given the future priority plans of the DDA to improve that particular streetscape.

The Downtown Development Authority (DDA) is committed to exploring new ideas that can advance the Grand Rapids community. In light of the unique nature of this project, each of the three citizen-led DDA Action Groups (Experience, Economy, and Environment) had a chance to review the Team’s materials and entertain an executive recommendation of \$5,000 of support from their emphasis area miscellaneous line items. All three of the Action Groups voted to support the recommendation, which will take the form of a challenge grant to cover 50% of eligible project costs, not to exceed \$15,000.

**Recommendation:**

**Approve support of up to \$5,000 from the Experience, Economy, and Environment Miscellaneous line items for a total of up to \$15,000 in support for Build a Better Block: re:State.**

**Build A Better Block: re:STATE**  
**Request for DDA Funding**  
**January 22, 2012**

**Project Overview**

re:STATE is part of a nationwide movement to transform temporarily blighted and underutilized business districts into attractive, thriving destinations. This effort is named re:STATE. re:STATE will target State Street Southeast from Jefferson to Madison, to demonstrate a viable opportunity for sustainable urban investment and holistic city building.

Essential to any public planning project is real-world transformation of the public realm and the physical environment around it. Through this project, temporary enhancements to the corridor will occur to provide participants a holistic understanding of a thriving urban business district. Enhancements could include: building infill through installations of pop-up shops, food truck walls, and the reuse of shipping containers; park improvements along Jefferson and State; bus shelters decorated by local artists; bike lanes, crosswalks, and signage enhancements; green infrastructure and rainwater retention islands; urban container gardening; and street performers. In addition, a Rapid bus will be on hand for residents to better understand how to use the system and become comfortable with the service it provides.

Partners include the West Michigan Environmental Action Council as the project fiduciary. re:STATE is hosted by Friendly Corp and Williams & Works. Friendly Corp is a citizen based group that supports the development of healthy urban places through civic engagement and sustainable infrastructure. They have started a successful monthly meetup called *The Salon*, which maintains a regular attendance of thirty people and provides a catalyst for discussion related to urban design and neighborhood revitalization. Williams & Works, the oldest private planning, engineering and survey firm in West Michigan, is donating their expertise.

re:STATE will occur over the weekend of May 18 and 19, 2013 drawing an expected 3,000 visitors. This is the same weekend as the annual Heritage Hill Home tour, and has been paired intentionally to ensure wide-spread participation.

**Outcomes**

re:STATE seeks to deliver impactful outcomes in the following areas:

1. **Experience:** re:STATE is centered around educating residents as to the potential of the State Street Business District and best practices to help revitalize other areas of the City through tactile experiences. Education of residents, community leaders, and elected officials will occur through direct experiential engagement in the development process and through hands-on, sensory experiences demonstrating how this business district could function. re:STATE hopes to instill a deeper understanding of urban form and function, street design, urban design and land use planning. This surveying will develop a database of how individuals and businesses would like to use State Street, which could aid in future planning. For those who attended, they will leave with a better understanding of the planning process and become more knowledgeable about what makes a strong business district.
2. re:STATE will seek to employ many complete street tactics to make the public space more inviting and useful for everyone no matter the transportation mode or physical or mental ability. There will also be mobility demonstrations to show how this street worked before and how it could be better. The goal is to demonstrate the need for complete streets and to try new and innovative accessibility ideas to see if they could be implemented throughout other parts of the city. re:STATE seeks 60% of respondents to report they have a better understanding of community development and complete streets principles through surveying and demonstrations.

3. **Economy:** As Grand Rapids continues to revitalize, new pockets for economic development expand. State Street is one of the areas identified as prime for investment. As demonstrated in more than thirty cities that have completed similar projects, temporarily inserting new businesses into the district and gauging sales from current businesses will encourage economic development. re:STATE seeks 75% of all new businesses will reach at least 75% of their sales goals for the weekend and 100% current businesses would exceed their normal sales for the weekend.

4. **Environment:** The value of our public rights-of-ways are underestimated. Grand Rapids residents, business-owners, and elected and appointed officials will learn the various ways to reconnect with our City's greatest asset, the street. re:STATE will explore the concepts of green streets, active streets, and complete streets to showcase the placemaking and city building that can occur within the urban hierarchy of place. Stepping from the block to the street and to the building, participants will understand the dynamic interplay between the built environment and human experience. re:STATE seeks 75% of participants to be able to identify the public realm through an interactive iPhone/iPad app (and a non-digital paper survey) that gives choices about street amenities and asks for the participant to make decisions about proper placement. Additionally, re:STATE is partnering with Friends of Grand Rapids Parks which will host its annual Parks Alive! event at Foster Park. re:STATE seeks participant by not less than 150 people towards the clean-up and beautification of the two anchor parks along State Street.

### **Next Steps**

To integrate the DDA Action Groups into our process and position ourselves for a formal ask for financial support, the following steps are suggested:

1. **Property/Business Owner Engagement.** Project hosts will make contact with approximately 75% of the adjacent property owners seeking their support. Contact information will be collected and stakeholders will be invited to participate. Due date: February 15, 2013.

2. **Formation of Committees.** Three volunteer committees will be formed to oversee the re:STATE, including Planning, Programming and Promotions. Several community members from the area neighborhood and business associations have expressed interest, as well as staff and leaders from area non-profits including WMEAC, Friends of Grand Rapids Parks, Local First, the Governor's Office of Urban and Metropolitan Affairs, The Right Place and others.

re:STATE will showcase our City's biggest assets and raise the level of conversation around City Building. Through experiential, economic and environment-related demonstrations, City agencies and departments will benefit from the needed educational outreach, support, input, and prioritization of resources to elevate citizen engagement and the Community's understanding of urbanism. re:STATE celebrates the City's investments in the built environment and challenges the imagination toward new ways of providing services.

January 9, 2013

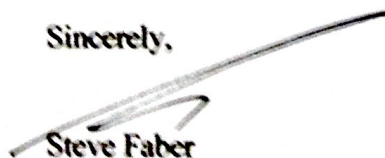
Dear Sir/Madam,

Friends of Grand Rapids Parks would like to share our support for the re:STATE project planned for May 18 & 19. The goals of re:STATE are consistent with our mission to protect, enhance and expand parks and public spaces in the city.

Our support for this project stems from several years of partnering with the Heritage Hill Neighborhood Association on spring spruce up events at Foster Park. Most recently, we partnered with SiteLab at the former public museum site on Jefferson to help construct a temporary park for Artprize. We then planted trees from that park along State St. as part of our Urban Forest Project. We believe the re:STATE project will only enhance these small investments and help to revitalize this important corridor.

We look forward to being part of this project to further engage the residents of our city in great city building activities.

Sincerely,



Executive Director



**Board of Directors:**

Andy Guy, President

Kristen Ray, Vice President

Bill Kirk, Secretary

Peter Homeyer, Treasurer

Mary Angelo

Donald DeGraaf

Laurie Gardner

Michael Lomonaco

Javonte Tubbs

Bob Zylstra

**City Liaisons:**

Commissioner Rosalynn Bliss

James Hurt

**Executive Director:**

Steve Faber

p.o. box 3199

grand rapids, mi 49501

(616) 821-8006

[www.friendsofgrpparks.org](http://www.friendsofgrpparks.org)



Joshua Leffingwell &lt;joshualeffingwell@gmail.com&gt;

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## Build a Better Block - Update and Endorsement Request

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**Hill, Heritage** <heritage@heritagehillweb.org>

Tue, Jan 8, 2013 at 9:27 AM

To: Joshua Leffingwell &lt;joshualeffingwell@gmail.com&gt;

Absolutely Joshua. The Association is in full support. Thanks very much for pulling this together. - Jan

*"The Heritage Hill Neighborhood Association endorses the State Street Build a Better Block Project. We are excited to see this project align with and help realize the area specific plan we have created for State Street. It will be fun to see the community come together along with other neighboring districts like the DDA and the Heartside Business Association to realize the potential of this important neighborhood business district."*

[Quoted text hidden]

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Heritage Hill Association

126 College SE

Grand Rapids MI 49503

616 459-8950 -- FAX 616 459-2409 -- Office Hours - Monday-Thursday; 9 am to 5 pm

Email: [heritage@heritagehillweb.org](mailto:heritage@heritagehillweb.org)

Website: [www.heritagehillweb.org](http://www.heritagehillweb.org)

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2013 Home Tour - May 18 and 19, 2013

2013 Heritage Hill Yard Sales Day - June 8, 2013