

# AGENDA

## DOWNTOWN DEVELOPMENT AUTHORITY



### Board Members:

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

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Wednesday, January 10, 2018  
8:00 a.m. Meeting  
29 Pearl Street, NW Suite #1

- |                                                                         |           |          |
|-------------------------------------------------------------------------|-----------|----------|
| 1. Call to order                                                        |           |          |
| 2. Approve Meeting Minutes from December 13, 2017 (8:01)<br>(enclosure) |           | Harris   |
| 3. Accept Financial Statements from December 31, 2017 (8:04)            | Motion    | Wallace  |
| 4. Presentation of the FY2017 Audit (8:10)                              | Motion    | Wallace  |
| 5. Contract for Video Services (8:20)<br>(enclosure)                    | Motion    | Guy      |
| 6. 449 Bridge Street Brownfield Consent (8:30)<br>(enclosure)           | Motion    | Kelly    |
| 7. Presentation on Bike Share Feasibility Study (8:40)<br>(enclosure)   | Info Item | Naramore |
| 8. Presentation on Ecliptic at Rosa Parks (8:55)                        | Info Item | Blaha    |
| 9. President & CEO Report (9:15)                                        | Info Item | Kelly    |
| 10. Public Comment (9:20)                                               |           |          |
| 11. Board Member Discussion (9:25)                                      |           |          |
| 12. Adjournment                                                         |           |          |

## UNAPPROVED MINUTES

### MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

December 13, 2017

1. Call to Order – The meeting was called to order at 8:04am

2. Attendance

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

Absent:

Others Present: Tim Kelly (DDA Interim Executive Director), Murphy Ackerman (DDA Executive Assistant), Jana Wallace (DDA Treasurer), Jennie Schumacher, Stephanie Wong, Andy Guy, Annamarie Buller, Kim Van Driel (DDA Staff), Melvin Eledge, Joanne Roehm, Jono Klooster, Jim Harger, and others

3. Approve Meeting Minutes from November 8, 2017

*Motion: Mayor Rosalynn Bliss, supported by Jane Gietzen, moved approval of the minutes from the November 8, 2017 meeting as presented. Motion carried unanimously.*

4. Accept Preliminary Financial Statements from November 30, 2017

Ms. Wallace introduced the preliminary financial statements for the first five (5) months of the fiscal year. Ms. Wallace noted that the negative transactions on the warrant are due to the reallocation of wages and benefits that are initially charged to the administrative line item. Ms. Wallace said the administrative line item is currently trending high for the year, but she will work with Mr. Kelly to ensure that it is monitored and does not end the fiscal year over budget. Mr. Kelly said he reviewed the financials with Mr. Larson before his departure, and believes any line items currently trending high should end the year on budget.

*Motion: Diana Sieger, supported by Rick Winn, moved to approve Statement D: Schedule of November 30, 2017 Expenditures as recommended. Motion carried unanimously.*

5. Approve 2018 DDA Meeting Calendar

Mr. Kelly said it is required to approve the DDA meeting calendar annually. Mr. Kelly said there is no proposed change of date and time for the upcoming year.

*Motion: Rick Winn, supported by Kayem Dunn, moved to approve the 2018 meeting calendar. Motion carried unanimously.*

6. 401(k) Administrator Change

Mr. Kelly explained that Mr. Larson is currently listed as the administrator for the 401(k) plan that the organization offers its employees. Mr. Kelly said this motion will allow himself to be listed as the

administrator in the event that any documents need to be executed moving forward.

*Motion: Rick Winn, supported by Kayem Dunn, moved to approve the resolution naming Interim President and CEO, Tim Kelly, as Administrator of the DDA 401(k) plan. Motion carried unanimously.*

7. Swift Printing Industrial Facilities Exemption Request

Mr. Kelly gave an overview of the request from Swift Printing. Mr. Klooster said in pursuance of City Commission policy, this request must first be approved by the TIF district before approval by the Commission. Mayor Bliss said there will be a public hearing scheduled before the Commission makes a decision regarding the request. Mr. Talen said requests such as these accentuate the need for this Board to determine how to prioritize various projects that are asking for incentives and exemptions. Mr. Talen said he would like to see businesses and organizations that come before the Board with requests to demonstrate how their project helps to reach the goals outlined in GR forward. Dr. Falb echoed Mr. Talen's statement and said she would like to know how these requests also impact the district. Mr. Klooster said the Economic Development department has determined that this project does qualify for the exemption and will generate new tax. Mr. Kelly added that with the recommendations coming from the Rose Center project, the board can begin to reevaluate how we are aligning these tools. Mr. Talen said he does not want to disqualify a project that approaches the board without first outlining what the goals and criteria are that they will be evaluated by. Mr. Harris said this concern comes up frequently when evaluating projects and would like to work towards creating a more clear definition. Mr. Kelly said he will work to facilitate the conversation moving forward.

*Motion: Kayem Dunn, supported by Rick Winn, moved to recommend the Industrial Facilities Tax Exemption Certificate for Swift Printing and Communication at 400-404 Bridge Street NW. Motion carried unanimously.*

8. Laugh Fest Support

Ms. Van Driel introduced the request for event support from Laugh Fest. Ms. Van Driel said this event was budgeted for in the Major Event Grant line item. Ms. Van Driel said she encouraged the Laugh Fest team to expand on their various diversity initiatives and shared several of the initiatives that Laugh Fest will be working on for their upcoming festival. Mr. Winn asked if the alliances are still evaluating these requests. Mr. Kelly said Major Event Grants are different from the other special event sponsorships and are a separate line item in the priority plan. This line item includes larger events such as Grand Jazz Fest, ArtPrize and Laugh Fest. Ms. Dunn said she is happy to see that Laugh Fest is making improvements based on their previous request. Ms. Dunn thanked Ms. Roehm for the thorough application and analysis that was provided. Mr. Talen thanked staff for the clear outline of priorities outlined for event producers. Ms. Roehm said Laugh Fest is hoping to build on initiatives that were kicked off at the previous year's events and also provide better intercept surveying to ensure that outcomes are measured. Ms. Roehm shared some initiatives that Laugh Fest will be focusing on this year. Mr. Eddie asked if it is possible to look at the year over year foot traffic downtown close to festival locations. Mr. Kelly said it is something staff will plan to provide after the event has occurred.

*Motion: Kayem Dunn, supported by Jane Gietzen, moved to approve the recommendation of supporting LaughFest 2018 in the amount of \$15,000. Motion carried unanimously.*

9. FY18 Downtown Winter Events Overview

Ms. Van Driel gave an overview of the upcoming winter programming for downtown and highlights from the recent "Light Up Downtown" event. Ms. Van Driel said the event was very successful and

continues to grow year over year. Ms. Van Driel gave an overview of various new partnerships for winter programming including, MSU for additional lighting outside of their new building on Michigan St., the Filipino Association for a parol lantern celebration, and the upcoming Lunar New Year with the GR Chinese Association. Ms. Van Driel shared the upcoming festival that DGRI will be producing called World of Winter, an eight (8) day festival with various programming throughout the downtown. Ms. Van Driel said this year there will also be a new pop up ice rink located at Heartside Park to help alleviate some of the congestion at Rosa Park Circle and focus more on sports related activities. The ice-rink will be programmed by the Sports and Social Club. Mr. Harris said he is grateful for all of the outreach done by Ms. Van Driel and other staff involved in these partnerships and events coming downtown. Mayor Bliss said she is excited to see these areas activated in the wintertime and barriers removed for new organizations looking to come downtown.

10. Rose Center Recommendations

Mr. Kelly reminded the Board of the initial charge of the project, to look at the dissemination of the Dash Lots owned by the DDA on the Westside. Mr. Kelly said after working with the team the project evolved and the new charge became reevaluating the tools that both the City and DDA utilize to ensure equitable outcomes and promote diversity and inclusion. Mr. Kelly shared some of the immediate impacts of the initial visit from the team and said staff determined that there was more discussion needed surrounding some of the priority areas. Mr. Kelly said after the team returned, they were able to hold more focus groups and ensure a more defined recommendation. Mr. Kelly gave an over view of the final recommendations. Mr. Kelly said each of the recommendations also identifies who in the community will be the lead on the project. Mayor Bliss thanked Mr. Kelly for his work as the project manager on this project. She said now that the recommendations have been shared, City and DGRI staff can work to reflect on them and begin to identify how they can be added to various incentive tools. Mayor Bliss said she is excited to already see movement and action from these recommendations. Mr. Eddie said he had read the report and was excited to see various items outlined in the recommendation but wondered if there were any recommendations surrounding affordability for opening small businesses and minority owned businesses. Mr. Eddie said he continues to see small/minority owned businesses priced out of the new development areas. Mr. Kelly said staff is working to explore opportunities to help bridge some of these gaps. Mayor Bliss said the City is also working to create a Community Benefit Agreement. Mr. Talen said he was happy to see the inclusion of the minority/women owned business incubator in the Studio C! project, but pointed out that it was voluntary on the developers behalf. Mr. Talen said he would like to see incentives make these items requirements. Mr. Harris said he would like to ensure that this topic is added to a future agenda item to allow for a more robust conversation.

11. President & CEO Report

DDA (11/8/17)

- Approved funding for Lyon Square Design Contract
- Accepted resignation from President & CEO, appointed Interim President & CEO

DID (5/15/17)

- Approved and recommended FY18 Budget
- Received update on spring plantings
- Received a report and overview on pedestrian counter data

MNTIFA (11/2/17)

- Approved funding for Streetscape Guidelines Project

- Approved financial support for GRWW

#### DGRI (11/8/17)

- Approved amendments to bylaws recognizing new Alliance structure
- Received an update on corporate recruitment activity / economic development gaps

#### Alliances:

- Goal 1 Alliance: Jan 17, 10:00 AM
  - Engagement Focus: River Train Design Guidelines
- Goal 2 Alliance: Jan 16, 3:30 PM
  - Engagement Focus: Residential Outreach Survey Design
- Goal 3 Alliance: Jan 22, 3:30 PM
  - Engagement Focus: Bike Share Feasibility
- Goal 4 Alliance: Jan 31, 3:30 PM
  - Engagement Focus: MWBE Recruitment RFP
- Goal 5 Alliance: Jan 18, 3:30 PM
  - Engagement Focus: Winter Programming / Outdoor Fitness Equipment

#### DGRI Staff Highlights

##### Events / Marketing / Communications / Engagement

- Collaborated on Oct 28<sup>th</sup> Event celebrating APA Award for RPC
- Hosted Grand Action Appreciation Reception Nov 20 in collaboration with Chamber, CAA, Experience GR, and The Right Place
- Produced Light Up Downtown – Dec 1
- Coordinating install of sports-oriented ice rink at Heartside Park for Winter 2018
- Planning Women + City Building 2018 – Mar 21, 2018, 11:30 AM – 1:00 PM
- Planning World of Winter (WoW) Activities: Feb 9, 2018 – Feb 16, 2018

##### Planning / Development / Infrastructure

- Collaborating with City of GR to install public restrooms in parking ramps
- Partnered with The Right Place, City of GR, MDOT, MEDC, and GRR on AHQ2 Proposal
- Collaborating with Frey Foundation on development of maintenance sustainability plan for RPC
- Lyon Square DD process ongoing – finalizing scope for in-river designs to be submitted with HCP – to DDA for funding Nov 8
- Calder Plaza – presented to City Commissioners, CoGR, Kent County on potential Pavilion plans & construction leading up to 50<sup>th</sup> anniversary of La Grande Vitesse. Drafted Pavilion design RFQ for review by City & County.
- Planning pedestrian safety improvements at several key intersections & crossings
  - Michigan / Bridge Street Trail Crossings
  - Pilot Protected bike lane – Division Ave (Leonard to Fountain)
- Daniel Rose Fellowship:
  - Hosted Grand Rapids Study Visit Mar 20-23 for Daniel Rose Fellowship.
  - Project page available on the website. Follow-up engagement opportunity currently underway.
  - KL attended Anchorage Study Visit Apr 3-7
  - Fellowship Team presented a mid-year fellowship in Seattle Tuesday, May 2<sup>nd</sup>
  - Held 2<sup>nd</sup> Study Visit to Grand Rapids – September 18/19 – 60 attendees

- o Presented recommendations to Rose Center 10/26 in LA
  - o Final Presentation to City Commission: November 14<sup>th</sup>
- Received Pinnacle Award for Leadership from International Downtown Association for Equity-Driven Growth Agenda in GR Forward
- Finalizing transition plan with Board leadership / Interim President & CEO
- Streetspace Guidelines process and engagement underway.

#### Advocacy

- Senator Horn has re-introduced TIF Reform bill (SB 393), Afendoulis introduced Fee Fairness Act (HB5325)
- Participating in a Grand River Briefing for the West Michigan Legislative Delegation on January 22, 2018.
- Transformational Brownfield (MIThrive)– Collaborating with The Right Place & CoGR on potential applications for use of tool

#### 12. Public Comment None

#### 13. Board Member Discussion Mayor Bliss asked the Board to save the date for January 29<sup>th</sup> for a going away celebration for outgoing City Manager, Greg Sundstrom.

Mayor Bliss gave an update on the parking ramp resolution that was voted down at the previous evening's City Commission meeting. Mayor Bliss clarified that the vote was based on the process of the resolution being presented as opposed to the parking solution. Mayor Bliss said the commission will continue to work towards parking solutions.

Mr. Talen asked if there was a timetable for the current transition plan in light of Mr. Larson's departure. Ms. Dunn said the committee is currently assessing the organization and its current needs. Ms. Dunn said because there is a currently a seasoned interim in Mr. Kelly, the committee is not moving unnecessarily quickly. Mr. Harris said the committee will have a more thorough report for the board in January.

#### 14. Adjournment The meeting adjourned at 9:22am

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 3.  
January 10, 2018  
DDA Meeting**

DATE: January 4, 2018

TO: Brian Harris  
Chairman

FROM: Jana M. Wallace  
Downtown Development Authority Treasurer

**SUBJECT: FY2018 Interim Financial Statements as of December 31, 2017**

Attached are the DDA's interim financial statements for the first half of the fiscal year ending June 30, 2018. The attached statements include:

- Statement A: Balance Sheet
- Statement B: Comparison of FY2018 Budget vs Actual Results
- Statement C: Statement of Project Expenditures
- Statement D: Schedule of December, 2017 Expenditures
- Statement E: DDA Series 2017 Bond Proceeds Statements

On December 18, the City Treasurer distributed \$453,889.86 to the DDA's Local Tax Increment ("LTI") Fund for tax increment revenues captured from the December 1 "winter" levy.

Despite the winter levy tax capture, on Statement B you'll see that LTI "Property Tax Increment – General" revenues in the Actual column are slightly lower than budgeted. The DDA's FY2018 budgeted tax increment revenues were calculated in early May, 2017 using estimated mills. Those estimated mills were 0.1119 mills higher than the mills actually levied. These different millage rates account for the difference between Budget and Actual LTI revenues.

Otherwise, December was a slow month transaction-wise as staff and consultants focused on upcoming projects. The Authority has sufficient funds to pay 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

As of December 31, 2017

|                                                                         | Non-Tax<br>Funds    | Debt<br>Increment    | Local Tax<br>Increment | TOTAL                |
|-------------------------------------------------------------------------|---------------------|----------------------|------------------------|----------------------|
| <b>ASSETS</b>                                                           |                     |                      |                        |                      |
| Pooled Cash and Investments                                             | \$ 3,925,998        | \$ 4,302,074         | \$ 7,696,200           | \$ 15,924,272        |
| Petty Cash                                                              | -                   | -                    | 500                    | 500                  |
| Debt Service Reserve - Series 1994 Bonds                                | -                   | 4,849,267            | -                      | 4,849,267            |
| Due from Other Governmental Units                                       | -                   | 162,623              | -                      | 162,623              |
| Loan Receivable - Project Developer                                     | 563,848             | -                    | -                      | 563,848              |
| Loan Receivable - Special Assessments                                   | 3,684               | -                    | -                      | 3,684                |
| General Fixed Assets                                                    | -                   | -                    | 90,051,736             | 90,051,736           |
| Accumulated Depreciation on Fixed Assets                                | -                   | -                    | (53,295,150)           | (53,295,150)         |
| Future Tax Increment Revenues Anticipated                               | -                   | 29,589,155           | 93,000                 | 29,682,155           |
| <b>TOTAL ASSETS</b>                                                     | <b>\$ 4,493,530</b> | <b>\$ 38,903,119</b> | <b>\$ 44,546,286</b>   | <b>\$ 87,942,935</b> |
| <b>LIABILITIES AND FUND EQUITY</b>                                      |                     |                      |                        |                      |
| <b>Liabilities</b>                                                      |                     |                      |                        |                      |
| Current Liabilities                                                     | \$ 9,316            | \$ -                 | \$ 27                  | \$ 9,343             |
| Project Increment Due to Developers                                     | -                   | -                    | 7,373                  | 7,373                |
| Current Year Excess Capture                                             | -                   | 623,005              | -                      | 623,005              |
| Deposit - Area 5 Option to Buy                                          | 66,727              | -                    | -                      | 66,727               |
| Net Retiree Health Care Obligation <sup>1</sup>                         | -                   | -                    | (5,720)                | (5,720)              |
| Deferred Revenue - Developer Loan                                       | 563,848             | -                    | -                      | 563,848              |
| Contract Payable                                                        | -                   | -                    | 93,000                 | 93,000               |
| Bonds Payable                                                           | -                   | 29,589,155           | -                      | 29,589,155           |
| <b>TOTAL LIABILITIES</b>                                                | <b>639,891</b>      | <b>30,212,160</b>    | <b>94,680</b>          | <b>30,946,731</b>    |
| <b>Fund Balance / Equity:</b>                                           |                     |                      |                        |                      |
| Investments in General Fixed Assets,<br>net of Accumulated Depreciation | -                   | -                    | 36,756,586             | 36,756,586           |
| Debt Service Reserve - Series 1994 Bonds                                | -                   | 4,849,267            | -                      | 4,849,267            |
| Non-Tax Increment Reserve                                               | 3,298,189           | -                    | -                      | 3,298,189            |
| Reserve for Authorized Projects                                         | -                   | -                    | 7,668,120              | 7,668,120            |
| Reserve for Brownfield Series 2012A Bonds                               | 530,964             | -                    | -                      | 530,964              |
| Reserve for Compensated Absences                                        | -                   | -                    | 7,791                  | 7,791                |
| Reserve for Eligible Obligations                                        | -                   | 3,841,692            | -                      | 3,841,692            |
| Reserve for Encumbrances                                                | 24,486              | -                    | 19,109                 | 43,595               |
| <b>TOTAL FUND EQUITY</b>                                                | <b>3,853,639</b>    | <b>8,690,959</b>     | <b>44,451,606</b>      | <b>56,996,204</b>    |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b>                              | <b>\$ 4,493,530</b> | <b>\$ 38,903,119</b> | <b>\$ 44,546,286</b>   | <b>\$ 87,942,935</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 FY2018 Budget vs Actual Results July 1, 2017 - December 31, 2017

|                                                                                               | Non-Tax Funds       |                     | Debt Tax Increment   |                           | Local Tax Increment |                     |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|----------------------|---------------------------|---------------------|---------------------|
|                                                                                               | Budget              | Actual              | Budget               | Actual                    | Budget              | Actual              |
| <b>REVENUES</b>                                                                               |                     |                     |                      |                           |                     |                     |
| Property Tax Increment - General                                                              | \$ -                | \$ -                | \$ 6,083,468         | \$ 6,288,650 <sup>1</sup> | \$ 5,667,979        | \$ 5,647,516        |
| Property Tax Increment - Transit Millage                                                      | -                   | -                   | -                    | -                         | 508,483             | 508,483             |
| Property Tax Increment - Prior Year Appeals                                                   | -                   | -                   | (75,000)             | (24,267)                  | (75,000)            | (13,877)            |
| Property Tax Increment - Rebates to City / ITP                                                | -                   | -                   | -                    | -                         | (617,646)           | -                   |
| Special Assessments - Areaway                                                                 | 15,000              | 516                 | -                    | -                         | -                   | -                   |
| Brownfield Authority - Grandville Avenue                                                      | -                   | -                   | -                    | -                         | 26,696              | 28,256              |
| Brownfield Authority - Veterans Park                                                          | -                   | -                   | -                    | -                         | 736,548             | -                   |
| Earnings from Investments - General                                                           | 28,821              | 26,296              | 20,000               | 20,980                    | 73,650              | 45,786              |
| Earnings from Investments - Multi-Year Accrual Reversal                                       | -                   | 21,713              | -                    | 31,400                    | -                   | 30,876              |
| Interest Paid by Developer - The Gallery on Fulton Note                                       | 25,373              | -                   | -                    | -                         | -                   | -                   |
| Property Rental - DASH Parking Lots                                                           | 442,200             | 121,359             | -                    | -                         | -                   | -                   |
| Property Rentals - YMCA Customer Parking                                                      | 52,025              | 21,125              | -                    | -                         | -                   | -                   |
| Event Sponsorships and Fees                                                                   | 75,000              | 4,925               | -                    | -                         | -                   | -                   |
| Valent-ICE Sculpture Reimbursements                                                           | 20,000              | 4,275               | -                    | -                         | -                   | -                   |
| Contributions - Lyon Square Project                                                           | -                   | -                   | -                    | -                         | -                   | 150,000             |
| Principal Repayments - The Gallery on Fulton Note                                             | 75,000              | -                   | -                    | -                         | -                   | -                   |
| Property Sale                                                                                 | 4,074,108           | -                   | -                    | -                         | -                   | -                   |
| Series 1994 Debt Service Reserve Fund                                                         | -                   | -                   | 3,995,000            | -                         | -                   | -                   |
| Reimbursements and Fees - Miscellaneous                                                       | 600                 | -                   | -                    | -                         | 10,000              | 632                 |
| From / (To) Fund Balance                                                                      | (1,468,979)         | -                   | (20,000)             | -                         | 2,211,790           | -                   |
| <b>TOTAL REVENUES</b>                                                                         | <b>\$ 3,339,148</b> | <b>\$ 200,209</b>   | <b>\$ 10,003,468</b> | <b>\$ 6,316,763</b>       | <b>\$ 8,542,500</b> | <b>\$ 6,397,672</b> |
| <b>EXPENDITURES</b>                                                                           |                     |                     |                      |                           |                     |                     |
| <b><u>GR Forward Projects:</u></b>                                                            |                     |                     |                      |                           |                     |                     |
| Goal #1: Restore the River as the Draw and<br>Create a Connected and Equitable River Corridor | \$ 30,000           | \$ 4,800            | \$ -                 | \$ -                      | \$ 1,625,000        | \$ 354,710          |
| Goal #2: Create a True Downtown Neighborhood<br>Which is Home to a Diverse Population         | -                   | -                   | -                    | -                         | 1,790,000           | 785,808             |
| Goal #3: Implement a 21st Century Mobility Strategy                                           | 40,000              | 25,722              | -                    | -                         | 1,430,000           | 141,423             |
| Goal #4: Expand Job Opportunities and Ensure<br>Continued Vitality of the Local Economy       | 25,000              | 18,773              | -                    | -                         | 100,000             | -                   |
| Goal #5: Reinvest in Public Space, Culture, and<br>Inclusive Programming                      | 974,500             | 503,340             | -                    | -                         | 1,955,000           | 761,897             |
| <b>Total GR Forward Projects</b>                                                              | <b>\$ 1,069,500</b> | <b>\$ 552,635</b>   | <b>\$ -</b>          | <b>\$ -</b>               | <b>\$ 6,900,000</b> | <b>\$ 2,043,838</b> |
| Administration                                                                                | 4,200               | 1,846               | -                    | -                         | 1,187,863           | 642,356             |
| Debt Service for Bond Issues                                                                  | -                   | -                   | 9,380,463            | 687,731                   | 454,637             | 50,378              |
| Estimated Capture to be Returned                                                              | -                   | -                   | 623,005              | -                         | -                   | -                   |
| <b>TOTAL EXPENDITURES</b>                                                                     | <b>\$ 1,073,700</b> | <b>\$ 554,481</b>   | <b>\$ 10,003,468</b> | <b>\$ 687,731</b>         | <b>\$ 8,542,500</b> | <b>\$ 2,736,572</b> |
| <b>EXCESS / (DEFICIT)</b>                                                                     | <b>\$ 2,265,448</b> | <b>\$ (354,272)</b> | <b>\$ -</b>          | <b>\$ 5,629,032</b>       | <b>\$ -</b>         | <b>\$ 3,661,100</b> |

Note 1: Budgeted and Actual captured tax increment revenues here are 60% of the Authority's legal capture authority per the FY2018-22 Priority Plan.

ddastmts-Dec17.xls jmw 01042018

**STATEMENT C**

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Statement of FY2018 Project Expenditures**  
**As of December 31, 2017**

| Project Name                                     | FY2018 Project Budgets |                     | EXPENDITURES      |                     | Available<br>FY2018<br>Budgets |
|--------------------------------------------------|------------------------|---------------------|-------------------|---------------------|--------------------------------|
|                                                  | %                      | Amount              | Month             | Fiscal Year         |                                |
| Michigan Street Streetscape Improvements         |                        | \$ 180,000          | \$ -              | \$ 22,765           | \$ 157,235                     |
| River Trail Improvements                         |                        | 228,000             | -                 | 28,071              | 199,929                        |
| Streetscape / Riverwalk Projects TBD             |                        | 616,228             | -                 | 1,500               | 614,728                        |
| <b>GRForward Goal # 1 - Bond Proceeds</b>        | <b>11.39%</b>          | <b>\$ 1,024,228</b> | <b>\$ -</b>       | <b>\$ 52,336</b>    | <b>\$ 971,892</b>              |
| Arena South Implementation                       |                        | 150,000             | -                 | 14,492              | 135,508                        |
| Bridge Street Streetscape Improvs                |                        | 100,000             | -                 | 6,664               | 93,336                         |
| Downtown Plan - Community Relations              |                        | 325,000             | -                 | -                   | 325,000                        |
| Grand River Activation                           |                        | 100,000             | 100,000           | 100,000             | -                              |
| Parks Design                                     |                        | 700,000             | 100,094           | 233,554             | 466,446                        |
| Pearl Street Gateway Enhancements                |                        | 100,000             | -                 | -                   | 100,000                        |
| State Street & Bostwick Ave Reconstruction       |                        | 150,000             | -                 | -                   | 150,000                        |
| <b>GRForward Goal # 1 - Local Tax Increment</b>  | <b>18.07%</b>          | <b>\$ 1,625,000</b> | <b>\$ 200,094</b> | <b>\$ 354,710</b>   | <b>\$ 1,270,290</b>            |
| Downtown Speakers Series                         |                        | 10,000              | -                 | 4,800               | 5,200                          |
| Riverwalk Maintenance                            |                        | 20,000              | -                 | -                   | 20,000                         |
| <b>GRForward Goal # 1 - Non-Tax Increment</b>    | <b>0.33%</b>           | <b>\$ 30,000</b>    | <b>\$ -</b>       | <b>\$ 4,800</b>     | <b>\$ 25,200</b>               |
| Affordable Housing Support                       |                        | 250,000             | -                 | -                   | 250,000                        |
| Areaway Fill Program (ARIP)                      |                        | 35,000              | -                 | -                   | 35,000                         |
| Building Re-use Incentive Program (BRIP)         |                        | 100,000             | -                 | -                   | 100,000                        |
| Development Project Guidance                     |                        | 90,000              | -                 | 40,500              | 49,500                         |
| Development Project Reimbursements               |                        | 925,000             | 72,597            | 745,308             | 179,692                        |
| Downtown Census                                  |                        | 15,000              | -                 | -                   | 15,000                         |
| Streetscape Improvement Incentive Program        |                        | 375,000             | -                 | -                   | 375,000                        |
| <b>GRForward Goal # 2 - Local Tax Increment</b>  | <b>19.90%</b>          | <b>\$ 1,790,000</b> | <b>\$ 72,597</b>  | <b>\$ 785,808</b>   | <b>\$ 1,004,192</b>            |
| Accessibility and Mobility Repairs               |                        | 100,000             | -                 | 1,000               | 99,000                         |
| Bicycle Friendly Improvements                    |                        | 75,000              | -                 | 31,770              | 43,230                         |
| DASH North Shuttle Services                      |                        | 80,000              | -                 | -                   | 80,000                         |
| Grandville Ave Area Improvements                 |                        | 50,000              | -                 | -                   | 50,000                         |
| Michigan / Ottawa Gateway                        |                        | 50,000              | -                 | -                   | 50,000                         |
| New Downtown Circulator Infrastructure           |                        | 500,000             | -                 | -                   | 500,000                        |
| Public Realm Improvements                        |                        | 150,000             | 1,116             | 24,643              | 125,357                        |
| Streetscape Imprvmts - CBD, Heartside, Arena S   |                        | 350,000             | 15,345            | 68,641              | 281,359                        |
| Wayfinding System Improvements                   |                        | 75,000              | -                 | 15,369              | 59,631                         |
| <b>GRForward Goal # 3 - Local Tax Increment</b>  | <b>15.90%</b>          | <b>\$ 1,430,000</b> | <b>\$ 16,461</b>  | <b>\$ 141,423</b>   | <b>\$ 1,288,577</b>            |
| Public Realm Improvements                        |                        | -                   | -                 | 610                 | (610)                          |
| Transportation Demand Mnmt Prog                  |                        | 40,000              | -                 | 25,112              | 14,888                         |
| <b>GRForward Goal # 3 - Non-Tax Increment</b>    | <b>0.44%</b>           | <b>\$ 40,000</b>    | <b>\$ -</b>       | <b>\$ 25,722</b>    | <b>\$ 14,278</b>               |
| Econ Devel - Minority/Women Business Enterprises |                        | 100,000             | -                 | -                   | 100,000                        |
| <b>GRForward Goal # 4 - Local Tax Increment</b>  | <b>1.11%</b>           | <b>\$ 100,000</b>   | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ 100,000</b>              |
| Downtown Workforce Programs                      |                        | 25,000              | 275               | 18,773              | 6,227                          |
| <b>GRForward Goal # 4 - Non-Tax Increment</b>    | <b>0.28%</b>           | <b>\$ 25,000</b>    | <b>\$ 275</b>     | <b>\$ 18,773</b>    | <b>\$ 6,227</b>                |
| Downtown Marketing & Inclusion                   |                        | 300,000             | 10,461            | 81,268              | 218,732                        |
| Heartside Public Restroom Facility               |                        | 150,000             | -                 | -                   | 150,000                        |
| Sheldon Blvd - Weston to Cherry Street           |                        | 300,000             | -                 | -                   | 300,000                        |
| Snowmelt System Repairs / Investigation          |                        | 50,000              | -                 | 1,336               | 48,664                         |
| State of Dntn Event & Annual Reports             |                        | 20,000              | -                 | 26,230              | (6,230)                        |
| Tree Well Fill                                   |                        | 150,000             | -                 | -                   | 150,000                        |
| Urban Recreation Plan                            |                        | 125,000             | 500               | 500                 | 124,500                        |
| Veterans Park Improvements                       |                        | 860,000             | 83,418            | 652,563             | 207,437                        |
| <b>GRForward Goal # 5 - Local Tax Increment</b>  | <b>21.74%</b>          | <b>\$ 1,955,000</b> | <b>\$ 94,379</b>  | <b>\$ 761,897</b>   | <b>\$ 1,193,103</b>            |
| African-American Museum and Archives             |                        | 6,500               | 2,167             | 7,833               | (1,333)                        |
| Bridge Lighting Operations                       |                        | 10,000              | -                 | -                   | 10,000                         |
| DGRI Event Production                            |                        | 245,000             | 6,893             | 126,616             | 118,384                        |
| Diversity / Inclusion Programming                |                        | 30,000              | 6,000             | 24,798              | 5,202                          |
| Downtown Ambassadors                             |                        | 200,000             | 25,261            | 124,251             | 75,749                         |
| Educational Partnerships Initiatives             |                        | 5,000               | -                 | -                   | 5,000                          |
| Experience - Miscellaneous                       |                        | 50,000              | 358               | 17,179              | 32,821                         |
| Holiday Décor Program                            |                        | 35,000              | -                 | 10,333              | 24,667                         |
| Major Event Sponsorship                          |                        | 60,000              | -                 | 55,000              | 5,000                          |
| Police Foot Patrols                              |                        | 35,000              | -                 | 27,390              | 7,610                          |
| Project and Fixed Asset Maintenance              |                        | 15,000              | -                 | 5,202               | 9,798                          |
| Public Space Activation                          |                        | 36,000              | 4,566             | 26,712              | 9,288                          |
| Rosa Parks Circle Skating Operations             |                        | 40,000              | -                 | -                   | 40,000                         |
| Special Events - Grants                          |                        | 30,000              | -                 | 12,950              | 17,050                         |
| Special Events - Office of                       |                        | 75,000              | -                 | 25,000              | 50,000                         |
| Special Events - Training Program                |                        | 5,000               | -                 | 335                 | 4,665                          |
| Stakeholder Engagement Programs                  |                        | 20,000              | 535               | 1,407               | 18,593                         |
| Street Trees Maintenance Program                 |                        | 5,000               | -                 | -                   | 5,000                          |
| Ticketed Events - Police Services                |                        | 70,000              | 14,662            | 38,334              | 31,666                         |
| Winter Avenue Building Lease                     |                        | 2,000               | -                 | -                   | 2,000                          |
| <b>GRForward Goal # 5 - Non-Tax Increment</b>    | <b>10.84%</b>          | <b>\$ 974,500</b>   | <b>\$ 60,442</b>  | <b>\$ 503,340</b>   | <b>\$ 471,160</b>              |
| <b>TOTAL</b>                                     | <b>100.00%</b>         | <b>\$ 8,993,728</b> | <b>\$ 444,248</b> | <b>\$ 2,648,809</b> | <b>\$ 6,344,919</b>            |

**STATEMENT D**

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Schedule of FY2018 Expenditures**  
**December, 2017**

| Source  | Date Posted | Vendor                                   | Purpose / Project                         | Description                                            | Amount       |
|---------|-------------|------------------------------------------|-------------------------------------------|--------------------------------------------------------|--------------|
| Local   | 12/3/2017   | Grand Rapids Whitewater Inc              | Grand River Activation                    | Grand River Revitalization Environmental Services      | \$100,000.00 |
| Local   | 12/25/2017  | Katerberg Verhage                        | Veterans Park Improvements                | Reconstruction services - DDA share (K1408405)         | 83,417.81    |
| Local   | 1/3/2018    | Paychex                                  | Administration                            | DDA Payroll Wages, 401, Taxes - December 2017          | 80,291.89    |
| Local   | 12/13/2017  | Waters Building LLC                      | Developer Reimbursements                  | Developer Reimbursement FY2018-Summer                  | 72,596.88    |
| Local   | 12/25/2017  | Bishop Land Design, LLC                  | Parks Design                              | Lyon Square design work - DDA share (B160771051)       | 52,265.32    |
| Local   | 12/25/2017  | Bishop Land Design, LLC                  | Parks Design                              | Lyon Square design work - DDA share (B160771044)       | 47,828.34    |
| Non-Tax | 12/26/2017  | Mydatt Service Inc dba Block by Block    | Downtown Ambassadors                      | Downtown Ambassadors 11/2017                           | 24,510.78    |
| Local   | 12/6/2017   | City Treasurer - Budget Office           | Administration                            | Support services allocation - December, 2017           | 11,635.00    |
| Non-Tax | 12/20/2017  | City Treasurer - Police Dept             | Ticketed Events - Police Services         | Police Overtime Costs - 11/2017                        | 8,932.12     |
| Local   | 12/6/2017   | BDO USA LLP                              | Administration                            | Auditing Services FY2017                               | 6,750.00     |
| Local   | 12/6/2017   | Tabernacle Community Church              | Streetspace Improvs - CBD/Hrtside/Arena S | Landscape installation and design 2/22/17-2/23/17      | 6,465.00     |
| Local   | 12/26/2017  | State of Michigan                        | Administration                            | Unemployment charges                                   | 6,092.81     |
| Non-Tax | 12/20/2017  | City Treasurer - Police Dept             | Ticketed Events - Police Services         | Police Overtime Costs - 11/2017                        | 5,729.64     |
| Local   | 12/26/2017  | Federal Square Building Co. #1, LLC      | Administration                            | Office Lease: 29 Pearl Street 12/2017                  | 5,616.23     |
| Local   | 12/6/2017   | Tabernacle Community Church              | Streetspace Improvs - CBD/Hrtside/Arena S | Landscape installation and design 4/30/17              | 4,830.00     |
| Local   | 12/19/2017  | GRCAC                                    | Downtown Marketing & Inclusion            | Advertising: GR Live (sponsorship) 2/4 2017            | 4,500.00     |
| Non-Tax | 12/6/2017   | Dutchman Tree Farms, LLC                 | DGRI Event Production                     | Event supplies: Downtown Christmas tree 11/2017        | 4,106.00     |
| Local   | 12/6/2017   | Tabernacle Community Church              | Streetspace Improvs - CBD/Hrtside/Arena S | Landscape installation and design 2/28/2017            | 4,050.00     |
| Non-Tax | 12/6/2017   | Erick Picardo                            | Public Space Activation                   | West Side Mural Artist- 09/2017                        | 3,800.00     |
| Non-Tax | 12/26/2017  | NAACP                                    | Diversity / Inclusion Programming         | Grant: NAACP Freedom Fund Dinner 10/20/2017            | 3,500.00     |
| Non-Tax | 12/26/2017  | Opera Grand Rapids                       | Diversity / Inclusion Programming         | Grant: I DREAM 2017                                    | 2,500.00     |
| Non-Tax | 12/20/2017  | City Treasurer - MobileGR / Parking Svcs | African-American Museum/Archives          | 89 Monroe Center NW - December, 2017 Rent              | 2,166.47     |
| Local   | 12/16/2017  | City of Grand Rapids                     | Administration                            | Staff services - payroll period ended 12/16/2017       | 1,987.38     |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 11/17            | DGRI Event Production                     | Event Supplies                                         | 1,598.10     |
| Local   | 12/6/2017   | City Treasurer - Risk Management         | Administration                            | General insurance - December 2017                      | 1,528.00     |
| Local   | 12/19/2017  | Grand Rapids Public Schools              | Downtown Marketing & Inclusion            | Advertisement: We are GR 4/21/2017                     | 1,450.00     |
| Local   | 12/19/2017  | ShutterWerks Media                       | Downtown Marketing & Inclusion            | Video Production: Grand Action tribute video 2017      | 1,375.00     |
| Local   | 12/27/2017  | Hub International Midwest Ltd            | Administration                            | Directors and Officers Policy 11/2017                  | 1,351.77     |
| Local   | 12/18/2017  | City Treasurer - MobileGR / Parking Svcs | Administration                            | NOVEMBER 2017 CITY VALIDATION BILLING                  | 1,125.25     |
| Local   | 12/20/2017  | City Treasurer - MobileGR / Parking Svcs | Public Realm Improvements                 | Parklet Meter Hooding October 2017                     | 840.00       |
| Local   | 12/26/2017  | Kforce Inc                               | Downtown Marketing & Inclusion            | CRM Proj Employee: Rand Revolt w/e 11/19/17            | 722.06       |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Public Space Activation                   | Public Space Activation supplies                       | 710.88       |
| Non-Tax | 12/6/2017   | Swift Printing & Communications          | Downtown Ambassadors                      | Marketing Supplies: Ambassador Palm Cards 11/2017      | 647.27       |
| Local   | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Administration                            | General Insurance (DDA Portion)                        | 525.82       |
| Local   | 12/6/2017   | Downtown Kalamazoo, Inc.                 | Urban Recreation Plan                     | Event supplies: Heartside Park Ice Rink 11/2017        | 500.00       |
| Local   | 12/26/2017  | Juan Daniel Castro                       | Downtown Marketing & Inclusion            | Various promotional material translations: 11/16-06/17 | 500.00       |
| Local   | 12/6/2017   | Swift Printing & Communications          | Downtown Marketing & Inclusion            | Event Supplies: Light Up Downtown Banners 11/2017      | 497.60       |
| Non-Tax | 12/26/2017  | West Bend Mutual Insurance Company       | DGRI Event Production                     | Special Events Insurance: Light Up Downtown 12/1/20    | 489.00       |
| Local   | 12/26/2017  | Federal Square Building Co. #1, LLC      | Administration                            | Office Lease: 29 Pearl Street Mezz Office 12/2017      | 475.14       |
| Local   | 12/26/2017  | Kforce Inc                               | Downtown Marketing & Inclusion            | CRM Proj Employee: Rand Revolt w/e 11/12/17            | 464.61       |
| Local   | 12/2/2017   | City of Grand Rapids                     | Administration                            | Staff services - payroll period ended 12/02/2017       | 449.42       |
| Non-Tax | 12/6/2017   | Swift Printing & Communications          | DGRI Event Production                     | Event Supplies: Light Up Downtown Banners 11/2017      | 445.05       |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 10/17            | Stakeholder Engagement Programs           | Meeting supplies, resident network meeting catering    | 409.94       |
| Local   | 12/27/2017  | Cellco Partnership                       | Administration                            | Cell Phone Service 11/2017                             | 347.25       |
| Local   | 12/26/2017  | Kforce Inc                               | Downtown Marketing & Inclusion            | CRM Proj Employee: Rand Revolt w/e 11/26/17            | 314.30       |
| Local   | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Downtown Marketing & Inclusion            | P Card 11/17: *CRM subscription*Facebook ads           | 278.00       |
| Local   | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Public Realm Improvements                 | Parklet Storage                                        | 276.00       |
| Non-Tax | 12/7/2017   | Ricky Clarkson                           | Downtown Workforce Programs               | Downtown fitness classes 07-08/2017                    | 275.00       |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 11/17            | DGRI Event Production                     | Holiday Party catering                                 | 254.94       |
| Local   | 12/6/2017   | Z2 Systems Inc                           | Downtown Marketing & Inclusion            | CRM Subscription 11/2017                               | 250.00       |
| Non-Tax | 12/4/2017   | Jermale Eddie                            | Experience - Miscellaneous                | Travel: CEO's for Cities Conference 10/30-11/2/17      | 238.67       |
| Local   | 12/26/2017  | TDS Metrocom                             | Administration                            | Phone Service 11/2017                                  | 230.13       |
| Local   | 1/3/2018    | Paychex                                  | Administration                            | DDA Paychex fee - December 2017                        | 226.42       |
| Local   | 12/26/2017  | Federal Square Building Co. #1, LLC      | Administration                            | Utility Service: Electricity 11/2017                   | 182.12       |
| Local   | 1/3/2018    | Paychex                                  | Administration                            | DDA Payroll HRS fees - December 2017                   | 167.50       |
| Local   | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Administration                            | Office Supplies (DDA Portion)                          | 139.68       |
| Local   | 12/6/2017   | Breck Graphics Inc dba Allegra           | Administration                            | Business Cards M. Eledge, R. Krenz, T. Kelly 11/2017   | 133.12       |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Administration                            | Local Business Expenses                                | 132.02       |
| Non-Tax | 12/6/2017   | Molly LaBeff                             | Stakeholder Engagement Programs           | Photographer: Dntn Resident Network Event 9/16/2017    | 125.00       |
| Non-Tax | 12/13/2017  | Fifth Third Bank P-Card 10/17            | Experience - Miscellaneous                | K. Larson departure gift                               | 119.77       |
| Local   | 12/26/2017  | Comcast                                  | Administration                            | Internet at 29 Pearl St NW 12/06/2017-1/06/2018        | 118.67       |
| Local   | 12/13/2017  | Fifth Third Bank P-Card 11/17            | Administration                            | Training for Staff                                     | 110.00       |
| Local   | 12/6/2017   | Swift Printing & Communications          | Downtown Marketing & Inclusion            | Event Supplies: Light Up Downtown Banners 11/2017      | 110.00       |
| Local   | 12/6/2017   | Staples Contract and Commercial Inc.     | Administration                            | Office Supplies 11/2017                                | 66.40        |
| Non-Tax | 12/19/2017  | DTE Energy                               | Downtown Ambassadors                      | Natural gas for 331 Winter Ave NW - 12/2017            | 55.26        |
| Non-Tax | 12/10/2017  | Ricky Clarkson                           | Public Space Activation                   | Pop Up Performer: Rosa Parks event 10/28/17            | 55.00        |
| Local   | 12/6/2017   | Gordon Water Systems                     | Administration                            | Water Cooler Lease 10/17/17-11/10/2017                 | 52.07        |
| Local   | 12/6/2017   | Staples Contract and Commercial Inc.     | Administration                            | Office Supplies 11/2017                                | 50.04        |
| Non-Tax | 12/14/2017  | City Treasurer - MobileGR / Parking Svcs | Downtown Ambassadors                      | DECEMBER 2017 MONTHLY PARKING BILLING                  | 48.00        |
| Local   | 12/6/2017   | Staples Contract and Commercial Inc.     | Administration                            | Office Supplies 11/2017                                | 32.93        |

*continued on the next page*

STATEMENT D - continued  
DOWNTOWN DEVELOPMENT AUTHORITY  
Schedule of Expenditures - FY2018  
December, 2017

| Source                                   | Date<br>Posted | Vendor                                   | Activity #<br>Purpose / Project | Description                           | Amount              |
|------------------------------------------|----------------|------------------------------------------|---------------------------------|---------------------------------------|---------------------|
| <i>continued from previous page</i>      |                |                                          |                                 |                                       |                     |
| Local                                    | 1/3/2018       | JPMorganChase                            | Administration                  | DDA Payroll Bank Fee - December 2017  | \$ 26.11            |
| Local                                    | 12/18/2017     | City Treasurer - MobileGR / Parking Svcs | Administration                  | NOVEMBER 2017 CITY VALIDATION BILLING | 20.00               |
| Local                                    | 12/26/2017     | Fusion IT LLC                            | Administration                  | Network Management 12/2017            | 9.50                |
| Local                                    | 12/18/2017     | City Treasurer - MobileGR / Parking Svcs | Administration                  | NOVEMBER 2017 CITY VALIDATION BILLING | 7.50                |
| Local                                    | 12/18/2017     | City Treasurer - MobileGR / Parking Svcs | Administration                  | NOVEMBER 2017 CITY VALIDATION BILLING | 6.25                |
| <b>TOTAL DECEMBER, 2017 EXPENDITURES</b> |                |                                          |                                 |                                       | <b>\$564,134.23</b> |

**STATEMENT E**

**DOWNTOWN DEVELOPMENT AUTHORITY**

**Series 2017 Improvement & Refunding Bonds**

**Balance Sheet**  
**As of December 31, 2017**

|                                             |                   |
|---------------------------------------------|-------------------|
| <b>Assets - Pooled Cash and Investments</b> | <b>\$ 768,875</b> |
| <b>Liabilities and Fund Balance</b>         |                   |
| Current Liabilities                         |                   |
| Reserve for Encumbrances                    | -                 |
| Reserved for Projects                       | 768,875           |
| <b>Liabilities and Fund Balance</b>         | <b>\$ 768,875</b> |

**Statement of FY2018 Revenues and Expenditures**  
**July 1, 2017 through December 31, 2017**

|                                                                                               | <u>Budget</u>       | <u>Actual</u>      |
|-----------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>REVENUES</b>                                                                               |                     |                    |
| Bond Proceeds                                                                                 | \$ - <sup>1</sup>   | \$ -               |
| Interest Earned                                                                               | 5,161               | 2,624              |
| From / (To) Fund Balance                                                                      | 1,019,067           | -                  |
| <b>Total Revenues</b>                                                                         | <b>\$ 1,024,228</b> | <b>\$ 2,624</b>    |
| <b>EXPENDITURES</b>                                                                           |                     |                    |
| <b>GR Forward Projects:</b>                                                                   |                     |                    |
| Goal #1: Restore the River as the Draw and Create a<br>Connected and Equitable River Corridor |                     |                    |
| River Trail Improvements                                                                      | \$ 228,000          | 28,071             |
| Michigan Street Streetscape Improvements                                                      | 180,000             | 22,765             |
| Streetscape / Riverwalk Projects TBD                                                          | 616,228             | -                  |
| Costs of Issuance                                                                             | -                   | 1,500              |
| <b>Total GR Forward Project Expenditures</b>                                                  | <b>\$ 1,024,228</b> | <b>\$ 52,336</b>   |
| <b>Excess / (Deficit)</b>                                                                     | <b>\$ -</b>         | <b>\$ (49,712)</b> |

Note 1: \$1,250,808 from bond proceeds was deposited on March 8, 2017.



**Grand Rapids Downtown  
Development Authority**  
(A Component Unit of the City of  
Grand Rapids, Michigan)

Financial Statements  
and Supplementary Information  
For the Year Ended June 30, 2017



**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

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Financial Statements and Supplementary Information  
For the Year Ended June 30, 2017

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

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## **Independent Auditor's Report**

Members of the Grand Rapids Downtown Development Authority  
Grand Rapids, Michigan

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Grand Rapids Downtown Development Authority (the Authority), a component unit of the City of Grand Rapids, Michigan, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grand Rapids Downtown Development Authority as of June 30, 2017, and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Prior Year Comparative Information*

We have previously audited the Authority's 2016 financial statements, and we expressed an unmodified audit opinion on the 2016 financial statements in our report dated December 14, 2016. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 9-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Current and Ongoing Projects and Future Commitments are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*BDO USA, LLP*

December 7, 2017

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## Management's Discussion and Analysis

This section of the Grand Rapids Downtown Development Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance for the fiscal year ended June 30, 2017. This discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. This discussion and analysis is designed to focus on current activities, resulting changes and currently known facts.

### Using the Financial Report

This financial report consists of financial statements that focus on the financial condition of the unit of government and the results of its operations as a whole. One of the most important questions asked about governmental finances is whether the unit of government as a whole is better off or worse off as a result of the year's activities. The keys to answering this question are the Statement of Net Position and the Statement of Activities.

The Statement of Net Position includes the Authority's assets, deferred outflows of resources, liabilities and net position. Deferred outflows of resources are the consumption of net position by the Authority that is applicable to a future reporting period. It is prepared using the accrual basis of accounting, whereby revenues and assets are recognized when levied or the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The Authority's net position is one indicator of the Authority's financial health. Over time, increases or decreases in net position indicate the improvement or erosion of the Authority's financial health.

### Condensed Statements of Net Position

| <i>June 30,</i>                       | <b>2017</b>          | 2016          | % Change |
|---------------------------------------|----------------------|---------------|----------|
| <b>Assets</b>                         |                      |               |          |
| Current assets                        | \$ 14,233,203        | \$ 18,548,235 | (23.26)  |
| Noncurrent assets                     | 727,322              | 816,759       | (10.95)  |
| Capital assets, net of depreciation   | 36,756,587           | 39,379,020    | (6.66)   |
| <b>Total Assets</b>                   | <b>51,717,112</b>    | 58,744,014    | (11.96)  |
| <b>Deferred Outflows of Resources</b> | <b>3,095,372</b>     | 1,065,064     | 190.63   |
| <b>Liabilities</b>                    |                      |               |          |
| Current liabilities                   | 1,723,442            | 6,195,428     | (72.18)  |
| Noncurrent liabilities:               |                      |               |          |
| Due within one year                   | 8,057,941            | 4,375,992     | 84.14    |
| Due in more than one year             | 27,836,864           | 32,189,159    | (13.52)  |
| <b>Total Liabilities</b>              | <b>37,618,247</b>    | 42,760,579    | (12.03)  |
| <b>Net Position</b>                   |                      |               |          |
| Net investment in capital assets      | 12,383,252           | 15,479,760    | (20.00)  |
| Restricted for authorized projects    | 4,810,985            | 1,568,739     | 206.68   |
| <b>Total Net Position</b>             | <b>\$ 17,194,237</b> | \$ 17,048,499 | 0.85     |

## **Current Assets**

### *Equity in Pooled Cash and Investments*

The City of Grand Rapids maintains an investment pool for most City funds and component units. The Authority's \$9.2 million portion of the investment pool is displayed on the Statement of Net Position as equity in pooled cash and investments. Investments are a diversified mixture of U.S. Government Agency and U.S. Treasury securities, money market mutual funds, and commercial paper rated by at least two rating organizations at their highest rating. In fiscal year 2017, cash decreased by almost \$3.8 million from fiscal year 2016. Most of the difference results from \$1,020,295 of Series 2017 bond proceeds which were unexpended as of June 30, 2017 less the payment of \$4.5 million of excess capture tax increment revenues to the State of Michigan, Grand Rapids Public Schools, and Kent Intermediate School District.

### *Cash and Investments Held by Trustee*

The Authority's Tax Increment Revenue Series 1994 bond covenants required the Authority to deposit in a debt service reserve fund (DSRF) an amount sufficient to pay the highest year's principal and interest requirements on the remaining outstanding debt. This \$4.8 million is displayed as cash and investments held by trustee on the Governmental Fund Balance Sheet/Statement of Net Position. The balance decreased by approximately \$557,000 in fiscal year 2017. Beginning with the June 1, 2017 debt service payment, the Authority will use DSRF funds to meet the remaining semi-annual debt service requirements until the final maturity on June 1, 2019.

### *Receivables*

The Authority's fiscal year 2017 net receivables of \$225,702 are composed of interest receivable, amounts owed to the Authority for special assessments, and over-reimbursements to Grand Rapids Public Schools and Kent Intermediate School District. Detailed information for fiscal year 2017 is provided in Note 4.

## **Noncurrent Assets**

### *Long-Term Loan Receivable*

In May 2008, the Authority loaned \$898,848 to a local developer who used the funds to purchase vacant City property at the southwest corner of Fulton Street and Division Avenue. The terms of the repayment agreement include simple interest to be charged at 4.5% per year. Repayment of principal began in 2015. The developer paid the scheduled \$50,000 principal payment in fiscal year 2017. Debt service is scheduled to be completed in 2024.

### *Pre-Paid Expenses*

In January 2006, the Authority entered into a 15-year maintenance agreement for repairs and improvements to be made by the current owner of the Plaza Towers property for the Authority's riverwalk and Singer Sculpture between the Plaza Towers property and the Grand River.

### *Capital Assets, Net of Depreciation*

Net capital assets of \$36.8 million include the historical construction and acquisition costs of infrastructure, land, land improvements, buildings and structures, machinery and equipment, and office equipment and furniture, less \$53.3 million for accumulated depreciation. Detailed information regarding capital asset additions and deletions is available in Note 5.

## **Deferred Outflows of Resources**

### *Deferred on Refunding of Bonds*

The large increase in deferred on the refunding of bonds is due to the 2017 refunding of the Series 2009 bonds. See Note 7 for additional details.

## **Current Liabilities**

### *Accounts Payable*

As of June 30, 2017, accounts payable of \$1.4 million include amounts owed to vendors for goods and services received in fiscal year 2017 but paid for in fiscal year 2018. The accounts payable balance as of June 30, 2017 is \$4.4 million lower than the balance on June 30, 2016. The balance on June 30, 2016 also included estimated taxes due to other governments of \$4.5 million and amounts reserved in anticipation of potentially unfavorable property assessment appeal decisions of \$200,000. The taxes due to other governments accrued at 2016 fiscal year end were paid in fiscal year 2017, and there were no outstanding appeals at June 30, 2017.

### *Due to Participants*

Since 2004, the Authority has entered into agreements with project developers to reimburse them for a portion of their costs associated with construction of public facilities within the Authority's development plan boundaries.

## **Noncurrent Liabilities**

### *Noncurrent Liabilities, Due Within One Year*

Noncurrent liabilities, due within one year, of \$8.1 million represent the amount of the Authority's debt service payments due within 12 months after June 30, 2017, plus compensated absences expected to be paid within the same time frame. The large increase is due to the acceleration of principal payments approved by the Authority when the Series 2009 bonds were refunded. As a result, the Authority eliminated the capture of school tax increments for fiscal years 2023 and 2024. See Note 7 for additional information.

### *Noncurrent Liabilities, Due in More Than One Year*

Noncurrent liabilities of \$27.8 million represent bond principal and capital appreciation bond-related interest payments scheduled to be paid after June 30, 2018. The decrease in the amounts outstanding on June 30, 2017 and June 30, 2016 is due to scheduled payments of principal and interest on the bonds as well as savings from refunding the Series 2009 bond issue. See Note 7 for additional information.

## **Net Position**

Net position represents assets, plus deferred outflows of resources, less liabilities. Total net position at June 30, 2017 was about \$17.2 million, a 0.85% increase compared to total net position at June 30, 2016.

### *Net Investment in Capital Assets*

Net investment in capital assets of \$12.4 million includes the historical construction and acquisition costs of infrastructure, land, land improvements, buildings and structures, machinery and equipment, office equipment and furniture net of accumulated depreciation, and related bond principal outstanding. The 20% or \$3 million decrease between fiscal years 2017 and 2016 is roughly equal to the \$2.6 million decrease in net capital assets, plus the \$1.9 million decrease in long-term liabilities, less the \$2 million change in the deferrals on the refunding bonds plus the \$500,000 change in investments held by trustee for future debt service. Detailed information regarding capital assets and acquisition-related debt obligations is in Notes 5 and 7.

### *Restricted for Authorized Projects*

The Authority's net position is restricted by the requirements of Michigan Public Act 197 of 1975, as amended, which limits expenditures to those that further the Authority's development program. The \$3.2 million increase in restricted net position in fiscal year 2017 is mostly due to the \$2.6 million decrease in the amount of accrued interest on the Series 1994 capital appreciation bonds.

### **Statements of Activities**

| <i>Year ended June 30,</i>             | <b>2017</b>          | 2016          | % Change |
|----------------------------------------|----------------------|---------------|----------|
| <b>Revenues</b>                        |                      |               |          |
| Property taxes                         | <b>\$ 10,573,006</b> | \$ 10,193,687 | 3.72     |
| Investment earnings (loss)             | <b>(40,997)</b>      | 269,699       | (115.20) |
| Charges for services                   | <b>661,880</b>       | 516,959       | 28.03    |
| Total revenues                         | <b>11,193,889</b>    | 10,980,345    | 1.94     |
| <b>Expenses</b>                        |                      |               |          |
| Urban development                      | <b>8,514,614</b>     | 8,888,920     | (4.21)   |
| Interest and paying agent fees         | <b>2,533,537</b>     | 2,431,851     | 4.18     |
| Total expenses                         | <b>11,048,151</b>    | 11,320,771    | (2.41)   |
| Changes in net position                | <b>145,738</b>       | (340,426)     | 142.81   |
| <b>Net Position, beginning of year</b> | <b>17,048,499</b>    | 17,388,925    | (1.96)   |
| <b>Net Position, end of year</b>       | <b>\$ 17,194,237</b> | \$ 17,048,499 | 0.85     |

### **Revenues**

#### *Property Taxes*

The Authority's revenues are generated primarily through the use of property tax increment financing in which the Authority captures property tax revenues attributable to increases in the value of real and personal property within the district boundaries. Property tax increment revenues related to the State Education Tax, the Kent Intermediate School District and the Grand Rapids Public Schools levies are retained only in an amount sufficient to support the annual debt service for eligible debt obligations outstanding when Proposal A took effect on January 1, 1995 or for debt obligations which refunded those pre-1995 eligible obligations.

Property tax increment revenues related to the City of Grand Rapids, County of Kent, Grand Rapids Community College and the Interurban Transit Partnership are used to support the Authority's cash or debt financed development projects. Property tax increment revenues for the year ended June 30, 2017 include property taxes levied July 1, 2016 and December 1, 2016.

Property tax revenue between fiscal years 2017 and 2016 increased 3.72%. Property values in the district are increasing due to rehabilitation of older structures and construction of new structures including, primarily, residential and commercial spaces.

#### *Investment Earnings (Loss)*

This is interest revenue earned when Authority funds were invested by the City Treasurer, interest related to a loan for a downtown developer, and gains or losses on investments as they are brought to market value on June 30, 2017. There was a decrease of 115% in interest earnings between fiscal year 2017 and 2016.

#### *Charges for Services*

In fiscal year 2017, charges for services increased 28.03% or approximately \$145,000 due to increasing interest in downtown development.

### **Expenses**

#### *Urban Development*

In the fiscal year ended June 30, 2017, the Authority expended \$8.5 million for urban development work related to the Authority's Development Plan compared to \$8.9 million the prior year.

The Authority focused on three major development areas: investment, livability and vibrancy. There were five projects in fiscal year 2017 for which expenditures were much larger than all the other projects. Below are those five projects and the amounts expended for them in fiscal year 2017:

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|            |                                                                                                                                                                                                                                                                                                             |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 722,135 | Public facility developer reimbursements - HP3 LLC-J.W. Marriott, Owen-Ames-Kimball, Hopson Flats, 38 Commerce LLC, Two West Fulton, DBD Properties LLC, Health Park Central LLC, 68 Commerce LLC, 35 Oakes Associates, 100 Commerce Development LLC, Arena Place Development LLC and 55 Ionia Partners LLC |
| 455,898    | Building Re-Use Incentive Program                                                                                                                                                                                                                                                                           |
| 356,309    | Pearl Street Gateway Streetscape Enhancements                                                                                                                                                                                                                                                               |
| 281,140    | Public Realm Improvements                                                                                                                                                                                                                                                                                   |
| 255,677    | Lyon Square Improvements                                                                                                                                                                                                                                                                                    |

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The five largest projects in terms of expenditures for fiscal year 2016 are below:

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|            |                                                                                                                                                                                                                                                                            |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 841,993 | Grandville Area Improvements                                                                                                                                                                                                                                               |
|            | Bostwick Avenue - Lyon Street to Crescent Street and State Street - Jefferson to Lafayette                                                                                                                                                                                 |
| 599,125    |                                                                                                                                                                                                                                                                            |
| 541,179    | Public facility developer reimbursements - HP3 LLC-J.W. Marriott, Owen-Ames-Kimball, Hopson Flats, 38 Commerce LLC, Two West Fulton, DBD Properties LLC, Health Park Central LLC, 68 Commerce LLC, 35 Oakes Associates, 100 Commerce Development LLC, and Harris Lofts LLC |
| 308,848    | Downtown Ambassadors Program                                                                                                                                                                                                                                               |
| 265,942    | Lyon Square Improvements                                                                                                                                                                                                                                                   |

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### *Interest and Paying Agent Fees*

At various times, the Authority has issued bonds and other long-term obligations for the purpose of supporting development projects within district boundaries. Current debt service supports the following financed projects: partial support of the DeVos Place Convention Center construction, Van Andel Arena construction, and improvements to floodwalls and embankments along the Grand River. The increase between the current and prior year is related to the acceleration of principal payments from five to three maturities implemented when the Series 2009 maturities dated May 1, 2020 through May 1, 2024 were refunded on March 8, 2017. See Note 7.

### **Overall Financial Position**

Management believes the Authority is in good condition financially. Current tax increment revenues are adequate to cover ongoing debt service requirements and current project commitments.

### **Requests for Information**

This financial report is designed to provide a general overview of the Downtown Development Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the City of Grand Rapids Comptroller's Department, 300 Monroe Avenue NW, Grand Rapids, Michigan 49503.

## **Financial Statements**

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Statement of Net Position and Governmental Fund Balance Sheet**

| June 30,                                  | 2017                 |                         |                              | Statement of<br>Net Position<br>2016 |
|-------------------------------------------|----------------------|-------------------------|------------------------------|--------------------------------------|
|                                           | Governmental<br>Fund | Adjustments<br>(Note 3) | Statement of<br>Net Position |                                      |
| <b>Assets</b>                             |                      |                         |                              |                                      |
| Equity in pooled cash and investments     | \$ 9,158,234         | \$ -                    | \$ 9,158,234                 | \$ 12,954,382                        |
| Cash and investments held by trustee      | 4,849,267            | -                       | 4,849,267                    | 5,406,462                            |
| Current receivables (Note 4)              | 225,702              | -                       | 225,702                      | 187,391                              |
| Long-term loan receivable                 | 563,848              | -                       | 563,848                      | 613,848                              |
| Pre-paid expenses                         | -                    | 157,754                 | 157,754                      | 197,191                              |
| Net OPEB asset                            | -                    | 5,720                   | 5,720                        | 5,720                                |
| Capital assets (Note 5):                  |                      |                         |                              |                                      |
| Non-depreciable                           | -                    | 13,258,882              | 13,258,882                   | 13,258,882                           |
| Depreciable                               | -                    | 76,792,854              | 76,792,854                   | 76,792,854                           |
| Less accumulated depreciation             | -                    | (53,295,149)            | (53,295,149)                 | (50,672,716)                         |
| <b>Total Assets</b>                       | <b>\$ 14,797,051</b> | <b>36,920,061</b>       | <b>51,717,112</b>            | <b>58,744,014</b>                    |
| <b>Deferred Outflows of Resources</b>     |                      |                         |                              |                                      |
| Deferred on refunding of bonds            | \$ -                 | 3,095,372               | 3,095,372                    | 1,065,064                            |
| <b>Liabilities</b>                        |                      |                         |                              |                                      |
| Accounts payable (Note 6)                 | \$ 1,419,472         | -                       | 1,419,472                    | 5,832,120                            |
| Accrued interest payable - current        | -                    | 229,870                 | 229,870                      | 248,357                              |
| Customer deposits                         | 66,727               | -                       | 66,727                       | 107,578                              |
| Due to participants                       | 7,373                | -                       | 7,373                        | 7,373                                |
| Noncurrent liabilities (Note 7):          |                      |                         |                              |                                      |
| Due within one year                       | -                    | 8,057,941               | 8,057,941                    | 4,375,992                            |
| Due in more than one year                 | -                    | 27,836,864              | 27,836,864                   | 32,189,159                           |
| <b>Total liabilities</b>                  | <b>1,493,572</b>     | <b>36,124,675</b>       | <b>37,618,247</b>            | <b>42,760,579</b>                    |
| <b>Deferred Inflows of Resources</b>      |                      |                         |                              |                                      |
| Unavailable revenue                       | \$ 563,848           | (563,848)               | -                            | -                                    |
| <b>Fund Balance</b>                       |                      |                         |                              |                                      |
| Restricted for authorized projects        | 8,531,720            | (8,531,720)             | -                            | -                                    |
| Assigned for authorized projects          | 4,207,911            | (4,207,911)             | -                            | -                                    |
| <b>Total fund balance</b>                 | <b>12,739,631</b>    | <b>(12,739,631)</b>     | <b>-</b>                     | <b>-</b>                             |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 14,797,051</b> |                         |                              |                                      |
| <b>Net Position</b>                       |                      |                         |                              |                                      |
| Net investment in capital assets          |                      | 12,383,252              | 12,383,252                   | 15,479,760                           |
| Restricted for authorized projects        |                      | 4,810,985               | 4,810,985                    | 1,568,739                            |
| <b>Total Net Position</b>                 |                      | <b>\$ 17,194,237</b>    | <b>\$ 17,194,237</b>         | <b>\$ 17,048,499</b>                 |

*See accompanying independent auditor's report and notes to financial statements.*

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Statement of Activities and Governmental Fund Revenues, Expenditures  
and Changes in Fund Balance**

| <i>Year ended June 30,</i>                                   | 2017                 |                         |                            | Statement of<br>Activities<br>2016 |
|--------------------------------------------------------------|----------------------|-------------------------|----------------------------|------------------------------------|
|                                                              | Governmental<br>Fund | Adjustments<br>(Note 3) | Statement of<br>Activities |                                    |
| <b>Revenues</b>                                              |                      |                         |                            |                                    |
| Property taxes                                               | \$ 10,573,006        | \$ -                    | \$ 10,573,006              | \$ 10,193,687                      |
| Investment earnings (loss)                                   | (40,997)             | -                       | (40,997)                   | 269,699                            |
| Charges for services                                         | 661,880              | -                       | 661,880                    | 516,959                            |
| Other revenue                                                | 50,000               | (50,000)                | -                          | -                                  |
| <b>Total revenues</b>                                        | <b>11,243,889</b>    | <b>(50,000)</b>         | <b>11,193,889</b>          | <b>10,980,345</b>                  |
| <b>Expenditures/Expenses</b>                                 |                      |                         |                            |                                    |
| Urban development                                            | 6,307,289            | 2,207,325               | 8,514,614                  | 8,888,920                          |
| Principal payments                                           | 1,591,072            | (1,591,072)             | -                          | -                                  |
| Interest and paying agent fees                               | 4,457,869            | (1,924,332)             | 2,533,537                  | 2,431,851                          |
| <b>Total expenditures/expenses</b>                           | <b>12,356,230</b>    | <b>(1,308,079)</b>      | <b>11,048,151</b>          | <b>11,320,771</b>                  |
| <b>Excess of revenues over (under) expenditures/expenses</b> | <b>(1,112,341)</b>   | <b>1,258,079</b>        | <b>145,738</b>             | <b>(340,426)</b>                   |
| <b>Other Financing Sources (Uses)</b>                        |                      |                         |                            |                                    |
| Face value of bonds issued                                   | 25,280,000           | (25,280,000)            | -                          | -                                  |
| Premium on bonds issued                                      | 2,776,194            | (2,776,194)             | -                          | -                                  |
| Payment to escrow agent to refund bonds                      | (26,805,386)         | 26,805,386              | -                          | -                                  |
| <b>Total other financing sources (uses)</b>                  | <b>1,250,808</b>     | <b>(1,250,808)</b>      | <b>-</b>                   | <b>-</b>                           |
| <b>Net changes in fund balance</b>                           | <b>138,467</b>       | <b>(138,467)</b>        | <b>-</b>                   | <b>-</b>                           |
| <b>Changes in net position</b>                               | <b>-</b>             | <b>145,738</b>          | <b>145,738</b>             | <b>(340,426)</b>                   |
| <b>Fund Balance/Net Position, beginning of year</b>          | <b>12,601,164</b>    | <b>4,447,335</b>        | <b>17,048,499</b>          | <b>17,388,925</b>                  |
| <b>Fund Balance/Net Position, end of year</b>                | <b>\$ 12,739,631</b> | <b>\$ 4,454,606</b>     | <b>\$ 17,194,237</b>       | <b>\$ 17,048,499</b>               |

*See accompanying independent auditor's report and notes to financial statements.*

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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## **1. Reporting Entity**

The Grand Rapids Downtown Development Authority (the Authority), a component unit of the City of Grand Rapids, Michigan (the City), was created in 1979 by the City under the provisions of the State of Michigan Public Act 197 of 1975, as amended. The purpose of the Authority is to correct and prevent deterioration in business districts; encourage historic preservation; authorize the acquisition and disposal of interests in real and personal property; authorize the creation and implementation of development plans in the districts; promote the economic growth of the districts; authorize the levy and collection of taxes; authorize the issuance of bonds and other evidences of indebtedness; and authorize the use of tax increment financing.

Until 2007, the district was bounded roughly by Interstate 196 on the north, Division Avenue on the east, Cherry and Wealthy Streets on the south, and Seward Street on the west. In November 2007, the Authority approved a plan amendment that nearly doubled the Authority's development area but did not double the tax increment revenues, since much of the property in the expansion districts is exempt from paying property taxes. The new boundaries were bounded roughly by Newberry Street on the north, west of Lafayette Avenue or Prospect Avenue on the east, north of Logan Street or Wealthy Street on the south, and east of Lexington Avenue or Seward Avenue on the west. The initial property tax increment revenue capture for the expansion section was in fiscal year 2009.

In December 2016, the Authority approved a plan amendment which increased its development area but was not expected to significantly increase tax increment revenues due to the overlapping of existing tax increment districts and the inclusion of property tax exempt properties. These newest boundaries are adjacent to the Authority's northernmost and southernmost boundaries described in the previous paragraph. Specifically, the expansion boundaries are primarily north of Newberry Street, south of Wealthy Street, and north of Bridge Street.

## **2. Summary of Significant Accounting Policies**

### *Basis of Presentation*

The statement of net position/balance sheet and the statement of activities/revenues, expenditures and changes in fund balance report information on the activities of the Authority. The adjustments column is used to reflect the conversion from the balance sheet to the statement of net position, and the conversion of revenues, expenditures and changes in fund balance to the statement of activities.

### *Measurement Focus and Basis of Accounting*

The Authority uses the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance expenditures of the current period. The Authority considers revenues available if collected within 60 days after the end of the fiscal year; however, property tax increment revenues are recognized as revenues in the fiscal year for which the property taxes are levied. Expenditures generally are recognized when the related fund liability is incurred.

However, the statement of net position and the statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied.

*Prior Year Columns*

The columns labeled statement of net position 2016 and statement of activities 2016 are presented for information purposes only. These statements do not include the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance for 2016, which are necessary for a complete presentation in accordance with generally accepted accounting principles.

*Budget*

In accordance with the Authority's authorizing statute, the Grand Rapids City Commission annually approves the Authority's budget after the Authority's Board has reviewed and recommended it. After the City Commission approves the budget, the Authority adopts the budget. The budget for the Authority is a project budget rather than an annual budget. Therefore, budget to actual information has not been reflected in the financial statements.

*Cash and Investments*

The City maintains an investment pool for most City funds, including component units such as the Authority. The Authority's portion of the investment pool is displayed on the balance sheet as equity in pooled cash and investments. The Authority's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty.

The investment policy adopted by the City Commission is governed by the provisions of Michigan Public Act 20 of 1943, as amended. The policy is designed to prioritize the preservation of principal, while also providing an investment return. Details on the investment policy and the categorization of cash and investments are included in the Comprehensive Annual Financial Report of the City of Grand Rapids to give an indication of the level of risk assumed by the City at year-end. The losses shown on the Statement of Activities are a result of marking investments to market value on June 30, 2017, after a year of rising interest rates. The losses reflect the effect of the large relative increase in short-term interest rates from historic lows in July of 2016, not a default of any of the underlying securities. It is not feasible to allocate the level of risk to the various component units of the City because of the comingling of assets in the pool. Interest income and investment losses from the cash and investment pooling is distributed by the City Treasurer to the appropriate funds based on the fund's weighted average share of the investment pool.

Deposits are less than 10% of the total portfolio. They consist of bank money market funds, demand deposit accounts, and certificates of deposits with original maturities greater than three months at the date of purchase. Michigan statutes require that deposits be maintained in financial institutions with offices located in Michigan. Most deposits are uninsured and uncollateralized.

Investments are a diversified mixture of U.S. Government Agency and U.S. Treasury securities; money market mutual funds that maintain a \$1 value per share; obligations of the State of Michigan or its subdivisions with a rating of A or higher; and commercial paper rated by at least two rating organizations at their highest rating. All investments are reported at fair value.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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The Authority's Tax Increment Revenue Series 1994 bond covenants require the Authority to maintain in a debt service reserve fund (DSRF) an amount sufficient to pay the highest year's principal and interest requirements on the remaining outstanding debt. Beginning with the June 1, 2017 principal and interest payments, the Authority uses DSRF funds to pay debt service until the Series 1994 final maturity on June 1, 2019.

As of June 30, 2017, the Authority's DSRF had the following cash held by a trustee:

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|                      |              |
|----------------------|--------------|
| Money market account | \$ 4,849,267 |
|----------------------|--------------|

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*Capital Assets*

Tangible assets having a useful life in excess of one year, typically with cost in excess of \$10,000, are capitalized. Capital assets are stated at acquisition cost at the date of donation. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

|                                        | Years   |
|----------------------------------------|---------|
| Land improvements                      | 20      |
| Buildings, structures and improvements | 20 - 30 |
| Furniture and furnishings              | 3 - 30  |
| Machinery and equipment                | 3 - 30  |

---

*Property Taxes*

The majority of the Authority's revenues are generated through property tax increment financing. Summer taxes are levied by the City on July 1 and attach as an enforceable lien at that time. Summer taxes are due without penalty on or before July 31. Winter taxes are levied on December 1 and attach as an enforceable lien at that time. Winter taxes are due without penalty on or before February 14.

*Deferred Outflows of Resources*

In addition to assets, the statement of financial position reports a separate section titled deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has only one type of item that qualifies for reporting in this category. The deferred on refunding of bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

*Deferred Inflows of Resources*

In addition to liabilities, the governmental fund balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item which qualifies for reporting in this category, deferred resources due to time restrictions related to a long-term loan receivable.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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*Net Position*

Net position represents assets, plus deferred outflows of resources, less liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or other external restrictions. Unrestricted net position consists of net position that does not meet the definition of the two preceding categories and, thus, is generally available for use in operations.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**3. Reconciliation of Government-Wide and Fund Financial Statements**

Amounts reported in the statement of net position and the statement of activities are different from amounts reported in the governmental fund because of the following:

---

|                                                                                                                                                                           |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Governmental fund total fund balances                                                                                                                                     | \$ 12,739,631        |
| Capital assets are not financial resources and, therefore, are not reported in the governmental fund balance sheet.                                                       |                      |
| Non-depreciable                                                                                                                                                           | 13,258,882           |
| Depreciable                                                                                                                                                               | 76,792,854           |
| Accumulated depreciation                                                                                                                                                  | (53,295,149)         |
| Other long-term assets that are not available to pay for current period expenditures and are not reported in the governmental funds.                                      |                      |
| Pre-paid maintenance agreement                                                                                                                                            | 157,754              |
| Net OPEB asset                                                                                                                                                            | 5,720                |
| Deferred outflows of resources are not available to pay for current period expenditures.                                                                                  |                      |
| Deferred on refunding of bonds                                                                                                                                            | 3,095,372            |
| Long-term liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. |                      |
| Contracts payable                                                                                                                                                         | (93,000)             |
| Bonds payable                                                                                                                                                             | (29,589,154)         |
| Accrued interest on bonds and contracts payable                                                                                                                           | (3,798,910)          |
| Bond premium                                                                                                                                                              | (2,635,820)          |
| Compensated absences                                                                                                                                                      | (7,791)              |
| Deferred inflows of resources not available for use in the current period                                                                                                 |                      |
| Related to long-term loan receivable                                                                                                                                      | 563,848              |
| <b>Government-Wide Net Position</b>                                                                                                                                       | <b>\$ 17,194,237</b> |

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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|                                                  |    |         |
|--------------------------------------------------|----|---------|
| Net change in fund balances - governmental funds | \$ | 138,467 |
|--------------------------------------------------|----|---------|

The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

|  |  |             |
|--|--|-------------|
|  |  | (2,622,433) |
|--|--|-------------|

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and contract principal and long-term payables is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

|                                                |  |              |
|------------------------------------------------|--|--------------|
| Repayments of principal of bonds and contracts |  | 25,836,072   |
| Issuance of new debt                           |  | (25,280,000) |
| Premium on new bonds                           |  | (2,776,194)  |
| Deferred on the refunding of bonds             |  | 3,014,841    |

Some revenue reported in the governmental fund reports were related to prior periods.

|                                        |  |          |
|----------------------------------------|--|----------|
| Receipt of principal on long term loan |  | (50,000) |
|----------------------------------------|--|----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                       |  |           |
|---------------------------------------|--|-----------|
| Accrued interest                      |  | 2,635,931 |
| Compensated absences                  |  | 90        |
| Amortization on maintenance agreement |  | (39,437)  |
| Bond amortizations                    |  | (711,599) |

---

|                                                          |           |                |
|----------------------------------------------------------|-----------|----------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$</b> | <b>145,738</b> |
|----------------------------------------------------------|-----------|----------------|

---

#### **4. Receivables**

*June 30, 2017*

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|                                                                   |    |         |
|-------------------------------------------------------------------|----|---------|
| Interest receivable                                               | \$ | 55,710  |
| Due from other governments for excess capture over-reimbursements |    | 162,624 |
| Other receivables                                                 |    | 7,368   |
|                                                                   |    | <hr/>   |
|                                                                   | \$ | 225,702 |

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

**5. Capital Assets**

The following table summarizes, by major class of asset, the Authority's capital asset activity:

|                                        | Balance<br>July 1,<br>2016 | Additions             | Disposals   | Balance<br>June 30,<br>2017 |
|----------------------------------------|----------------------------|-----------------------|-------------|-----------------------------|
| Capital assets not being depreciated   |                            |                       |             |                             |
| Land                                   | \$ 13,258,882              | \$ -                  | \$ -        | \$ 13,258,882               |
| Capital assets being depreciated       |                            |                       |             |                             |
| Infrastructure                         | 267,779                    | -                     | -           | 267,779                     |
| Land improvements                      | 7,626,373                  | -                     | -           | 7,626,373                   |
| Buildings and structures               | 59,948,100                 | -                     | -           | 59,948,100                  |
| Machinery and equipment                | 6,123,062                  | -                     | -           | 6,123,062                   |
| Office equipment and furniture         | 2,827,540                  | -                     | -           | 2,827,540                   |
| Total capital assets being depreciated | 76,792,854                 | -                     | -           | 76,792,854                  |
| Less accumulated depreciation for      |                            |                       |             |                             |
| Infrastructure                         | 172,576                    | 5,941                 | -           | 178,517                     |
| Land improvements                      | 5,785,719                  | 285,409               | -           | 6,071,128                   |
| Buildings and structures               | 38,955,916                 | 1,995,244             | -           | 40,951,160                  |
| Machinery and equipment                | 3,896,958                  | 241,763               | -           | 4,138,721                   |
| Office equipment and furniture         | 1,861,547                  | 94,076                | -           | 1,955,623                   |
| Total accumulated depreciation         | 50,672,716                 | 2,622,433             | -           | 53,295,149                  |
| Net capital assets being depreciated   | 26,120,138                 | (2,622,433)           | -           | 23,497,705                  |
| <b>Capital Assets, net</b>             | <b>\$ 39,379,020</b>       | <b>\$ (2,622,433)</b> | <b>\$ -</b> | <b>\$ 36,756,587</b>        |

**6. Accounts Payable**

*June 30, 2017*

|         |              |
|---------|--------------|
| Vendors | \$ 1,419,472 |
|---------|--------------|

*The remainder of this page intentionally left blank.*

**Grand Rapids Downtown Development Authority**  
(A Component Unit of the City of Grand Rapids, Michigan)

**Notes to Financial Statements**

**7. Long-Term Liabilities**

Changes in long-term liabilities were as follows:

|                                                   | Balance<br>July 1,<br>2016 | Additions            | Reductions           | Balance<br>June 30,<br>2017 | Due<br>Within<br>One Year |
|---------------------------------------------------|----------------------------|----------------------|----------------------|-----------------------------|---------------------------|
| Bonds payable                                     | \$ 30,098,726              | \$ 25,280,000        | \$ 25,789,572        | \$ 29,589,154               | \$ 4,744,601              |
| Bond premium                                      | 132,560                    | 2,776,194            | 272,934              | 2,635,820                   | -                         |
| Accrued interest on capital<br>appreciation bonds | 6,186,484                  | 587,984              | 3,205,428            | 3,569,040                   | 3,260,399                 |
| Contracts payable                                 | 139,500                    | -                    | 46,500               | 93,000                      | 48,500                    |
| Compensated absences                              | 7,881                      | 3,254                | 3,344                | 7,791                       | 4,441                     |
| <b>Total</b>                                      | <b>\$ 36,565,151</b>       | <b>\$ 28,647,432</b> | <b>\$ 29,317,778</b> | <b>\$ 35,894,805</b>        | <b>\$ 8,057,941</b>       |

Long-term bonds and contracts consist of the following:

*June 30, 2017*

|                                                                                                                                                                                                                     |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1994 Downtown Development Authority Tax Increment Revenue Bonds, interest rate 7.35%, with various amounts maturing through 2019.                                                                                   | \$ 879,154           |
| 2008 Kent County Drain Commission Contract Payable, interest rates ranging from 4.00% to 4.25%, with various amounts maturing through 2021.                                                                         | 93,000               |
| 2009 Downtown Development Authority Tax Increment Revenue Improvement and Refunding Michigan Municipal Bond Authority Bonds, interest rates ranging from 4.25% to 5.0%, with various amounts maturing through 2019. | 3,855,000            |
| 2017 Downtown Development Authority Tax Increment Revenue Improvement and Refunding Bonds, interest rates ranging from 4.0% to 5.0%, with various amounts maturing through 2022.                                    | 24,855,000           |
|                                                                                                                                                                                                                     | <b>\$ 29,682,154</b> |

The annual requirements to pay principal and interest on long-term obligations outstanding are as follows:

Bonds payable:

| <i>Year ending June 30,</i> | Principal            | Interest            |
|-----------------------------|----------------------|---------------------|
| 2018                        | \$ 4,744,601         | \$ 4,635,862        |
| 2019                        | 5,734,553            | 1,914,646           |
| 2020                        | 6,275,000            | 955,500             |
| 2021                        | 6,345,000            | 641,750             |
| 2022                        | 6,490,000            | 324,500             |
|                             | <b>\$ 29,589,154</b> | <b>\$ 8,472,258</b> |

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

Contracts payable:

| <i>Year ending June 30,</i> | Principal        | Interest        |
|-----------------------------|------------------|-----------------|
| 2018                        | \$ 48,500        | \$ 2,787        |
| 2019                        | 14,250           | 1,532           |
| 2020                        | 14,750           | 933             |
| 2021                        | 15,500           | 310             |
|                             | <b>\$ 93,000</b> | <b>\$ 5,562</b> |

The Series 1994 bond issue for the Van Andel Arena contains \$879,155 of capital appreciation bonds, upon which interest is not paid until the bonds mature. The original amount of capital appreciation bonds was \$9,895,720. Starting in 2009, maturities of \$9,016,565 have been paid. These bonds appreciate in value to \$4,840,000.

On March 8, 2017 the City issued Downtown Development Authority Limited Tax General Obligation Improvement and Refunding Bonds, Series 2017, in the amount of \$25,280,000. Interest rates range from 4% to 5% with maturities in varying amounts from May 2017 to May 2022. Net proceeds were \$27,931,204, including a bond premium in the amount of \$2,776,194 less the underwriter's discount of \$124,990. \$24,245,000 of the Series 2017 proceeds were used to redeem the Authority's Series 2009 maturities dated May 1, 2020 through May 1, 2024. The remaining Series 2017 proceeds were used to pay costs associated with issuing the bonds and for streetscape and river walkways capital improvements. The net present value savings were \$1,024,228, actual savings were \$1,750,376. By eliminating the May 1, 2023 and May 1, 2024 maturities for the Series 2009 bonds, the Authority will be able to cease capture of school millage-related tax increment revenues two years earlier than expected while also decreasing total interest expense.

## **8. Lease Commitments**

In 2003, the City County Joint Building Authority (CCJBA) concurrently issued \$5,000,000 Series 2003A and \$5,000,000 Series 2003B bonds for the purpose of defraying, in part, the cost of constructing the DeVos Place Convention Center facility on Monroe Avenue. In 2013, the CCJBA refunded the two issues with Series 2013A and 2013B refunding bonds. Debt service for the Series 2013A bonds is supported by the County of Kent's semi-annual rental payments and will be completed in December 2023. Debt service for the Series 2013B bonds is supported by the Authority's semi-annual lease payments and will also be completed in December 2023. The Authority's \$5,000,000 debt-financed project contribution on behalf of the DeVos Place project was supplemented by an additional \$5,000,000 cash contribution early in fiscal year 2004.

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**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Notes to Financial Statements**

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The amount of Series 2013B principal outstanding for which the Authority is responsible as of June 30, 2017 is \$1,975,000. Future lease payments are as follows:

| <i>Year ending June 30,</i> | DeVos Place<br>Convention<br>Center |
|-----------------------------|-------------------------------------|
| 2018                        | \$ 327,100                          |
| 2019                        | 324,225                             |
| 2020                        | 326,125                             |
| 2021                        | 321,400                             |
| 2022                        | 315,100                             |
| 2023 - 2024                 | 634,600                             |
|                             | <hr/>                               |
|                             | \$ 2,248,550                        |

**9. Contingencies**

The City is regularly involved in various property tax appeals although there were no appeals outstanding for the Authority as of June 30, 2017. The outcomes of the individual appeals are not predictable with reasonable assurance, and it is reasonably probable that some of these matters may be decided unfavorably to the City.

The Authority is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the financial position of the Authority.

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## **Supplementary Information**

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# **Grand Rapids Downtown Development Authority** **(A Component Unit of the City of Grand Rapids, Michigan)**

## **Schedule of Current and Ongoing Projects (Unaudited)**

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The Authority captures property tax increment revenues from two sources: local tax increments and school tax increments. Local tax increment (LTI) revenues are derived from millages assessed by the City of Grand Rapids, the County of Kent, the Interurban Transportation Partnership, and the Grand Rapids Community College. School tax increment (STI) revenues are related to the State Education Tax millage; the Grand Rapids Public Schools operating, sinking fund and debt millages; and the Kent Intermediate School District millages. State law restricts the Authority's use of STI revenues for payment of debt service and other eligible obligations in existence prior to January 1, 1995 and for debt obligations which refunded those pre-1995 eligible obligations. Non-tax revenues include interest on investments and rental and parking revenues generated by facilities owned by the Authority.

In December 2015, the Authority approved GR Forward, which established a vision and strategies for the future of Downtown Grand Rapids. Drawing on input from the community, GR Forward prioritizes ideas and projects that align with and enhance the collective vision; and began building leadership around the following five goals:

- Goal 1: Restore the Grand River as the Draw and Create a Connected and Equitable River Corridor
- Goal 2: Establish a True Downtown Neighborhood That is Home to a Diverse Population
- Goal 3: Implement a 21st Century Mobility Strategy
- Goal 4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy
- Goal 5: Reinvest in Public Space, Culture and Inclusive Programming

GR Forward established an implementation schedule and is the basis for the Authority's fiscal years 2016 to 2025 priority planning process and beyond. Projects and initiatives have been prioritized to ensure the Authority's investments provide strategic support to projects and initiatives meeting the criteria established by GR Forward.

Funds are allocated annually to enable the Authority to assist with private and public projects that fall within the "public purpose" criteria of state law, and would help to accomplish the developmental objectives of the Authority. As recommended by GR Forward, development projects have been sub-divided into the five goals, each with an alliance that advises on projects and implementation activities.

The Authority's development projects described below are funded with LTI or non-tax increment revenues.

### **Goal 1: Restore the Grand River as the Draw and Create a Connected and Equitable River Corridor**

- *River Trail Economic Impact Analysis*

Economic analysis on the impact of the full build out of the Grand River trail for use in grant submissions and capital fundraising.

- *River Trail Design Guidelines*

Participation in project to create a distinct identity for the future river trail. Project is being conducted in collaboration with the City of Grand Rapids Engineer and Parks and Recreation Departments.

- *Grand River Activation*

DDA contribution to complete the design and permitting for the restoration of the Grand River.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Schedule of Current and Ongoing Projects (Unaudited)**

---

- *Lyon Square Improvements*

This line item creates a placeholder for eventual capital investments in building Lyon Square.

**Goal 2: Establish a True Downtown Neighborhood That is Home to a Diverse Population**

**Development Incentive Programs**

- *Areaway Fill*

Continued funding for the existing Areaway Removal Incentive Program. Program funds will be used to cover existing obligations, and to continue to improve public safety through the removal of existing areaways. Funds are utilized to reimburse eligible activities, including removal of an areaway cap, construction of a new basement wall, and sidewalk improvements, among others.

- *Building Reuse Incentive Program*

Request to continue funding the existing Building Reuse Incentive Program. Program funds will be used to cover existing obligations, and to continue to assist property and business owners in the rehabilitation of buildings constructed pre-1950 downtown. Funds are utilized to reimburse eligible activities, including barrier free improvements, fire suppression upgrades, providing a second means of egress, and many others.

- *Development Support Reimbursements*

Continued funding for the existing Development Support Program. Program funds will be used to further promote economic growth and development in downtown by funding approved eligible expenses in new construction projects over \$5 million in new investment and in rehabilitation projects featuring over \$1 million in new investment. Proposed funding is to cover existing obligations and to capitalize on new opportunities.

- *Downtown Enhancement Grant*

Funding for the Downtown Enhancement Grant Program. Funds will be used to cover existing obligations, and to continue to assist property and business owners in the rehabilitation of the Downtown public realm. Funds are utilized to reimburse eligible activities, including installation of street furniture, snowmelt, and other public realm improvements.

- *Affordable Housing Support*

This line item creates an allocation of funding from the DDA to support the delivery of more affordable housing options in downtown. Specific program(s) and/or uses of funds to be determined.

- *Downtown Census*

Update to existing downtown census. DGRI has committed to updating the census on a biannual basis to better understand the changing dynamics of the Downtown resident, employee and visitor populations.

- *Heartside Public Restroom Facility*

DDA contribution to the installation of restroom facilities in the Heartside neighborhood. The project will be conducted in partnership with the City of Grand Rapids, and the DDA funds will go toward costs associated with the construction of the facilities only.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Schedule of Current and Ongoing Projects (Unaudited)**

---

**Goal 3: Implement a 21st Century Mobility Strategy**

- *Downtown Streetscape Design Guidelines*

The project will create a cohesive strategy for the design and utilization of the public realm. Outcomes should provide guidance to developers regarding material choices, design, patterns, and other elements for urban streetscapes within the various downtown neighborhoods. Further, it will provide guidance to tenants and operators about the placement and options for encroachments to assist in better enlivening the public realm.

- *Bridge Street Streetscape*

Contribution to improvements at Bridge and Cherry Street as a part of an MDOT project. Improvements include installation of new lighting at both overpasses and a new sidewalk along Cherry Street. *This contribution is part of a larger project, totaling \$2,402,341, with contributions from the Vital Streets Fund (\$1,167,916), private foundations (\$53,000), Capital Improvement Fund (\$57,000) and a TAP Grant (\$973,425).*

- *Michigan Street/Ottawa Gateway*

DDA share of \$1 million project to improve the streetscape along Michigan Street near the hospital areas. Enhancements will include new lighting, trees and green infrastructure, along with enhancements to improve pedestrian safety. This expenditure was already approved by the DDA Board.

- *Pearl Street Gateway Enhancements*

Completion of the pedestrian enhancements on Pearl Street between Mt. Vernon and the Grand River.

- *Sheldon Avenue Public Improvements*

Completion of pedestrian improvements, including new pavers, street trees and decorative lighting along Sheldon Avenue from Fulton Avenue to Weston Street. The project will further the goal established in GR Forward to create a linear park that connects Cathedral Square to Crescent Park.

- *State Street and Bostwick Reconstruction*

DDA share of reconstruction project at State Street and Bostwick.

- *Streetscape Improvements*

Pedestrian enhancements along key downtown corridors. Enhancements will include lighting, trees and safety elements to improve street crossings. Targeted streets include Division Avenue and Fulton Street.

- *Accessibility and Mobility Repairs*

Funding to implement recommendations from the downtown accessibility audit conducted by the Disability Advocates of Kent County.

- *Bike Friendly Improvements*

Funding for bike parking infrastructure to expand the current program in partnership with MobileGR, the Traffic Safety Department, and the Greater Grand Rapids Bicycle Coalition to enhance and expand bike parking options downtown with a comprehensive bike parking plan (including new corrals, off-street parking, etc.). Funding to conduct a demand/feasibility analysis for a citywide bikeshare will also be provided through this line item.

# **Grand Rapids Downtown Development Authority** **(A Component Unit of the City of Grand Rapids, Michigan)**

## **Schedule of Current and Ongoing Projects (Unaudited)**

---

- *Public Realm Improvements*

Funding for equipment to be utilized in partnership with the Downtown Ambassadors to repurpose and repair current refuse containers, as well as acquire new containers to address deficient areas with a focus on containers that can incorporate a public art component.

- *Wayfinding*

Funding to assess all current wayfinding systems to analyze efficiency and effectiveness, and understand areas of opportunity for improvement (including an assessment resting spaces and paratransit access points - loading zones, proximity to entrances, etc., as well as the Downtown street sign system).

### **Goal 4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy**

- *Economic Development – M/WBE*

This line item follows the approval of the DDA TIF and Development Plan amendments and embodies recommendations from GR Forward regarding growing the number of ground floor businesses downtown owned by women or minorities.

### **Goal 5: Reinvest in Public Space, Culture and Inclusive Programming**

- *Arena South Implementation*

Funding to implement the Arena South Visioning Plan. Projects will include completion of the Cherry Street public space improvements, as well as the installation of new festoon lighting on Ionia Avenue.

- *Parks Design*

Design work for GR Forward park priority projects. Work in fiscal year 2018 will include schematic design work for Switchback Park and design development/construction drawings for Lyon Square.

- *Veteran's Park Improvements*

Construction of park improvements to implement the vision established by the Veterans and Monument Park Master Plan approved by the DDA Board in 2013. Costs for improvements will be reimbursed through the TIF from the Brownfield established for Fitzgerald condos. Construction is anticipated to begin spring 2017, and be complete spring 2018.

- *Ticketed Events: Police Services*

DDA contribution for GRPD police services for ticketed special events include those located at Van Andel Arena and DeVos Place for pedestrian safety.

- *Police Foot Patrols*

DDA contribution to providing added public safety via additional police foot patrol services along key entertainment corridors throughout the summer months.

- *City of Grand Rapids Office of Special Events Support*

DDA contribution for The City of Grand Rapids Office of Special Event (OSE) support financially helps maintain and run the office's management in order to schedule, process and permit events looking to host an event within The City of Grand Rapids.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Schedule of Current and Ongoing Projects (Unaudited)**

---

- *Rosa Parks Circle Ice Skating*

DDA contribution to Rosa Parks Circle Ice Skating helps to support skate rink operations including operations of the zamboni, maintenance and upkeep of the rink.

- *Major Event Sponsorship*

DDA contribution to Major Event Sponsorship helps to support Downtown signature events like ArtPrize and LaughFest.

- *Bridge Lighting Operations*

DDA contribution to Bridge Lighting Operations helps to support electricity and maintenance for lighting on the Indiana Railroad Bridge (Blue Bridge) and the Gillett Bridge.

- *Downtown Marketing and Inclusion Efforts*

The DDA's contribution to downtown marketing helps support communications that promote downtown events and programming initiatives to downtown stakeholders, residents, businesses, and customer audiences. This includes but is not limited to paid advertising, the production of marketing collateral, and ongoing maintenance and enhancements of a digital media platform that serves more than 85,000 users and reaches tens of thousands more.

- *State of the Downtown Event/Annual Report*

DDA contribution to the State of the Downtown Event/Annual Report helps to support the programming activities and production for the annual event as well as the costs to support the marketing medium for DGRI's annual report.

- *DGRI Event Production*

DDA contribution to DGRI Event Production contributes to the support of six Movies in the Park events, Snow Days, Valent-ICE, Light Up Downtown, Movies NOT in the Park, fundraising contract, and additional winter programming.

- *Diversity and Inclusion/Community Relations and Engagement Programming*

The DDA's contribution to Community Relations and Engagement helps support efforts to create a more welcoming and inclusive downtown, attract and serve more multicultural audiences and strengthen community ties in and to the downtown neighborhood. This work includes but is not limited to event support and production, program sponsorship and partnership building to advance the collective vision of Downtown for the benefit of the entire community.

- *Downtown Hospitality and Workforce Program*

DDA contribution to Downtown Workforce Program helps to support programming and other efforts in order to connect with the downtown workers of Grand Rapids. This could include, but is not limited to; Broomball Leagues, exercise and fitness classes, Relax at Rosa event series, downtown workforce network program, Lunch & Learn series, merchant events, and marketing initiatives.

- *Holiday Décor Program*

DDA contribution to Holiday Décor Program helps to support the DDA's investment towards lighting and decorating downtown during the holiday season. This continued support will allow DGRI to continue to decorate downtown with the replacement of existing decoration investments.

**Grand Rapids Downtown Development Authority**  
**(A Component Unit of the City of Grand Rapids, Michigan)**

**Schedule of Current and Ongoing Projects (Unaudited)**

---

- *Public Space Activation*

DDA contribution to Public Space Activation helps to continue and expand upon the Pop-Up Performer Program, public games, public artwork programs, murals, activation grant program, food truck initiatives, parks programming, and other enlivening interventions that help create an ambiance at atmosphere within downtown.

- *Special Events: DGRI Sponsorship Support Program/Grant Programs*

DDA contribution to Special Events Event Sponsorship Support Program will help to support events happening downtown that are seeking event support and that align with the community goals that were voiced through the Special Events Optimization process finalized in FY15. This program will help us to support 10 events at a minimum per year.

- *Special Events Training Program*

DDA contribution to Special Events Training Program will help to support educational workshops for events training in order to help assist event planners and producers to successfully plan and manage an event within downtown and the City of Grand Rapids.

- *Urban Recreation: Parks Programming*

DDA contribution to Urban Recreation Programming helps to fund free outdoor fitness programming including Zumba, Werq, Kickboxing, and Pound classes as well as dancing classes including world dance, ballroom, and street beats. This program will also help to fund outdoor walking and running tours.

- *Winter Improvements*

DDA contribution will help to add additional winter activities in the public realm and within Downtown parks to help activate area and months that are not normally heavily used with winter-themed temporary infrastructure and programming.

- *Calder/Rosa Temporary Improvements*

DDA contribution to Calder and Rosa Parks Circle will help to contribute temporary improvements within the park to add additional amenities including seating, shading, greenery, and games.

- *Outdoor Fitness Programming Equipment*

DDA contribution to outdoor fitness programming equipment will fund the effort to bring urban recreation outdoor fitness equipment to the Monroe North district.



## **Grand Rapids Downtown Development Authority**

# **AUDIT WRAP UP**

**June 30, 2017**



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., City Commission and Fiscal Committee) and, if appropriate, management of the Authority and is not intended and should not be used by anyone other than these specified parties.

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

December 8, 2017

Members of the Grand Rapids Downtown Development Authority  
Grand Rapids, Michigan

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. The following documents various matters with respect to the wrap-up phase of the audit of the annual financial statements of the Grand Rapids Downtown Development Authority (the Authority) as of and for the year ended June 30, 2017, including a summary of our overall objectives for the audit, and the nature, scope and timing of the planed audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Authority's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Authority and will meet with you if you would like to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA, LLP*

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# Discussion Outline

|                                                | Page |
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| Status of Our Audit .....                      | 3    |
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# Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2017. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We have issued an unmodified opinion on the financial statements and released our report on December 7, 2017.
- Our responsibility for other information in documents containing the Authority's audited financial statements (e.g. management's discussion and analysis) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the Authority and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- All records and information requested by BDO were freely available for our inspection.

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# Results of Our Audit

## ACCOUNTING PRACTICES AND POLICIES

The Authority's significant accounting practices and policies are those included in Note 2 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 2 to the financial statements.

- There were no changes in significant accounting policies and practices during the year.

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements related to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.

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# Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Authority's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

| Category                              | Definition                                                                                                                                                                                                                                                |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Deficiency in Internal Control</b> | A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. |
| <b>Significant Deficiency</b>         | A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.                                                                   |
| <b>Material Weakness</b>              | A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.     |

In conjunction with our audit of the financial statements, we noted no material weaknesses.

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## Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Authority:

| Requirement                                                                                                                                                                 | Discussion Points                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Significant changes to planned audit strategy or significant risks initially identified</b>                                                                              | There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.                                                                                                                                           |
| <b>Obtain information from those charged with governance relevant to the audit</b>                                                                                          | There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Authority's financial reporting that we were made aware of as a result of our inquiry of those charged with governance. |
| <b>Consultations with other accountants</b>                                                                                                                                 | We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.                                                          |
| <b>Disagreements with management</b>                                                                                                                                        | There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Authority's financial statements or to our auditor's report.                                                                                                                                  |
| <b>Significant difficulties encountered during the audit</b>                                                                                                                | There were no significant difficulties encountered during the audit.                                                                                                                                                                                                                                                                                           |
| <b>Other matters significant to the oversight of the Authority's financial reporting process, including complaints or concerns regarding accounting or auditing matters</b> | There are no other matters that we consider significant to the oversight of the Authority's financial reporting process that have not been previously communicated.                                                                                                                                                                                            |
| <b>Representations requested from management</b>                                                                                                                            | Please refer to the management representation letter.                                                                                                                                                                                                                                                                                                          |

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# Independence Communication

Our engagement letter to you dated May 8, 2017 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Authority with respect to independence as agreed to by the Authority. Please refer to that letter for further information.

# MEMORANDUM

DOWNTOWN  
DEVELOPMENT  
AUTHORITY



DATE: January 4, 2018

TO: Downtown Development Authority

FROM: Andy Guy, Chief Outcomes Officer

SUBJECT: **Contract for Video Production Services**

Agenda Item #5  
January 10, 2018  
DDA Meeting

The Grand Rapids Downtown Development Authority (DDA) and Downtown Grand Rapids Inc. (DGRI) measure “Active Social Media Presence” as a key organizational performance indicator. This metric matters because a robust online communications platform enables the organizations to affordably reach a diverse audience with relevant information, enhance transparency and maintain a high level of customer service and community engagement.

As a result of DDA investments to build a more robust multi-media public information program, quality video content and motion graphics have become an important tool deployed by DGRI staff to grow the dynamism and effectiveness of organizational communications and outreach.

Several recent productions significantly strengthened our ability to reach and engage more people and raise broader awareness of key initiatives. Highlights include but are not limited to:

- The *Calder Plaza Reimagined* video in 38 seconds visually communicated numerous exciting conceptual improvements to the Plaza in a way that a common written word “media release” simply cannot convey. The video attracted 10,000+ views and regularly supports public presentations by staff.
- The *Movies in the Park Lineup Release* video, which featured local artists revealing the film titles through spoken word, attracted 40,000+ views, was shared nearly 400 times and significantly raised awareness of this signature event through more robust social media conversation.
- *Ciggy’s Big Adventure*, a short educational vignette, introduced an important new Ambassador-led initiative to keep cigarette litter from polluting Downtown sidewalks, the Grand River and Great Lakes beaches. The video, released in September 2017, has attracted 18,000+ views to date.



These types of productions not only help to attract more attention and spread the word about key initiatives. They also help to energize and amplify the organization's social media platforms in a way that engages more people and grows audience. One result: DGRI's social media audience grew 24% on Twitter, 62% on Facebook and 97% on Instagram – a platform driven by engaging video content.

To continue a high level of quality multi-media activity across the DDA/DGRI social platforms, DGRI staff recommends extending our partnership with DropDrop Studios.

DropDrop has worked with DGRI for two years now and developed a good understanding of the organization's communication goals and approach.

Located on the Avenue for the Arts in Downtown GR, the firm was originally selected as a vendor through a competitive June 2015 RFQ process to develop the summary video that supported the formal community approval process for *GR Forward*.

DGRI also selected DropDrop through a competitive March 2016 RFQ process to develop *The State of Our Downtown* video which expanded the reach of DGRI's annual report.

In 2017 DropDrop collaborated with DGRI on a dozen different video communication projects including – in addition to the project listed above – a 3-min *GR Forward* implementation update and several short spots promoting the opening of the Grand Rapids African American Museum and Archives, changes to DASH service and the importance of growing the urban tree canopy.

DGRI staff projects a similar scope of work in 2018. The estimated budget to develop this portfolio of video assets is \$49,700. Project funds were budgeted in Fiscal Year 2018 and are available in the 'Downtown Marketing and Inclusion Efforts' line item of the DDA's Local Tax Increment fund.

This investment continues support for a progressively active and engaging social media presence as well as an overall communications program that regularly seeks new and creative ways to inform and engage the community around DGRI and Downtown activities.

#### **Recommendation:**

**Approve execution of a contract with DropDrop Studios in an amount not to exceed \$49,700 for video content gathering and production services.**

# MEMORANDUM

CITY OF GRAND RAPIDS

**DATE:** January 9, 2018

**BOARD:** Economic Development Project Team

**FROM:** Kara Wood, Economic Development Director  
Economic Development Department

**SUBJECT:** **Brownfield Plan Amendment for 449 Bridge Street Development, LLC at 449-499 Bridge Street NW**

An application for a Brownfield Plan Amendment has been filed by 449 Bridge Street Development, LLC (the “Developer”) for a redevelopment project proposed at 449, 453, 457 and 449 Bridge Street NW (the “Property”). The Property qualifies for the Brownfield program because each parcel is a “facility” under Part 201 of the Natural Resources and Environmental Protection Act, Act 451 of 1994.

The Developer, an entity affiliated with 3 Mission Partners of Ann Arbor, is proposing to demolish the vacant, existing building and surface parking lot, and to construct a new, five-story, mixed-use building on the Property. The development would include a restaurant/lounge on the first floor consisting of approximately 10,000 square feet. The second through fifth floors would contain 44 studio and one-bedroom apartments, ranging between 370-630 square feet.

Thirty percent (30%) of the apartments will be income-restricted to households earning 80% area median income (AMI) or below. Rents for these units will be approximately \$930 per month for studios and \$996 per month for one-bedroom units. The remainder of the units would be rented at market rates, estimated to range from \$800 to \$1,250 per month. Parking will not be developed as part of the project, and is not required by the Traditional Neighborhoods – City Center zone district.

The Developer estimates that 38 new full-time equivalent jobs could be created in connection with the project. Wages are anticipated to range from \$15.00 to \$30.00 per hour. In addition to the employment-based income tax, staff estimates that residents of the apartment units could generate an additional \$9,102 of new City income taxes.

Total estimated investment in the project is \$9.5 million, with hard construction costs of approximately \$7.8 million. The Developer is seeking reimbursement for Brownfield eligible activities totaling \$1.8 million, including the cost of environmental activities, asbestos abatement, demolition, site preparation, and public infrastructure improvements. Reimbursement is expected to occur over a 24 year period, with an additional five years of capture for the Local Site Remediation Revolving Fund.

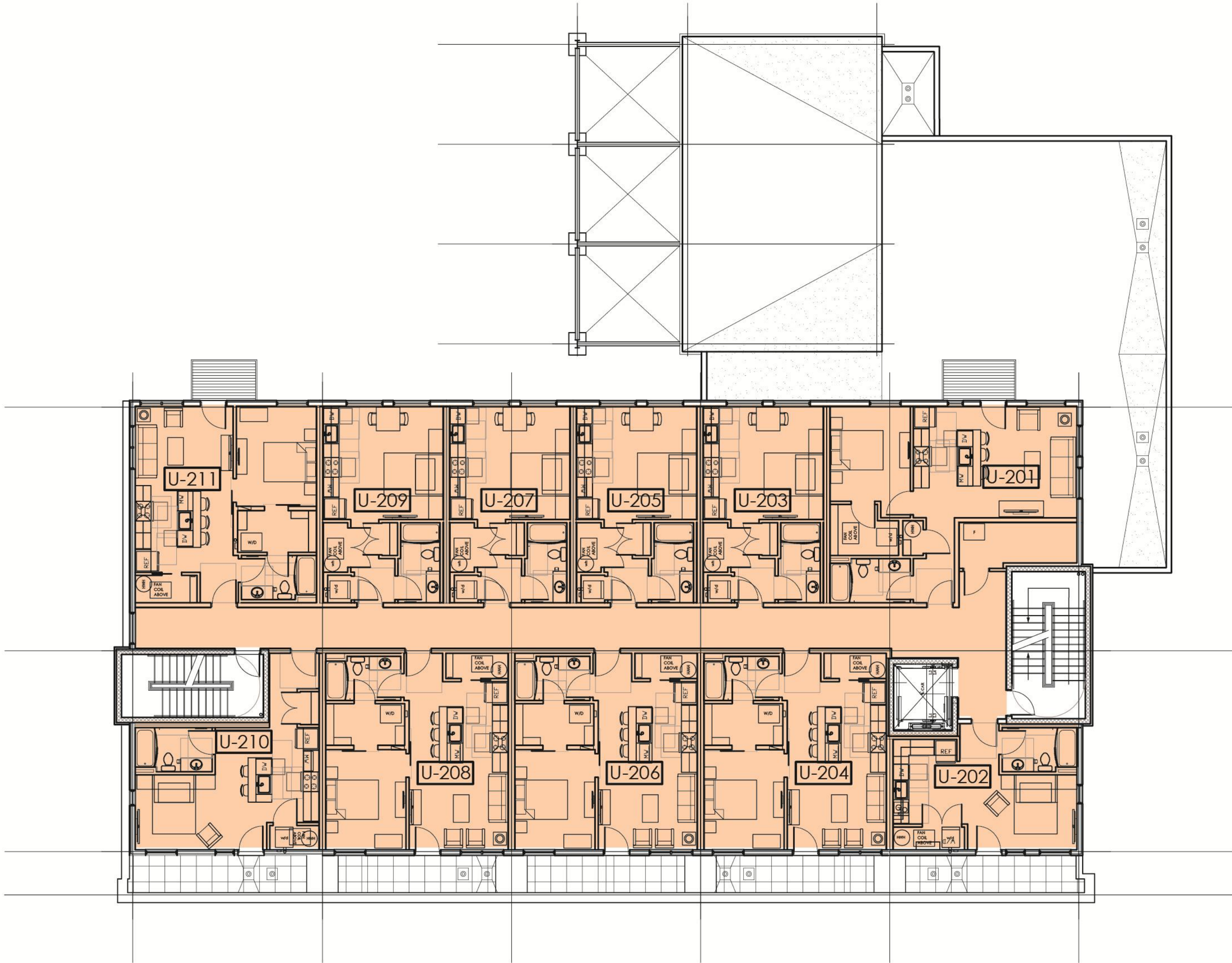
The project is located in the Downtown Development Authority's (DDA) development area, but not in the DDA tax capture district; therefore, development support for the project is not being sought from the DDA. The project will be presented to the DDA Board at their meeting January 10, 2017. The project was presented to the West Grand Neighborhood Organization (WGNO) on October 16, 2017, which voted to support the project and provided a letter of support. The project was presented to the John Ball Area Neighbors (JBAN) on November 8, 2017, which voted not to support the project. At the November 9, 2017 Planning Commission meeting, a member of the JBAN Board cited concerns of 1) the concentration of businesses selling/serving alcohol on Bridge Street, and 2) a business with live music and outdoor seating. The project is also located near the boundaries of the Westside Corridor Improvement District (CID), and the CID Authority Board voted to support the project at its December 1, 2017 meeting.

The project received approval from the Planning Commission for a Special Land Use request at its meeting on November 9, 2017. There are no significant environmental concerns at the property, and the applicant is current on its tax liabilities to the City. The Brownfield Redevelopment Authority will review the project at its meeting on January 17, 2018, after which the project would return to the City Commission to schedule a public hearing.

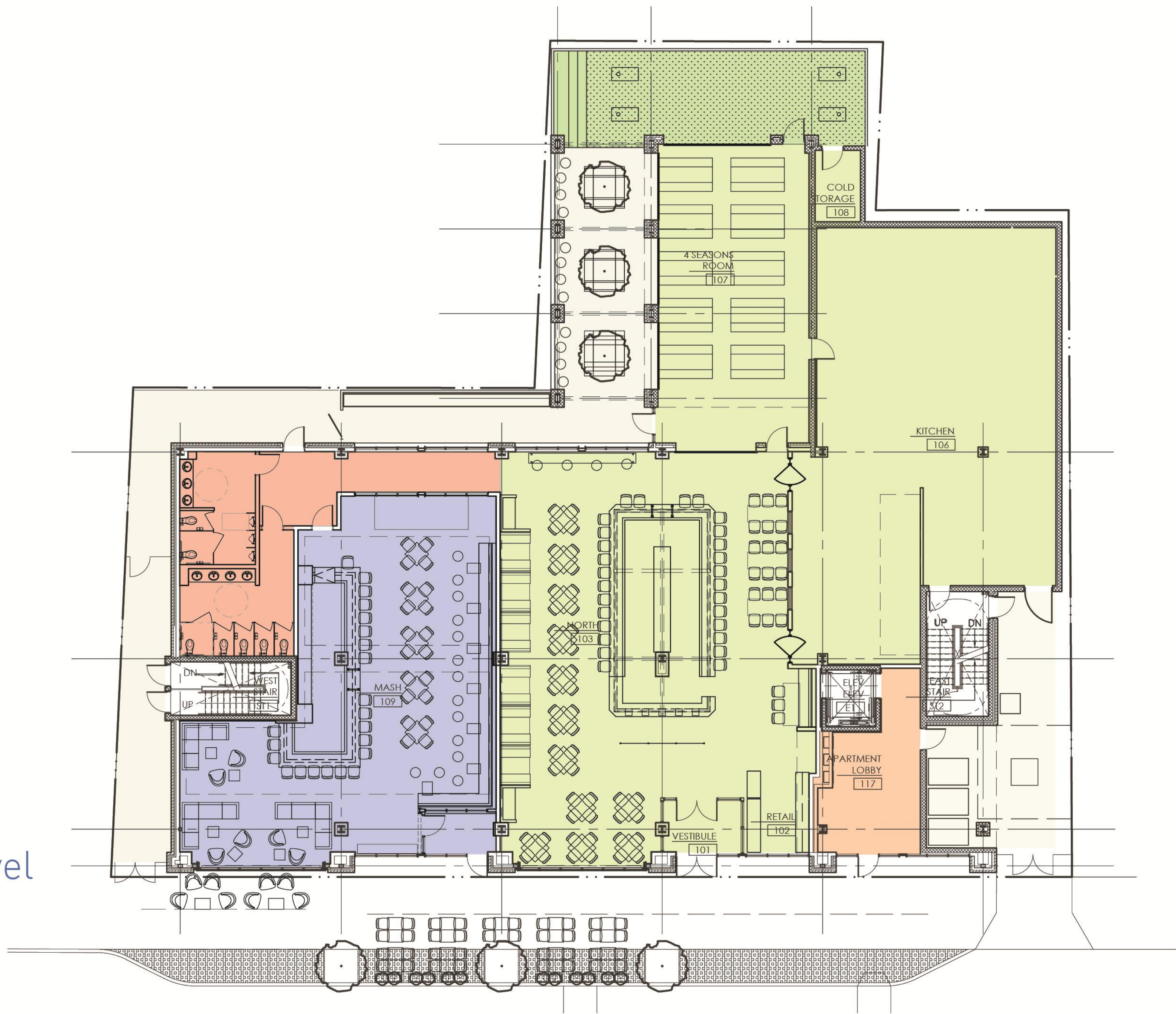
| <b>PROJECT PROJECTIONS</b>         |                     |                                     |
|------------------------------------|---------------------|-------------------------------------|
|                                    | <b>Total Amount</b> | <b>City of Grand Rapids Portion</b> |
| Investment – Real Property         | \$7,766,865         |                                     |
| Investment – Personal Property     | \$0                 |                                     |
| Existing Jobs Retained (FTE)       | 0                   |                                     |
| New Jobs (FTE)                     | 38                  |                                     |
| Average Hourly Wage                | \$23.00             |                                     |
| Total New Taxes Generated per year | \$86,717            | \$15,290                            |
| Taxes Abated per year              | \$0                 | \$0                                 |
| Taxes Paid per year                | \$86,717            | \$15,290                            |
| New City Income Taxes per year     |                     | \$27,042                            |

Prepared by Christian Borg

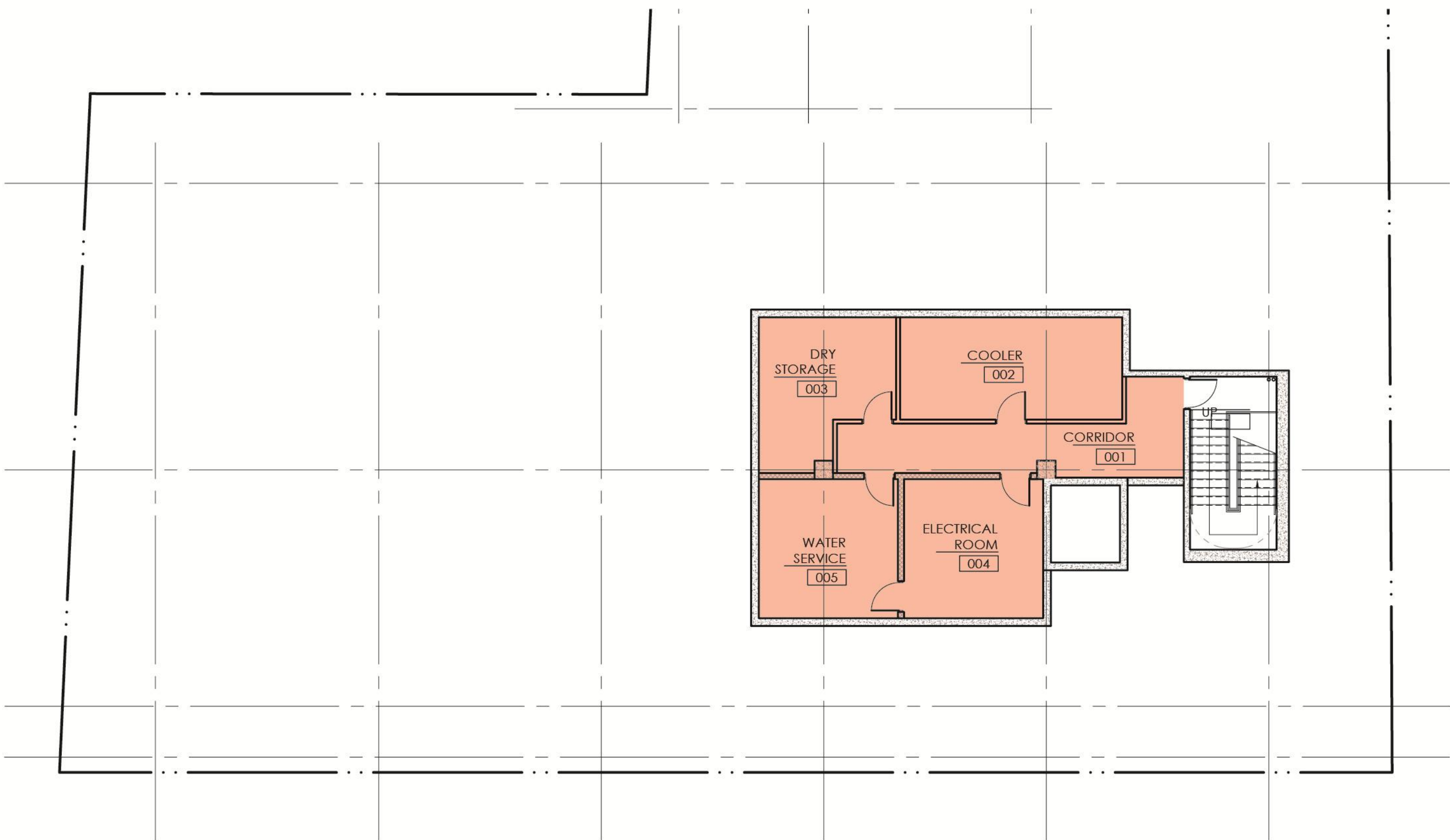
Typical Floors 2-5



First/Site Level



Basement Level





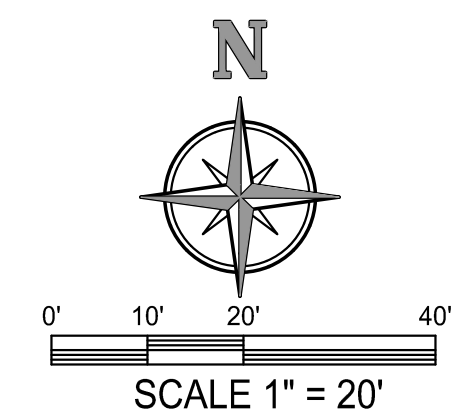
Street View Looking West



South Elevation



Location Map

$$\begin{array}{r} \text{GREEN SPACE PROPOSED} = 750 \text{ SQFT} \\ : 13,756 \text{ SQFT} \\ \hline 0.55 \\ \times 100 \\ \hline 5.5\% \text{ PROVIDED} \end{array}$$


SOUTHWEST CORNER  
SECTION 24  
TOWN 7 NORTH,  
RANGE 12 WEST  
KENT COUNTY, MI

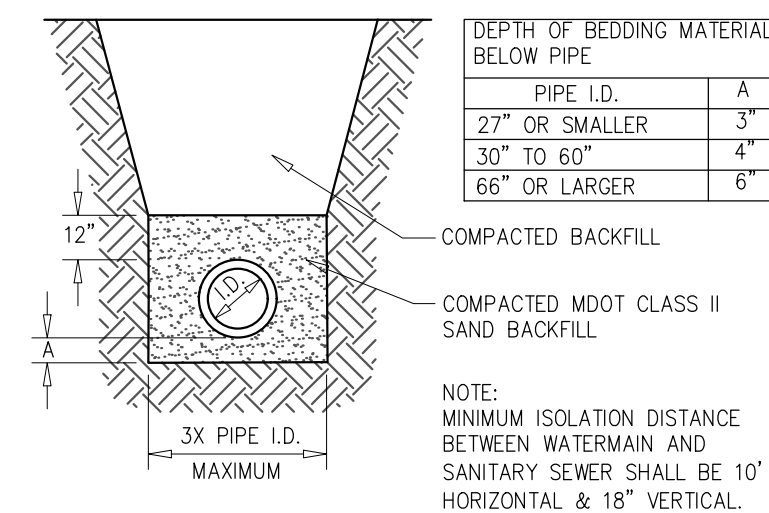
VERIFY LOCATION & INVERT OF EX.  
30" SAN. SWR. PLACE SANITARY  
WYE AT INV. 595.89± & EXTEND 34±  
LF OF 4" PVC SAN. LAT. @ MIN. 1.0%  
TO BLDG. (PER CITY  
REQUIREMENTS)

WESTERLY FLANGE BOX  
ELEV = 610.63 (NAVD88)

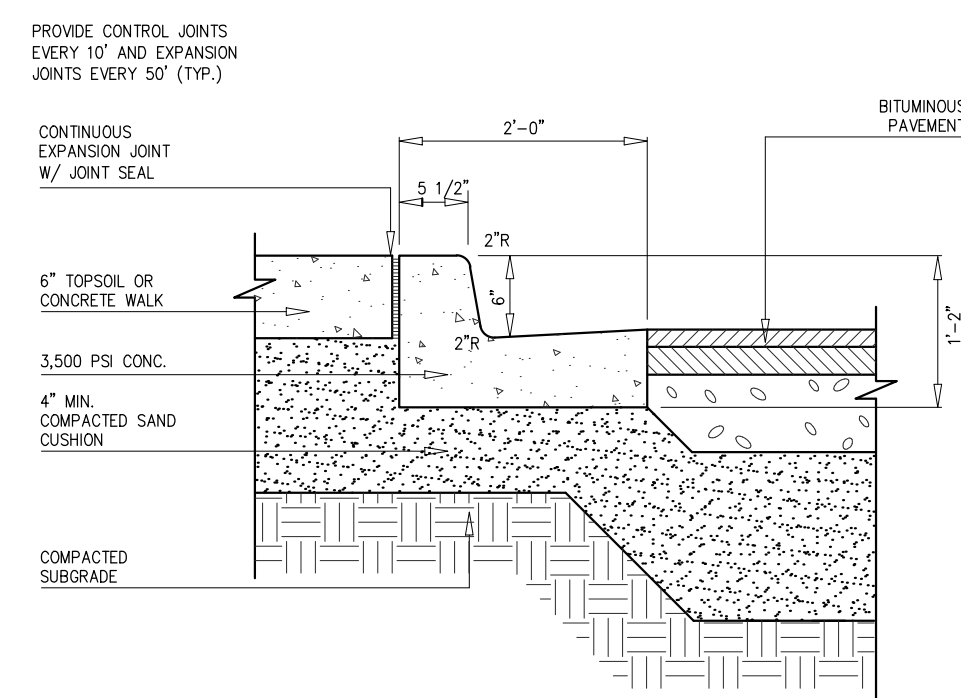
PLACE 12"x6" TAPPING SLEEVE  
& VALVE (COORDINATE W/CITY),  
EXTEND 20± LF OF 6" FIRE  
SERVICE TO BLDG.  
(PER CITY REQUIREMENTS)

— PROPOSED ASPHALT PAVEMENT  
(PER CITY REQUIREMENTS)

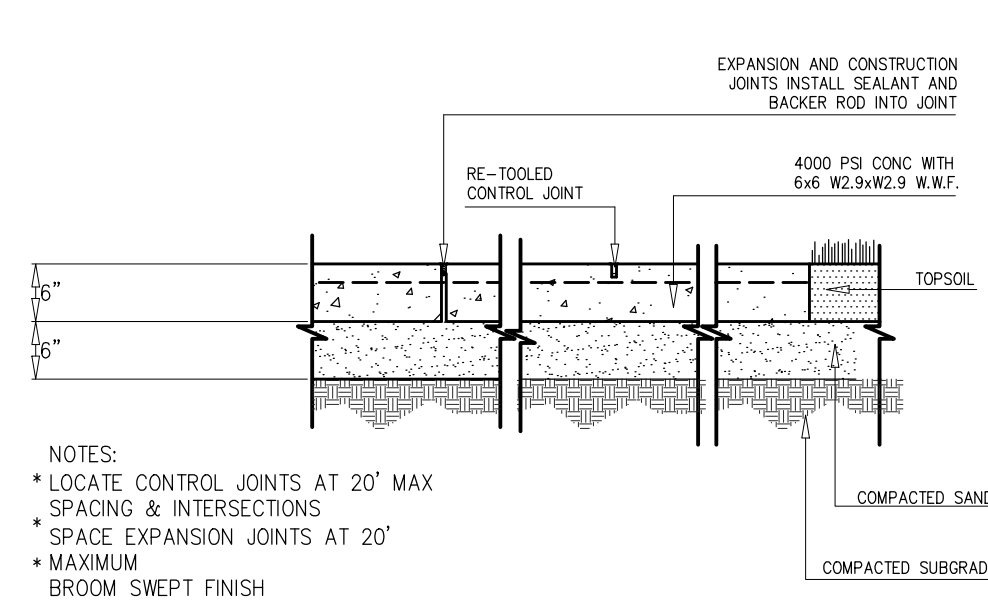
FOR COMPACTED BACKFILL FOR  
PIPES UNDERNEATH PAVEMENT  
OR WITHIN 10' OF PAVEMENT,  
USE MDOT CLASS II SAND  
BACKFILL, ALL OTHER AREAS  
USE CLEAN SITE SUBSOIL.



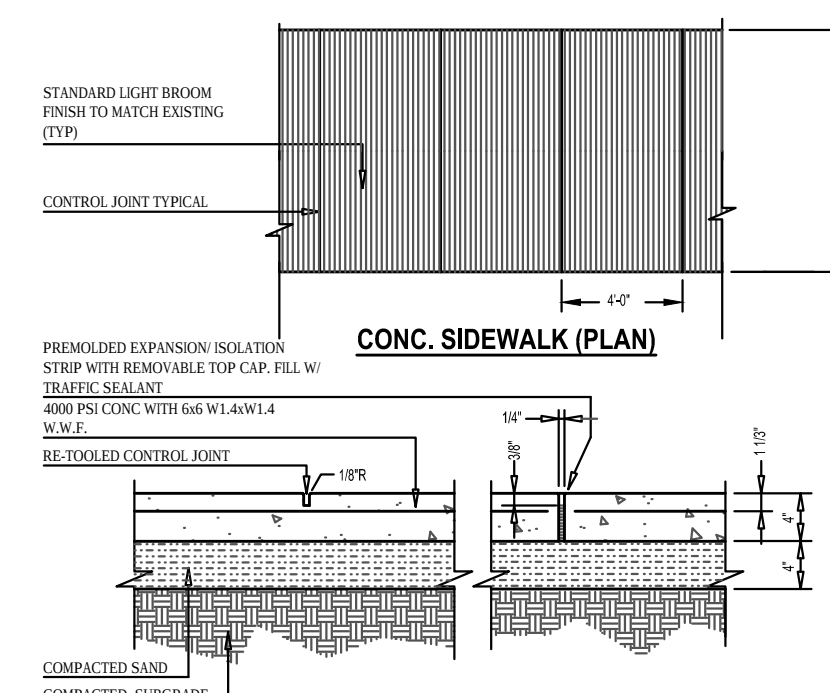
## 6 CLASS B PIPE BEDDING



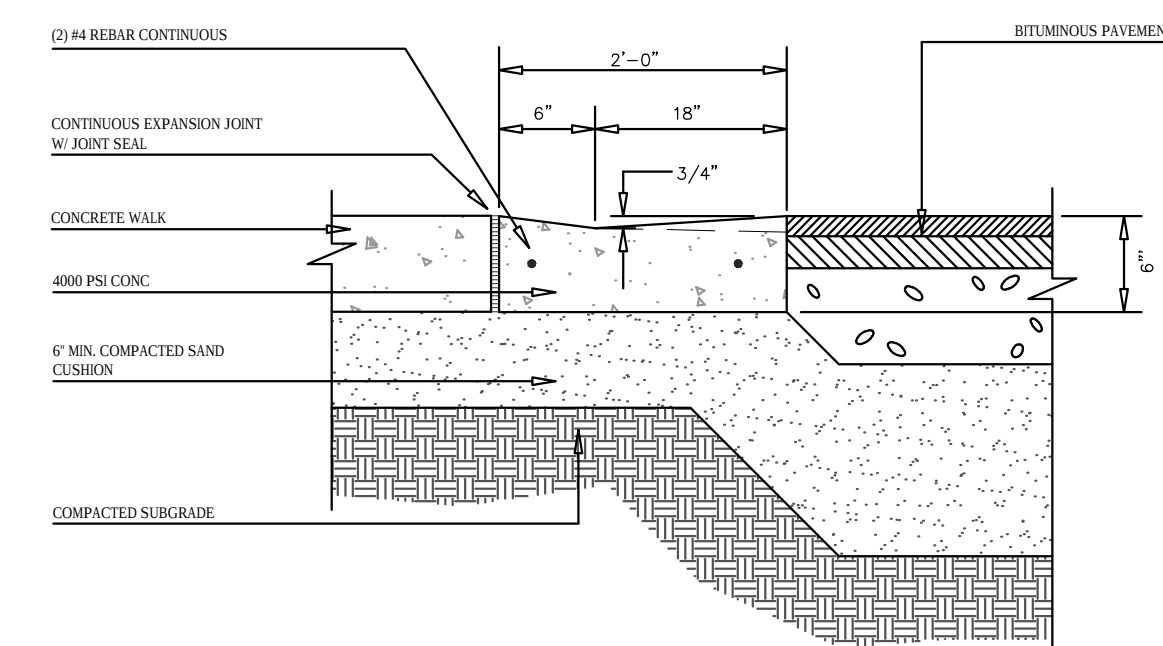
1 24" F4 CURB & GUTTER



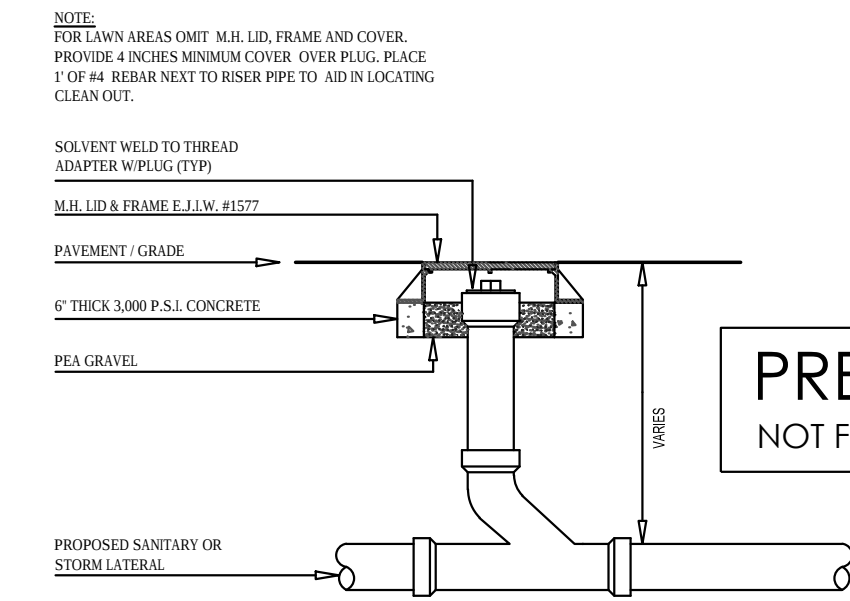
2 6" THICK CONCRETE



3 4" THICK CONCRETE



**4 24" FLUSH CURB AND GUTTER**



5 SANITARY/STORM LATERAL CLEAN OUT

**HOLLAND**  
ENGINEERING

220 Hoover Boulevard  
Holland, Michigan 49423-3766  
[www.hollandengineering.com](http://www.hollandengineering.com)  
T 616-392-5938 F 616-392-2116

The Surveyor's / Engineer's liability for any and all claims, including but not limited to those arising out of the Surveyor's / Engineer's professional services, negligence, gross misconduct, warranties or misrepresentations shall be deemed limited to an amount no greater than the service fee.

## CONCEPT DESIGN

ATTN: MR. THOMAS TOOLEY, AIA  
89 MONROE CENTER NW  
GRAND RAPIDS, MI 49503

## NORTH DEVELOPMENT

GRAND RAPIDS, MI  
PT OF SCRIBNER & TURNERS 2ND ADD.  
CITY OF GRAND RAPIDS, MICHIGAN

| Issued for: |                                  |     |
|-------------|----------------------------------|-----|
| Date        | Description                      | No. |
| 9/28/2017   | ISSUED FOR SLU SUBMITTAL TO CITY | A   |
| 10/20/2017  | 100% DD                          | B   |
|             |                                  |     |
|             |                                  |     |
|             |                                  |     |
|             |                                  |     |
|             |                                  |     |

Plans are preliminary & incomplete until ISSUED FOR CONSTRUCTION

|                                                 |                             |
|-------------------------------------------------|-----------------------------|
| Project Manager<br><b>REBECCA K. PAGE, P.E.</b> |                             |
| Vertical Datum<br><b>NAVD88</b>                 | Horz. Datum<br><b>LOCAL</b> |
| Drawn by<br><b>STEVE A. MORRIS</b>              |                             |
| Checked by                                      | Date                        |
| Survey                                          | .                           |
| Civil                                           | .                           |
| Struc.                                          | .                           |
| L. A.                                           | .                           |
| HEI Project Number<br><b>17-08-013</b>          |                             |
| Sheet Title<br><b>SITE<br/>LAYOUT<br/>PLAN</b>  |                             |
| Sheet No.<br><b>C-101</b>                       |                             |

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# ECLIPTIC AT ROSA PARKS CIRCLE

*Preserving a Legacy*

## ECLIPTIC AT ROSA PARKS CIRCLE: GRAND RAPIDS' SIGNATURE PARK

- A downtown centerpiece for 17 years
- Over 700,000 diverse visitors annually
- Home to some of the city's most important entertainment and civic events
- Key amenity in attracting people downtown and enhancing property values

## A GROWING NEED

- Ecliptic at Rosa Parks Circle's high level of users means higher wear and tear
- The site is both a popular public gathering space and a work of art by Maya Lin
- There is a need for an asset management strategy
- The park needs more resources and more attention to stay accessible and well managed for all users

## ECLIPTIC AT ROSA PARKS CIRCLE STAKEHOLDERS

- |                                 |                              |
|---------------------------------|------------------------------|
| • The City of Grand Rapids      | • Grand Rapids Art Museum    |
| • Frey Foundation               | • Downtown Grand Rapids Inc. |
| • Experience Grand Rapids       | • Business Neighbors         |
| • Friends of Grand Rapids Parks | • Residential Neighbors      |

## ECLIPTIC AT ROSA PARKS CIRCLE: CURRENT CONDITIONS

Challenges and general needs for the park from interviews:

- Higher level of maintenance
- More programming, broader community engagement
- Capital restoration
- More diverse, sustainable revenue streams
- Better coordination and accountability
- Maintain high quality downtown place & GR brand

## WHAT IS A PARK CONSERVANCY?

- Conservancies are private, nonprofit park-benefit organizations that raise money independent of the city and partner with the city to spend it under a plan of action mutually agreed upon with the city.
- Conservancies neither own nor hold easements on city parkland; the land remains under city ownership, and the city retains ultimate authority over everything that happens there.
- Park conservancies can maximize the value generated by downtown public space by producing quality programs, improvements and maintenance.

## HOW COULD A CONSERVANCY HELP THE CITY?

- A park conservancy could engage experts in the areas of public art, landscape architecture and creative place-making, helping the City to balance public use of the space, sustainability and consistently preserving the artist's work.
- Quality services require high levels of funding and park partners are resourceful in securing diverse funding.

## OUR STARTING POINT: A POSITION OF STRENGTH

- The park is in good hands; there is no crisis
- The park has become a 'signature park'; people love it
- It is a heavily used, independent place with a distinctive identity
- It is a good time to flesh out a new vision as the park has willing partners, willing investors and the synergy of other downtown park and housing investments

## ECLIPTIC AT ROSA PARKS CIRCLE: A SHARED PURPOSE

The Partnership for Ecliptic at Rosa Parks Circle is committed to creating a diversity of engaging and memorable experiences at the park that advance designer Maya Lin's artistic intent: *to bring a convergence of art and architecture together with a park and public gathering space.*

Honoring the legacy of Rosa Parks, the partnership will promote this world class work of art and nationally recognized cultural park located in the city center, as a place welcoming and enjoyable to all, with diverse visitorship and community-inclusive programs enriching the quality of life for all who live in and visit Grand Rapids.

The partnership advocates for collaborative stewardship, innovative programs and exceptional operations and maintenance all of which will significantly enhance Grand Rapids' identity as a vital, vibrant and growing city.

## ECLIPTIC AT ROSA PARKS CIRCLE: A MISSION

To work collaboratively to preserve, protect and advocate for the work of art and signature cultural park, Ecliptic at Rosa Parks Circle, with community-inclusive programs and events that celebrate its hallmark of artistic spirit and civic courage for the benefit of all residents and visitors.

## LOOKING FORWARD

- More quality public park programs
- Substantial resources dedicated to art management
- Investments in top-quality capital improvements
- Diverse funding sources to supplement public funding

## NEXT STEPS

- Incorporate and create a new conservancy with diverse local leadership.
- Develop a business plan for the park focusing on key needs and goals.
- Work with the city to negotiate a partnership agreement.

## CONTACT

- Kathy Blaha Consulting
- [kblahaconsulting@gmail.com](mailto:kblahaconsulting@gmail.com)

# Ecliptic at Rosa Parks Circle

## Stakeholder Roles & Gap Analysis

|                       |                                  | STAKEHOLDERS         |                        |      |      |               |                     |                              |                            |                       |
|-----------------------|----------------------------------|----------------------|------------------------|------|------|---------------|---------------------|------------------------------|----------------------------|-----------------------|
|                       |                                  | New Park Conservancy | City of GR/Parks Dept. | DGRI | GRAM | Experience GR | Friends of GR Parks | Frey & Community Foundations | Building & Business Owners | Neighboring Residents |
| IDENTIFIED PRIORITIES | Program Mgmt.                    |                      |                        |      |      |               |                     |                              |                            |                       |
|                       | Program & Event Production       |                      |                        |      |      |               |                     |                              |                            |                       |
|                       | Capital Restoration              |                      |                        |      |      |               |                     |                              |                            |                       |
|                       | Art Mgmt. & Enhancement Curation |                      |                        |      |      |               |                     |                              |                            |                       |
|                       | Advocacy                         |                      |                        |      |      |               |                     |                              |                            |                       |

KEY:



= able to provide support



= not able to provide support