

# AGENDA

DOWNTOWN  
DEVELOPMENT  
AUTHORITY



## Board Members:

Mayor Rosalynn Bliss • Kayem Dunn • Jermale Eddie • Brian Harris • Diana Sieger • Jim Talen • Rick Winn

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Wednesday, January 9, 2019

8:00 a.m. Meeting

29 Pearl Street, NW Suite #1

- |   |           |           |
|---|-----------|-----------|
| 1. Call to order  |           |           |
| 2. 2019 Officer Election (8:01)   | Motion    | Harris    |
| 3. Approve Meeting Minutes from December 12, 2018 (8:06)<br>(enclosure)     | Motion    | Harris    |
| 4. Accept Financial Statements from December 31, 2018 (8:10)<br>(enclosure) | Motion    | Wallace   |
| 5. Presentation of the FY2018 Audit (8:15)<br>(enclosures)                  | Motion    | Wallace   |
| 6. Calder Plaza Construction Manager (8:30)<br>(enclosures)                 | Motion    | Wong      |
| 7. Downtown Transit Shelters (8:40)<br>(enclosure)                          | Motion    | H. Kelley |
| 8. PA 57 of 2018 Update (8:50)  | Info Item | J. Wood   |
| 9. President & CEO Report (9:05)  | Info Item | Kelly     |
| 10. Public Comment (9:15)   |           |           |
| 11. Board Member Discussion (9:20)  |           |           |
| 12. Adjournment   |           |           |



## UNAPPROVED MINUTES

### MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

December 12, 2018

1. Call to Order – The meeting was called to order at 8:07am

2. Attendance

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

Absent:

Others Present: Tim Kelly (DDA Executive Director), Flor Valera (Administrative Assistant), Jana Wallace (DDA Treasurer), Dick Wendt (DGRI Legal Counsel), Kimberly Van Driel, Stephanie Wong, Megan Catcho, Annamarie Buller, Max Vander Forest, Mark Miller (DGRI Staff) Jessica Wood, Breese Stam, Lynee Wells, Lisa Warren, Jim Horman, John McNaughton, Jerry Powell, Karrie Enriquez and others.

3. Approve Meeting Minutes from November 14, 2018

*Motion: Dr. Wendy Falb, supported by Rick Winn, moved approval of the minutes from the November 14, 2018. Motion carried unanimously.*

4. Accept Financial Statements from November 30, 2018

Jana Wallace introduced the statements for the first five months of its fiscal year ending in June 30, 2019. Ms. Wallace reported that there was no unusual financial activity in November and that the Authority has sufficient cash to support budgeted FY2019 expenditures.

*Motion: Jane Gietzen, supported by Kayem Dunn, moved to approve Statement D: Schedule of November 30, 2018 Expenditures as recommended. Motion carried unanimously.*

5. 2019 Meeting Schedule

Tim Kelly introduced the proposed meeting schedule for 2019. Mr. Kelly received no indication from the board members to change the cadence of the meeting structure.

*Motion: Diana Sieger, supported by Rick Winn, moved to approve the 2019 meeting calendar. Motion carried unanimously.*

6. Division Avenue Lighting

Breese Stam, Project Manager from the City of Grand Rapids Engineering Department reminded the Board that in May's DDA Board Meeting, the Board authorized funding a portion of the overall investment for the installation of new street lights on Division Avenue from Cherry Street to Fulton Street. The project would include the installation of twenty-one (21) street lights with double mast arms and outlets for holiday lighting. Mr. Stam said the City only received one qualified bidder for the

installation of the new lights. However, he noted the bid's price was higher than expected because of the current bidding environment. Mr. Stam proceeded to give an overview of the amended amount and said the City's portion of the investment was expected to be approved at the December City Commission Meeting. Mr. Kelly added that this increase of \$36,316 would be allocated to the streetscape improvement line item from FY19 budget. Diana Sieger asked if there was a particular reason why they only received one bid for this project. Mr. Stam answered that it was probably because there were seven (7) other projects running at the same time. Mr. Kelly added that this project was part of the whole Heartside street lighting initiative. Brian Harris asked when the next enhancement would take place. Mr. Stam responded that the next enhancement from Cherry to Wealthy will begin in spring 2019.

*Motion: Rick Winn, supported by Jane Gietzen, moved to approve the increase in funding of \$36,316 for a total amount not to exceed \$258,200 for the installation of new street lighting on Division Avenue from Cherry Street to Fulton Street. Motion carried unanimously.*

7. Calder Plaza Construction Manager

Lisa Warren and Jim Horman, Consultants from Progressive AE, provided an overview regarding the current status of the Phase One Redesign of Calder Plaza. The scope of their work included design and construction documents for a café space, a great pavilion equipped with an outdoor stage, and landscape improvements. Mr. Horman said the project began in August using a Performance-based design; which includes the initial stages of Frame/Aspire/Create. During the Framing phase, which began in September, Progressive AE was able to review the Calder Plaza master plan, conduct stakeholder interviews, observe pedestrian circulation, and identify assets/liabilities including code compliance. Ms. Warren presented that during the Aspire stage, DGRI, Progressive AE, and City Parks department conducted listening workshops with various stakeholders, Alliance members, influencers, and decision makers to identify how the pavilion might support an accessible and safe environment for all visitors. The insights gathered during these workshops allowed them to come up with three design principles; equity, beauty, and curiosity. The same groups were brought back again to discuss the concepts designed for the plaza. The consultants presented the four (4) design concepts to the board: Oculus, Earthen Bern, Folded Planes, and Hand-Crafted concepts. Consultants also presented a scoreboard that included stakeholder comments for each of the four different concepts. Mr. Horman said the Folded Planes Concept was the preferred design and the selection insights that were gathered helped create an aligned and a cohesive solution. He added that since this is a large structure that would be built on top of a parking lot, accessibility from multiple angles had been considered. Mayor Rosalynn Bliss asked if any preliminary engineering had been done to assure that this design was structurally viable on top of this parking. Mr. Horman responded that they had involved the engineering team throughout the process and that the design was doable. The Board took a moment to discuss the design concept as it relates to accessibility from the parking lot perspective. Mr. Harris asked about who would be responsible for the suitability of the café that will be housed inside the new structure. Karrie Enriquez, Project Manager from the City of Grand Rapids Parks and Recreation Department said the café would not serve as full-service restaurant, but added that the project team would meet and discuss opportunities to make sure what they are building now is not a detriment to the success of this space for a future tenant. Rick Winn expressed concern over designing this structure to meet all the desired criteria and not being able to complete it due to inadequate funding. He asked if there was a budget in mind of what this would cost. Mr. Kelly replied that based on the Master plan, the estimated cost was 2 to 4 million. Mayor Bliss asked if this project could be phased. Progressive Consultants said that they could look into phasing and bring further recommendations. The Board thanked both consultants for their overview. Stephanie Wong introduced a request to hire a Construction Manager for the Calder Plaza redesign. Ms. Wong

explained that DGRI and the City comprehensively discussed the benefits of a Construction Manager for front-end planning and logistics. An RFQ was released in October, and four qualified firms were interviewed. Ms. Wong explained that Pioneer Construction was selected because of its expertise in meeting the vision and cost evaluations of Phase one. She provided an overview of the pre-construction deliverables and added that Pioneer Construction would develop ideas with the design team for bid alternates to act as a bid protection to assure that the final project budget is achievable. The Board took a moment to discuss the advantages and disadvantages of hiring a construction manager. Mr. Winn asked if Pioneer Construction had provided a construction fee to build the overall project. Ms. Wong said this request only included pre-construction. The Board tabled the request and asked if DGRI could follow up with Pioneer and ask them to provide a quote. Ms. Wong replied she would gather the information and present it at the next meeting.

*Motion: Rick Winn, supported by Mayor Rosalyn Bliss, moved to table this request to January's DDA Board Meeting and requested to provide the additional information. Motion carried unanimously.*

8. Downtown Streetscape Guidelines

Lynee Wells, President and CEO of Williams & Works, took a moment to thank the various entities involved in creating these guidelines. Ms. Wells said the Downtown Grand Rapids Streetspace Guidelines are meant to provide insights and design solutions for the development community, including and especially decision-makers representing both the public and private sectors. These guidelines establish baseline expectations for our downtown streetspace that further the goals of the GR Forward. Ms. Wells proceeded to give an overview of the many different elements of these guidelines. She explained that the guidelines were organized around various zones that included the flex zone, the pedestrian zone (the sidewalk area), and the frontage zone (building façade facing the sidewalk). The flex zone represents the portion of the street that is directly adjacent to the curb where rebalancing can occur to convert the streetscape into a more pedestrian-centric place. Ms. Wells explained that each chapter provides guidance for the design, placement, scale, and materiality of the elements that shape these specific zones as well as why the design and element are important to the overall streetscape experience. She added that city requirements and responsibilities are highlighted for each element in order to help potential document users navigate the process of building streetscapes. Ms. Wells concluded her presentation by encouraging the DDA Board members to review the submitted draft and to provide any additional comments deemed necessary to finalize the document. The Board thanked Ms. Wells for her presentation. Kayem Dunn commented that these guidelines would serve as educational opportunities that many people would benefit from.

9. Monroe North Activation Review

Kimberly Van Driel provided the Board with an overview of the work done to activate the 555 Monroe Avenue Lot that served as a venue for Movies on Monroe. Ms. Van Driel shared the list of projects that were completed to transform this space, which included the installation of festoon lighting, plantings, art work, and pallet furniture. She thanked all the volunteers who donated their time and effort in transforming this parking lot space into a welcoming space for people. After a short video, which highlighted the success of the activation of this space, Ms. Van Driel said the DGRI team is already planning for the upcoming Movies on Monroe 2019. Ms. Van Driel reported back on the recent Light Up Downtown event. The event attracted 1,700 attendees and the activities included reindeers and sled dogs, food trucks, and photos with Santa, and added that 14 community partners were there providing information about their services to the community. She concluded by providing an overview of the World of Winter festivities, including Relax at Rosa on Ice, Valent-Ice Sculptures, Silent Disco on Ice, and the annual Human Hungry Hippo tournament. The Board applauded Ms. Van Driel for all her hard work and dedication.



10. President & CEO Report

DDA (11/14/18)

- Approved TIR reimbursement for Studio Park
- Approved support for Laughfett 2019
- Approved funding for Ah Nab Awen Park Redesign
- Approved a Downtown Enhancement Grant for Embassy Suites Hotel

DID (10/1/18)

- Approved financial statements through 6/30/18
- Adopted FY19 budget
- Received update on summer plantings and the Clean Team
- Approved FY19 capital project expenditures

MNTIFA (6/13/18)

- Adopted FY19 budget
- Approved MOU for DASH North services

DGRI (9/4/18)

- Received an update on The Rapid programs and projects furthering GR>> objectives
- Approved FY19 Performance Management Objectives
- Approved Clean Team contract amendment
- Discussed next steps for River governance
- Received overview of Downtown Neighbor Network

Goal 1 – Reestablish the Grand River as the draw to the City and Region

- Riverfront Trail Design Guidelines
  - Final Public Presentation occurred 11/1
  - Approval to DDA, Parks Advisory Board and City Commission being scheduled
  - Governance learning sessions begin November 28 w/ Bronx Riverfront Alliance
- Lyon Square Opportunity Site
  - Construction documents being developed for Phase 1 (Uplands)
  - Coordination ongoing with surrounding stakeholders for Phase 2
- Ah-Nab-Awen / Indian Mounds Park Enhancements
  - Changes include flood protection improvements, 15-foot trail section, enhanced public seating and new lighting from Pearl Street to Gillett Bridge
  - Construction complete in September 2018

Goal 2 - Develop a true Downtown neighborhood home to a diverse population

- Downtown Neighbor Network
  - Planning committee finalized mission, vision and goals at June meeting
  - Recommendations will be presented to Committee in July
  - Network Board/Committee seated in early 2019
- Development News
  - Studio Park

- Ottawa extension summer 2019
- Parking ramp September 2019
- Theater and residential buildings summer/fall 2019
- Hotel January 2020
- Piazza bids due November
- 50 Ottawa
  - Tower crane came down last week and focus is on interior build out
  - Warner Building will be complete spring 2019
  - Hyatt Place open summer 2019
- 10 Ionia
  - Targeting a January 2019 groundbreaking
  - COW 11/13/18
  - BRA Board 11/21
  - MSF Board 12/18
- 449 Bridge Street
  - Utility connection complete last week and will begin “going vertical” by December
  - Target completion September 2019

### **Goal 3 – Implement a 21st century mobility strategy**

- Bus Shelter Enhancements
  - Held Meeting with Mobile GR and Rapid staff to outline project funding and schedule
  - Initial work to begin winter 2019
  - Final install complete before end of FY2019
- Pedestrian Safety Enhancements
  - Improvements complete on Division Avenue north of Lyon
  - Keeler Building areaway reinforcement complete
  - Michigan Street crossing designs being finalized and the project will be complete spring 2019
- Division Avenue Bike Lane
  - Construction complete
  - Survey distributed and analysis ongoing
- Downtown Streetspace Guidelines
  - GR Forward Goal 3 Alliance reviewed draft in May
  - Meetings with various City departments being scheduled to review recommendations
  - Presentation to the DDA Board December 2018

### **Goal 4 – Grow more & better jobs & ensure continued vitality of the local economy**

- Recruit a major office tenant to Downtown
  - Working with City and Right Place to develop a more concerted and intentional recruitment strategy to attract larger office tenants Downtown
- Foster ground-floor businesses to diversify the mix of Downtown retail offerings

- Grant approved for Tamales Mary and Move Systems by DDA on 6/13
  - Move Systems just lunched a Dunkin cart (DNKN' GO) on Calder Plaza.
- Working with Studio C! to support diverse offerings as part of their tenant mix

#### Goal 5 – Reinvest in public space, culture & inclusive programming

- VandenBerg Plaza/Calder Plaza Improvements
  - Short-term activation underway including food trucks and various entertainment options
  - Additional furniture deployed
  - Request for Qualifications issued to design the proposed pavilion at SE corner of plaza
  - Consultant selection approved at DDA 8/8
  - June 2019 is the 50th anniversary of the plaza's opening and a key organizing point for a celebratory moment
- Food Trucks
  - Extension of pilot ordinance approved by City Commission May 2018
  - Update to City Commission in December 2018
  - Final report and recommendations for ordinance to occur January 2019
- Public Realm Improvements
  - Spring plantings completed
  - Cigarette urns being deployed in four additional locations in June 2018
  - Pilot recycling program being deployed on Monroe Center in June 2018
  - Tree plantings with FOGRP scheduled
  - Michigan/Ottawa off ramp improvements being designed
  - Sheldon Avenue Linear Park improvements complete
- Explore opportunities to beautify public plaza at Van Andel Arena
  - Consultant team beginning work 11/15
  - Exploring partnership/funding opportunities for FY2019
  - Alley activation to begin this activation with former Art Prize installation (Ford Museum crocodiles)
- Division Avenue Safety and Cleanliness Improvements
  - Lighting
    - DDA authorized funding in May 2018
    - City completing design and identifying funding
  - Public Restrooms
    - City and DGRI working with Heartside Quality of Life committee to finalize design and operation of new public facilities for Cherry / Commerce and Weston / Commerce parking ramps
    - City and DGRI partnering to develop a sustainable facility management protocol for the new facilities.
- Public Art
  - Collaborating with UICA Exit Space to paint riverfront mural down the stairwell near the Grand Rapids Public Museum
  - Installation complete and traditional ceremony occurred 9/23
  - Exploring mural opportunities on MDOT wall behind MSU Research Center

11. Public Comment  
None
12. Board Member Discussion.  
Jane Gietzen and Dr. Wendy Falb were recognized for their years of service to the DDA.
13. Adjournment  
The meeting adjourned at 9:57am.

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 4.  
January 9, 2019  
DDA Meeting**

DATE: January 3, 2019

TO: Brian Harris  
Chairman

FROM: Jana M. Wallace  
Downtown Development Authority Treasurer

**SUBJECT: FY2019 Interim Financial Statements as of December 31, 2018**

Attached are the Authority's interim financial statements for the first six months of its fiscal year ending June 30, 2019. The attached statements include:

- Statement A: Balance Sheet
- Statement B: Comparison of FY2019 Budget vs Actual Results
- Statement C: Statement of Project Expenditures
- Statement D: Schedule of December, 2018 Expenditures
- Statement E: DDA Series 2017 Bond Proceeds Statements

In December, the City Treasurer distributed \$470,595 of tax increment revenues captured from the December 1 "winter levy." For the Authority, the 2018 winter levy revenues were captured from three of Kent County's five voted mills – the Jail/Corrections levy, the Senior Citizens Services' levy, and the Veteran Services' levy. The Authority does not capture revenues from the Zoo / Museum or the Early Childhood levies because they were approved by voters after November 7, 2016. Otherwise, there is no unusual financial activity to report for December.

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, 2018

	Non-Tax Funds	Debt Increment	Local Tax Increment	TOTAL
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 5,264,449	\$ 7,875,353	\$ 8,982,355	\$ 22,122,157
Petty Cash	-	-	500	500
Debt Service Reserve - Series 1994 Bonds	-	864,374	-	864,374
Loan Receivable - Project Developer	488,848	-	-	488,848
Loan Receivable - Special Assessments	3,684	-	-	3,684
General Fixed Assets	-	-	87,946,535	87,946,535
Accumulated Depreciation on Fixed Assets	-	-	(54,924,734)	(54,924,734)
Future Tax Increment Revenues Anticipated	-	24,844,554	30,250	24,874,804
<b>TOTAL ASSETS</b>	<b>\$ 5,756,981</b>	<b>\$ 33,584,281</b>	<b>\$ 42,034,906</b>	<b>\$ 81,376,168</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Current Liabilities	\$ -	\$ -	\$ 27	\$ 27
Parking Revenue Payable	8,568	-	-	8,568
Current Year Excess Capture	-	1,916,130	-	1,916,130
Deposit - Area 4 Developer Damage	1,000	-	-	1,000
Prior Year Property Tax Appeals	-	98,202	97,932	196,134
Deferred Revenue - Developer Loan	488,848	-	-	488,848
Contract Payable	-	-	30,250	30,250
Bonds Payable	-	24,844,554	-	24,844,554
<b>TOTAL LIABILITIES</b>	<b>498,416</b>	<b>26,858,886</b>	<b>128,209</b>	<b>27,485,511</b>
<b>Fund Balance / Equity:</b>				
Investments in General Fixed Assets, net of Accumulated Depreciation	-	-	33,021,801	33,021,801
Debt Service Reserve - Series 1994 Bonds	-	864,374	-	864,374
Non-Tax Increment Reserve	4,664,778	-	-	4,664,778
Reserve for Authorized Projects	-	-	8,760,646	8,760,646
Reserve for Brownfield Series 2012A Bonds	531,291	-	-	531,291
Reserve for Compensated Absences	-	-	12,229	12,229
Reserve for Eligible Obligations	-	5,861,021	-	5,861,021
Reserve for Encumbrances	62,496	-	112,021	174,517
<b>TOTAL FUND EQUITY</b>	<b>5,258,565</b>	<b>6,725,395</b>	<b>41,906,697</b>	<b>53,890,657</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 5,756,981</b>	<b>\$ 33,584,281</b>	<b>\$ 42,034,906</b>	<b>\$ 81,376,168</b>

## STATEMENT B

### **DOWNTOWN DEVELOPMENT AUTHORITY** Comparison of FY2019 Budget vs Actual Results July 1, 2018 - December 31, 2018

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
Property Tax Increment - General	\$ -	\$ -	\$ 8,254,822	\$ 9,560,001 <sup>1</sup>	\$ 5,672,682	\$ 5,712,499
Property Tax Increment - Transit Millage	-	-	-	-	522,053	522,053
Property Tax Increment - Prior Year Appeals	-	-	(75,000)	5,329	(75,000)	2,844
Property Tax Increment - County/GRCC/City/ITP Rebates	-	-	-	-	(619,474)	-
Special Assessments - Areaway	15,000	-	-	-	-	-
Brownfield Authority - Grandville Avenue	-	-	-	-	28,398	-
Earnings from Investments - General	51,977	26,583	8,616	774	70,703	24,400
Earnings from Investments - Multi-Year Accrual Reversal	-	32,842	-	28,792	-	52,661
Interest Paid by Developer - The Gallery on Fulton Note	21,998	-	-	-	-	-
Property Rental - DASH Parking Lots	225,127	97,088	-	-	-	-
Property Rentals - YMCA Customer Parking	52,545	25,350	-	-	-	-
Event Sponsorships and Fees	75,000	23,405	-	-	-	-
Valent-ICE Sculpture Reimbursements	25,000	4,200	-	-	-	-
Principal Repayments - The Gallery on Fulton Note	100,000	-	-	-	-	-
Series 1994 Debt Service Reserve Fund	-	-	845,000	-	-	-
Reimbursement - GRKCCAA for Arena Exterior Improvs	-	-	-	-	-	59,851
Reimbursements and Fees - Miscellaneous	1,000	2,300	-	-	5,000	225
From / (To) Fund Balance	828,709	-	(384,238)	-	4,097,793	-
<b>TOTAL REVENUES</b>	<b>\$ 1,396,356</b>	<b>\$ 211,768</b>	<b>\$ 8,649,200</b>	<b>\$ 9,594,896</b>	<b>\$ 9,702,155</b>	<b>\$ 6,374,533</b>
<b>EXPENDITURES</b>						
<b><u>GR Forward Projects:</u></b>						
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor	\$ 45,000	\$ 1,675	\$ -	\$ -	\$ 2,013,000	\$ 55,252
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population	150,000	-	-	-	2,340,000	1,145,121
Goal #3: Implement a 21st Century Mobility Strategy	40,000	-	-	-	2,100,000	158,405
Goal #4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy	25,000	13,866	-	-	150,000	1,892
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming	1,131,000	331,807	-	-	1,425,000	203,884
<b>Total GR Forward Projects</b>	<b>\$ 1,391,000</b>	<b>\$ 347,348</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,028,000</b>	<b>\$ 1,564,554</b>
Administration	5,356	365	-	-	1,257,898	718,044
Debt Service for Bond Issues	-	-	7,649,200	607,100	416,257	90,158
Estimated Capture to be Returned	-	-	1,000,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,396,356</b>	<b>\$ 347,713</b>	<b>\$ 8,649,200</b>	<b>\$ 607,100</b>	<b>\$ 9,702,155</b>	<b>\$ 2,372,756</b>
<b>EXCESS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (135,945)</b>	<b>\$ -</b>	<b>\$ 8,987,796</b>	<b>\$ -</b>	<b>\$ 4,001,777</b>

Note 1: Budgeted and Actual captured tax increment revenues here are 90% of the Authority's legal capture authority, per the FY2019-2023 Priority Plan.

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**STATEMENT C**

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Statement of FY2019 Project Expenditures**  
**As of December 31, 2018**

Project Name	FY2019 Project Budgets		Expenditures		Remaining
	%	Amount	Month	Fiscal Year	FY2019 Budgets
Michigan Street Streetscape Improvements		\$ 80,000	\$ -	\$ -	\$ 80,000
River Trail Improvements		100,000	1,447	45,764	54,236
Sheldon Blvd - Weston to Cherry Street - BONDS		417,204	42,246	300,323	116,881
<b>GRForward Goal # 1 - Bond Proceeds</b>	<b>5.96%</b>	<b>\$ 597,204</b>	<b>\$ 43,693</b>	<b>\$ 346,087</b>	<b>\$ 251,117</b>
Arena South Implementation		50,000	-	2,062	47,938
Downtown Plan - Local Tax Increment Fund		325,000	3,455	29,454	295,546
Grand River Activation		400,000	-	-	400,000
Lyon Square Improvements		288,000	-	5,464	282,536
Parks Design		700,000	6,736	28,366	671,634
Pearl Street Gateway Enhancements		100,000	-	(10,094)	110,094
State Street & Bostwick Ave Reconstruction		150,000	-	-	150,000
<b>GRForward Goal # 1 - Local Tax Increment</b>	<b>20.10%</b>	<b>\$ 2,013,000</b>	<b>\$ 10,191</b>	<b>\$ 55,252</b>	<b>\$ 1,957,748</b>
Downtown Plan - Non-Tax Increment Fund		20,000	-	-	20,000
Downtown Speakers Series		10,000	-	1,300	8,700
Riverwalk Maintenance		15,000	-	375	14,625
<b>GRForward Goal # 1 - Non-Tax Increment</b>	<b>0.45%</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 1,675</b>	<b>\$ 43,325</b>
Affordable Housing Support		250,000	-	-	250,000
Development Project Guidance		90,000	1,760	2,332	87,668
Development Project Reimbursements		1,300,000	-	933,598	366,402
Downtown Census		15,000	-	-	15,000
Downtown Enhancement Grants		485,000	-	49,713	435,287
Weston Street - Sheldon to LaGrave Ave		200,000	49,404	159,478	40,522
<b>GRForward Goal # 2 - Local Tax Increment</b>	<b>23.36%</b>	<b>\$ 2,340,000</b>	<b>\$ 51,164</b>	<b>\$ 1,145,121</b>	<b>\$ 1,194,879</b>
Heartside Public Restroom Operations		150,000	-	-	150,000
<b>GRForward Goal # 2 - Non-Tax Increment</b>	<b>1.50%</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>
Accessibility and Mobility Repairs		100,000	-	-	100,000
Bicycle Friendly Improvements		250,000	36,945	46,128	203,872
DASH North Shuttle Services		100,000	-	33,332	66,668
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		325,000	5,254	26,289	298,711
Streetscape Improv - CBD/Heartside/Arena S		650,000	5,273	17,781	632,219
Wayfinding System Improvements		75,000	1,446	34,875	40,125
<b>GRForward Goal # 3 - Local Tax Increment</b>	<b>20.97%</b>	<b>\$ 2,100,000</b>	<b>\$ 48,918</b>	<b>\$ 158,405</b>	<b>\$ 1,941,595</b>
Transportation Demand Mgmt Program		40,000	-	-	40,000
<b>GRForward Goal # 3 - Non-Tax Increment</b>	<b>0.40%</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>
Econ Devel - Minority/Women Business Enterprises		150,000	-	1,892	148,108
<b>GRForward Goal # 4 - Local Tax Increment</b>	<b>1.50%</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 1,892</b>	<b>\$ 148,108</b>
Downtown Workforce Programs		25,000	-	13,866	11,134
<b>GRForward Goal # 4 - Non-Tax Increment</b>	<b>0.25%</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 13,866</b>	<b>\$ 11,134</b>
Downtown Marketing & Inclusion		400,000	12,526	108,540	291,460
Downtown Tree Plantings		150,000	-	76,894	73,106
Heartside Public Restroom Facilities Construction		150,000	-	-	150,000
Public Space Activation - LOCAL TAX		-	-	408	(408)
Sheldon Blvd - Weston to Cherry Street - LOCAL TAX		400,000	-	-	400,000
Snowmelt System Repairs / Investigation		50,000	2,909	10,928	39,072
State of Dntn Event & Annual Reports		25,000	-	-	25,000
Urban Recreation Improvements		250,000	2,459	7,114	242,886
<b>GRForward Goal # 5 - Local Tax Increment</b>	<b>14.23%</b>	<b>\$ 1,425,000</b>	<b>\$ 17,894</b>	<b>\$ 203,884</b>	<b>\$ 1,221,116</b>
Bridge Lighting Operations		10,000	-	-	10,000
DGRI Event Production		325,000	6,943	130,844	194,156
Diversity / Inclusion Programming		45,000	125	15,125	29,875
Downtown Ambassadors		209,000	26,492	36,222	172,778
Educational Partnerships Initiatives		5,000	-	-	5,000
Experience - Miscellaneous		50,000	-	7,727	42,273
Holiday Décor Program		55,000	4,672	4,672	50,328
Major Event Sponsorship		70,000	-	15,132	54,868
Police Foot Patrols		35,000	-	-	35,000
Project and Fixed Asset Maintenance		25,000	-	3,828	21,172
Public Space Activation - NON-TAX		65,000	11,260	60,299	4,701
Rosa Parks Circle Skating Operations		40,000	-	-	40,000
Special Events - Grants		25,000	-	14,415	10,585
Special Events - Office of		50,000	-	-	50,000
Special Events - Training Program		5,000	-	1,500	3,500
Stakeholder Engagement Programs		35,000	3,990	11,828	23,172
Ticketed Events - Police Services		80,000	-	30,215	49,785
Winter Avenue Building Lease		2,000	-	-	2,000
<b>GRForward Goal # 5 - Non-Tax Increment</b>	<b>11.29%</b>	<b>\$ 1,131,000</b>	<b>\$ 53,482</b>	<b>\$ 331,807</b>	<b>\$ 799,193</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>\$ 10,016,204</b>	<b>\$ 225,342</b>	<b>\$ 2,257,989</b>	<b>\$ 7,758,215</b>



# STATEMENT D

## DOWNTOWN DEVELOPMENT AUTHORITY Schedule of FY2019 Expenditures December, 2018

Source	Date Posted	Vendor	Purpose / Project	Description	Amount
Local	12/31/2018	Paychex	Administration	DDA Payroll Wages, 401, Taxes - December 2018	\$ 74,557.39
Local	12/2/2018	State of Michigan	Weston Street - Sheldon to LaGrave Ave	14056-Weston-Sheldon/LaGrave (MDOT10091814056)	41,153.23
Local	12/13/2018	Wyoming Excavators Inc	Bicycle Friendly Improvements	15040-Util Improve (#1504003F-Dvn Bike Lane)	34,440.73
Non-Tax	12/13/2018	Mydatt Svc Inc dba Block by Block	Downtown Ambassadors	Downtown Ambassadors 10/2018	26,385.55
Bonds	12/20/2018	Wyoming Excavators Inc	Sheldon Blvd - Weston to Cherry Street	15096- Sheldon-Weston/Fulton (#1509609)	26,152.68
Bonds	12/25/2018	Moore & Bruggink Inc	Sheldon Blvd - Weston to Cherry Street	15096-Sheldon-Weston/Fulton (#170134.3-5)	16,092.93
Local	12/20/2018	Moore & Bruggink Inc	Weston Street - Sheldon to LaGrave Ave	14056-Weston-Sheldon/LaGrave (#170209.2-5)	8,250.70
Local	12/12/2018	City Treasurer - Budget Office	Administration	Support services allocation - December, 2018	8,230.00
Local	12/9/2018	Progressive Architecture	Parks Design	18028-Calder Plaza Redesign (#00170423)	6,736.42
Local	12/12/2018	Federal Square Bldg Co. #1, LLC	Administration	Office Lease: 29 Pearl Street 12/2018	5,728.56
Non-Tax	12/4/2018	20 Monroe Bldg Co Ltd Partnership	Public Space Activation	Catering: Graffiti Mural Competition 10/2018	5,500.00
Local	12/6/2018	Eco-Compteur Inc	Public Realm Improvements	Ped/bike counters annual data transfers 11/18	5,071.50
Local	12/12/2018	McAlvey Merchant & Associates	Administration	Governmental Consulting 11/2018	4,500.00
Local	12/19/2018	Dickinson Wright PLLC	Administration	Legal: DDA Misc. Matters 10/2018	3,740.00
Local	12/6/2018	GRCAC	Downtown Marketing & Inclusion	Radio Advertising: GR Live 11/2018	3,500.00
Local	12/17/2018	GRCAC	Downtown Marketing & Inclusion	Radio Advertising: 2nd qtr pmt 12/01/2018	3,500.00
Local	12/13/2018	City Treasurer - MobileGR/Parking	Streetscape Improv - CBD/Heartside/Arena S	DDA share HRC 10/18 eng/design Rvrwlk Trail Crossing	3,437.18
Local	12/17/2018	HR Collaborative LLC	Administration	HR Consultant 11/2018	3,401.54
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	Stakeholder Engagement Programs	Catering: Dntn Neighbor Holiday event 12/01/2018	3,264.99
Non-Tax	12/6/2018	Bazen Electric	Holiday Décor Program	Repaired all receptacles for Holiday Decor 10/31/2018	2,887.03
Local	12/13/2018	City Treasurer - MobileGR/Parking	Bicycle Friendly Improvements	DDA Share HRC 10/18 engin/design-Dvn Bike Lanes	2,503.91
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	Public Space Activation	Moving Svcs: Calder Plaza furniture, rink, & alligators	2,427.50
Local	12/1/2018	City of Grand Rapids	Administration	Staff services - payroll period ended 12/01/2018	1,952.11
Local	12/6/2018	LiveSpace, LLC	Downtown Plan	Services: Bronx River Alliance Community Event 11/18	1,939.00
Local	12/2/2018	Geotech Inc	Snowmelt System Repairs / Investigation	Snowmelt System O&M 11/2018	1,936.18
Local	12/25/2018	Kamminga & Roodvoets Inc	Streetscape Improv - CBD/Heartside/Arena S	16065-Newberry-Monroe/Division (K&R-1606508)	1,836.12
Local	12/6/2018	International Dntn Assoc	Administration	IDA Nonprofit Membership 01/2019-12/2019	1,824.54
Non-Tax	12/6/2018	Bazen Electric	Holiday Décor Program	Gillette Bridge Lighting Receptacles-Replaced 10/9/18	1,785.00
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Downtown Marketing & Inclusion	Marketing Supplies	1,683.33
Non-Tax	12/13/2018	Ice sculptures, Ltd.	DGRI Event Production	Ice Sculptures-Gerald Ford Museum 12/01/2018	1,500.00
Local	12/6/2018	Dickinson Wright PLLC	Development Project Guidance	Legal: 10 Ionia Project Dev. Guidance 10/2018	1,254.00
Non-Tax	12/13/2018	Ice sculptures, Ltd.	Public Space Activation	Live Pumpkin Carving Demo final payment 10/2018	1,225.00
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	DGRI Event Production	Supplies for Winter Programming 2018	1,197.99
Local	12/6/2018	La Mejor GR LLC	Downtown Marketing & Inclusion	Spanish Radio Advertising: 11/01/2018-12/01/2018	1,180.00
Local	12/16/2018	Williams & Works Inc	Wayfinding System Improvements	14025- Signage (WW-86248)-DDA	1,158.40
Local	12/12/2018	Athletica Sport Systems, Inc.	Urban Recreation Improvements	Monroe Lot Pop Up Ice Rink Supplies 11/2018	1,099.35
Local	12/17/2018	The Hartford	Administration	Workers Compensation renewal 12/2018	1,053.23
Local	12/4/2018	118 Fulton Operating LLC	Downtown Plan	Catering: Bronx River Alliance Luncheon 2018	1,050.00
Local	12/15/2018	City of Grand Rapids	Administration	Staff services - payroll period ended 12/15/2018	1,049.73
Local	12/17/2018	Geotech Inc	Snowmelt System Repairs / Investigation	Snowmelt System O&M 12/2018	972.74
Bonds	12/11/2018	Fishbeck, Thompson, Carr & Huber	River Trail Improvements	16046-Floodwalls Embankments 3 (FTCH-375085)	951.52
Non-Tax	12/6/2018	Swift Printing & Communications	DGRI Event Production	Event Materials: Light Up Downtown 11/27/2018	884.74
Non-Tax	12/16/2018	Dickinson Wright PLLC	Public Space Activation	Legal: Cracking Art Install & Exhibition Proj Agreement	858.00
Local	12/6/2018	Revue Holding 1	Downtown Marketing & Inclusion	Advertising: DGRI Events 12/2018	772.00
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	Public Space Activation	Supplies - Arena alleyway & Monroe ice rink	699.27
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Downtown Marketing & Inclusion	Marketing Advertising and Social Media	642.64
Local	12/20/2018	Athletica Sport Systems, Inc.	Urban Recreation Improvements	Monroe Lot Pop Up Ice Rink Supplies 11/2018	622.00
Local	12/20/2018	Swift Printing & Communications	Downtown Marketing & Inclusion	Marketing Materials: Relax at Rosa Banner 12/11/2018	598.00
Non-Tax	12/16/2018	DICKINSON WRIGHT PLLC	DGRI Event Production	Legal: Food Truck Ordinance 10/2018	594.00
Non-Tax	12/6/2018	Peter Lewandoski	Public Space Activation	Pop-Up Performer at var locations 06/2018-09/2018	550.00
Non-Tax	12/13/2018	Erika Townsley	DGRI Event Production	Photog: Light Up & Filipino Lantern Parade 12/2018	525.00
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	DGRI Event Production	Storage of Special Events Supplies	519.85
Local	12/13/2018	City Treasurer - Risk Management	Administration	Annual Property Insurance Premium Cost	510.59
Local	12/6/2018	Hatch Enterprises, Inc.	Urban Recreation Improvements	Event supplies: Calder Temp Improvements 05/2018	505.44
Local	12/12/2018	Federal Square Bldg Co. #1, LLC	Administration	Office Lease: 29 Pearl Street Mezz Office 12/2018	475.14
Non-Tax	12/13/2018	Bryan Esler Photo, Inc.	DGRI Event Production	Photog: Light Up Downtown-Santa Photos 12/01/18	475.00
Local	12/12/2018	Professional Maint of Michigan Inc.	Administration	Janitorial services 11/2018	471.18
Local	12/4/2018	Kasandra Marie Lott	Downtown Plan	Catering - Bronx River Alliance Comm Session 2018	466.01
Non-Tax	12/13/2018	Michael Duane Belt	DGRI Event Production	Light Up Downtown Santa & Mrs. Claus 12/01/2018	450.00
Non-Tax	12/13/2018	Matthew Thomas Provoast	DGRI Event Production	Photography: Light Up Downtown 12/01/2018	425.00
Local	12/16/2018	Dickinson Wright PLLC	Development Project Guidance	Legal: Contractor Use of Remant Area 4 10/2018	396.00
Local	12/17/2018	Fusion IT LLC	Administration	Network Management Upfront payment 12-06-18	380.06
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Administration	New employee background checks 11/2018	359.13
Local	12/6/2018	Z2 Systems Inc	Downtown Marketing & Inclusion	NeonCRM Monthly cloud-based software 11/2018	350.00
Local	12/6/2018	GreatAmerica Financial Svcs Corp	Administration	Copier Lease 11/2018	336.56
Non-Tax	12/13/2018	Erika Townsley	Stakeholder Engagement Programs	Photography: Dntn Neighbor Holiday event 12/01/2018	325.00
Bonds	12/11/2018	Fishbeck, Thompson, Carr & Huber	River Trail Improvements	16046-Floodwalls Embankments 3 (FTCH-378219)	309.07
Local	12/31/2018	Paychex	Administration	DDA Payroll HRS fees - December 2018	289.50
Local	12/20/2018	Williams & Works Inc	Wayfinding System Improvements	14025-Signage (W&W-86644)-DDA	287.46
Local	12/17/2018	TDS Metrocom, LLC	Administration	Phone Service 12/2018	249.31
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Urban Recreation Improvements	Container Rental at 300 Monroe	232.58

continued on the next page

STATEMENT D - continued  
DOWNTOWN DEVELOPMENT AUTHORITY  
Schedule of Expenditures - FY2019  
December, 2018

Page 2

Source	Date Posted	Vendor	Activity # Purpose / Project	Description	Amount
<i>continued from previous page</i>					
Non-Tax	12/20/2018	Kerkstra Portable Restroom Svc Inc	DGRI Event Production	MoM Portable Restrooms 08/2018	\$ 230.00
Local	12/31/2018	Paychex	Administration	DDA Payroll Paychex Fee - December 2018	211.87
Local	12/17/2018	The KR Group, Inc.	Administration	IT services: 11/2018	207.08
Non-Tax	12/13/2018	Kelley Keys	Stakeholder Engagement Programs	Piano Perf: Dntn Neighbor Holiday event 12/01/2018 dup	200.00
Non-Tax	12/28/2018	Sean Jackson	Stakeholder Engagement Programs	Piano Perf: Dntn Neighbor Holiday event 12/01/2018	200.00
Local	12/19/2018	Dickinson Wright PLLC	Administration	Legal Services: FOIA- review articles and bylaws 10/2018	191.64
Bonds	12/11/2018	Fishbeck, Thompson, Carr & Huber	River Trail Improvements	16046-Floodwalls Embankments 3 (FTCH-377364)	186.25
Local	12/17/2018	Cellco Partnership dba Verizon	Administration	Cell Phone Service 11/2018	184.28
Local	12/12/2018	MVP Sportsplex - GR, LLC	Administration	Paid via Payroll Deductions 11/2018	183.72
Local	12/20/2018	PCS Gophers Ltd	Administration	Courier services - November 2018	161.05
Local	12/13/2018	GR Wilbert Burial Vault Co	Public Realm Improvements	Rock Benches for Ah-Nab-Awen park 10/2018	150.00
Local	12/6/2018	Mighty Co.	Downtown Marketing & Inclusion	Website Support:11/5/2018-11/18/2018	150.00
Local	12/13/2018	Mighty Co.	Downtown Marketing & Inclusion	Website: Google Tag Mgr & Scripts 11/19-12/02	150.00
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Administration	Staff Lunches for Meeting 11/2018	138.47
Non-Tax	12/6/2018	City Treasurer - Special Events	Diversity / Inclusion Programming	Filipino Lantern celebration Parade 12/02/2018	125.00
Local	12/19/2018	Dickinson Wright PLLC	Development Project Guidance	Legal: Area 4/5 Development 10/2018	110.00
Local	12/6/2018	The KR Group, Inc.	Administration	IT services- System Engineer 11/2018	106.91
Local	12/13/2018	Erika Townsley	Administration	Photography: DGRI- New Employee Headshots 11/18	79.19
Non-Tax	12/26/2018	DTE Energy	Downtown Ambassadors	351 Winter Ave NW - 12/2018 DDA's share	58.26
Non-Tax	12/11/2018	Fifth Third Bank - P-Card 11/18	DGRI Event Production	Special Events Postage	55.60
Local	12/12/2018	The KR Group, Inc.	Administration	IT services: System Engineer 11/19/2018	53.45
Non-Tax	12/13/2018	Grand Rapids Running Tours	DGRI Event Production	Light Up Downtown Walking Tour 12/01/2018	50.00
Non-Tax	12/21/2018	City Treasurer - MobileGR/Parking	Downtown Ambassadors	DECEMBER 2018 MONTHLY PARKING BILLING	48.00
Non-Tax	12/6/2018	City Treasurer - Public Works	DGRI Event Production	Refuse collection - Light Up Downtown 12/01/2018	35.75
Local	12/6/2018	Model Coverall Service Inc	Administration	Floor Mat Rental 05/28/2018	34.23
Local	12/6/2018	Model Coverall Service Inc	Administration	Floor Mat Rental 06/25/2018	34.23
Local	12/6/2018	Model Coverall Service Inc	Administration	Floor Mat Rental 03/05/2018	33.63
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Public Realm Improvements	Breakfast for Arena / MKSK Consultants 11/2018	32.35
Local	12/17/2018	Fusion IT LLC	Administration	Network Mhmt - System Network IT Engineering 12/18	24.17
Local	12/31/2018	JPMorganChase	Administration	DDA Payroll Bank Fee - December 2018	11.28
Local	12/11/2018	Fifth Third Bank - P-Card 11/18	Administration	Office Supplies	7.70
<b>TOTAL DECEMBER, 2018 EXPENDITURES</b>					<b>\$ 336,112.72</b>

**STATEMENT E**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Series 2017 Improvement & Refunding Bonds**

**Balance Sheet**  
**As of December 31, 2018**

<b>Assets - Pooled Cash and Investments</b>	<b>\$ 326,566</b>
<b>Liabilities and Fund Balance</b>	
Current Liabilities	\$ -
Reserved for Projects	326,566
<b>Liabilities and Fund Balance</b>	<b>\$ 326,566</b>

**Statement of FY2019 Revenues and Expenditures**  
**July 1, 2018 through December 31, 2018**

	<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Bond Proceeds	\$ - <sup>1</sup>	\$ -
Interest Earned	2,956	700
From / (To) Fund Balance	594,248	-
<b>Total Revenues</b>	<b>\$ 597,204</b>	<b>\$ 700</b>
<b>EXPENDITURES</b>		
<b>GR Forward Projects:</b>		
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor		
River Trail Improvements	\$ 100,000	\$ 45,764
Michigan Street Streetscape Improvements	-	-
Sheldon Blvd - Weston to Cherry Street	497,204	300,323
<b>Total GR Forward Project Expenditures</b>	<b>\$ 597,204</b>	<b>\$ 346,087</b>
<b>Excess / (Deficit)</b>	<b>\$ -</b>	<b>\$ (345,387)</b>

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

December 12, 2018

To the Board Members  
Grand Rapids Downtown  
Development Authority

We have audited the financial statements of the Grand Rapids Downtown Development Authority (the "Authority") as of and for the year ended June 30, 2018 and have issued our report thereon dated December 12, 2018. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated May 2, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated September 14, 2018.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

As described in Note 8, during the year ended June 30, 2018, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

#### ***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 12, 2018.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board Members  
Grand Rapids Downtown  
Development Authority

December 12, 2018

This information is intended solely for the use of the Grand Rapids Downtown Development Authority board members and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Plante & Moran, PLLC**



Joe Kowalski



William Brickey

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# Grand Rapids Downtown Development Authority

(a component unit of the City of Grand Rapids, Michigan)

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**Financial Report**  
**with Supplemental Information**  
**June 30, 2018**

## **Grand Rapids Downtown Development Authority**

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## **Independent Auditor's Report**

To the Board Members of the Grand Rapids Downtown  
Development Authority  
Grand Rapids Downtown Development Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the governmental fund of the Grand Rapids Downtown Development Authority (the "Authority"), a component unit of City of Grand Rapids, Michigan, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Grand Rapids Downtown Development 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 opinions 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 entity'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 entity'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.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the governmental fund of the Grand Rapids Downtown Development Authority as of June 30, 2018 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.

To the Board Members of the Grand Rapids Downtown  
Development Authority  
Grand Rapids Downtown Development Authority

***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, which 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 supplemental 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of current and ongoing projects is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of current and ongoing projects 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.

**Report on Summarized Comparative Information**

Other auditors have previously audited the Grand Rapids Downtown Development Authority's June 30, 2017 financial statements and expressed an unmodified audit opinion on those basic financial statements in their report dated December 7, 2017.

*Plante & Moran, PLLC*

December 12, 2018

## Grand Rapids Downtown Development Authority

### 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, 2018. 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 this Annual 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, deferred inflows of resources, 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 revenue 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

	Governmental Activities		
	2018	2017	Percent Change
<b>Assets</b>			
Current and other assets	\$ 12,757,974	\$ 14,954,805	(14.7)
Capital assets	33,021,801	36,756,587	(10.2)
Total assets	45,779,775	51,711,392	(11.5)
<b>Deferred Outflows of Resources</b>	2,396,283	3,095,372	(22.6)
<b>Liabilities</b>			
Current liabilities	1,750,169	1,723,442	1.6
Noncurrent liabilities:			
Due within one year	6,398,078	8,057,941	(20.6)
Due in more than one year	21,243,519	27,836,864	(23.7)
Total liabilities	29,391,766	37,618,247	(21.9)
<b>Net position</b>			
Net investment in capital assets	9,294,690	12,383,252	(19.4)
Restricted	9,489,602	4,805,265	83.2
Total net position	<u>\$ 18,784,292</u>	<u>\$ 17,188,517</u>	9.3



## **Grand Rapids Downtown Development Authority**

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### **Management's Discussion and Analysis (Continued)**

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#### **Current Assets**

##### ***Equity in Pooled Cash and Investments***

The City of Grand Rapids, Michigan 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 2018, cash increased by \$2 million from fiscal year 2017. Most of the difference results from the sale of authority - owned property.

##### ***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 \$864,374 is displayed as cash and investments held by trustee on the statement of net position/governmental fund balance sheet. The balance decreased by approximately \$3.9 million in fiscal year 2018. Beginning with the June 1, 2017 debt service payment, the Authority used DSRF funds to meet the remaining semiannual debt service requirements and will continue to use the reserve until the final maturity on June 1, 2019.

##### ***Receivables***

The Authority's fiscal year 2018 net receivables of \$30,306 are composed of interest receivable and amounts owed to the Authority for special assessments.

#### **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 percent per year. Repayment of principal began in 2015. The developer paid the scheduled \$75,000 principal payment in fiscal year 2018. Debt service is scheduled to be completed in 2023 due to prepayment of principal in September 2015.

##### ***Prepaid 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 \$33 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 \$54.9 million for accumulated depreciation. Detailed information regarding capital asset additions and deletions is available in Note 4.

#### **Deferred Outflows of Resources**

##### ***Deferred Outflows on Refunding of Bonds***

The decrease in deferred on the refunding of bonds consists of the scheduled current year amortization.

## **Grand Rapids Downtown Development Authority**

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### **Management's Discussion and Analysis (Continued)**

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#### **Current Liabilities**

##### ***Accounts Payable***

As of June 30, 2018, accounts payable of \$1.5 million include amounts owed to vendors for goods and services received in fiscal year 2018 but paid for in fiscal year 2019. The accounts payable balance as of June 30, 2018 is \$117,000 higher than the balance on 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 \$16.4 million represent the amount of the Authority's debt service payments due within 12 months after June 30, 2018, plus compensated absences expected to be paid within the same time frame. The decrease is due to scheduled principal payments. See Note 5 for additional information.

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

Noncurrent liabilities of \$21.2 million represent bond principal and capital appreciation debt-related interest payments scheduled to be paid after June 30, 2019. The decrease in the amounts outstanding on June 30, 2018 and June 30, 2017 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 5 for additional information.

##### ***Net Position***

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Total net position at June 30, 2018 was about \$18.8 million, a 9.3 percent increase compared to total net position at June 30, 2017.

##### ***Net Investment in Capital Assets***

Net investment in capital assets of \$9.3 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 24.9 percent, or \$3 million, decrease between fiscal years 2018 and 2017 is roughly equal to the \$3.7 million decrease in net capital assets, the \$8.2 million decrease in long-term liabilities, less the \$2.9 million change in accrued interest on the capital appreciation bond, less the \$700,000 change in the deferrals on the refunding bonds plus the \$4 million change in investments held by trustee for future debt service. Detailed information regarding capital assets and acquisition-related debt obligations is in Notes 4 and 5.

##### ***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 approved development plan. The \$4.6 million increase in restricted net position in fiscal year 2018 is primarily due to the \$2.9 million decrease in the amount of accrued interest on the Series 1994 capital appreciation bonds and the \$3.6 million sale of property.



## Grand Rapids Downtown Development Authority

### Management's Discussion and Analysis (Continued)

#### Authority's Changes in Net Position

	Governmental Activities		
	2018	2017	Percent Change
<b>Revenue</b>			
Property taxes	10,691,517	10,573,006	1.1
Charges for services	1,555,940	661,880	135.1
Investment earnings	214,190	(40,997)	(622.5)
Other revenue	2,508,147	-	-
Total revenue	14,969,794	11,193,889	33.7
<b>Expenses</b>			
Urban development	11,525,776	8,514,614	35.4
Interest and paying agent fees	1,848,243	2,533,537	(27.0)
Total expenses	13,374,019	11,048,151	21.1
<b>Excess of Revenue Over Expenses</b>	1,595,775	145,738	995.0
<b>Net Change in Net Position</b>	1,595,775	145,738	995.0
<b>Net Position - Beginning of year, as restated</b>	17,188,517	17,042,779	0.9
<b>Net Position - End of year</b>	<u><u>\$ 18,784,292</u></u>	<u><u>\$ 17,188,517</u></u>	<b>9.3</b>

#### Revenue

##### ***Property Taxes***

The Authority's revenue is generated primarily through the use of property tax increment financing in which the Authority captures property tax revenue attributable to increases in the value of real and personal property within the district boundaries. Property tax increment revenue 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, Michigan; County of Kent, Michigan; Grand Rapids Community College; and the Interurban Transit Partnership are used to support the Authority's cash and debt financed development projects. Property tax increment revenue for the year ended June 30, 2018 include property taxes levied July 1, 2017 and December 1, 2017.

Property tax revenue between fiscal years 2018 and 2017 remained fairly consistent.

##### ***Investment Earnings (Loss)***

This is interest revenue earned when authority funds are invested by the city treasurer, interest related to a loan to a downtown developer, and gains or losses on investments as they are brought to market value on June 30, 2018 and 2017. There was an increase of 622.5 percent in interest earnings between fiscal year 2018 and 2017. The large increase is due to a \$84,000 negative "mark to market" entry recorded in fiscal year 2017, which was reversed in fiscal year 2018.

##### ***Charges for Services***

In fiscal year 2018, charges for services increased 135 percent, or approximately \$900,000, mainly due to a reimbursement from the Brownfield Redevelopment Authority for Veterans Park improvement expenditures.

##### ***Other Revenue***

In fiscal year 2018, the Authority had a \$2.5 million gain on the sale of the Authority's parking areas south of the Van Andel Arena.

## **Grand Rapids Downtown Development Authority**

### **Management's Discussion and Analysis (Continued)**

#### **Expenses**

##### ***Urban Development***

In the fiscal year ended June 30, 2018, the Authority expended \$11.5 million for urban development work related to the Authority's Development Plan compared to \$8.5 million the prior year. There were five projects in fiscal year 2018 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 2018:

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, 55 Ionia Partners LLC, Harris Lofts LLC, CWD 50 Louis LLC, Waters Building LLC, 20 Monroe Building Co LLC, and Venue Towers LLC	\$	1,003,816
Veterans Park improvements		692,460
Parks design improvements		650,030
Downtown events productions		299,481
Downtown marketing and inclusion programs		277,017

The five largest projects in terms of expenditures for fiscal year 2017 are below:

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	\$	722,135
Building Re-Use Incentive Program		455,898
Pearl Street Gateway streetscape enhancements		356,309
Public realm improvements		281,140
Lyon Square improvements		255,677

##### ***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. See Note 5.

#### **Overall Financial Position**

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

#### **Requests for Further Information**

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

# Grand Rapids Downtown Development Authority

## Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2018 and 2017

	2018			Statement of Net Position 2017
	Governmental Fund	Adjustments (Note 3)	Statement of Net Position	
<b>Assets</b>				
Cash and cash equivalents	\$ 11,256,129	\$ -	\$ 11,256,129	\$ 9,158,234
Investments	864,374	-	864,374	4,849,267
Receivables:				
Current	30,306	-	30,306	225,702
Long-term loan receivable	488,848	-	488,848	563,848
Prepaid expenses	-	118,317	118,317	157,754
Capital assets: (Note 4)				
Assets not subject to depreciation	-	12,099,929	12,099,929	13,258,882
Assets subject to depreciation - Net	-	20,921,872	20,921,872	23,497,705
Total assets	12,639,657	33,140,118	45,779,775	51,711,392
<b>Deferred Outflows of Resources</b> - Deferred on refunding of bonds	-	2,396,283	2,396,283	3,095,372
Total assets and deferred outflows of resources	<u>\$ 12,639,657</u>	35,536,401	48,176,058	54,806,764
<b>Liabilities</b>				
Accounts payable	\$ 1,536,405	-	1,536,405	1,419,472
Due to primary government	10,094	-	10,094	-
Accrued interest payable	-	202,670	202,670	229,870
Customer deposits	1,000	-	1,000	66,727
Due to participants	-	-	-	7,373
Noncurrent liabilities: (Note 5)				
Due within one year	-	6,398,078	6,398,078	8,057,941
Due in more than one year	-	21,243,519	21,243,519	27,836,864
Total liabilities	1,547,499	27,844,267	29,391,766	37,618,247
<b>Deferred Inflows of Resources</b> - Unavailable revenue	488,848	(488,848)	-	-
Total liabilities and deferred inflows of resources	2,036,347	27,355,419	29,391,766	37,618,247
<b>Equity</b>				
Fund balance:				
Restricted	5,208,801	(5,208,801)	-	-
Assigned	5,394,509	(5,394,509)	-	-
Total fund balance	10,603,310	(10,603,310)	-	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 12,639,657</u>			
<b>Net position:</b>				
Net investment in capital assets		9,980,790	9,980,790	12,383,252
Restricted		8,803,502	8,803,502	4,805,265
Total net position		<u>\$ 18,784,292</u>	<u>\$ 18,784,292</u>	<u>\$ 17,188,517</u>



## Grand Rapids Downtown Development Authority

### Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance

Years Ended June 30, 2018 and 2017

	2018			Statement of Activities 2017
	Governmental Fund	Adjustments (Note 3)	Statement of Activities	
<b>Revenue</b>				
Property taxes	\$ 10,691,517	\$ -	\$ 10,691,517	\$ 10,573,006
Charges for services	1,555,940	-	1,555,940	661,880
Investment earnings	214,190	-	214,190	(40,997)
Other revenue:				
Other	75,025	(75,000)	25	-
Gain on sale of asset	-	2,508,122	2,508,122	-
Total revenue	12,536,672	2,433,122	14,969,794	11,193,889
<b>Expenditures</b>				
Urban development	8,906,068	2,619,708	11,525,776	8,514,614
Principal payments	4,793,101	(4,793,101)	-	-
Interest and paying agent fees	4,640,899	(2,792,656)	1,848,243	2,533,537
Total expenditures	18,340,068	(4,966,049)	13,374,019	11,048,151
<b>Excess of Revenue (Under) Over Expenditures</b>	(5,803,396)	7,399,171	1,595,775	145,738
<b>Other Financing Sources (Uses) - Sale of capital assets</b>	3,667,075	(3,667,075)	-	-
<b>Fund Balance/Net Position - Beginning of year, as restated (Note 8)</b>	12,739,631	4,448,886	17,188,517	17,042,779
<b>Fund Balance/Net Position - End of year</b>	<u>\$ 10,603,310</u>	<u>\$ 8,180,982</u>	<u>\$ 18,784,292</u>	<u>\$ 17,188,517</u>

June 30, 2018

#### Note 1 - Reporting Entity

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 revenue, 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 that increased its development area but did not significantly increase tax increment revenue due to the overlapping of existing tax increment districts and the inclusion of 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.

#### Note 2 - Significant Accounting Policies

##### *Accounting and Reporting Principles*

The Authority follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Authority:

##### *Basis of Accounting*

The governmental fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Authority has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Employee benefit costs that will be funded in the future (such as compensated absences) are not counted until they come due for payment.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Authority considers amounts collected within 60 days of year end to be available for recognition; however, property tax increment revenue is recognized as revenue in the fiscal year for which it was levied.

The Authority uses the economic resources measurement focus and the full accrual basis of accounting to prepare the statement of net position and statement of activities. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows.



June 30, 2018

### Note 2 - Significant Accounting Policies (Continued)

#### ***Budget***

The Grand Rapids City Commission annually approves the Authority's budget after the authority board members have reviewed and recommended it. After the City Commission approves the budget, the authority board members adopt it. 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.

#### ***Specific Balances and Transactions***

##### **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, Michigan to give an indication of the level of risk assumed by the City at year end. It is not feasible to allocate the level of risk to the various component units of the City because of the commingling 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 percent 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.

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 will use DSRF funds to pay debt service until the Series 1994 final maturity on June 1, 2019.

As of June 30, 2018, the Authority's DSRF had money market accounts held by a trustee totaling \$864,374.

##### **Capital Assets**

Capital assets, which include land, infrastructure, land improvements, buildings and structures, machinery and equipment, and furniture, are reported on the statement of net position. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**June 30, 2018****Note 2 - Significant Accounting Policies (Continued)**

Capital assets are depreciated using the straight-line method over the following useful lives:

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

**Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the governmental fund financial statements, bond issuances and premiums are recognized as an "other financing source" and bond discounts as "other financing uses."

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) 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.

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

**Net Position**

Net position of the Authority is classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or other external restrictions.

**Fund Balance**

Fund balance in the Authority's governmental fund column is reported in different categories based on the nature of any limitations regarding the use of resources for specific purposes. Amounts reported as restricted fund balance are the result of external restrictions, including Internal Revenue Service restrictions on the use of bond proceeds and, primarily, the Authority's enabling statute. Amounts reported as assigned are funded through the Authority's non-tax increment funds.

**Property Tax Revenue**

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.



## Grand Rapids Downtown Development Authority

### Notes to Financial Statements

June 30, 2018

#### Note 2 - Significant Accounting Policies (Continued)

##### Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

##### Comparative Data

The data for the prior year has been presented only for the statement of net position and statement of activities and has been presented only for informational purposes. These statements do not include the governmental fund balance sheet and the statement of revenue, expenditures, and changes in fund balance for the year ended June 30, 2017, which are necessary for a complete presentation in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Note 3 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the governmental funds column because of the different measurement focus and basis of accounting, as discussed in Note 2. Below is a reconciliation of the differences:

<b>Fund Balance Reported in Governmental Fund</b>	<b>\$ 10,603,310</b>
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the fund:	
Cost of capital assets	87,946,534
Accumulated depreciation	<u>(54,924,733)</u>
Net capital assets	33,021,801
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund	488,848
Prepaid maintenance agreements do not represent current financial resources and are not reported in the fund	118,317
Bonds payable, contracts payable, bond premium, and capital lease obligations are not due and payable in the current period and are not reported in the fund	(25,233,085)
Accrued interest is not due and payable in the current period and is not reported in the fund	(202,670)
Compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(12,229)</u>
<b>Net Position</b>	<b><u>\$ 18,784,292</u></b>

**June 30, 2018****Note 3 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities (Continued)**

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the governmental fund column because of the different measurements focus and basis of accounting, as discussed in Note 2. Below is a reconciliation of the differences:

<b>Net Change in Fund Balance Reported in Governmental Fund</b>	<b>\$ (2,136,321)</b>
Amounts reported in the statement of revenue, expenditures, and changes in fund balance are different because:	
Governmental fund reports capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(2,575,833)
Net book value of assets disposed of	(1,158,953)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(75,000)
Repayment of principal on bonds and contracts is an expenditure in the governmental fund, but not in the statement of activities (where it reduces long-term debt)	4,793,101
Some expenses (accrued interest, compensated absences, amortization of maintenance agreement, and bond amortizations) do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental fund:	
Accrued interest	2,954,640
Compensated absences	(4,438)
Amortization on maintenance agreement	(39,437)
Bond amortizations	(161,984)
<b>Change in Net Position</b>	<b>\$ 1,595,775</b>

# Grand Rapids Downtown Development Authority

## Notes to Financial Statements

June 30, 2018

### Note 4 - Capital Assets

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

	Balance July 1, 2017	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated -	\$ 13,258,882	\$ -	\$ (1,158,953)	\$ 12,099,929
Capital assets being depreciated:				
Infrastructure	267,779	-	-	267,779
Land improvements	7,626,373	-	(918,128)	6,708,245
Buildings and structures	59,948,100	-	(28,121)	59,919,979
Machinery and equipment	6,123,062	-	-	6,123,062
Office equipment and furniture	2,827,540	-	-	2,827,540
Subtotal	76,792,854	-	(946,249)	75,846,605
Accumulated depreciation:				
Infrastructure	178,517	5,950	-	184,467
Land improvements	6,071,128	237,581	(918,128)	5,390,581
Buildings and structures	40,951,160	1,996,279	(28,121)	42,919,318
Machinery and equipment	4,138,721	241,817	-	4,380,538
Office equipment and furnishings	1,955,623	94,206	-	2,049,829
Subtotal	53,295,149	2,575,833	(946,249)	54,924,733
Net capital assets being depreciated	23,497,705	(2,575,833)	-	20,921,872
Net capital assets	<u>\$ 36,756,587</u>	<u>\$ (2,575,833)</u>	<u>\$ (1,158,953)</u>	<u>\$ 33,021,801</u>

### Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	\$ 29,589,154	\$ -	\$ (4,744,600)	\$ 24,844,554	\$ 5,734,554
Bond premium	2,635,820	-	(537,106)	2,098,714	-
Accrued interest on capital appreciation bonds	3,569,040	332,959	(3,260,399)	641,600	641,600
Contracts payable	93,000	-	(48,500)	44,500	14,250
Compensated absences	7,791	8,658	(4,220)	12,229	7,674
Total long-term debt	<u>\$ 35,894,805</u>	<u>\$ 341,617</u>	<u>\$ (8,594,825)</u>	<u>\$ 27,641,597</u>	<u>\$ 6,398,078</u>

Long-term bonds and contracts consist of the following:

- 1994 Downtown Development Authority Tax Increment Revenue Bonds, interest rate of 7.35 percent, with one final maturity in 2019, with a balance of \$144,554 at June 30, 2018.
- 2008 Kent County Drain Commission Contract Payable, interest rates ranging from 4.00 to 4.25 percent, with various amounts maturing through 2021, with a balance of \$44,500 at June 30, 2018.
- 2009 Downtown Development Authority Tax Increment Revenue Improvement and Refunding Michigan Municipal Bond Authority Bonds, interest rate of 5.0 percent, with one final maturity in 2019, with a balance of \$3,510,000 at June 30, 2018.



## Grand Rapids Downtown Development Authority

### Notes to Financial Statements

June 30, 2018

#### Note 5 - Long-term Debt (Continued)

- 2017 Downtown Development Authority Tax Increment Revenue Improvement and Refunding Bonds, interest rates ranging from 4.0 to 5.0 percent, with various amounts maturing through 2022, with a balance of \$21,190,000 at June 30, 2018.

##### *Debt Service Requirements to Maturity*

Annual debt service requirements to maturity for the above long-term obligations are as follows:

Years Ending June 30	Principal	Interest	Total
2019	\$ 5,748,804	\$ 1,916,178	\$ 7,664,982
2020	6,289,750	956,433	7,246,183
2021	6,360,500	642,060	7,002,560
2022	6,490,000	324,500	6,814,500
Total	<u>\$ 24,889,054</u>	<u>\$ 3,839,171</u>	<u>\$ 28,728,225</u>

The Series 1994 bond issue for the Van Andel Arena contains \$144,554 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 \$9,751,166 have been paid. These bonds appreciate in value to \$4,840,000.

#### Note 6 - 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, Michigan's semiannual rental payments and will be completed in December 2023. Debt service for the Series 2013B bonds is supported by the Authority's semiannual 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.

The amount of Series 2013B principal outstanding for which the Authority is responsible as of June 30, 2018 is \$1,715,000. Future lease payments are as follows:

Years Ending	Amount
2019	\$ 324,225
2020	326,125
2021	321,400
2022	315,100
2023	318,400
2024	316,200
Total	<u>\$ 1,921,450</u>

#### Note 7 - Contingencies

The City is regularly involved in various property tax appeal. For the Authority, as of June 30, 2018, funds have been accrued for estimated property tax increment revenue losses plus estimated interest, which would be owned to the property owner. 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 for the City.



**June 30, 2018**

**Note 7 - Contingencies (Continued)**

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.

**Note 8 - Implementation of New Pronouncements**

Effective with these financial statements, the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, replaced the previous requirements of GASB Statement No. 45 on the same topic. The new standard is similar to the pension reporting standard implemented in 2015 by the Authority. Because the benefit-eligible staff who are paid by the Authority are employed by the City, no pension liabilities of the staff had been allocated to the Authority in the past and no OPEB related liabilities, deferred outflows, or deferred inflows will be allocated in the future. To implement the new standard, the net position reported at June 30, 2017 of \$17,194,237 was reduced by \$5,720 to \$17,188,517. No changes were required to amounts shown on the governmental fund balance sheet.

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## Other Supplemental Information

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## Grand Rapids Downtown Development Authority

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

June 30, 2018

The Authority captures property tax increment revenue from two sources: local tax increments and school tax increments. Local tax increment (LTI) revenue is derived from millages assessed by the City of Grand Rapids, Michigan; the County of Kent, Michigan; the Interurban Transportation Partnership; and Grand Rapids Community College. School tax increment (STI) revenue is related to the State Education Tax millage, the Grand Rapids Public Schools operating and debt millages, and the Kent Intermediate School District millages. State law restricts the Authority's use of STI revenue for payment of debt service and other eligible obligations in existence prior to January 1, 1995 and for debt obligations that refunded those pre-1995 eligible obligations. Nontax revenue includes interest on investments and rental and parking revenue 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 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, composed of community stateholders, that advises on projects and implementation activities.

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

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

- Arena South Implementation

Installation of festoon lighting on Ionia Avenue in collaboration with building and business owners.

- Downtown Plan

Planning initiatives to further the goals of GR Forward. Proposed initiatives in FY2019 include:

- Governance and Management Plan for the Grand River Corridor
- Downtown Traffic Circulation Plan Update
- Fulton Street Corridor Improvement Plan

- Grand River Activation

Authority support for completing the design and permitting process for the restoration of the Grand River.

- Lyon Square Improvements

Funding to complete the construction of Lyon Square. Construction is anticipated to be funded through the issuance of municipal bonds, as well as through partner contributions.

- Parks Design

Completion of design for downtown parks. In FY2019, funds will be used to complete the design of Lyon Square and Calder Plaza. In FY2020, it is anticipated design work will commence for Switchback and Heartside Parks.



## **Grand Rapids Downtown Development Authority**

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

**June 30, 2018**

- Downtown Speaker Series (NTI)

Funding to bring thought leaders in city building to Grand Rapids to advance key organization goals.

- Riverwalk Maintenance (NTI)

Funding to continue the seasonal upkeep of the existing Riverwalk.

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

##### **Development Incentive Programs**

- Development Support Reimbursements

Program funds will be used to further promote economic growth and development in Downtown by funding approved eligible public purpose expenditures in new construction projects with more than \$5 million of new investment or for rehabilitation projects featuring over \$1 million in new investment. Proposed funding covers existing obligations and to capitalize on new opportunities.

- Downtown Enhancement Grant

Funds will be used 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 Authority 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

Authority support for the installation of restroom facilities in the Heartside neighborhood. The project will be conducted in partnership with the City of Grand Rapids, Michigan. Authority funds will go toward costs associated with the construction of the facilities.

- Weston Street - Sheldon to LaGrave Avenue

Authority participation in the city reconstruction project. Authority funding will be used for streetscape enhancements, including the brick street and lighting.

- Heartside Quality of Life Plan Implementation (NTI)

Funding to implement recommendations from the Heartside neighbors and businesses during the Quality of Life process. Specific activities will be developed in collaboration with the Goal 2 Alliance and will align with recommendations from GR Forward.

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

- 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 to continue the implementation of bike parking and other infrastructure throughout downtown in partnership with MobileGR. A portion of funding is also anticipated to go toward the initiation of bike share.

## **Grand Rapids Downtown Development Authority**

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

**June 30, 2018**

- **DASH North Shuttle Lease**

Funding to partially support the continued operation of DASH North shuttle services.

- **Grandville Avenue Area Public Improvements**

The Authority's contribution to implement the vision established in the Grandville Avenue Area Specific Plan. Improvements will occur within the Authority's boundary on Grandville Avenue, and will likely include pedestrian enhancements to improve the streetscape and walkability. The Authority will work with neighborhood stakeholders to identify the implementation priorities.

- **New Downtown Circulator Infrastructure**

Investments in new infrastructure - including shelters and supporting amenities - to improve the ridership experience of DASH users.

- **Public Realm Improvements**

Investment in infrastructure to support the continued improvement of the public realm in downtown, including trash cans and expansion of the piloted recycling program.

- **Streetscape Improvements**

Pedestrian enhancements along key downtown corridors. Enhancements will include lighting, trees, and safety elements to improve street crossings. Proposed projects for FY2019 include:

- Division Avenue: Fulton - Cherry Street
- Newberry Street: Monroe - Division Avenue
- Sheldon Avenue: Fulton - Weston Street
- Michigan Street River Crossing(s)

- **Wayfinding System Improvements**

Funding to maintain the existing wayfinding system, and to initiate an overhaul to the system, as recommended by the Streetspace Guidelines.

- **Transportation Demand Management (NTI)**

Continuation of transportation demand management efforts and programs. Funding will be utilized for outreach, education, and additional activities to support mobility options in and out of downtown.

#### **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 Authority's 2016 Tax Increment and Development Plan amendments and embodies recommendations from GR Forward regarding increasing the number of ground floor businesses in downtown owned by women or minorities.

- **Downtown Workforce Programming (NTI)**

The Authority's contribution to Downtown Workforce Program supports programming to connect with the downtown workers of Grand Rapids. This could include, but 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.

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

- **Downtown Marketing and Inclusion Efforts**



## **Grand Rapids Downtown Development Authority**

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

**June 30, 2018**

The Authority's contribution to downtown marketing supports communications that promote downtown events and programming initiatives to downtown stakeholders, residents, businesses, and visitor 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.

- 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.

- Snowmelt System Capital Repairs

Continued capital repairs to the downtown snowmelt systems to ensure efficient operations.

- State of the Downtown Event/Annual Report

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

- Tree Plantings

Continued investments in tree plantings and infrastructure to improve the downtown tree canopy and achieve the goals outlined in GR Forward.

- Urban Recreation

Support for free outdoor fitness programming, outdoor walking and running tours, and winter programming.

- Bridge Lighting Operations (NTI)

Support for electricity and maintenance for lighting on the Indiana Railroad Bridge (Blue Bridge) and the Gillett Bridge.

- DGRI Event Production (NTI)

Event production supports six Movies in the Park/Movies on Monroe events, World of Winter, Rosa Parks ice-skating programming, Light Up Downtown, World Cup, Calder Plaza Anniversary, Event Management Program, and a Volunteer Program to enhance the downtown experience for workers, residents, and visitors.

- Diversity and Inclusion Programming (NTI)

Community relations and engagement supports 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 Ambassador Program (NTI)

Funding to extend the hospitality contract with Block by Block and continue deployment of the Downtown Ambassadors.

- Educational Partnerships Initiatives (NTI)

Contributions to further partnerships with education-based organizations to promote downtown and the work Downtown Grand Rapids Inc.

- Experience Miscellaneous (NTI)

Funds not currently associated with projects that provide opportunities to take advantage of unforeseen projects, partnerships or initiatives that arise during the fiscal year.

## **Grand Rapids Downtown Development Authority**

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

**June 30, 2018**

- **Holiday Décor Program (NTI)**

The Holiday Décor Program supports the Authority's investment for lighting and decorating downtown during the winter holiday season. This continued support will allow DGRI to continue to decorate the downtown with the replacement of existing decoration investments.

- **Major Event Sponsorship (NTI)**

Support for Downtown signature events like ArtPrize and LaughFest.

- **Police Foot Patrols (NTI)**

Added public safety via additional police foot patrol services along key entertainment corridors throughout the summer months.

- **Public Space Activation (NTI)**

Public Space Activation continues and expands the Pop-Up Performer Program, public games, public artwork programs, murals, activation grant program, food truck initiatives, parks programming, and other enlivening interventions that create an attractive ambiance within downtown.

- **Rosa Parks Circle Ice Skating (NTI)**

The Authority's contribution to Rosa Parks Circle Ice Skating helps to support skate rink operations, including operations of the Zamboni, maintenance, and upkeep of the rink.

- **Special Events Grants Program (NTI)**

The Authority's contributions to Special Events Sponsorships supports events happening within downtown, which align with the community goals that were voiced through the Special Events Optimization process finalized in fiscal year 2015. This program helps to provide free and open to the public events during October through May, which support the GR Forward goal of creating a four-season city.

- **City of Grand Rapids Office of Special Events Support (NTI)**

Support for the City of Grand Rapids Office of Special Event (OSE), which helps schedules, processes, and permits events within the City of Grand Rapids.

- **Special Events Training Program (NTI)**

Special Events Training Program supports educational workshops for event planners and producers to enable them to successfully plan and manage an event downtown.

- **Stakeholder Engagement Programs (NTI)**

Engagement activities for residents, employees, and other stakeholders.

- **Winter Avenue Building (NTI)**

Funding for annual maintenance needs for this Authority owned building at 331 Winter Avenue, N.W.

- **Ticketed Events: Police Services**

Authority support for police services for ticketed performances, consumer shows, and other events at Van Andel Arena and DeVos Place for pedestrian safety.

# MEMORANDUM

DOWNTOWN  
DEVELOPMENT  
AUTHORITY



DATE: January 9, 2019

TO: Downtown Development Authority

FROM: Stephanie Wong, Project Manager

**Agenda Item #06**  
**January 9, 2019**  
**DDA Meeting**

**SUBJECT: Calder Plaza Redesign- Construction Manager**

Downtown Grand Rapids, Inc. (DGRI) and City of Grand Rapids (City) are redesigning Calder Plaza's southeast edge, also known as Phase One of the Master Plan. In August 2018, the DDA approved a contract with a local architectural and engineering firm, Progressive AE. The scope of work includes design and construction documents for a café space, a great pavilion equipped with an outdoor stage, and landscape improvements.

As the project develops, impacts of Calder Plaza and structural components became more prominent. DGRI and City discussed the benefits of a Construction Manager for front-end planning and logistics from start to finish. In October 2018, DGRI and City released an RFQ for Construction Management Services and four qualified firms were interviewed. Pioneer Construction brought the strongest team with expertise to meet the vision and cost evaluations of Phase One. Our team is confident Pioneer Construction will provide a valuable component to the overall project.

Pre-Construction Deliverables include:

- (3) cost estimates at 30% Schematic Design, 60% Design Development, 90% Construction Document
- Comparative cost studies to evaluate products and systems. Advise during the design phase on constructability, products, systems, and how the design will affect work sequence, schedule and logistics
- Vendor Studies for non-typical elements of the project
- Logistics planning for phase(s) of construction
- Prepare construction schedule
- Pre-qualify and solicit bidders
- Prepare bid package & work scope development

In response the DDA Board meeting in December, Pioneer Construction provided a percentage of Construction Management fees for the project. In addition to overhead and profit, the percentage includes insurance and payment bonds. This percentage will be applied to the construction estimate in order to negotiate a Guaranteed Maximum Price.

Construction Management Fee Breakdown:

Overhead and Profit (Fee)	5%
General Liability, Builder's Risk, OCP Insurance	0.55%
PLM (Performance) Bond	0.70%





Total CM Fee to be applied to Cost of the Work: 6.25%

The final estimate at 100% will verify that the scope of the project is within project goals. Pioneer Construction will develop ideas with the design team for bid alternates to act as bid protection to assure that the final project budget is achievable. The final design, project scope, and construction value is not determined at this time. If approved, funding for pre-construction services will be allocated from the FY19 Downtown Plan line item.

**Recommendation: Approve Pre-Construction Services from Pioneer Construction in an amount not to exceed \$36,000 to support Calder Plaza Redesign Phase One Improvements.**

## Cost Worksheet-City of Grand Rapids Calder Plaza Redesign Phase 1 (#186028)

### Construction Management Fee

Submitted by Pioneer Construction 12/18/2018

Proposer should include a percentage that provides the CM fee for the project. In addition to overhead and profit, this percentage shall include costs associated with Performance and Payment Bonds and all required insurances. At the conclusion of the construction documents, this percentage will be applied to the construction estimate in order to negotiate a Guaranteed Maximum Price. Proposer shall provide the City upon request a detailed breakdown of Construction Management fee before or after award.

*Construction Management Fee: **6.25 %***

### Pioneer Construction CM FEE Breakdown:

• Overhead and Profit (Fee)	5.00%
• General Liability, Builder's Risk, OCP Insurance	.55%
• <u>PLM Bond</u>	<u>.70%</u>
• Total CM Fee to be applied to Cost of the Work	6.25%

The following items are NOT included in the fee and will be included as cost of the work at GMP:

- 1) General Conditions including temporary facilities, fencing, trash disposal, safety management requirements, fencing, gates, traffic control, security, cost of project specific technology, superintendent vehicle costs, cost of printing, construction documents, third party document management, etc.
- 2) Project Staffing costs including full time site supervision, part time assigned project manager, and other staffing required by general conditions of the project.
- 3) Pre-Construction staffing is identified as a separate cost item and will be billed monthly as a fixed fee per previous proposal.

Submitted by,



Paul Bergsma,

Vice President / Director of Pre-Construction

Pioneer Construction

Calder Plaza- Phase One Redesign																				
	2018		2019												2020	2021	2022	2023	2024	2025
Construction	November	December	January	February	March	April	May	June	July	August	September	October	November	December						
Calder Plaza- Phase One Construction																				
HVAC Renovations- Monroe Ave. Completed Spring 2020																				
La Grande Vitesse Restoration \$300,000																				
Calder Plaza Deck Replacement*\$10M																				
Ottawa Ave. Two-Way \$TBD																				
City Hall Façade Restoration** \$TBD																				
Annual Events on Calder																				
Gazelle Girl Half Marathon																				
5/3 River Bank Run																				
Kent County Girls on the Run																				
Festival of the Arts																				
Grand Rapid’s Pride Festival																				
The Color Run																				
Hispanic Festival																				
GVSU Athletic’s Kick Off																				
Project1 (ArtPrize) 2019, ArtPrize 2020																				
GR African American Art & Music Festival																				
Grand Rapids Hot Cider Hustle 5k																				
Chanukah Lighting																				

**Notes**

\*Calder Plaza Deck Replacement: various maintenance in Sept FY2018, FY2020, FY2022 and FY2024/25. The deck is sectioned into 4 zones, one zone being completed at a time.

\*\*City Hall Façade Restoration Future façade restoration scope in development. Inspections spring 2019 followed by construction

# MEMORANDUM

DOWNTOWN  
DEVELOPMENT  
AUTHORITY



DATE: January 9, 2019

TO: Downtown Development Authority

FROM: Hank Kelley, City of Grand Rapids Transportation Planning & Programs Supervisor

SUBJECT: Downtown Transit Stop Improvements

**Agenda Item #07**  
**January 9, 2019**  
**DDA Meeting**

The Mobile GR & Parking Services Department in partnership with Downtown Grand Rapids, Inc. (DGRI) and The Rapid are implementing improved transit stops throughout downtown. This investment is consistent with the GR Forward Plan, the draft Downtown Streetspace Guidelines, and the prioritization of transit in the City's Vital Streets Plan, among other guiding documents.

The DDA investment, along with \$250,000 in funding from The Rapid and \$750,000 in funding from Mobile GR capital funding resulted in the approval of a \$1,500,000 contract ceiling by the Grand Rapids City Commission on December 4<sup>th</sup>, 2018 for use over a three-year period to upgrade transit stops city-wide. The contracts were awarded to Duo-Guard – a Michigan company with many years in the business of producing transit amenities like shelters and benches, along with Grand Rapids based Conceptual Site Furnishings – the current manufacturer for The Rapid transit benches.

Mobile GR continues to engage in numerous and ongoing discussions related to the project between department planning staff and staff at DGRI and The Rapid, in addition to the Mobile GR Commission. The project components were presented to the DGRI Goal 3 Alliance committee for information and feedback on the following dates:

- May 25, 2018
- July 23, 2018
- November 28, 2018
- December 19, 2018

The below stop selection factors were presented to the Goal 3 Alliance for consideration in December, along with a [map](#) showing stop locations and average daily boardings (ADB) within the DDA. As a result of these discussions, some factors were included for consideration, the logic for others was validated, and some factors were re-arranged. For example, sensitive locations and disability boardings were prioritized over other demographic factors under "Ridership Factors" due to the low number of census tracts within the DDA boundaries and therefore limited information that would provide.



#### Ridership Factors

- Average Daily Boarding
- Sensitive locations (senior living, hospitals, etc.)
- Average (or total) ADA Fare type boardings
- Likely Transfer Points
- Serves multiple routes
- Demographic and Socioeconomic data (Census)
  - Disability population, Older adult population, No-car households, Non-white households, Low-income households
  - Population or employment density
- Proximity to Park and Ride opportunities (primarily DASH)
- Major points of interest / activity generation

#### Physical Factors

- Physical space is available in ROW without obstructing clearance for pedestrians
  - or Building owner is amenable to a mounted overhang
- Concrete surface is available to install a shelter
- No conflicts with heated sidewalks
- Shelter installation would not obstruct road clearance (2 ft. set-back from curb)
- Shelter would not block traffic and building sightlines
- Site is or can be made ADA compliant
- Site is on public property or has willing private partner
- Project overlaps with COGR Capital Improvement project (in particular roadway reconstruction projects)

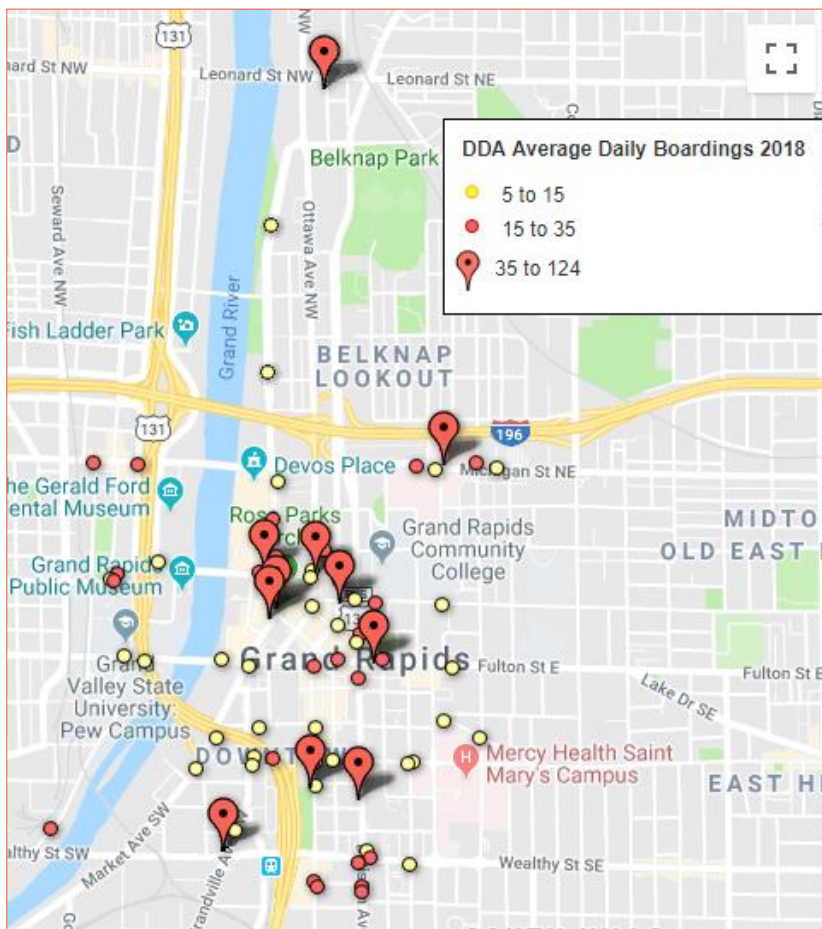
The cost for one shelter is approximately \$10,000; other improvements include minor concrete work to ensure accessibility in boarding zones and to properly install amenities. Typical ridership thresholds for shelters in other communities begin at 30 ADB. A lower threshold will apply to the DDA given that only 36 locations within the DDA boundaries exceed 15 ADB.

The shelters, along with ultimate maintenance responsibility, will belong to the City of Grand Rapids via the Mobile GR and Parking Services Department. For the downtown stops Mobile GR is in discussions with DGRI to partner on basic maintenance (snow removal, trash removal) through the Downtown Ambassadors Program. Additional maintenance (e.g. structural repair, periodic power-washing) is intended to be managed through City resources and contracts. Mobile GR and The Rapid staff are actively working to produce maintenance level of service guidelines for all stop amenities purchased and sited through this program.

**Recommendation: Approve Funding for an amount not to exceed \$500,000 in transit improvements with the Mobile GR & Parking Services Department.**



Full-size Proposed Shelter (additional amenities not pictured - e.g. solar lighting, ad panel, branding, trash can etc.)



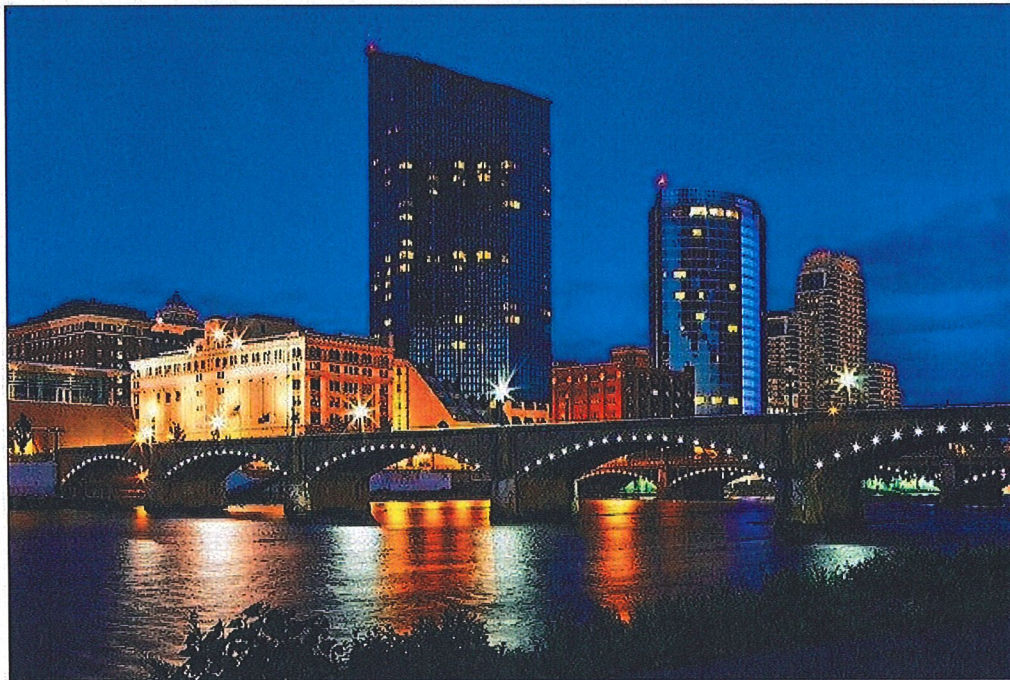
DASH and The Rapid Downtown Transit Stops without Existing Shelters, by Average Daily Boardings (2018 ridership data)



## Public Act 57 of 2018:

THE REPEAL AND RECODIFICATION OF MULTIPLE  
ACTS RELATED TO TAX INCREMENT FINANCE  
AUTHORITIES







## What the new legislation does:

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- Repeals and recodifies multiple acts related to TIFAs (tax increment finance authorities).
- Subjects the TIFAs to standard reporting requirements.
- Provides for the continuation of existing TIFAs.
- Takes effect January 1, 2019.

# Acts recodified

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- Downtown Development Authority Act (1975 PA 197)
- Tax Increment Authority Act (1980 PA 450)
- Local Development Financing Authority (1986 PA 281)
- Nonprofit Street Railway Act (1867 PA 35)(only partially a TIFA, within zones)
- Corridor Improvement Authority Act (2005 PA 280)
- Water Resource Improvement Tax Increment Finance Authority Act (2008 PA 94)
- Neighborhood Improvement Authority Act (2007 PA 61)



## Acts repealed

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- Historical Neighborhood Tax Increment Finance Authority Act (2004 PA 530)
- Private Investment Infrastructure Funding Act (2010 PA 250)

# General Reporting Requirements for 6 of the Recodified Acts

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-TIFAs must create a website or use existing municipal website (regularly maintained with access to records and documents for the fiscal year) including:

- Minutes.
- Annual budget and audits.
- Current development plan if not included in TIF plan.
- Current TIF plan if capturing revenues.
- Staff contact information.
- List of current contracts and description of contracts and other documents related to authority management and services provided to the TIFA.



# General reporting requirements continued...

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- Information regarding TIF revenues described in annual audit that are not spent within 5 years and reasons for accumulating funds, uses for which they will be spent, a time frame for spending the funds, and the amount of and explanation for any funds that have not been spent within ten years of receipt.
- List of TIFA accomplishments including progress on development plan and TIF plan goals and objects for the immediately preceding fiscal year.
- List of TIFA projects and investments including active and completed projects for immediately preceding fiscal year.
- List of TIFA events and promotional campaigns for the immediately preceding fiscal year.



## General reporting requirements continued...

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- Records and documents phased in. Act requires that 5 years of information be disclosed, subject to phase in. Within 180 days of the end of the TIFA's fiscal year, its website must contain one year of information (the immediately preceding year). Then annually thereafter information shall be updated up to 5 years.
- If no existing website, records must be maintained at a physical, public location within municipality.

# Financial Reporting Requirements

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- The Department of Treasury (“DOT”) is required to create a form for TIFAs to use to report the status of TIF accounts.
- DOT shall consult with professional organizations representing municipalities in developing reporting form.
- Reporting Form has not yet been created.
- Information required by reporting form includes:
  - Name of the TIFA.
  - Date the TIFA was formed.
  - Date the TIF plan is set to expire or terminate including whether it expired during immediately preceding fiscal year.
  - Date the TIFA began capturing TIF revenues.
  - Current base year taxable value of the TIF District.
  - Unencumbered fund balance for the immediately preceding fiscal year.
  - Encumbered fund balance for the immediately preceding fiscal year.



# Financial Reporting Requirements continued...

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- Amount and source of revenue in the account, including the amount from each taxing jurisdiction.
- Amount in any bond reserve account.
- Amount and purpose of expenditures from the account.
- Amount of principal and interest on any outstanding bonded indebtedness.
- Initial assessed value of the development area or TIFA district by property tax classification.
- Captured assessed value retained by the TIFA by property tax classification.
- Tax increment revenues received for the immediately preceding fiscal year.
- Whether the TIFA amended its development plan or its TIF plan within the immediately preceding fiscal year and if so, a link to the current development plan or TIF plan as amended.
- Any additional information the governing body of the municipality or DOT considers necessary.



# Financial reporting requirements continued...

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- Form submitted annually by the TIFAs to the governing bodies of the municipalities, governing body of any taxing unit levying taxes subject to capture by the TIFA, and to DOT, at same time that annual financial report is required under the Uniform Budgeting and Accounting Act.
- DOT is required to collect reports and compile combined reports summarizing information and submit copies to each member of legislature.
- Within 90 days of Act's effective date each TIFA required to send DOT copy of or link to currently adopted development plan or TIF plan if separate from development plan.



# Penalties for Noncompliance

## of General and Financial Reporting Requirements

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- DOT could institute proceedings to compel enforcement.
- DOT would send written notification to each TIFA in noncompliance, each taxing jurisdiction subject to capture, and the governing body of the establishing municipality.
- TIFA has 60 days to comply.
- Failure to comply would result in inability to capture beyond bonded indebtedness and other obligations for the period of noncompliance.
- During noncompliance period TIFA could not amend or approve TIF plan.
- If noncompliance period exceeds 2 consecutive years, TIFA could not capture the amount needed for bond debt without resolution from establishing municipality and each taxing jurisdiction subject to capture.
- Excess funds captured would be returned to taxing jurisdictions per statute.



# Informational Meetings Requirements

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- TIFA must hold at least 2 informational meetings each year.
- Notice must be given on website at least 14 days in advance.
- At least 14 days in advance, TIFA must mail notice to governing body of each taxing jurisdiction subject to capture OR TIFA could notify the Clerk of other taxing jurisdictions by email.
- Informational meeting may be held in conjunction with other public meetings of the TIFA or municipality.

# Continuation of Existing Authorities

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- For all practical purposes, the boards, financial arrangements, bonds, notes and other obligations, contractual rights and duties, and development and TIF plans continue despite repeal.
- Members continue terms.





**For more information please contact:**

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