

AGENDA

DOWNTOWN
DEVELOPMENT
AUTHORITY



DDA

Board Members:

Luis Avila • Mayor Rosalynn Bliss • Kayem Dunn • Jermale Eddie • Greg McNeilly • Jen Schottke • Diana Sieger • Jim Talen
Rick Winn

Wednesday, March 11, 2020

8:00 a.m. Meeting

29 Pearl Street, NW Suite #1

- | | | |
|--|-----------|-----------|
| 1. Call to Order | | |
| 2. Approve Meeting Minutes from February 12, 2020 (8:01)
(enclosure) | Motion | Winn |
| 3. Accept February 29, 2020 Financial Statements (8:03)
(enclosure) | Motion | Wallace |
| 4. Retail Innovation Grant Request: 11 Ionia Ave SW (8:08)
(enclosures) | Motion | Kitavi |
| 5. Grand River Engagement and Activation Planning (8:18)
(enclosures) | Motion | Guy |
| 6. Downtown Skate and Bike Park Funding (8:25)
(enclosures) | Motion | Van Driel |
| 7. Arena Place TIF Assignment (8:35)
(enclosures) | Motion | Kelly |
| 8. 470 Market OPRA Consent (8:40)
(enclosures) | Motion | Kelly |
| 9. 158 Oakes Development Agreement (8:50)
(enclosures) | Motion | Kelly |
| 10. FY2021 Budget Discussion (9:05) | Info Item | Kelly |
| 11. Economics of Place Assessment Presentation (9:15) | Info Item | Kelly |
| 12. President and CEO Report (9:45) | Info Item | Kelly |
| 13. Public Comment (9:50) | | |



DOWNTOWN
GRAND RAPIDS INC.

AGENDA

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Rick Winn

14. Board Member Discussion (9:55)

15. Adjournment (10:00)





MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

February 12, 2020

1. Call to Order – The meeting was called to order at 8:00 a.m. by Vice Chair Kayem Dunn
2. Attendance

Members Present: Jim Talen, Diana Sieger, Mayor Rosalynn Bliss, Luis Avila, Kayem Dunn, Jermale Eddie, and Greg McNeilly

Absent: Rick Winn and Jen Schottke

Others Present: Tim Kelly (DDA Executive Director), Amanda Sloan, (acting DDA Recording Secretary) Jana Wallace (DDA Treasurer), Jessica Wood (Legal Counsel), Andy Guy, Kimberly Van Driel, Melvin Eledge, Marion Bonneaux, Sam Suarez, Annamarie Buller, Kyama Kitavi (DGRI Staff), David Davis, and others.
3. Approve Meeting Minutes from January 8, 2019
Motion: Ms. Sieger, supported by Mr. McNeilly, moved approval of the minutes from the January 8, 2020 meeting as presented. Motion carried unanimously.
4. Accept January 31, 2020 Financial Statements
Jana Wallace introduced the financial statements for the first seven months of the fiscal year ending June 30, 2020. She stated the City Treasurer has distributed local tax increment revenues captured from the December 1 winter levy. The Statement B administration line item appears to be trending high due to a delay in payroll allocation but otherwise expenditures are below mid-year expectations. She noted the DDA's budget is primarily project based with lower activity in winter months and spending will soon pick up with construction projects beginning in the spring.

Motion: Mr. Talen, supported by Mayor Bliss, moved to accept January 31, 2020 Financial Statements as recommended. Motion carried unanimously.
5. Liquor License Request: Morning Belle (434 Bridge Street NW)
Mayor Bliss noted that the City Commission, in order to avoid a delay, approved this liquor license request last night contingent upon a recommendation from this body today. Mr. Kitavi presented the request for a development area liquor license. Morning Belle, operated by Meritage Hospitality, will be opening a second location at 434 Bridge serving breakfast, brunch, and lunch.

Mr. Eddie requested clarification on the liquor license approval process and the number of licenses available for each type of license. Mayor Bliss stated a development license is the only type that comes to the DDA for recommendation (which then goes to the City Commission for approval) and is nontransferable per location. These are typically cheaper than state liquor licenses and there is not a cap on the number available.

Motion: Mr. Avila, supported by Ms. Sieger, moved to recommend the liquor license approval for Morning Belle, 434 Bridge Street Northwest. None opposed. Motion carried unanimously.

6. Downtown Enhancement Grant: 65 Monroe Center

Mr. Miller presented the application for a Downtown Enhancement Grant from 65 Monroe Center. This building has a basement (with lightwell) which currently sits vacant under a lower level condominium. The proposed project will develop this space into a five-room boutique hotel. The project investments consist of adjustments to the lobby and elevator, to the lightwell as means of egress into the hotel, modifications to the guardrail, a security system, and a mural on the west-facing wall. These eligible investments total \$50,000 and the grant request is to reimburse half or \$25,000.

Motion: Ms. Sieger, supported by Mayor Bliss, moved to approve the Downtown Enhancement Grant request in an amount not to exceed \$25,000 for the improvements to 65 Monroe Center NW. Motion carried unanimously.

7. Van Andel Arena Plaza Improvements

Mr. Miller presented an update on the Van Andel Arena Plaza Improvements project. He included a background of the process which started in October 2018 when the DDA authorized the hiring of MKSK for design services. Collaboration with partners and stakeholders took place from November 2018 to July 2019 and since that time city permits were secured, and construction bids received and reviewed. At this time, we have a recommendation for a general contractor and would like to affirm that selection and move forward with a contract to formally start construction in April for project completion in September 2020.

Mr. Miller stated project goals (for the plaza) include enhanced security to the arena, opportunities to linger, enhanced queuing for event patrons, greening of the plaza (which also adds to security), and the accommodation of service access. Two design concepts were considered, and the “contour” option was chosen. Renderings were presented of the different spaces. Plans include a spine that runs along the front edge of the building (Fulton St) with defined edges; seating is integrated into the planters and the spine provides a queuing opportunity to enter the arena instead of standing on the street. A performance lawn with artificial turf will create an outdoor “venue” for entertainment. Mr. Miller noted the planters will be custom built with steel and wooden benches, and planters by the roadside will be smaller and moveable. Although the trees planted initially will be small, this will develop into a substantial tree canopy and transform the plaza going forward. A variety of bricks will be used to create texture within itself and donor bricks will be reused as part of this project. A new snowmelt system will be installed within the entire plaza, the marque sign and Jan Van Andel statue relocated, and pedestrian lighting and flagpoles reinstalled. The design of two custom transit shelters is being incorporated into the bid as well.

Mr. Miller stated four bids were received and reviewed for this project and the recommendation is to hire Pioneer Construction. The base bid was submitted at \$1,885,620 and with a few addendums and a 5% contingency, the total project cost is expected to be \$2,106,260. He noted that SMG/VAA has already committed \$440,148.50 and requests the DDA commit to investing \$1,666,111.50 to complete this project.

Mr. Avila asked if efforts are being made to ensure minority contractors are involved in this project. Mr. Miller stated some contractors are still being negotiated but the planters, which are the largest single line item in the bid, are being custom built by a local minority craftsman, Sina Seng of Conceptual Site Furnishings. Ms. Sieger inquired on next steps for the alley. Mr. Miller stated the alley project is at 30% design and we are in the initial phases of staging and funding. With higher costs for this project, and a larger number of stakeholders involved, this may potentially be completed in several phases. Mr. McNeilly asked who the asset manager upon completion is. Mr. Miller stated Todd Johnson at the arena and DGRI have not entered into a formal agreement but between the ambassadors and the arena staff they will ensure the space is being maintained. Mayor Bliss asked if we are moving forward on requesting artistic crosswalks. Mr. Miller stated that is not in the scope of this project but can be a separate project and we will begin a dialog with the City.

Mr. Luis, supported by Ms. Sieger, moved to authorize the Executive Director to enter into two contracts, one with Pioneer (for construction of the plaza) and one with MKSK (for construction administration) for a total not to exceed \$2,106,260. None opposed. Motion carried unanimously.

8. Bridge South Build Out Analysis

Mr. Kelly stated the Bridge South Build Out Analysis is an initiative in partnership with the City and the YMCA to complete a build out analysis for the westside publicly owned land. The area bound by Bridge, Seward, 131, and Lake Michigan Drive has a total of about ten acres of publicly owned land (thirteen acres including the YMCA facility). Given the increased development activity in that area, as well as the private sector investment interest, partners have agreed that now would be the time to analyze potential development scenarios and identify opportunities to implement community goals. Mr. Kelly stated this would be a similar process that was facilitated for Area South except a fair amount of planning has already occurred. GR Forward, Westside area plans, and zoning changes made in 2016 have all laid groundwork for this conversation. The goals will be to determine the capacity for development given current market conditions, realize existing land use regulations and incentives, and understand how density comes into play as buildout occurs, additionally considering circulation and urban design. An RFP has been issued this week and will be guided by a steering committee. This committee, still being established, will review the RFP responses, be involved in a robust community engagement process, and ultimately make a recommendation to the DDA and City Commission for approval. He stated the timeline is proposed to last 10 weeks with a recommended contract proposed to the DDA in April and project completion by the end of fiscal year.

Mayor Bliss asked for distinction on the DDA owned and city owned parcels. Mr. Kelly stated the City owns the piece along 131 and noted the City Manager is closely involved in this process. Ms. Sieger suggested being mindful of the businesses in that area as development decisions are being made and cautioned against dispersing the core downtown too widely, though recognizing density does play a role (as identified in GR Forward). Mr. Kelly stated as downtown continues to grow, these are some of the last vacant areas left to develop. Our intent is to be mindful of opportunities as we look at goals around circulation and critical mass in order to make the right decisions when the time comes. Mr.

Avila commented this feels like an aggressive timeline for a deliverable considering the need to engage with the community. Mr. Kelly stated we can adjust this timeframe if necessary, though some planning has already been done; if we smartly facilitate engagement early on, it should not take six months. Mayor Bliss agreed, noting there have already been several larger conceptual planning efforts in that area. Mr. Talen suggested we revisit the public input process utilized for the area south project concerned with feedback that some felt overlooked.

Mr. Kelly requested a member of this board sit on the steering committee. Mr. Avila volunteered.

9. Womens Way Alley Activation

Ms. Van Driel introduced an upcoming project that will celebrate the 100-year anniversary of the 19th amendment. She stated last year we hosted the RAD American Women project in honor of Women's History Month noting that walking tours highlighting the project will continue next month. The author, Kate Schatz, when in Grand Rapids for that project, informed Ms. Van Driel that she travels all over the world and notices few things are named after women. This statement provoked the idea for Womens Way Alley Activation. Ms. Van Driel stated within the downtown footprint only two alleys are currently named and believes this is a great opportunity to honor women and take ownership of spaces historically not ideal places for women. DGRI is teaming up with the Greater Grand Rapids Women's History Council to paint murals of rad local women, install a plaque, and name the alley after each woman. The project will launch in May honoring five local historical figures and will create jobs (five local artists will be hired), add public artwork, activate underutilized spaces, allow citizens to experience downtown, highlight history, and raise awareness that very few things are named after women. Ms. Van Driel stated she envisions this expanding eventually to neighborhoods and is excited for Grand Rapids to take the charge.

Ms. Van Driel presented the historical women selected for the project including Harriet Woods Hill (the first African American police officer), Ethel Coe (community activist and women's rights leader), Angeline Kelsey "Nakelsa" Yob (Native American Educator and community activist), and the GR Chicks 1945 All American Baseball Team. She noted the Latino Community Coalition is spearheading the alley at Weston/Oaks/Grandville/Ottawa and have yet to determine the woman being honored. She stated next steps include creating concept renderings, obtain approval from the AAC and business owners, organize the installation, create the memorial and biographical plaques, expand efforts of activation within these spaces, build neighborhood partnerships and determine future locations.

Jo Ellyn Clarey stated the Greater Grand Rapids Womens History Council has been around for 30 years and works to identify and honor 50% of our community's past. She informed the group that Grand Rapids was a major hub for suffrage activity and shared a list of events being hosted to celebrate those suffragists this year.

Mayor Bliss requested we also highlight the sculptures of women throughout downtown. Ms. Sieger requested that the mural installed next to the Community Foundation be complimentary to the beautiful mural already there and to be mindful that this is a very active alley. Ms. Dunn asked who will be responsible for maintenance. Ms. Van Driel stated the businesses that are connected to these alleys will share in maintenance responsibility and does not anticipate this being an issue. Mr. Eddie suggested an adopt-an-alley program to support this maintenance.

10. President and CEO Report

Mr. Kelly highlighted a few of the many ongoing projects. He stated as a follow up to last month we have been in conversations with Common Notice and Disability Advocates of Kent County (DAKC). They will be providing a final report on the accessibility charettes mid-March and present that to us as well as to other partner groups in April.

We are in the process of reauthorizing the DID for another 5-year term. Two items that will impact the budget are the memorandum of understanding (MOU) with the City (which is currently being finalized) and the potential shift of DDA non-tax funds to the DID for maintenance costs.

Mr. Kelly stated he and several other staff are involved in the FUSE model development process which is in early stages; the timeline is still TBD, but the engagement process is expected to take place over the next 12 months. He noted the Acrisure office building at Studio Park is on target for occupancy by November of this year. Rich App was announced as the Retail Market Specialist and tasked to engage with businesses and steer a retail market study. World of Winter events wrap up with Prismatic's final week in Grand Rapids; Valent-Ice kicks off Friday and there are a number of events and walking tours to celebrate Black History month downtown.

11. Board Member Discussion

Mayor Bliss requested the group be advised once the MOU with the City is finalized; we should be mindful that the City of GR pays for electrical throughout the city and downtown should be no different. She also shared a recent article that Grand Rapids was listed as one of the Midwest Success Cities and noted we should celebrate and embrace being a 4-season city in order to attract talent from around the country.

12. Public Comment

Mr. Scott Atchison referred to the Van Andel arena presentation and stated we are missing a direction and information booth at this location. He stated a permanent information station should be placed at Pearl and Monroe with additional temporary stations elsewhere to inform people what area businesses are open and what time they close. He suggested the DDA or CAA provide \$150,000 to build this booth and stated the Downtown Market should also have an information center.

Mr. David Davis stated being a westside resident, one of his biggest complaints about Grand Rapid is the lack of a newspaper. He agreed with Mr. Atchison that we need an information booth Rosa Park Circle. We need to publicize what we have to offer to visitors and promote our city to its fullest extent.

13. Adjournment

The meeting adjourned at 9:30 a.m.

MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 3.
March 11, 2020
DDA Meeting**

DATE: March 5, 2020

TO: Rick Winn
Chairman

FROM: Jana M. Wallace
Downtown Development Authority Treasurer

SUBJECT: FY2020 Interim Financial Statements as of February 29, 2020

Attached are the Authority's interim financial statements for the first eight months of the fiscal year ending June 30, 2020. The attached statements include:

Statement A: Balance Sheet
Statement B: Comparison of FY2020 Budget vs Actual Results
Statement C: Statement of FY2020 Project Expenditures
Statement D: Schedule of February, 2020 Expenditures

The Local Tax Increment Fund Administration line item appears to be trending higher than expected; however, included in that total are four months of DGRI payroll which need to be re-allocated to Authority, Monroe North TIFA, and Downtown Improvement District projects. Otherwise, expenditures for all three Authority funds are below mid-year expectations. The Authority has sufficient cash to support budgeted expenditures.

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

Attachments

STATEMENT A

DOWNTOWN DEVELOPMENT AUTHORITY

Balance Sheet

As of February 29, 2020

	Non-Tax Funds	Debt Increment	Local Tax Increment	TOTAL
ASSETS				
Pooled Cash and Investments	\$ 4,852,990	\$ 10,121,796	\$ 9,941,805	\$ 24,916,591
Petty Cash	-	-	500	500
Loan Receivable - Project Developer	388,848	-	-	388,848
General Fixed Assets	-	-	87,946,535	87,946,535
Accumulated Depreciation on Fixed Assets	-	-	(57,452,061)	(57,452,061)
Future Tax Increment Revenues Anticipated	-	19,110,000	15,500	19,125,500
TOTAL ASSETS	\$ 5,241,838	\$ 29,231,796	\$ 40,452,279	\$ 74,925,913
LIABILITIES AND FUND EQUITY				
Liabilities				
Current Liabilities	\$ -	\$ -	\$ 27	\$ 27
Current Year Estimated Excess Capture	-	4,236,018	-	4,236,018
Deposit - Area 4 Developer Damage	1,000	-	-	1,000
Prior Year Property Tax Appeals	-	14,347	33,320	47,667
Deferred Revenue - 158 Oakes SW LOU	75,000	-	-	75,000
Deferred Revenue - Developer Loan	388,848	-	-	388,848
Contract Payable	-	-	15,500	15,500
Bonds Payable	-	19,110,000	-	19,110,000
TOTAL LIABILITIES	464,848	23,360,365	48,847	23,874,060
Fund Balance / Equity:				
Investments in General Fixed Assets, net of Accumulated Depreciation	-	-	30,494,474	30,494,474
Non-Tax Increment Reserve	4,207,419	-	-	4,207,419
Reserve for Authorized Projects	-	-	9,843,118	9,843,118
Reserve for Brownfield Series 2012A Bonds	530,998	-	-	530,998
Reserve for Compensated Absences	-	-	10,000	10,000
Reserve for Eligible Obligations	-	5,871,431	-	5,871,431
Reserve for Encumbrances	38,573	-	55,840	94,413
TOTAL FUND EQUITY	4,776,990	5,871,431	40,403,432	51,051,853
TOTAL LIABILITIES & FUND EQUITY	\$ 5,241,838	\$ 29,231,796	\$ 40,452,279	\$ 74,925,913

STATEMENT B

DOWNTOWN DEVELOPMENT AUTHORITY Comparison of FY2020 Budget vs Actual Results July 1, 2019 - February 29, 2020

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Property Tax Increment - General	\$ -	\$ -	\$ 11,778,166	\$ 11,466,518	\$ 5,738,550	\$ 6,303,104
Property Tax Increment - Transit Millage	-	-	-	-	524,663	583,933
Property Tax Increment - Prior Year Appeals	-	-	(25,000)	-	(75,000)	-
Property Tax Increment - County/GRCC/City/ITP Rebates	-	-	-	-	(618,821)	-
Special Assessments - Areaway	15,000	-	-	-	-	-
Earnings from Investments - General	108,466	67,453	60,252	98,110	142,199	131,863
Earnings from Investments - Prior Year Accrual Reversal	-	(43,290)	-	(40,447)	-	(60,438)
Interest Paid by Developer - The Gallery on Fulton Note	17,498	-	-	-	-	-
Property Rental - DASH Parking Lots	950,000	396,519	-	-	-	-
Property Rentals - YMCA Customer Parking	51,207	37,350	-	-	-	-
Event Sponsorships and Fees	50,000	11,530	-	-	-	-
Valent-ICE Sculpture Reimbursements	15,000	10,425	-	-	-	-
Contributions - Lyon Square Reconstruction	-	-	-	-	900,000	-
Contributions - Arena Plaza Reconstruction	-	-	-	-	440,000	440,148
Principal Repayments - The Gallery on Fulton Note	100,000	-	-	-	-	-
Reimbursements and Miscellaneous Revenues	2,000	162	-	-	5,000	556
From / (To) Fund Balance	1,810,129	-	(60,252)	-	3,060,084	-
TOTAL REVENUES	\$ 3,119,300	\$ 480,149	\$ 11,753,166	\$ 11,524,181	\$ 10,116,675	\$ 7,399,166
EXPENDITURES						
<u>GR Forward Projects:</u>						
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor	\$ 30,000	\$ 23,888	\$ -	\$ -	\$ 1,500,000	\$ 186,116
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population	165,000	11,940	-	-	1,965,000	1,084,081
Goal #3: Implement a 21st Century Mobility Strategy	200,000	37,500	-	-	1,715,000	565,382
Goal #4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy	50,000	17,939	-	-	450,000	123,031
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming	2,669,000	603,350	-	-	2,460,000	375,002
Total GR Forward Projects	\$ 3,114,000	\$ 694,617	\$ -	\$ -	\$ 8,090,000	\$ 2,333,612
Administration	5,300	3,400	-	-	1,250,000	965,167
Debt Service for Bond Issues	-	-	7,230,500	477,750	776,675	393,436
Estimated Capture to be Returned	-	-	4,522,666	-	-	-
TOTAL EXPENDITURES	\$ 3,119,300	\$ 698,017	\$ 11,753,166	\$ 477,750	\$ 10,116,675	\$ 3,692,215
EXCESS / (DEFICIT)	\$ -	\$ (217,868)	\$ -	\$ 11,046,431	\$ -	\$ 3,706,951

STATEMENT C

DOWNTOWN DEVELOPMENT AUTHORITY
Statement of FY2020 Project Expenditures
As of February 29, 2020

Project Name	FY2020 Project Budgets		Expenditures		Remaining FY2020 Budgets
	%	Amount	Month	Fiscal Year	
Arena South Implementation		50,000	-	7,191	42,809
Downtown Plan		250,000	77,134	156,525	93,475
Grand River Activation		-	-	1,512	(1,512)
Lyon Square Improvements		900,000	-	2,002	897,998
Parks Design		300,000	-	12,970	287,030
River Trail Improvements		-	-	5,916	(5,916)
GRForward Goal # 1 - Local Tax Increment	13.39%	\$ 1,500,000	\$ 77,134	\$ 186,116	\$ 1,313,884
Downtown Speakers Series		15,000	1,181	23,498	(8,498)
Riverwalk Maintenance		15,000	-	390	14,610
GRForward Goal # 1 - Non-Tax Increment	0.27%	\$ 30,000	\$ 1,181	\$ 23,888	\$ 6,112
Affordable Housing Support		250,000	-	-	250,000
Development Project Guidance		50,000	-	6,498	43,502
Development Project Reimbursements		1,400,000	-	1,039,585	360,415
Downtown Census		15,000	-	-	15,000
Downtown Enhancement Grants		250,000	-	31,969	218,031
Weston Street - Sheldon to LaGrave Ave		-	-	6,029	(6,029)
GRForward Goal # 2 - Local Tax Increment	17.54%	\$ 1,965,000	\$ -	\$ 1,084,081	\$ 880,919
Heartside Quality of Life Implementation		125,000	-	356	124,644
Stakeholder Engagement Programs		40,000	300	11,584	28,416
GRForward Goal # 2 - Non-Tax Increment	1.47%	\$ 165,000	\$ 300	\$ 11,940	\$ 153,060
Accessibility and Mobility Repairs		75,000	150	56,154	18,846
Bicycle Friendly Improvements		125,000	-	-	125,000
CBD/Heartside/Arena S Streetscape Improvs		360,000	-	342,379	17,621
DASH North Shuttle Services		120,000	-	120,000	-
Division Ave - Fulton to Wealthy Streetscape Improvs		310,000	756	46,209	263,791
Michigan / Ottawa Gateway		50,000	-	-	50,000
New Downtown Circulator Infrastructure		475,000	-	-	475,000
Wayfinding System Improvements		200,000	-	640	199,360
GRForward Goal # 3 - Local Tax Increment	15.31%	\$ 1,715,000	\$ 906	\$ 565,382	\$ 1,149,618
Transportation Demand Mnmt Program		200,000	-	37,500	162,500
GRForward Goal # 3 - Non-Tax Increment	1.79%	\$ 200,000	\$ -	\$ 37,500	\$ 162,500
Economic Development and Innovation		450,000	-	123,031	326,969
GRForward Goal # 4 - Local Tax Increment	4.02%	\$ 450,000	\$ -	\$ 123,031	\$ 326,969
Downtown Workforce Programs		50,000	-	12,110	37,890
Letter of Understanding - 158 Oakes SW		-	-	5,829	(5,829)
GRForward Goal # 4 - Non-Tax Increment	0.45%	\$ 50,000	\$ -	\$ 17,939	\$ 32,061
Arena Plaza Improvements: Local Tax Increment		672,000	-	175	671,825
Calder Plaza Improvements: Local Tax Increment		672,000	-	14,000	658,000
Downtown Marketing and Inclusion Efforts		416,000	30,298	152,116	263,884
Downtown Tree Plantings		100,000	-	74,954	25,046
Heartside Public Restroom Facilities Construction		50,000	2,958	34,689	15,311
Public Realm Improvements: Local Tax Increment		200,000	-	10,422	189,578
Sheldon Blvd - Weston to Cherry Street		200,000	-	34,065	165,935
Snowmelt System Repairs / Investigation		25,000	-	-	25,000
State of Downtown Event & Annual Report		25,000	-	25,957	(957)
Urban Recreation Improvements		100,000	-	28,624	71,376
GRForward Goal # 5 - Local Tax Increment	21.96%	\$ 2,460,000	\$ 33,256	\$ 375,002	\$ 2,084,998
Arena Plaza Improvements: Non-Tax Increment		600,000	-	-	600,000
Bridge Lighting Operations		10,000	-	-	10,000
Calder Plaza Improvements: Non-Tax Increment		600,000	-	-	600,000
DGRI Event Production		270,000	40,822	166,731	103,269
Diversity Programming		50,000	4,350	74,325	(24,325)
Downtown Ambassadors		222,000	107	61,732	160,268
Experience - Miscellaneous		50,000	-	17,964	32,036
Holiday Décor Program		60,000	31,673	42,639	17,361
Major Event Sponsorship		70,000	5,000	5,000	65,000
Police Foot Patrols		35,000	-	35,000	-
Project and Fixed Asset Maintenance		25,000	211	2,187	22,813
Public Realm Improvements: Non-Tax Increment		200,000	-	-	200,000
Public Space Activation		250,000	19,574	70,427	179,573
Rosa Parks Circle Skating Operations		40,000	-	-	40,000
Special Events - Grants		25,000	-	5,000	20,000
Special Events - Office of		75,000	-	50,000	25,000
Special Events - Training Program		5,000	-	1,557	3,443
Ticketed Events - Police Services		80,000	17,245	70,788	9,212
Winter Avenue Building Lease		2,000	-	-	2,000
GRForward Goal # 5 - Non-Tax Increment	23.82%	\$ 2,669,000	\$ 118,982	\$ 603,350	\$ 2,065,650
TOTAL	100.00%	\$ 11,204,000	\$ 231,759	\$ 3,028,229	\$ 8,175,771

STATEMENT D
DOWNTOWN DEVELOPMENT AUTHORITY
Schedule of FY2020 Expenditures
February, 2020

Source	Date Posted	Vendor	Purpose / Project	Description	Amount
Local	2/29/2020	Paychex	Administration	DDA Payroll Wages, 401, Taxes-February 2020	\$ 91,737.27
Local	2/17/2020	HR&A Advisors, Inc.	Downtown Plan	River Guidance consulting services 11/2019-1/20	77,134.14
Non-Tax	2/10/2020	Michigan Landscape Services	Holiday Décor Program	Christmas Decor Installation at various locations 12/19	31,673.00
Non-Tax	2/17/2020	Ice sculptures, Ltd	DGRI Event Production	Valent-Ice World of Winter Ice Sculptures 2020	12,600.00
Local	2/4/2020	City Treasurer - Budget Office	Administration	Support services allocation - February, 2020	10,722.08
Non-Tax	2/6/2020	City Treasurer - Police Dept	Ticketed Events - Police Services	VAN ANDEL OVERTIME FOR JANUARY 2020	10,109.47
Non-Tax	2/4/2020	Creos Experts-Conseils Inc	Public Space Activation	Prismatica Artwork Display World of Winter 2020	9,901.00
Local	2/13/2020	City Treasurer - Neighborhood Svcs	Downtown Marketing & Inclusion Efforts	2020 Neighborhood Summit sponsorship	8,000.00
Non-Tax	2/6/2020	City Treasurer - Police Dept	Ticketed Events - Police Services	DEVOS OVERTIME FOR JANUARY 2020	7,135.32
Local	2/17/2020	Federal Square Bldg Co. #1, LLC	Administration	Office Lease: 29 Pearl Street 2/2020	5,843.13
Non-Tax	2/19/2020	Baker Tent Rental	DGRI Event Production	Event Supplies: World of Winter 2020	5,213.25
Non-Tax	2/17/2020	LiveSpace, LLC	Public Space Activation	Audio/Visual services World of Winter 2020	5,146.28
Local	2/17/2020	County of Kent	Downtown Marketing & Inclusion Efforts	State of County sponsorship 2020	5,000.00
Non-Tax	2/17/2020	GR Asian-Pacific Festival	Major Event Sponsorship	Lunar New Year sponsorship 2020	5,000.00
Local	2/17/2020	McAlvey Merchant & Associates	Administration	Governmental Consulting Jan 2020	4,500.00
Non-Tax	2/19/2020	ArtPeers	Diversity Programming	DITA Prismatica Project 2020	4,350.00
Local	2/17/2020	Daniel Quinn Mathews	Downtown Marketing & Inclusion Efforts	Broadcast & Music services calendar year 2020	4,000.00
Non-Tax	2/19/2020	Great Lakes Sport & Social Club	DGRI Event Production	Event Services: Hungry Hippo Tournament planning 202	3,660.00
Local	2/17/2020	Erika Townsley	Downtown Marketing & Inclusion Efforts	Photography Services at various locations 1/20	3,000.00
Local	2/17/2020	Knight Watch Inc	Heartside Public Restroom Construction	Portland Loo security camera 02/2020	2,957.88
Non-Tax	2/19/2020	Michael Conley	Public Space Activation	World of Winter CREOS project 2020	2,945.00
Non-Tax	2/17/2020	Swift Printing & Communications	DGRI Event Production	World of Winter 2020 programs	2,941.45
Local	2/19/2020	Selective Ins Company of America	Administration	Liability Insurance Endorsement for DDA 2020	2,903.90
Local	2/19/2020	Calvin College	Downtown Marketing & Inclusion Efforts	Stewards Green Team sponsorship 2020	2,500.00
Local	2/4/2020	Michigan State University	Downtown Marketing & Inclusion Efforts	Reach Out to Youth sponsorship- 2020	2,500.00
Non-Tax	2/19/2020	T Shirt Wonders	DGRI Event Production	Event Supplies: Human Hungry Hippos Tshirts 2019	2,062.00
Local	2/22/2020	City of Grand Rapids	Administration	Staff services - payroll period ended 02/22/2020	1,924.08
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	DGRI Event Production	Event Supplies World of Winter	1,891.34
Non-Tax	2/17/2020	Castle Party Rentals LLC	DGRI Event Production	Rental Supplies for World of Winter 2020	1,815.00
Local	2/19/2020	Vias, LLC	Downtown Marketing & Inclusion Efforts	Translations Services- Fall 2019 and World of Winter 20	1,184.00
Non-Tax	2/12/2020	Grand Rapids Event Mmnt LLC	Downtown Speakers Series	Highline Network event management 11/2019	1,181.34
Local	2/4/2020	City Treasurer - Risk Management	Administration	Monthly General Insurance Allocation	1,047.00
Non-Tax	2/19/2020	Holland Litho Service Inc	DGRI Event Production	World of Winter 2020 event maps	1,046.84
Non-Tax	2/17/2020	Greg Gorniewicz	DGRI Event Production	GG Reindeer Farm World of Winter 2020	1,000.00
Local	2/4/2020	Jessica Ann Tyson	Downtown Marketing & Inclusion Efforts	Special Event Grant: Grand Rapids Legacy Luncheon 2	1,000.00
Local	2/8/2020	City of Grand Rapids	Administration	Staff services - payroll period ended 02/08/2020	971.27
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Downtown Marketing & Inclusion Efforts	Marketing & Advertising	948.88
Non-Tax	2/19/2020	Bryan Esler Photo, Inc.	DGRI Event Production	Photographer: World of Winter 2020	940.00
Local	2/20/2020	City Treasurer - MobileGR/Parking Svcs	Administration	JANUARY 2020 CITY VALIDATION	799.75
Local	2/17/2020	Serendipity Publishing LLC	Downtown Marketing & Inclusion Efforts	Revue ad Feb 2020	772.00
Local	2/17/2020	The KR Group, Inc.	Administration	IT Services 2/2020	762.20
Local	2/3/2020	Moore & Bruggink Inc	Division - Fulton/Wealthy Streetscape Improv	17109-Reconst. Division Ave (#180137.1-13)-DDA	756.58
Non-Tax	2/17/2020	Swift Printing & Communications	DGRI Event Production	World of Winter 2020 signage	727.00
Local	2/19/2020	HR Collaborative LLC	Administration	HR Consultant services 1/20	720.96
Non-Tax	2/19/2020	LiveSpace, LLC	DGRI Event Production	Audio/Visual services World of Winter 2020	717.50
Non-Tax	2/17/2020	Andrea Wallace	DGRI Event Production	Music performance- World of Winter 2/2020	600.00
Non-Tax	2/17/2020	Damien Allen	DGRI Event Production	Silent Disco DJ services WOW 2020	600.00
Non-Tax	2/19/2020	Evan Roy	DGRI Event Production	World of Winter Silent Disco 2020	600.00
Local	2/4/2020	Mighty Co.	Downtown Marketing & Inclusion Efforts	Website support: YouTube video links 01/20	562.50
Local	2/12/2020	Metro FiberNet, LLC	Administration	Internet/Phone at 29 Pearl St NW 1/20	537.90
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	DGRI Event Production	Storage unit rentals	534.85
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	Public Space Activation	Public Space Activation: Bike cart and CREOS supplies	523.94
Non-Tax	2/4/2020	Kerkstra Portable Restroom Svc Inc	Public Space Activation	Portable Restrooms CREOS @ MNL 1/20	485.00
Local	2/17/2020	Federal Square Bldg Co. #1, LLC	Administration	Office Lease: 29 Pearl Street Mezz Office 02/2020	475.14
Non-Tax	2/19/2020	Airline Media Productions Inc	DGRI Event Production	Movie Licensing: World of Winter 2020	475.00
Non-Tax	2/17/2020	Swift Printing & Communications	DGRI Event Production	World of Winter market signage 2020	454.00
Local	2/4/2020	Professional Maint of Michigan Inc.	Administration	Janitorial services JAN 2020	451.38
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	DGRI Event Production	Events meals for staff and volunteers- World of Winter	442.87
Local	2/4/2020	GreatAmerica Financial Svcs Corp	Administration	Copier Lease 01/20	433.64
Non-Tax	2/17/2020	GR Asian-Pacific Festival	DGRI Event Production	Silent Disco 2020	429.00
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin: Holiday staff dinner	411.86
Local	2/4/2020	Z2 Systems Inc	Downtown Marketing & Inclusion Efforts	NeonCRM Monthly cloud-based software 1/2020	350.00
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Downtown Marketing & Inclusion Efforts	Marketing: S. Dressa travel Photovoice Project	320.60
Non-Tax	2/19/2020	Kerkstra Portable Restroom Svc Inc	DGRI Event Production	portable restroom World of Winter 2020	315.00
Non-Tax	2/19/2020	Angela Munsell	DGRI Event Production	World of Winter Makeup Artist 1/26/20	300.00
Non-Tax	2/25/2020	West Grand Neighborhood Org	Stakeholder Engagement Programs	National Night Out sponsorship 2019	299.92
Non-Tax	2/24/2020	City Treasurer - Parks & Recreation	DGRI Event Production	Special Event: World of Winter 1/18-2/17	283.25
Local	2/29/2020	Paychex	Administration	DDA Payroll HRS Processing Fees-February 2020	269.17
Non-Tax	2/19/2020	Hannah Renee Berry	Public Space Activation	Artist Market CREOS 2020	265.00
Local	2/4/2020	The KR Group, Inc.	Administration	Office 365 agreement 12/19	259.74
Local	2/5/2020	The KR Group, Inc.	Administration	IT Office 365 Software Agreement 11/2019	259.74

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STATEMENT D - continued
DOWNTOWN DEVELOPMENT AUTHORITY
Schedule of Expenditures - FY2020
February, 2020

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Source	Date Posted	Vendor	Activity # Purpose / Project	Description	Amount
<i>Continued from previous page</i>					
Non-Tax	2/19/2020	Reb T Roberts	DGRI Event Production	World of Winter 2020 Artist Market poster art	\$ 250.00
Local	2/29/2020	Paychex	Administration	DDA Payroll Processing Fee-February 2020	244.70
Local	2/17/2020	MVP Sportsplex - GR, LLC	Administration	Paid via Payroll Deductions 2/2020	215.40
Non-Tax	2/19/2020	Perrigo Printing Inc	DGRI Event Production	World of Winter 2020 palm cards	215.00
Non-Tax	2/19/2020	City Treasurer - Water System	Project & Fixed Asset Maintenance	WS2028692 20/02	211.19
Non-Tax	2/24/2020	City Treasurer - Parks & Recreation	DGRI Event Production	Special Event: World of Winter 1/18-2/17	200.00
Local	2/17/2020	West Mich Hispanic Chamber	Administration	Annual membership dues 2020	197.97
Local	2/17/2020	The KR Group, Inc.	Administration	IT Network Services 1/2020	176.56
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin: Prof Development	175.66
Local	2/19/2020	PCS Gophers Ltd	Administration	January, 2020 courier services	169.29
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	Public Space Activation	project mapping- CREOS	155.00
Local	2/19/2020	Disability Advocates of Kent County	Accessibility and Mobility Repairs	Disability Advocates Jan 2020	150.00
Non-Tax	2/17/2020	Kerkstra Portable Restroom Svc Inc	DGRI Event Production	barrel rental Silent Disco 2020	150.00
Non-Tax	2/24/2020	City Treasurer - Parks & Recreation	DGRI Event Production	Special Event: World of Winter 1/18-2/17	135.31
Local	2/17/2020	Cellco Partnership dba Verizon	Administration	Cell Phone Service 12/2019	132.05
Local	2/4/2020	Perrigo Printing Inc	Downtown Marketing & Inclusion Efforts	Photovoice Palm Cards 1/20	120.00
Local	2/13/2020	Andy Guy	Administration	Lansing travel expense reimbursement 1/20	100.22
Non-Tax	2/17/2020	Kentwood Rental Inc	DGRI Event Production	World of Winter supplies rental 2020	100.20
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin SBAM membership 2020	94.24
Local	2/4/2020	Madcap Coffee Company	Administration	Meeting Supplies 1/20	87.03
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin Supplies	85.79
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin: meals	62.70
Non-Tax	2/6/2020	Kiley Tippman	DGRI Event Production	reimb for WOW 2020 transportation expenses	59.24
Non-Tax	2/27/2020	Consumers Energy	Downtown Ambassadors	1030 2027 1245 20/02	58.70
Local	2/19/2020	The KR Group, Inc.	Administration	laptop power cord	57.80
Non-Tax	2/13/2020	City Treasurer - MobileGR/Parking Svcs	Downtown Ambassadors	JANUARY 2020 MONTHLY PARKING	48.00
Local	2/17/2020	GR Area Chamber of Commerce	Downtown Marketing & Inclusion Efforts	townhall w/ governor 1/20	40.00
Local	2/17/2020	Model Coverall Service Inc	Administration	Floor Mat Rental 1/20	35.91
Local	2/19/2020	Model Coverall Service Inc	Administration	Floor Mat Rental 2/20	35.91
Local	2/19/2020	Breck Graphics Inc dba Allegra	Administration	Business Cards: McDaniel & Doyle 1/20	28.80
Local	2/11/2020	Fifth Third Bank P-Card - 01/2020	Administration	Admin fees	19.80
Local	2/19/2020	Perrigo Printing Inc	Administration	Ambassador Team Photo for office 2020	18.00
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	17.71
Non-Tax	2/11/2020	Fifth Third Bank P-Card - 01/2020	DGRI Event Production	events- equipment rental Monroe North lot	15.69
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	11.72
Non-Tax	2/19/2020	Audrey Johnson	Public Space Activation	World of Winter CREOS Silent Disco 2020	10.00
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	8.81
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	8.81
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	7.42
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	7.42
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	6.75
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	6.74
Local	2/4/2020	The KR Group, Inc.	Administration	HDMI cable adapter	6.26
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	4.94
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	4.94
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	4.68
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	4.54
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	4.54
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	4.37
Local	2/19/2020	TDS Metrocom, LLC	Administration	Phone Service- final bill	3.85
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	3.50
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	3.50
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	3.34
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	3.34
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	2.88
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	2.88
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.68
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.68
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.56
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.47
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.47
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.47
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.46
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.44
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	2.44
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	1.87
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	1.87
Non-Tax	2/18/2020	ACO Inc	DGRI Event Production	Supplies World of Winter 2020	1.76
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	1.74
Non-Tax	2/18/2020	ACO Inc	Public Space Activation	Supplies for CREOS installation WOW 2020	1.74

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MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: March 11, 2020

TO: Downtown Development Authority

FROM: Kyama Kitavi, Economic Development Manager

SUBJECT: **Retail Innovation/Incubation Grant – 11 Ionia Ave SW (Meat Up Gastro Pub)**

Agenda Item #4
March 11, 2020
DDA Meeting

The GR Forward community planning process revealed considerable demand for more retail options in Downtown Grand Rapids. Attracting retail tenants that provide goods or services currently not available or underserved in the Downtown area emerged as a particular priority, with an emphasis on locally-owned businesses that strengthen and diversify the mix of Downtown retail offerings.

The community clearly called for more focused and active entrepreneurship and capacity-building programs to support the growth of businesses owned by women, people of color and other disadvantaged populations, albeit not to the exclusion of other entrepreneurs and small business owners.

The overarching goal is to build a unique retail market and experience that expand opportunities for everyone to participate and prosper in the local economy while better positioning Downtown with a truly unique retail experience that attracts and serves an increasingly diverse population of residents, employees and visitors.

To advance on this goal, the Grand Rapids Downtown Development Authority took several steps:

- Updated its financing plan in October 2016 to prioritize statutorily-sanctioned efforts that work to attract underserved and/or unavailable retail options in Downtown.
- Adopted a budget in June 2017 that directed funding to support a retail business innovation and incubation program that further the community's goals discussed above. Subsequent adopted budgets have included additional funding to support the program.
- Developed and in March 2018 released a Request for Proposals (RFP) to solicit business ideas.

Downtown Grand Rapids Inc. staff received several initial calls of interest and in June 2018 the DDA approved an agreement with Tamales Mary followed by approvals for AmbianceGR, Mosby's Popcorn, Mel Styles, Oh Hello Co., Art Caribbean Fusion Cuisine and GR Noir most recently. Subsequently, a proposal was submitted by Elizabeth and Andy Rosario of The Meat Up Gastropub with staff recommending accepting and supporting



the establishment of a restaurant that provides a fusion of Latin inspired dishes that would add to the offerings of food and culture to the Downtown community.

Both Elizabeth and Andy are experienced entrepreneurs with Andy owning and operating Maya Mexican Grill & Bar in Rogers Plaza since 2014 and Elizabeth operating her own legal and tax firm. The 11 Ionia Ave location is the former location of J Gardella's Tavern and so presents an opportunity for The Meat Up Gastropub to move into a space that is already built out for their use. This allows Elizabeth and Andy to build on the unique Latin aspects of their menu and atmosphere bringing additional energy to the Ionia corridor. Given their experience with an already successful restaurant and other business ventures; Elizabeth and Andy are well positioned to add to make this venue not just a success but a destination venue for both local Grand Rapidsians and visitors.

While buildout will not be extensive given the previous use of the location the Rosarios plan on investing **\$100,000** to refurbish and remodel the space. This investment will include their own savings and traditional financing and will include cosmetic upgrades, licensing, inventory and marketing. Today's request is to use DDA retail innovation funds of \$60,000 to help underwrite a portion of the lease fees, a lease with a three-year commitment and the option of three additional three-year renewals. Expenditure of these funds must and will occur in accordance with sections 7(1)(r) and 7(2) the DDA's enabling statute PA 197 of 1975.

This proposal, affirmed by a working group of the GR Forward Goal 4 Alliance, advances on numerous Downtown goals, including:

- Diversifying the mix of Downtown retail offerings.
- Supporting entrepreneurship and small business growth.
- Supporting activation of a space that recently vacated in a signature district with unique offering currently absent from Downtown.

Recommendation: Approve the resolution authorizing the DDA Executive Director to prepare a written contract with the applicants for an amount not to exceed \$60,000 and a period of time not to exceed 18 months.

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DDA

DATE: March 5, 2020

TO: Downtown Development Authority

FROM: Andy Guy
Chief Outcomes Officer

SUBJECT: Grand River Engagement and Activation Planning

Agenda Item #5
March 11, 2020
DDA Meeting

The DDA in August 2019 supported a process to evaluate long-term governance models for developing, managing and sustaining the public assets that will underpin the future revitalized Grand River corridor. This generally includes an approximately 9-mile nonmotorized urban trail and associated green spaces looping around Downtown to link Riverside and Millennium Parks.

This ongoing evaluation, among other things, has involved a thorough review of organizational best practices, strategies and tactics deployed to advance similar industrial infrastructure reuse projects across North America. One common thread running through these successful efforts is spirited and proactive investment in community-based planning.

The Detroit Riverfront Conservancy, Atlanta BeltLine and other emerging leading organizations put community at the center of their project. They embrace this as a responsibility and an opportunity. Projects are more likely to succeed when built in true collaboration with local stakeholders, strengthening networks and coalitions of support.

By understanding and focusing on community needs and stakeholders, infrastructure projects such as our river revitalization vision can become much more than architectural statements or, as one critic put it, “green monuments for tourists and the creative class.”

Projects that invest in local dialogue and that respond to feedback generate designs that speak to community need. And when places are about the people they’re serving, they become hubs where we forge new community ties, grow opportunities for community participation and generate community building opportunities – ultimately maximizing the investment revitalization efforts require.

Thoughtful community engagement of course is not new to the DDA, City of Grand Rapids, Grand Rapids Whitewater or numerous other partners working to revitalize the Grand River. Indeed, our extensive outreach efforts over the past several years sets the stage to further deepen community engagement and expand the space for resident voice and input. What’s missing is a commonly defined and embraced structure and/or process for participation.



DOWNTOWN
GRAND RAPIDS INC.

This is an especially important and timely gap as we organize to potentially stand up a new river governance entity and ultimately advance decisions about the Grand River's new uses, designs, programming and other considerations.

To meet this need, DGRI staff has worked with Public Agency and Aligned Planning to move quickly through a series of community conversations – led by Public Agency's Community Catalysts – that will 1) capture important information about how residents desire to use the river-adjacent spaces in the future and 2) help spark the imagination of Grand Rapids residents around how new communal spaces along the river might look, feel and function.

One key deliverable will be a proposed portfolio of activities and/or program interventions that can activate the river edges in creative, relevant and inclusive ways. These ideas will directly support the DDA's effort to continue testing various activation tactics at the river's edge to further inform larger scale potential investment in the future.

Another key deliverable will be the process design itself – a new, locally-defined community engagement framework and toolkit for best practices that can inform any future river engagement efforts, particularly the startup and ongoing implementation efforts of any potential new river governance entity. This framework will ensure we're not planning and acting for, but with our community.

Public Agency, an initiative led by the West Michigan Center for Arts + Technology, is a social design studio that specializes in advancing new ways to hear and learn from clients, constituents and community. For this project, Public Agency will engage their Community Catalysts, a diverse network of poly-skilled and action oriented local residents who will design and facilitate a series of unique engagement experiences. Public Agency's portfolio of work includes effort with Grand Rapids Public Schools, Grand Rapids Community Foundation and other leading local institutions.

Aligned Planning is a local urban design studio with specialized expertise in tactical urbanism and neighborhood planning. Principal Lynee Wells, a former member of the GR Forward Goal 3 Alliance, has played an integral role in numerous local planning efforts, including most recently the City of Grand Rapids River for All process, the Rapid's Laker Line Bus Rapid Transit Project and DGRI's Downtown Streetspace Guidelines.

Joining Public Agency's community connections and relational approach to public engagement with Aligned Planning's experience in planning and tactical urbanism, DGRI staff is confident this team and their work will deliver valuable insights and outcomes in support of the community's river revitalization movement.

With the DDA's approval, the work will begin in March 2020 and culminate in a public presentation of outcomes in early summer 2020.

Recommendation: Approve local consultant services in an amount not to exceed \$30,000 to support Grand River engagement and activation planning.

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



Agenda Item #6
March 11, 2020
DDA Meeting

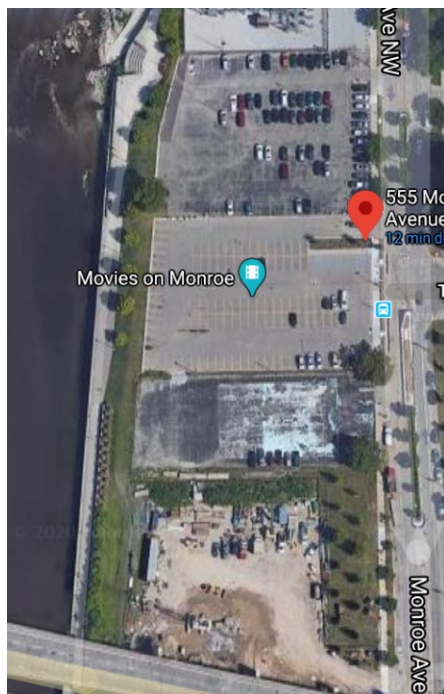
DATE: March 11, 2020

TO: Downtown Development Authority Board

FROM: Kimberly Van Driel
Director of Public Space Management

SUBJECT: Downtown Skate and Bike Park Funding Authorization

In 2018 the City of Grand Rapids Parks Department received a grant from the State of Michigan to acquire the land located along the banks of the Grand River at 555 Monroe Ave NW. In order to receive this grant, the City was required to activate the space with programming which the City, DGRI and other partners have undertaken the past two years through interventions such as public art, seating, movies, silent discos, yoga, etc.



555 Monroe Site Map

Despite the success of these interventions, additional priorities exist that community members desire to see implemented Downtown. Among them is a Downtown skate park. Recently completed community plans, including GR Forward, the City of Grand Rapids Parks Master Plan and the River for All plan established a skate park as a goal for Downtown, but several years of exploration did not identify a suitable site for implementation.

Recently, however, after receiving interest and a commitment of partnership from the City of Grand Rapids Parks Department, DGRI staff revisited this priority and began work to realize the goal of a skate park Downtown, and identified the 555 Monroe Ave. NW site as an ideal location.

To further vet this idea, DGRI convened a steering committee made up of local skateboarding and BMX community members, local skateboarding companies, and members from Goal 1 and 5 to help advise the project and process. Based on those conversations and the steering committee's input, staff is recommending entering into an agreement with AGA Nation to help bring this priority to reality.

As proposed the project is a pilot and will provide learning opportunities as a future permanent installation is considered. Among the benefits of completing a temporary installation is the opportunity to gather community input and feedback that can inform future improvements.

The proposed skate and bike park would include the following:

- 3-way bank ramp with grind ledge
- Grind bench
- Quickrete transition blending to jersey barrier with built in grind ledge
- Stone or concrete grind ledge
- Grind rails
- City-scape kicker and city bench
- 3-way pyramid with stairs, hips, rails and grind ledge
- 4-way pyramid with stairs, hips, rails and grind ledge
- Bike ramps
- Fire hydrant and attached manual pad
- Quarter pipe with channel gap

The equipment will be designed and constructed to last a minimum of 3 years. Further, the agreement with AGA Nation would include maintenance, inspection of equipment twice a year, building of equipment and ramps, asphalt re-pavement of a 60ft by 236ft skating area, ribbon cutting ceremony and a grand opening event bringing in a multi-sport day of competition.

The duration of the installation will depend on the River restoration project and construction timeline. The City is also exploring other temporary programming and amenities for the site.

Timeline of the project would include:

- April – Off-site build and preparations
- May
 - o First 1 or 2 weeks– site preparation work to be completed, including installation of new asphalt surfacing
 - o Last 2 – 3 weeks – all installation and onsite building of equipment to be completed
 - o May 29th to May 31st – soft-opening event.
- June/July – Official Grand Opening to include Multisport Competition

- August 2020, April & August 2021, April and August 2022 – equipment inspection and maintenance as necessary.

BUDGET:	
Public artwork	\$5,000
Equipment and build	\$72,000
Site prep and re-pavement	\$40,000
Maintenance and check ups	\$8,000
Concrete barriers	\$5,000-\$10,000
Bike ramps	\$30,000
Events	\$25,000
Bleachers and seating	\$3,000
Contingency	\$7,000
Total:	\$200,000

Recommendation:

Authorize the Executive Director to enter into an agreement with AGA Nation for an amount not to exceed \$200,000 for the installation of Downtown Skate and Bike Park.

Monroe North Site



Stepped River Edge



Shaded Seating Edge



Midlevel Terrace



Event Pavilion
& Lawn



Skate Park



River For All Conceptual Plans for 555 Monroe

>> Downtown skate park

The popularity of skateboarding has continued to rise not only as a recreation activity, but also has a viable transportation mode. To that end, in 2015 the Grand Rapids City Commission lifted a longtime ban on Downtown skateboarding. The new policy closely matches the existing bicycling ordinances, and helped to signal the importance of skateboarding to Grand Rapidsians.

While the change in policy is significant, during the public engagement for GR Forward it became clear there remains a strong desire for a permanent Downtown skate park, which in many cities are as common as basketball courts and baseball fields.

To that end, a skate park subcommittee has convened to identify potential Downtown skate park locations, as well as develop priorities to evaluate potential development sites. Preferred sites, as well as the priorities are listed below. It is recommended that DGR and the City continue conversations with interested stakeholders and the skate park subcommittee to identify a Downtown location for a skate park and advance construction as soon as possible. To ensure the skate park becomes a regional amenity, areas of connectivity and access, as



Skate park examples - On the left, Burnside in Portland. On the right, a skate park in Grand Haven.

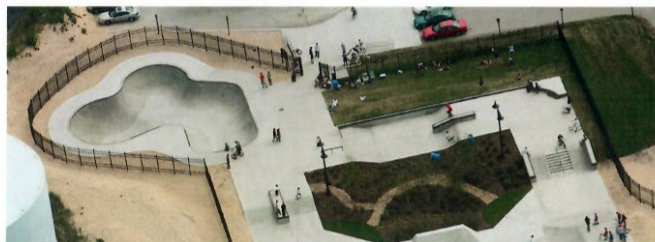
well as system-wide park impacts, should be taken into consideration within the 2016 Parks and Recreation master plan update.

DOWNTOWN SKATE PARK PRIORITIES

- Located within the DDA Boundary and easily accessible by transit;
- Feasibility of development;
- Inviting to spectators with areas of shade and green space incorporated;
- Appealing to youth skaters under the age of 18;
- Proximate to active and complementary development and uses;
- Minimum 15,000 square feet of skating area; and
- Plaza-style design.

POTENTIAL LOCATIONS

- DASH South Lot Area 6A;
- Heartside Park;
- Canal Street Park;
- Fish Ladder Park;
- Ah-Nab-Awen Park.



>> River corridor parks

There are a number of new open spaces proposed along the River. Three of these spaces are located in or adjacent to Downtown and are owned all or in part by public agencies. 201 Market Avenue is designed to include a large green living room that will help to connect residents to the River and provide space for large-scale River programming. The sites immediately north of 196 owned by the City, Michigan State University and Kent County offer another opportunity for green space along with River. Lyon Square is under design to better serve restaurants in the Amway Grand Plaza Hotel but also to integrate flood infrastructure and enhanced public access to the River. Finally, the proposals to improve Rapids View Park [fishladder] and create a new Interchange Park on the Westside [described in Goal 1] provide necessary Westside riverfront parks with enhanced public access and stormwater management. All of these parks will help provide anchors to an expanded River trail system discussed in Goal 1.

GR Forward Skate Park Recommendation

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: March 6, 2020

TO: Downtown Development Authority

FROM: Tim Kelly, AICP
Executive Director

Agenda Item #7
March 11, 2020
DDA Meeting

SUBJECT: Approve Assignment of Tax Increment Financing for Arena Place Development

On January 8, 2014, the Downtown Development Authority (DDA) Board entered into a Development Agreement (Agreement) with Arena Place Development, L.L.C (Developer) to facilitate the construction of Arena Place on the previously DDA owned Area 1 parking lot. The completed project delivered 376,000 square feet in the form of an 11-story development and features Class A office space home to Miller Johnson and Meritage, 100 market rate apartments, and more than 280 parking spaces.

As part of the project financing, the Developer initially secured a loan from Mercantile Bank and assigned the Tax Increment Revenues. That Assignment Agreement has since been terminated and the Developer has entered into an Interim Loan Agreement with KeyBank National Association. Per the terms of the loan, KeyBank has requested the Developer assign the remaining reimbursable tax increment revenues (TIR) outlined in the Agreement as security for the loan. This assignment is allowed per section Article XIII of the Agreement, and to complete it approval from DDA is required. The assignment does not change the obligations of either the Developer or the DDA as outlined in the Agreement.

Recommendation:

Approve the Resolution authorizing the Assignment of Tax Increment Revenues related to the financing of Arena Place.



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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN
ASSIGNMENT OF TAX INCREMENT FINANCING RELATED TO THE
ARENA PLACE DEVELOPMENT, LLC PROJECT**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the City of Grand Rapids Downtown Development Authority (the “DDA”) entered into a Development Agreement dated January 8, 2014 (the “Agreement”), with Arena Place Development, LLC (the “Developer”) related to the Arena Place Development, LLC Project (the “Project”); and

WHEREAS, the Agreement provides that the Developer will be reimbursed for certain Eligible Costs (as defined in the Agreement) with Tax Increment Revenues (as defined in the Agreement); and

WHEREAS, in connection with the refinancing of the Project by a group of lenders, Keybank National Association (the “Bank”), as their agent, has requested an assignment of the Tax Increment Revenues in an amount up to the amount of a loan from Mercantile Bank to the Developer used to pay Eligible Costs for which Mercantile Bank was not reimbursed by Developer, which loan is being refinanced by the Bank, in the event the Developer defaults under the terms of the loan documents with the Bank; and

WHEREAS, the Agreement requires the DDA consent to such assignment of Tax Increment Revenues.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Assignment of Tax Increment Financing (the “Assignment”) between the DDA, Developer and Bank in the form presented at this meeting is approved and the Chairperson

of the DDA Board of Directors, on behalf of the DDA, is hereby authorized and directed to execute such consent upon approval as to form by DDA legal counsel.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: March 11, 2020

Amanda Sloan
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the of the City of Grand Rapids Downtown Development Authority (the “DDA”), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the DDA at a regular meeting held on March 11, 2020, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: March 11, 2020

Amanda Sloan
Recording Secretary

ASSIGNMENT OF TAX INCREMENT FINANCING

THIS ASSIGNMENT (hereafter “Agreement”) is entered into as of November ____, 2019 among the CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY, a statutory authority created by the City of Grand Rapids, Michigan (the “City”) pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), with offices at 29 Pearl NW, Grand Rapids, Michigan 49503 (“DDA”), ARENA PLACE DEVELOPMENT, LLC, a Michigan limited liability company with offices at 435 Ionia SW, Grand Rapids, Michigan 49503 (“Assignor”), and KEYBANK NATIONAL ASSOCIATION, a national banking association, its successors and assigns, as agent for the Lenders (as defined in the Loan Agreement hereinafter defined) (KeyBank National Association, in its capacity as agent for the Lenders being referred to herein as “Assignee”).

RECITALS

- A. Assignor owns or leases, or expects to own or lease, some or all of the property located in Kent County, Michigan (the “Property”) as described on the Exhibit A attached hereto.
- B. Assignor has constructed a mixed use building, which includes three levels of parking, offices, retail and residential apartments on the Property (the “Project”), and in doing so, has incurred certain costs that qualify as “public facilities” as defined in Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”). The DDA has agreed to reimburse Assignor for public facility expenses pursuant to a Development Agreement (“Development Agreement”) between the Assignor and the DDA dated January 8, 2014, which calls for payment of certain Project Tax Increment Revenues (as defined in the Development Agreement) (hereafter “TIR”) to Assignor.
- C. In connection with funds lent to Assignor by Mercantile Bank of Michigan, a Michigan banking corporation (“Mercantile Bank”), Assignor executed that certain Assignment of Tax Increment Financing dated March 12, 2014 (the “Mercantile Assignment”).
- D. Assignor and Mercantile Bank have terminated the Mercantile Assignment.
- E. Pursuant to the certain Interim Loan Agreement, dated November 21, 2019, between the Assignor and KeyBank National Association, as agent and as a lender (such Interim Loan Agreement, as the same may be amended, restated or modified, being referred to as the “Loan Agreement”), the Lenders thereunder agreed to make a secured loan available to the Assignor in the maximum aggregate amount at any time outstanding not to exceed the sum of Forty-Six Million Dollars (\$46,000,000) (the “Loan”).
- F. Pursuant to the Loan Agreement, Assignor and the Lenders thereunder acknowledged and agreed that One Million Six Hundred Sixty-Eight Thousand Five Hundred Dollars and Fifty-two cents (\$1,668,500.52) of the Loan was used to refinance a loan from Mercantile Bank to Assignor, the proceeds of which were used to fund public facility costs and expenses that are reimbursable to Assignor pursuant to the Development Agreement (such amount of the Loan being referred to herein as the “Public Facility Loan Amount”).

- G. The parties desire that Assignor collaterally assign to Assignee to secure the Loan the full amount of the TIR capture benefit remaining due that Assignor will be eligible for under the Development Agreement according to the terms and conditions of this Agreement.

AGREEMENT

Accordingly, the parties agree as follows:

1. **TIR Assignment.** Assignor hereby collaterally assigns to Assignee Assignor's right (both current and future) to receive reimbursement of the cost of any "public facility" expenses it is entitled to receive, and including all TIR to which Assignor is or will become entitled to pursuant to the Development Agreement, subject to the terms and conditions of the Development Agreement. Assignor grants a first priority lien on the Assignor's right to receive TIR in accordance with, and subject to, the terms of the Development Agreement. Assignor and Assignee acknowledge and agree that this assignment of the TIR secures only the Public Facility Loan Amount, along with all accrued and unpaid interest accrued on any such portions.

2. **Payments to Assignee.** Upon the occurrence of an Event of Default under the Loan Agreement, all TIR shall be payable to the Assignee. After written notice is given by Assignee to the DDA that an Event of Default has occurred under the Loan Agreement and that all TIR payments are to be made directly to Assignee, the DDA agrees to make TIR payments directly to Assignee pursuant to the terms of this Agreement and of any specific payment or wire instructions which Assignee provides, subject to the terms and conditions of the Development Agreement. Assignor hereby expressly authorizes the DDA to make such TIR payments to Assignee and Assignor hereby releases and discharges the DDA from any liability to Assignor on account of any such TIR payments made to Assignee in accordance with the terms of this Agreement.

3. **Liability and Obligations.** Nothing contained herein shall relieve Assignor of any obligations or liability under the Development Agreement including any which have arisen before the date hereof, and Assignor shall indemnify and hold Assignee harmless from and against such obligations or liability. Assignee shall, in no event, be obligated to perform any actions or incur any obligations or liabilities whatsoever, under the Development Agreement or otherwise, until such time as Assignee elects, if at all, to undertake such obligations or liabilities by written notice to Assignor and the DDA.

4. **Covenants.**

- (A) Assignor shall faithfully abide by, perform and discharge each and every term, condition, obligation, covenant and agreement, which Assignor is now, or hereafter becomes, liable to observe or perform under the Development Agreement; give prompt written notice to Assignee of any notice of default received by Assignor with respect to any default of Assignor under the Development Agreement, together with an accurate, complete copy of any such notice; at the sole cost and expense of Assignor, enforce or secure the performance of each and every term, obligation, covenant, condition and agreement to be performed by other parties under the Development Agreement; and provide to Assignee an accurate,

complete copy of any notice of default issued by Assignor with respect to the Development Agreement, if and when so sent by Assignor.

- (B) Assignor shall not modify, amend, extend, renew or in any way alter the terms of Development Agreement; nor waive, excuse, condone or in any manner release or discharge any party thereunder, of or from any obligation, covenant, condition, or agreement by said person to be performed thereunder; nor terminate the term thereof nor accept a surrender thereof, without the prior written consent of Assignee.
- (C) Assignor will not execute, or agree to, any assignment of the Development Agreement or of any of the TIR subsequent to the date hereof.

5. **Assignor Warranties and Representations.** Assignor warrants and represents to Assignee that: (1) the TIR revenue being collaterally assigned to Assignee, or any part thereof, pursuant to the terms of this Agreement is not currently subject to any assignment, pledge, mortgage or encumbrance except in favor of Assignee, and will not be subject to any assignment, pledge, mortgage or encumbrance hereafter, except in favor of Assignee; (2) the Development Agreement is in full force and effect and as of the date hereof no uncured defaults exist with respect to the Development Agreement; and (3) all covenants, conditions and agreements have been performed as required in the Development Agreement, except those not due to be performed until the date of this Agreement.

6. **Consent to Assignment.** All parties hereto, including the DDA, do hereby consent to this Agreement and the assignment as called for herein.

7. **No Commitment.** This Agreement is not a commitment by Assignee to lend.

8. **Counterparts.** This Agreement may be executed in counterparts, each of which will be an original, and all of which, taken together, will constitute a single instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic transmission will be deemed to be their original signatures for all purposes.

9. **Notices.** All notices shall be given by registered or certified mail addressed to the parties at their respective addresses shown above. Any party may change the address by written notice sent by registered or certified mail to the other parties.

10. **Assignment.** The interest of any party under this Agreement shall not be assignable without the other parties' written consent, which shall not be unreasonably withheld.

11. **Non-waiver.** No delay or failure by any party to exercise any right under this Agreement, **and** no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

13. **Binding Effect.** The provisions of this Agreement shall be binding upon and inure to the benefit of all of the parties and their respective heirs, legal representatives, office holders, successors and assigns.

14. **Commercial Code.** This Agreement constitutes the granting by Assignor of a security interest under the Uniform Commercial Code as adopted in the State of Michigan and Assignor hereby authorizes Assignee to file Uniform Commercial Code financing statements and other documents perfecting or evidencing such security interest, or otherwise deemed necessary by Assignee.

[The remainder of this page is blank]

The parties have entered into this Agreement as of the date first written above.

Approved as to form by
DDA counsel:

By: _____
Richard A. Wendt

“DDA”
THE CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT
AUTHORITY

By: _____
Rick Winn

Its: Chairperson

“Assignor”
ARENA PLACE DEVELOPMENT, LLC, a
Michigan limited liability company

By: _____

Its: _____

“Assignee”
KEYBANK NATIONAL ASSOCIATION, a
national banking association as Agent

By: _____

Is: _____

EXHIBIT A

Legal Description

Situated in the City of Grand Rapids, County of Kent, State of Michigan:

Lots 13, 15, 17, 19, 21, 23, 25, and 27, Calder Street, Kent Plat, City of Grand Rapids, Kent County, Michigan, as recorded in Liber 1 of Plats, Pages 4 and 5, together with the East half of the vacated alley adjacent on the West.

Parcel No. 41-13-25-431-003

Property Address: 158 Weston Street SW
Grand Rapids, Michigan 49503

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: March 6, 2020

TO: Downtown Development Authority

FROM: Tim Kelly, AICP
Executive Director

Agenda Item #8
March 11, 2020
DDA Meeting

SUBJECT: Obsolete Property Rehabilitation Exemption Request: 470 Market Avenue SW

The City of Grand Rapids has received a Brownfield Plan Amendment and application for a 10-year Obsolete Property Rehabilitation Exemption (OPRE) Certificate from 3F Properties, LLC (the “Developer”) for the property located at 470 Market Avenue SW (the “Property”). The Property currently contains an approximately 210,000 square foot, three-story former commercial building encompassing 2.25 acres.

Key project elements include:

- Investment by the Developer in the rehabilitation is currently estimated to be \$26.1 million, with hard construction costs of \$20.3 million.
- The proposed project includes redeveloping the vacant building into 167 market-rate apartments, and the conversion of the basement story into 106 parking spaces.
- Once complete, the project is anticipated to create four full-time equivalent (FTE) jobs, with average wages of \$21.00 per hour.
- New employees and residents of the apartments are estimated to generate \$44,903 in new City income taxes annually. As proposed, the apartments would be comprised of studio, one-bedroom, and two-bedroom units, which are detailed below.

If approved, the OPRE would “freeze” the taxable value on the Property for a period of 10 years. This will allow the Developer to complete the improvements on the property without having to pay the full property taxes, an important and valuable incentive to undertake the rehabilitation.



The Property qualifies for the OPRE under the Obsolete Property Rehabilitation Act of 2000. As required, the Property has been determined to be functionally obsolete by the City Assessor, who verified the building suffers inadequate windows, mechanical, heating, plumbing and electrical systems, as well as a lack of interior finishes. In addition, the Property qualifies for the Brownfield program as a “facility” under Part 201 of the Natural Resources and Environmental Protection Act, P.A. 451 of 1994, as amended.

Number of Units	Est. Monthly Rent	Bedrooms	Square Feet
88	\$1,100	Studio	462
73	\$1,300	1	651
6	\$1,700	2	910

The application requests a 10-year Obsolete Property Rehabilitation Exemption, as well as reimbursement of up to \$5,012,250 of brownfield eligible activities, including environmental site assessment and Due Care activities, demolition, lead and asbestos abatement, site preparation and private infrastructure improvements including underground parking. Reimbursement of eligible costs is anticipated to occur over a period of 25 years, with five additional years of capture for the Local Brownfield Revolving Fund. The project as proposed is permitted without Planning Commission approval, and the project is in accordance with the City’s Master Plan. There are no known environmental concerns at the Property and the applicant is current on all of its tax liabilities to the City.

If approved by the DDA, the total tax increment revenue forgone during the OPRE is estimated at \$1.24 million total over the 10-year term. At the expiration of the term, the DDA would then begin to fully capture available increment. Development Support was considered as a funding source for eligible activities; however the available increment was estimated at less than the value of the OPRE.

Following DDA consideration, the project will go before the Brownfield Redevelopment Authority on March 25, 2020.

Recommendation:

Recommend approval of the OPRE Certificate for the redevelopment of 470 Market to the Grand Rapids City Commission.

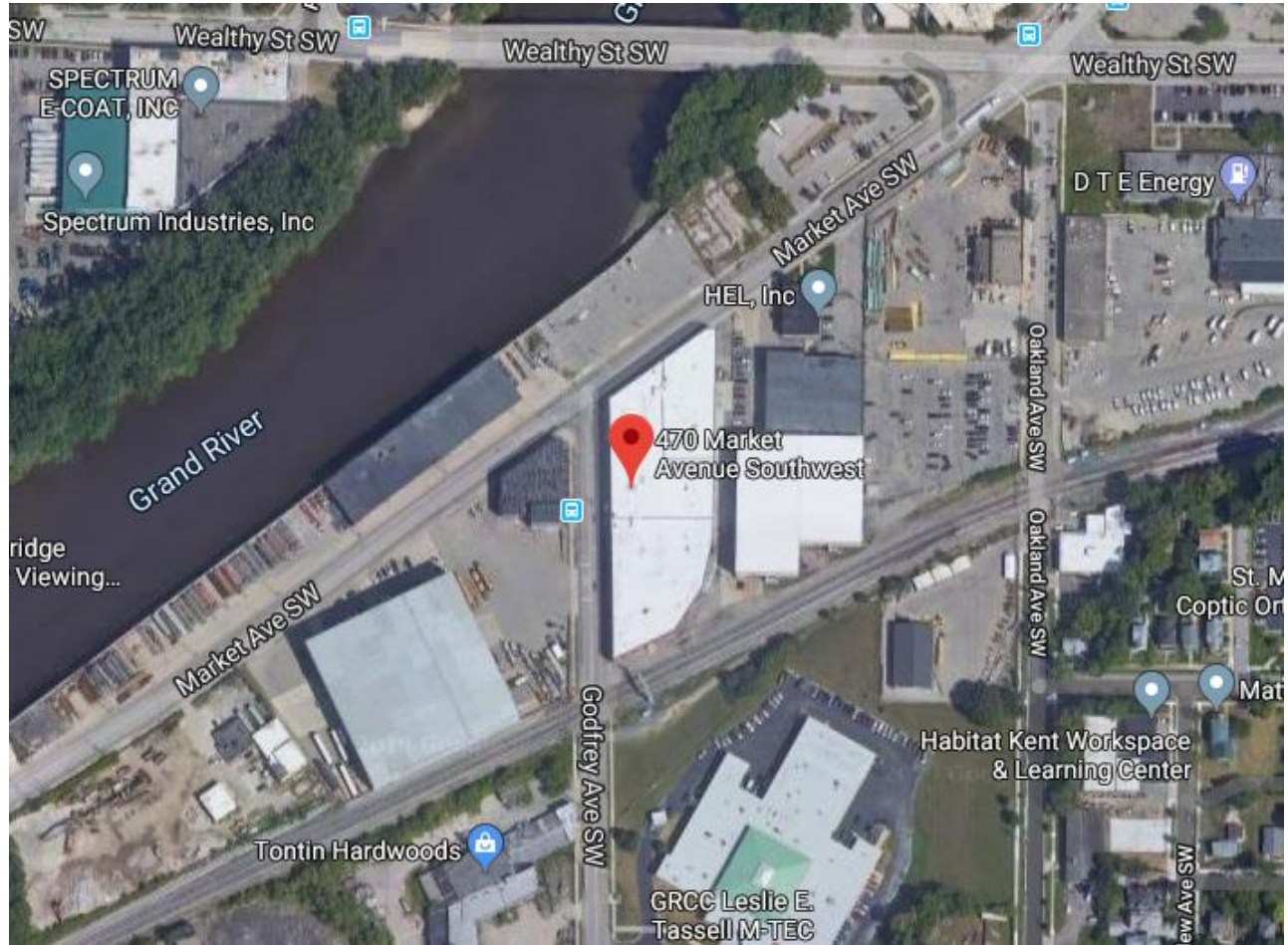


Figure 2

Eligible Property Map



Color Site Photographs

470 Market Avenue SW – View from Market Avenue



OBSOLETE PROPERTY REHABILITATION ACT (OPRA)

The Obsolete Property Rehabilitation Act (OPRA), [Public Act 146 of 2000](#), provides for a tax incentive to encourage the redevelopment of obsolete buildings. A new exemption will not be granted after December 31, 2026, but an exemption then in effect will continue until the certificate expires. The tax incentive is designed to assist in the redevelopment of older buildings in which a facility is contaminated, blighted or functionally obsolete. The goal is to rehabilitate older buildings into vibrant commercial and mixed-use projects.

Note: This document is offered as a general guide only and the legislation should be reviewed by local officials.

WHO IS ELIGIBLE?

OPRA tax abatements may be given for those eligible projects that take place on an obsolete property and result in a commercial or mixed-use building project located in only the [qualified local units of government](#).

HOW DOES IT WORK?

A community essentially freezes the existing taxable value on a designated facility for up to 12 years. Additionally, the state treasurer may approve reductions of half of the school operating and state education taxes for a period not to exceed six years for 25 applications annually for rehabilitated facilities. By freezing the taxable value, it provides an incentive for the developer to make significant improvements to a building without increasing the property taxes on the building.

WHAT IS THE PROCESS?

Local government process to designate an Obsolete Property Rehabilitation District (OPRD)

1. The governing body of a qualified local unit of government, by resolution, may designate one or more OPRDs within that local governmental unit. The OPRD may consist of one or more parcels or tracts of land that is characterized by obsolete commercial or obsolete commercial housing property.
2. The qualified local unit of government may establish an OPRD on its own initiative or upon a written request by at least 50 percent of the owners of the property within the proposed OPRD.
3. Written notice of a public hearing is provided by certified mail to all owners of all real property within the proposed district.
4. The governing body holds a public hearing with a public
5. The governing body adopts a resolution establishing the district and the determination that it meets the requirements under the legislation.

Owner/developer process for obtaining an OPRA certificate

1. An owner of an obsolete property within the district files an application for an OPRA certificate with the clerk of the local government that includes the details of the project.
2. Once a completed application is received, the clerk must notify the assessor and each taxing unit that levies property taxes (e.g., county, community college, library, etc.).
3. The governing body holds a public hearing prior to acting on the resolution regarding the certificate.
4. Within 60 days of receipt of application, the local unit of government shall by resolution approve or disapprove the application for the certification for up to 12 years. The public hearings for the district and the exemption certificate may be held on the same day, but with individual public hearings.
5. Once approved locally, the application and resolution must be sent to the State Tax Commission (STC). The STC has 60 days to approve or disapprove the request. To apply for the abatement of school millage, the developer must make note of this on the application form. The STC is responsible for final approval and issuance of all OPRA certificates.

WHY WOULD A COMMUNITY WANT TO OFFER AN OBSOLETE PROPERTY TAX REHABILITATION TAX ABATEMENT?

The OPRA incentive is used to encourage the redevelopment of blighted buildings. In many cases, this could be an abandoned, multi-story industrial building that is now more suited for commercial or residential rental units. To the developer, the advantage is savings on property taxes. The tax incentives essentially freeze the local property taxes for up to 12 years, exempting from local property tax all real property improvements. In addition, the state treasurer has the ability to exempt one-half of the school millage for up to six years on 25 projects per year.

SUPPORTING STATUTE

[PA 146 of 2000: Obsolete Property Rehabilitation Act](#)

CONTACT INFORMATION

For more information, contact the [Community Assistance Team \(CAT\) specialist](#) assigned to your territory or visit www.miplace.org.

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: March 6, 2020

TO: Downtown Development Authority

FROM: Tim Kelly, AICP
Executive Director

Agenda Item #9
March 11, 2020
DDA Meeting

SUBJECT: Approve Purchase and Development Agreement for 158 Oakes Street SW

BACKGROUND

On May 20, 2019 a Request for Proposals (RFP) was issued for the Downtown Development Authority (DDA) owned property at 158 Oakes Street SW. The site, which is approximately 40,000 square feet, is located on the extended Ottawa Avenue SW and adjacent to the under-construction Studio Park project. Proposals were due June 19, 2019.

The RFQ was posted on the DGRI website, distributed to the Grand Rapids Association of Realtors, the City of Grand Rapids, and distributed directly to the local development community. Respondents to the RFP were directed to consider the community goals established in GR Forward and to be responsive to the context of the surrounding neighborhood. In addition, proposals were evaluated based on scale of investment, project quality and timing, ability to demonstrate project financing, project compatibility with the neighborhood and the developer record for successful similar developments.

At the close of the listing period, three qualified offers were received for consideration. The proposals were vetted with the Strategic Land Use Committee (Committee) who recommended the proposal received from Loeks Theaters, Inc. (Loeks). The proposed project was to would include an up to 175,000 square foot Class A office building and parking that will result in several hundred new jobs moving from outside the City into downtown Grand Rapids.

The DDA approved the Committee's recommendation at the August 14, 2019 meeting, and subsequently on September 11, 2019 a Letter of Understanding (LOU) was entered into between the DDA and Loeks. As outlined in the RFP, the list price for entering into the LOU was a \$75,000 non-refundable payment to the DDA, which was applied toward the DDA costs associated with the LOU and preparation of the purchase and development agreement, including legal and engineering fees.



PROJECT UPDATE

Since execution of the LOU, additional due diligence has been completed, including survey of the land, title work, and a third party appraisal. The Loeks development team has also worked to further define the proposed project and discuss potential development partners. Based on this, a Purchase and Development Agreement is being recommended for execution that includes the following terms:

- Closing on the property shall be on or before March 29, 2020 by Warranty Deed.
- The purchase price of the land is based on the agreed upon appraised value of \$1,800,000.
- The project to be constructed shall be no less than a 130,000 sq. ft mixed use project including active ground floor, office and parking.
- Construction shall commence within 5 years of closing and be complete within 24 months of commencement.
- In the period of time between Loeks' acquisition and the commencement of construction, the DDA shall have the right to continue to operate the property as a surface parking lot and retain the revenues received therefrom. The DDA shall vacate the property within 30 days of receiving written notice from Loeks of its intent to commence construction.
- If construction does not commence within the specified time frame, the DDA shall have the option to purchase it for the same amount that Loeks purchased it for (i.e. \$1,800,000 less transaction costs and DDA expenses).
- Loeks has agreed to provide the DDA with an irrevocable letter of credit in the amount of \$250,000 on the closing date to be paid if Loeks commences construction but fails to achieve completion of the project.
- Project incentives, including DDA Development Support if needed, will be considered via a separate agreement prior to construction.

If the Agreement is approved by the Board, the Executive Director and DDA legal counsel will finalize closing of the property by the March 29, 2020 deadline. Following this, collaboration will continue between the Loeks team and DGRI to deliver the project as envisioned by the respective parties and the community.

Recommendation:

Approve the attached resolution and authorize the DDA Board Chair to enter into the Development and Purchase Agreement between the DDA and Loeks Theater, Inc. for 158 Oakes Street SW.

REQUEST FOR PROPOSALS

FOR THE PURCHASE AND DEVELOPMENT OF DDA-OWNED PROPERTY

The City of Grand Rapids Downtown Development Authority (the “DDA”) is seeking proposals for the purchase and development of property located at 158 Oakes Street, S.W. in downtown Grand Rapids. The property, consisting of approximately 40,000 square feet, is located on extended Ottawa Avenue, S.W., adjacent to the under construction Studio Park project. The property provides a unique opportunity for development in the heart of Grand Rapids’ thriving urban center and is within the City Center Zone District and the Downtown Height Overlay-A area.

Proposals should consider the [community goals established in GR Forward](#) and be responsive to the context of the surrounding neighborhood. A responsive proposal shall include the offered purchase price (the DDA is required to sell the property at its fair market value), identification of development partners and team, identification of similar projects that developer has developed, the proposed use or uses and related approximate square footages, a drawing or sketch of the proposed development, estimated total investment and job creation, any economic development incentives being requested and an estimated timeline for completion of the development.

158 OAKES STREET SW



EVALUATION

All qualified proposals will be evaluated using the following criteria: (i) scale of investment, (ii) project quality and timing, (iii) ability to demonstrate project financing, (iv) project compatibility with neighborhood, (v) deliverability on GR Forward goals, and (v) developer record for successful similar developments. The recommended proposal will be brought to the DDA Board for consideration. If approved by the DDA Board, the selected developer will be required to enter into a one-year letter of understanding (“LOU”) with the DDA permitting the developer to conduct its necessary due diligence and to enter into a purchase and development agreement with the DDA. The LOU will require the developer make a \$75,000 nonrefundable payment to the DDA which amount will be applied towards the DDA costs related to preparation of the LOU and preparation of the purchase and development agreement including legal and engineering and related costs. Any unexpended amount will be applied to the purchase price of the property should the project

The selected developer will be required, prior to its purchase of the property, to enter into a purchase and development agreement with the DDA to include, but not limited to, provisions related to submission of plans and specifications for review and acceptance by the DDA, the details of any economic incentives requested, development milestones, and performance requirements including project financing.

PROPOSED TIMELINE

Proposals must be received by Tim Kelly, President and CEO of Downtown Grand Rapids, Inc. by e-mail at tkelly@downtowngr.org on or before 12 pm (noon) on **June 19, 2019**, and will be kept confidential until the submission deadline.

The DDA reserves the right to accept or reject any proposal and may negotiate the terms with one or more proposers.

Proposed timeline (subject to change at the sole discretion of the DDA):

- >> Proposals due: June 19, 2019, 12 noon
- >> Proposals reviewed: June 19 – July 3, 2019
- >> DDA Board considers approval of proposal: July 10, 2019
- >> DDA Board approves LOU and letter is executed by developer

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
PURCHASE AND DEVELOPMENT AGREEMENT BETWEEN THE
CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT
AUTHORITY AND LOEKS THEATERS, INC.**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the City of Grand Rapids Downtown Development Authority (the “DDA”) owns an approximately 40,000 square foot parcel of property located at 158 Oakes Street, S.W. in the City of Grand Rapids (the “Property”); and

WHEREAS, the DDA and Loeks Theaters, Inc. (“Loeks”) previously entered into a Letter of Understanding (the “LOU”) in September 2019, related to the purchase and development of the Property by Loeks; and

WHEREAS, the LOU contemplates that the DDA and Loeks enter into a purchase and development agreement regarding the acquisition and development of the Property; and

WHEREAS, the DDA and Loeks have negotiated the terms of a purchase and development agreement (the “Agreement”) which is acceptable to the DDA.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Agreement in the form presented at this meeting is approved with such modifications, not materially adverse to the DDA, approved as to content by the DDA Executive Director and as to form by DDA legal counsel.
2. That the Chairperson of the Board of Directors of the DDA is authorized and directed to execute the approved Agreement for and on behalf of the DDA.
3. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: March 11, 2020

Amanda Sloan
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the of the City of Grand Rapids Downtown Development Authority (the “DDA”), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the DDA at a regular meeting held on March 11, 2020, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: March 11, 2020

Amanda Sloan
Recording Secretary

PURCHASE AND DEVELOPMENT AGREEMENT

between the

CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY

and

LOEKS THEATERS, INC.

dated as of

March 11, 2020

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PURCHASE AND DEVELOPMENT AGREEMENT

THIS PURCHASE AND DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into as of March 11, 2020, by and between the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, a statutory authority created by the City of Grand Rapids, Michigan (the “City”) pursuant to Part 2 of Act 57 of the Public Acts of Michigan of 2018, formally Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 57”) (the “DDA”) and **LOEKS THEATERS, INC.**, a Michigan corporation (“Loeks”).

RECITALS

A. The DDA owns a parcel of property consisting of approximately 40,000 square feet located at 158 Oaks Street, S.W. in the City of Grand Rapids legally described on the attached **Exhibit A** (the “Property”).

B. The DDA and Loeks have previously entered into a Letter of Understanding dated September ____, 2019, (the “LOU”), with respect to the Property.

C. The LOU provides that if its conditions have been met and the DDA and Loeks have agreed to the terms of and have executed this Agreement, the DDA agrees to sell the Property to Loeks.

D. As a condition of acquiring the Property, Loeks is required to develop and construct or cause the development and construction of a minimum of 130,000 square foot office building of a minimum of 9 levels consisting of a multi-purpose ground floor, parking and office space plus surface parking (the “Project”).

E. Loeks will acquire the Property from the DDA for the development and construction of the Project in accordance with the terms and condition of this Agreement.

F. The DDA has, pursuant to Act 57, established a Tax Increment Financing and Development Plan as from time to time amended (the “Plan”) for the implementation of development activities within Grand Rapids Development Area No. 1 (the “Development Area”).

G. The Plan provides, in part, that it is the purpose of the DDA to support the development of property in the Development Area by entering into development agreements with private parties owning such property and reimbursing said private parties the costs of public facilities as defined in Act 57, related to the development of such property from tax increment revenues, also as defined in Act 57, realized from the development of such property and available to the DDA for reimbursement.

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

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

J. In connection with its development and construction of the Project on the Property, Loeks will incur the cost of certain “public facilities”, as defined in Act 57, including, but not limited to, public infrastructure and certain costs related to compliance with the legal requirements of the Michigan State Construction Code for architectural designs which eliminate barriers and hindrances and thus deter persons with disabilities from having access to free mobility in and around a building or structure (the “Public Facility Improvements”).

K. Loeks intends to request DDA reimbursement of the cost of Public Facility Improvements from tax increment revenues realized by the DDA from the Project (the “DDA Project Tax Increment Revenues”) and the DDA agrees to consider such request in accordance with the terms and conditions of the Policy, in connection with its development of the Project.

L. The City has established the City of Grand Rapids Brownfield Redevelopment Authority (the “GRBRA”) pursuant to Act 381 of the Public Acts of Michigan of 1996, as amended (“Act 381”), pursuant to which GRBRA is authorized to capture GRBRA tax increment revenues, as defined in Act 381, realized from the Project to reimburse Loeks for costs of “eligible activities,” as defined in Act 381 in an amount approved by the GRBRA and the Michigan Economic Development Corporation.

M. Loeks intends to request GRBRA reimbursement of the cost of Act 381 eligible activities from tax increment revenues to be realized by the GRBRA from the Project.

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

ARTICLE I DEFINITIONS, LANGUAGE AND CONTEXT

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

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

- a. the enactment, adoption, promulgation or modification of any federal, State or local law, ordinance, rule or regulation;
- b. the order or judgment of any federal or State court, administrative agency or other governmental body;
- c. the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof)

necessary for undertaking the services or obligations to be performed under or required by this Agreement; or

d. the adoption, promulgation, modification or change in interpretation in a written guideline or policy statement by a governmental agency.

“City” means the City of Grand Rapids, Michigan.

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

“Completion of the Project” means Loeks has substantially completed or caused the substantial completion of all buildings, structures and site improvements for the Project. For purposes of this definition “substantially completed” or “substantial completion” means receipt of a certificate of occupancy for each element of the Project.

“Day” means a business day.

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

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

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

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

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

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

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

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

“State” means the State of Michigan.

“Uncontrollable Circumstances” means any event that:

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

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

“Warranty Deed” mean the deed attached hereto as **Exhibit B**.

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

- a. Definitions include both singular and plural.
- b. Pronouns include both singular and plural and cover all genders.
- c. Section headings are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- d. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be incorporated by reference in the context of use where mentioned and referenced in this Agreement and in the event of a conflict between any exhibit and the terms of this Agreement, this Agreement shall control.
- e. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth.
- f. Reference herein to supplemental agreements, certificates, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
- g. The Executive Director, unless the provisions of this Agreement otherwise require, shall be the DDA’s representative in connection with the implementation of the provisions of this Agreement and shall have the authority to make or grant or do those things, certificates, requests, demands, notices and other actions described in this Agreement for and on behalf of the DDA as indicated herein.
- h. The DDA and Loeks shall respectively be entitled to rely on the full power and authority of the persons executing this Agreement on behalf of the DDA and Loeks, respectively, as having been properly and legally given by the DDA and Loeks, respectively.
- i. In connection with all actions to be taken by Loeks under this Agreement and unless this Agreement requires action of Loeks in a different manner, Loeks agrees to designate a Loeks Representative as its authorized representative who shall have the authority to make or grant or do all things, supplemental agreements, certificates, requests, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Loeks as indicated herein. Loeks shall have the right to change its Loeks Representative by providing the DDA written notice of such change in accordance with Section 15.12 hereof.

ARTICLE II PROJECT

Section 2.01. Acquisition of the Property. Subject to the terms of this Agreement, including specifically Article VII hereof, Loeks will acquire and the DDA will convey all ownership and/or rights in and to the Property by Warranty Deed.

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

Section 2.03. Development of Project. Loeks agrees, in accordance with the terms of this Agreement, to develop, construct, finance, complete and operate the Project or cause it to be developed, constructed, financed, completed and operated. The terms of this Section 2.03 shall run with the Property, bind the successors in interest of Loeks and shall remain in effect until December 31, 2040.

ARTICLE III ENVIRONMENTAL AND OTHER SITE CONDITIONS OF PROPERTY

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

Section 3.02. Loeks Acquiring Property As Is. Loeks hereby acknowledges and agrees that it is purchasing the Property in its "as is," "where is," "with all faults" condition without warranty from the DDA, except as provided in the Warranty Deed from the DDA, and that, as of the Closing, Loeks will be purchasing the Property with no recourse or rights of action against the DDA or its officers, board members, Executive Director, employees, agents, attorneys, representatives, successors or assigns.

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

ARTICLE IV ACQUISITION OF PROPERTY

Section 4.01. Closing on Property. The Closing on the conveyance of the Property from the DDA to Loeks shall be on or before March 29, 2020 (the "Closing Date"). The Closing shall be at the offices of Dickinson Wright PLLC in Grand Rapids, Michigan, or such other location mutually agreeable to the parties hereto.

Section 4.02. Failure to Close. If the Closing of the Property does not occur on or before the Closing Date because of prerequisites of the Closing set forth in Article V hereof have not been satisfied, this Agreement shall, at the option of either the DDA or Loeks (provided that only Loeks may terminate this Agreement as a result of the conditions in Sections 5.01, 5.02, 5.03 and 5.05 hereof), and upon written notice to the other parties in accordance with Section 15.12 hereof, terminate and thereafter no party hereto shall have any further obligation or liability to the other parties hereto.

Section 4.03. Purchase Price. The purchase price for the Property shall be \$1,800,000 (the "Purchase Price"). Loeks has made a payment to the DDA under the LOU of \$75,000 (the "Deposit"). The DDA is authorized to apply the Deposit to the cost of an appraisal of the Property, i.e. \$3,000, and the DDA's costs related to the preparation of this Agreement, including but not limited to, legal and engineering fees (the "Seller Transaction Costs"). The Purchase Price less credit for any remaining Deposit, shall be paid by Loeks to the DDA at the Closing in immediately available funds by certified check, wire transfer or other method acceptable to the DDA.

Section 4.04. Conveyance of Property. The DDA will, at the Closing, convey to Loeks all of its rights, title and interest in the Property by Warranty Deed.

Section 4.05. Survey and Title Insurance. Loeks acknowledges that it has undertaken, at its cost, and received a survey of Property (the "Survey"), and has received from the DDA a current title commitment (the "Commitment") for the Property and prior to the Closing Date, it will have determined that the Property either has no defects or that it, in the alternative, waives any defects with respect to the Property. The DDA shall, at its cost, at the time of the Closing order or cause to be ordered a standard ALTA owner's policy of title insurance (the "Policy") from TransNation Title Agency of Michigan Grand Rapids (the "Title Company"), pursuant to the Commitment for prompt delivery to Loeks.

Section 4.06. Property Taxes and Assessments. The Property is not currently subject to *ad valorem* property taxes and therefore no pro ration between the DDA and Loeks of such taxes is required to be made at Closing. All assessments, if any, excluding the downtown improvement district assessments, on the Property due prior to Closing shall be paid prior to or at Closing by the DDA. The downtown improvement district assessments due prior to Closing shall be paid by the DDA and the downtown improvement district assessments due on and after the Closing shall be paid, or caused to be paid, by Loeks.

Section 4.07. Closing Costs. Loeks shall pay the cost of the Survey, the cost of recording the Warranty Deed conveying the Property to it and ½ of the closing fee charged by the Title Company. Loeks shall be responsible for the cost of all soil borings and other tests, studies or Environmental Assessments it elects to perform or have performed with respect to the Property. The DDA shall pay the cost of the premium for a standard ALTA owner's policy of title insurance (the "Policy") in the amount of the Purchase Price, for all documentary, intangible, transfer and other taxes, if any, and ½ of the closing fee charged by the Title Company.

Section 4.08. Brokerage Commission. The DDA and Loeks each hereby represent and warrant to the other that it has not dealt with any broker or finder in connection with the sale and purchase of the Property and that no commission or fee is due any broker or finder as a result of such party's actions as a result of the sale and purchase of the Property. Each of the DDA and Loeks shall indemnify, defend and hold the other party harmless from any and all claim or claims, or liability for such brokerage commissions or claims or liability for such brokerage commissions or finders fees arising from the falsity of the representation of such indemnifying party.

Section 4.09. DDA Use of the Property for Parking. Continuing on and after the date that Loeks acquires the Property pursuant to this Agreement, the DDA shall have the right to continue to operate or cause to be operated the Property as a surface parking lot and retain the revenues received therefrom. Loeks shall have the first option to lease some or all of the parking spaces at the Property that are available as determined by the DDA, or that become available, from time to time during the term of this Agreement at market rate. The DDA shall vacate the Property and deliver possession of the Property to Loeks no later than 30 days after Loeks gives the DDA written notice ("Notice of Intent") of its intent to commence construction of the Project (the "Possession Date"). If Loeks shall not commence construction within 60 days following the Possession Date, the right of the DDA to operate the Property as a surface parking lot shall be reinstated and a new Notice of Intent will be required before possession will again be returned to Loeks. Loeks shall not operate, or cause to be operated, on the Property a surface parking lot prior to the Possession Date.

During the time that the DDA has possession of the Property pursuant to the provisions of this Section 4.09, the DDA agrees to indemnify and hold Loeks harmless from and against any and all claims, damages, demands, expenses, liabilities and losses of any character or nature whatsoever arising out of or resulting from any injury or damage to person or property with respect to the DDA's and its invitee's use of the Property during such period. The indemnification obligation provided above shall include the payment of all reasonable attorneys'

fees and other expenses of defense. The DDA shall have the option to settle such claim, demand or liability on such terms it shall determine. In providing the above indemnification, the DDA is not waiving any defense otherwise available to it by law. The DDA shall not be responsible for the indemnification obligations set forth above to the extent that Loeks has waived a defense that was otherwise available to it by law.

ARTICLE V CONDITIONS PRECEDENT TO AND REQUIREMENTS AT CLOSING

Section 5.01. Financing of Project. Loeks shall have obtained financing for the Project or caused acceptable financing to be obtained for the Project acceptable to it and furnished to legal counsel to the DDA not less than 30 days prior to commencing construction of the Project documentation that Loeks has equity (or has caused equity to be provided) and lender financing (or has caused lender financing to be provided) in amounts necessary to complete all elements of the Project. For that portion of funds required to finance the Project to be provided by lender financing, Loeks shall have obtained and furnished or caused to be obtained and furnished to legal counsel to the DDA, documentation acceptable to the DDA that the proceeds thereof are available as needed and are sufficient along with the equity to complete the Project.

Section 5.02. Title Insurance. The DDA shall, at its cost, order or caused to be ordered the Policy from the Title Company as provided and required by Section 4.05 of this Agreement.

Section 5.03. DDA Compliance. All representations and warranties of the DDA set forth in this Agreement shall be true as of the Closing Date and the DDA shall have timely performed and complied in all respects with all covenants, obligations and agreements to be performed or complied with by the DDA under this Agreement.

Section 5.04. Insurance. Loeks, at its expense shall have insured the Property in accordance with Article XI hereof and at least 5 Days prior to Closing shall have delivered to the DDA insurance binders or certificates evidencing the required coverages.

Section 5.05. Loeks' Requirements at Closing .

- a. the payment of the Purchase Price; and
- b. an opinion of counsel to Loeks reasonably acceptable to the DDA Executive Director.

Section 5.06. DDA's Requirements at Closing. At the Closing, the DDA shall provide the following:

- a. Warranty Deed for the Property from the DDA in favor of Loeks in recordable form;

b. real estate transfer valuation affidavit executed by the Executive Director, in a form prescribed by the Kent County Register of Deeds with respect to conveyance of the Property to Loeks;

c. an affidavit that the DDA is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code of 1986, as amended;

d. closing statements related to the Property reasonably satisfactory to Loeks;

e. the Policy from the Title Company in accordance with Sections 4.05 and 5.02 of this Agreement; and

f. a standard form of title insurance company owner’s affidavits reasonably acceptable to the DDA and Loeks, *provided, however*, it is understood that the DDA will not provide indemnification to the Title Company in connection with the giving of such affidavit.

Section 5.07. Recording. Promptly after the Closing the DDA shall cause this fully executed Agreement including all exhibits attached hereto, or a memorandum thereof, to be recorded with the Kent County, Michigan, Register of Deeds. Loeks shall reimburse the DDA the cost of all fees and charges incurred in connection with such recording. Upon recording, the DDA shall provide Loeks with an executed copy of this Agreement or the memorandum showing the recording information.

ARTICLE VI OBLIGATIONS OF DDA PRIOR TO CLOSING

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

a. maintain the Property in substantially the same condition as on the Execution Date of this Agreement;

b. pay all costs and expenses and discharge all liabilities, obligations and claims arising out of its ownership of the Property;

c. not enter into any agreement, lease, use, occupancy arrangement, easement or other agreement, other than with daily and monthly parkers, with respect to all or any portion of the Property without Loeks’ prior written consent;

d. not create, grant or accept any option to purchase, right of first refusal, installment sale agreement or other agreement for the leasing or sale of all or any portion of the Property without Loeks’ prior written consent;

e. not create or suffer any right, claim, lien or encumbrance of any kind whatsoever on all or any portion of the Property that would bind Loeks' as the DDA's successor; and

f. maintain the Property in compliance with all laws, statutes, ordinances, rules and regulations applicable thereto.

ARTICLE VII APPROVALS AND SCHEDULE

Section 7.01. Final Plans. Loeks shall, subject to Uncontrollable Circumstances, within 5 years after the Effective Date, submit to the DDA final development plans for the Project (the "Final Plans"). Such Final Plans shall be promptly reviewed and approved by the DDA Executive Director, which approval shall not be unreasonably withheld. For purposes of this Agreement the DDA Executive Director shall be deemed to have approved the Final Plans to which he/she does not object to Loeks within 15 Days after receipt.

Section 7.02. Requirements of Final Plans. The Final Plans shall contain each of the following elements and conform to the following requirements and descriptions:

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

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

C. Landscape/Streetscape Plan. A landscape/streetscape plan meeting the DDA's streetscape guidelines prepared to the same scale as the site plan showing (i) the appropriate location, common name species and size of proposed plantings, (ii) street furniture and (iii), if applicable, any irrigation and snowmelt systems.

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

Section 7.03. Approvals and Permits. Loeks shall obtain such approvals as may be required by the City's Code of Ordinances, rules and regulations and applicable State law (the "Applicable Laws"), including, but not limited to, site plan approval and any and all other applicable approvals required by and from the City's Planning Department and Planning Commission, and apply for and receive such permits as required by Applicable Laws. In addition, if required, Loeks shall obtain such City zoning ordinance variances as necessary in connection with the development and construction of the Project. Such required approvals,

permits and zoning law variances shall be obtained in accordance with the Project Schedule referenced in Section 7.04 hereof.

Section 7.04. Schedule. The Project shall be developed, constructed and completed subject to Uncontrollable Circumstances, in accordance with the schedule set forth in the attached **Exhibit C** (the "Project Schedule") and the terms and conditions of this Agreement.

Section 7.05. Progress Reports. Loeks shall provide the DDA during the term of this Agreement prior to the completion of the Project with written quarterly reports within 15 Days after the end of each calendar quarter beginning with the calendar quarter ending June 30, 2020, detailing the status of the Project.

ARTICLE VIII LOEKS REPRESENTATIONS AND WARRANTIES

Section 8.01. General. Loeks represents and warrants that:

- a. it is a Michigan corporation duly organized, validly existing and qualified to do business in the State;
- b. it has the right, power and authority to enter into, execute, deliver and perform this Agreement;
- c. the execution, delivery and performance by it of this Agreement has been duly authorized by all necessary action, and does not and will not violate its operating agreement, as amended and supplemented, any applicable provisions of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which it is now a party or by which it is now or may become bound;
- d. to the best of its knowledge, there are no actions or proceedings by or before any court, governmental body, board or any other administrative agency pending or, to the best of its knowledge, threatened or affecting it which would impair its ability to perform under this Agreement;
- e. to the best of its knowledge, it is not, as of the date of this Agreement, in default with respect to any indenture, loan agreement, mortgage, deed or any other agreement or instrument related to the borrowing of money to which Loeks is a party or by which it is bound;
- f. prior to Completion of the Project, it shall not, without the prior written consent of the Executive Director, (i) be a voluntary party to any liquidation or consolidation; (ii) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including, but not limited to, any fixtures or equipment now or hereafter attached thereto) except for a sale in the ordinary course of business; (iii) assume, guarantee, endorse or otherwise become liable in connection with

the obligations of any other Person except in the ordinary course of business; or (iv) enter into any transaction outside the ordinary course of its business;

g. it has not incurred and, prior to Completion of the Project, shall not, without the prior consent of the Executive Director, allow the existence of any lien against the Property other than liens for *ad valorem* property taxes, assessments and public water and sanitary sewer service fees and charges not yet past due, mortgage liens related to lender financing for the Project and liens for which it has obtained insurance, or incur any indebtedness secured or to be secured by the Property or any fixtures now or hereafter attached thereto except mortgage liens related to lender financing of the Project and except for liens which Loeks prevents from enforcement or foreclosure by contest, payment, deposit, bond or order of the court or otherwise;

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

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

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

Section 8.02. Covenant to Construct. Provided Loeks closes on the Property, Loeks shall construct, or cause to be constructed, the Project in accordance with this Agreement and all exhibits attached hereto including specifically **Exhibit C** and the Final Plans, the Plans and Specifications (as identified in Section 9.01 hereof) and all federal, State and City laws, ordinances, rules, regulations applicable to Loeks, the Property and the Project.

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

Section 8.04. Use Covenant. Loeks shall use or cause the use of the Property and the Project solely as permitted by this Agreement.

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

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

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

ARTICLE IX LOEKS OBLIGATIONS, COVENANTS AND AGREEMENTS

Section 9.01. Covenant to Complete Project. Provided Loeks closes on the Property, Loeks shall construct, or cause construction of the Project in substantial accord with the Final Plans and the plans and specifications submitted for building and other required permits (the "Plans and Specifications") within the time periods specified in the Project Schedule and in material compliance with all applicable laws, ordinances, rules and regulations subject to (i) the issuance of permits and governmental approvals for which timely application is made and (ii) Uncontrollable Circumstances.

Section 9.02. Application for Building Permits and Governmental Approvals. Provided Loeks closes on the Property, Loeks shall not later than 5 years from the Effective Date, (which may be extended due to Uncontrollable Circumstances) have filed for all necessary building permits and other governmental approvals. Loeks, at its sole expense, shall have the obligation to take all steps necessary to seek any and all permits, variances, licenses and other approvals for the Project.

Section 9.03. Commencement of Construction. Provided Loeks closes on the Property, Loeks shall commence construction of the Project no later than 5 years after the Closing, subject to extension due to Uncontrollable Circumstance. If Loeks has not done so and the Property has been conveyed to Loeks, the DDA may notify Loeks in writing that the DDA desires to repurchase the Property (the "Repurchase Notice"). If Loeks does not commence construction of the Project within 15 Days of receipt of the Repurchase Notice, then Loeks shall have 30 days after Loeks' receipt of the Repurchase Notice to clear the Property of any liens and encumbrances and return the status of title of the Property to the same condition as it was when the DDA conveyed the Property to Loeks. The amount paid for the Property shall equal the Purchase Price paid by Loeks to the DDA less the Seller Transaction Costs and less any amount expended by the DDA to clear title to the condition it was when the DDA conveyed the Property to Loeks (the "Repurchase Price"). Any mortgage or other lien encumbering the Property (the "Property Liens") shall be an offset from the Repurchase Price otherwise payable to Loeks hereunder. In the event the Property Liens encumbering the Property are for an amount in excess of the Repurchase Price, Loeks shall be obligated to pay off the excess amount prior to reconveyance of the Property back to the DDA. Loeks shall cause any mortgagee of the Property or any portion thereof to release its lien on the Property upon repurchase of the Property

by the DDA. Loeks shall reconvey the Property to the DDA by warranty deed. For purposes of this Section 9.03 the phrase “commence construction” shall mean the commencement of material earth moving at the Property.

Section 9.04. Completion Guaranty. Loeks shall provide the DDA with an irrevocable letter of credit in the amount of \$250,000 (the “Completion Guaranty”) on the Closing Date to be paid to the DDA if Loeks fails to achieve Completion of the Project within the time provided in Section 9.05 hereof, *provided, however*, if the DDA shall repurchase the Property pursuant to Section 9.03 hereof the DDA shall agree to return the letter of credit to Loeks. If the completion date milestone for the Project as indicated in **Exhibit C** hereof is met, the DDA shall agree to a termination of the letter of credit within 10 days of the Completion of the Project. If the DDA is entitled to the Completion Guaranty, it may be used as the DDA shall solely determine and, if the DDA collects the Completion Guaranty, the Completion Guaranty shall be the DDA’s sole recourse if Loeks fails to achieve Completion of the Project within the time provided in Section 9.05 hereof.

Section 9.05. Completion of the Project. If construction of the Project has commenced as required by Section 9.03 hereof and completion of all elements of the Project has not occurred within 24 months thereafter, in accordance with the Project Schedule in **Exhibit C** hereof, subject to extension due to Uncontrollable Circumstances, the DDA shall notify Loeks in writing. If Loeks does not achieve Completion of the Project within 45 days of receipt of such notice, the DDA shall be entitled to retain the Completion Guaranty, if any, and use it as the DDA shall solely determine.

ARTICLE X DDA REPRESENTATIONS AND WARRANTIES

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

- a. the DDA is a statutory authority created by the City under Act 57 with the power and authority to enter into this Agreement and to consummate all of the transactions contemplated hereby;
- b. execution of this Agreement and the consummation of all of the transactions contemplated hereby will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed or other instrument to which the DDA is a party;
- c. there are no actions, suits or proceedings pending, or to the knowledge of the DDA threatened, against or affecting the DDA, at law or in equity, or before any governmental authority, which, if adversely determined, would impair the DDA’s ability to perform its obligations under this Agreement; and
- d. all actions of the DDA Board required to be taken to authorize execution of this Agreement have been validly and duly taken.

ARTICLE XI INDEMNIFICATION AND INSURANCE

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

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

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

ARTICLE XII DEVELOPMENT SUPPORT REIMBURSEMENT

Section 12.01. Reimbursement for Eligible Costs. In connection with the development and construction of the Project, Loeks will incur the costs for Public Facility Improvements for which it intends to seek reimbursement from DDA Project Tax Increment Revenues. The DDA agrees to consider such request in accordance with the terms and conditions of the Policy in effect at the time of the request.

ARTICLE XIII ASSIGNMENT AND LEASING

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

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

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

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

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

Section 14.01. Term. The term of this Agreement shall commence as of the Execution Date and shall end on December 31, 2040, unless extended pursuant to Section 12.06 hereof or otherwise terminated in accordance with the provisions of this Agreement.

Section 14.02. Recording. The DDA and Loeks agree to execute and deliver an original copy of this Agreement in proper form for recording or a memorandum thereof with the Kent County, Michigan, Register of Deeds and further agree that this Agreement or a memorandum thereof shall be recorded with the Kent County, Michigan, Register of Deeds to evidence the

obligations and covenants contained herein, which shall, upon such recording, run with the land and bind the Property and each successor of interest of Loeks until this Agreement has been terminated in accordance with its terms or by a written instrument signed by the DDA and Loeks.

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

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

ARTICLE XV MISCELLANEOUS

Section 15.01. Signs. Loeks may erect signs on the Property prior to and during construction of the Project in conformity with the City Code of Ordinances, rules and regulations. At least one of the signs, approved by the DDA, shall identify the DDA and Downtown Grand Rapids, Inc. as supporters of the Project.

Section 15.02. Construction Staging. The DDA and Loeks shall cooperate with each other to assure that construction of the Project is carried out in a manner that minimizes the negative impact and inconvenience to the surrounding neighborhood. The DDA and Loeks shall agree upon procedures governing staging, staging areas, pedestrian and vehicular traffic control, construction boundaries, worker parking and other matters related to the construction of the Project.

Section 15.03. Time of Essence. Time is of the essence with respect to this Agreement and, therefore, all dates and terms shall be strictly adhered to unless waived in writing by the parties hereto.

Section 15.04. DDA Review and Approval. Whenever in this Agreement, the DDA or Executive Director is required to approve plans, specifications, drawings, reports or other documents (the "Documents"), such Documents shall be deemed to have been approved unless the DDA or Executive Director shall object in writing to Loeks within 15 Days after receipt of such Documents.

Section 15.05. Extension of Time. In the event Loeks requires an extension of time for any of the milestone events identified in the Project Schedule, because of an Uncontrollable Circumstance, Loeks shall notify the DDA in writing indicating the reason(s) for such extension and the estimated number of days of the extension. If Loeks requires an extension for other than Uncontrollable Circumstances, it shall request an extension in writing from the DDA. Such request shall indicate the reason(s) and the amount of additional time being requested. Except as otherwise provided in Section 12.06 hereof, any extension other than for Uncontrollable Circumstances shall be at the sole discretion of the DDA.

Section 15.06. Non-Discrimination. Loeks agrees not to discriminate against any employee or applicant for employment to be employed in the planning, development and construction of the Project under this Agreement with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, handicap or marital status. Breach of this covenant may be regarded as a material breach of this Agreement as provided for in Act 453 of the Public Acts of Michigan of 1976, as amended, entitled the "Michigan Civil Rights Act." Loeks also agrees that it will require similar non-discrimination covenants from all subcontractors under this Agreement and all contractors and subcontractors related to the development and construction of the Project.

Section 15.07. Amendment. Except as otherwise may be expressly permitted in this Agreement, this Agreement and any of the exhibits attached hereto may not be amended except in writing by a document signed by all parties hereto.

Section 15.08. No Other Agreements. Except as may otherwise be expressly provided in this Agreement, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and represents the full understanding of the parties with respect to such subject matter.

Section 15.09. Consent. Except as otherwise provided in this Agreement, whenever consent or approval of a party is required herein, such consent or approval shall not be unreasonably withheld.

Section 15.10. Remedies Cumulative. The remedies of the DDA or Loeks hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of the other remedies of such party unless specifically so provided herein.

Section 15.11. Governing Law. This Agreement shall be construed in accordance with the laws of the State and any action brought in law or equity arising out of its construction or enforcement shall be filed in the Circuit Court for the 17th Judicial District of Michigan (Kent County Circuit Court) or in the United States District Court for the Western District of Michigan, Southern Division.

Section 15.12. Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when in writing and dispatched by regular, registered or certified mail, postage prepaid or hand delivered, addressed or delivered as follows:

If to the DDA:

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

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

If to Loeks

Loeks Theaters, Inc.
2121 Celebration Drive, N.E.
Grand Rapids, Michigan 49525
Attention: John D. Loeks

With copy to:
Miller, Johnson, Snell & Cummisky, P.L.C.
45 Ottawa Avenue, S.W.
Suite 1100
Grand Rapids, Michigan 49503
Attention: Eric R. Starck

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

Section 15.13. Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be an original and when taken together, shall constitute a single agreement.

Section 15.14. Successors and Assigns. The terms, conditions, covenants and restrictions of this Agreement shall extend and apply to and bind the successors and assigns of the DDA and Loeks.

Section 15.15. Severability. The invalidity or enforceability of any provision or part of any provision of this Agreement shall not affect the other provisions or parts hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted, provided, that removal of such provisions or parts does not materially change the terms and provisions of this Agreement and the intent of the parties hereto.

Section 15.16. Survival of Agreement. This Agreement shall not be merged into any instruments or documents executed and delivered at Closing, but shall survive the Closing and the representations, warranties, covenants and obligations herein shall remain in full force and effect.

Section 15.17. No Partnership or Joint Venture. The DDA and Loeks are not partners, fiduciaries or joint ventures and nothing in this Agreement creates or will create the relation of partners, fiduciaries or joint ventures between them. Without limiting the generality

of the foregoing, each is acting independently, is obligated to separately account for its respective activities and expressly disclaims any fiduciary duty to the others.

Section 15.18. No Third Party Beneficiaries. The terms, conditions, obligations and benefits of this Agreement are intended solely for the parties hereto. No third party is an intended beneficiary of this Agreement nor is entitled to enforce the provisions hereof.

Section 15.19. Additional Documents. Each party hereto agrees to execute any additional documents reasonably requested by the other parties to carry out the intent of this Agreement.

{signatures on next page}

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

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT
AUTHORITY**

By: _____
Richard Winn, Chairperson

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

The foregoing instrument was acknowledged before me this __ day of _____, 2020, by Richard Winn, the Chairperson of the Board of Directors of the City of Grand Rapids, Downtown Development Authority.

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

LOEKS THEATERS, INC.

By: _____
John D. Loeks,

Its: _____

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020,
by John D. Loeks the _____ of Loeks Theaters, Inc.

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

EXHIBIT A

Legal Description of Property

Lots 29, 31, 33, 35, 37, 39, 41 and 43, together with the East one-half of the vacated alley adjacent on the West, Kent Plat Calder Street, according to the plat thereof as recorded in Liber 19 of Plats, Page 12, Kent County, Records.

EXCEPT: All that part of Lot 43, Kent Plat Calder Street, according to the plat thereof as recorded in Liber 19 of Plats, Page 12, Kent County, Records, and the East one-half of the vacated Calder Street Alley (now known as Ottawa Avenue Alley) (20 feet wide) adjacent on the West, lying Southerly of a line described as being 72.00 feet Northerly (perpendicular measurement) of and parallel with the North line of the Ellsworth Addition to the City of Grand Rapids, Kent County, Michigan, as recorded in Liber 1 of Plats, Page 25, Kent County Records, said line also being the South line of Ellsworth Street (now Cherry Street), more particularly described as; BEGINNING at the Southeast corner of said Lot 43; thence South 89°29'53" West 110.00 feet along the South line of said Lot 43 and the Westerly extension thereof to the centerline of the vacated Calder Street Alley (now known as Ottawa Avenue Alley) (20 feet wide), adjacent to the West line of said Lot 43; thence North 00°21'45" West 37.09 feet along said centerline to the intersection of a line 72.00 feet Northerly (perpendicular measurement) of and parallel with the North line of the Ellsworth Addition to the City of Grand Rapids, Kent County, Michigan, as recorded in Liber 1 of Plats, Page 25; thence South 88°36'47" East 110.05 feet along said line to the West right-of-way line of Calder Street (now known as Ottawa Avenue) (66 feet wide); thence South 00°21'45" East 33.46 feet along said West right-of-way line to the place of beginning.

40,031 square feet
0.919 acres

EXHIBIT B

Form of Warranty Deed

WARRANTY DEED

THE GRANTOR: **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, a statutory authority created by the City of Grand Rapids, Kent County, Michigan

WHOSE ADDRESS IS: 29 Pearl Street, N.W., Grand Rapids, Michigan 49503

CONVEYS and WARRANTS

TO THE GRANTEE: **LOEKS THEATERS, INC.** a Michigan corporation

WHOSE ADDRESS IS: 2121 Celebration Drive, N.W., Grand Rapids, Michigan 49525

the real estate situated in the City of Grand Rapids, Kent County, Michigan, more fully described on Exhibit A attached to this Deed, together with all improvements, fixtures, easements, hereditaments and appurtenances associated with the real estate (the "Property"), subject to (a) easements and restrictions of record; and (b) taxes and assessments not yet due and payable, if any.

This Deed is given in consideration of the purchase price of: See attached Valuation Affidavit.

**CITY OF GRAND RAPIDS DOWNTOWN
DEVELOPMENT AUTHORITY**

Dated this March ___, 2020

By: _____
Richard Winn, Chairperson

)

)

Acting in the County of Kent

B-2

Exhibit A

Description of Property

Lots 29, 31, 33, 35, 37, 39, 41 and 43, together with the East one-half of the vacated alley adjacent on the West, Kent Plat Calder Street, according to the plat thereof as recorded in Liber 19 of Plats, Page 12, Kent County, Records.

EXCEPT: All that part of Lot 43, Kent Plat Calder Street, according to the plat thereof as recorded in Liber 19 of Plats, Page 12, Kent County, Records, and the East one-half of the vacated Calder Street Alley (now known as Ottawa Avenue Alley) (20 feet wide) adjacent on the West, lying Southerly of a line described as being 72.00 feet Northerly (perpendicular measurement) of and parallel with the North line of the Ellsworth Addition to the City of Grand Rapids, Kent County, Michigan, as recorded in Liber 1 of Plats, Page 25, Kent County Records, said line also being the South line of Ellsworth Street (now Cherry Street), more particularly described as; BEGINNING at the Southeast corner of said Lot 43; thence South 89°29'53" West 110.00 feet along the South line of said Lot 43 and the Westerly extension thereof to the centerline of the vacated Calder Street Alley (now known as Ottawa Avenue Alley) (20 feet wide), adjacent to the West line of said Lot 43; thence North 00°21'45" West 37.09 feet along said centerline to the intersection of a line 72.00 feet Northerly (perpendicular measurement) of and parallel with the North line of the Ellsworth Addition to the City of Grand Rapids, Kent County, Michigan, as recorded in Liber 1 of Plats, Page 25; thence South 88°36'47" East 110.05 feet along said line to the West right-of-way line of Calder Street (now known as Ottawa Avenue) (66 feet wide); thence South 00°21'45" East 33.46 feet along said West right-of-way line to the place of beginning.

40,031 square feet
0.919 acres

EXHIBIT C

Project Schedule

<u>Milestone Event</u>	<u>Development Agreement Section Reference</u>	<u>Completion/Deadline Date</u>
Loeks Acquires Development Property	2.01	March 29, 2020
Completion and submission to DDA of Final Plans	7.01	March 10, 2025
Commence Construction of Project	9.03	April 1, 2025
Complete Construction of Project	9.05	April 1, 2027