

# MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

Wednesday, November 11, 2013

8:30 a.m. Meeting

Room 601; City Hall

## AGENDA

1. Call to order
2. Approval of meeting minutes of October 9, 2013 (8:31) ..... Motion      Harris  
(enclosure)
3. Presentation of October 31, 2013 Financials (8:33).....Motion      Wallace  
(enclosure)
4. Approve BRIP for 309 S. Division Ave. (8:40).....Motion      Pratt  
(enclosure)
5. Authorize Contracting for Holiday Decor (8:50).....Motion      Larson  
(enclosure)
6. Consent to Tax Exemption and Payment in Lieu of Taxes (9:00).....Motion      Kelly  
(enclosure)
  - 138 South Division Avenue
  - 349 South Division Avenue
7. Downtown / River Edges Plan Update (9:10).....Info Item      Kelly
8. Executive Director's Report (9:30).....Info Item      Larson
9. Public Comment (9:40)
10. Board Member Discussion (9:45)
11. Adjournment

**Downtown Grand Rapids**

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

## UNAPPROVED MINUTES

### MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

October 9, 2013

1. Call to Order – The meeting was called to order at 8:31 a.m. by Chair Brian Harris.
2. Attendance

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

Absent: None

Others Present: Kristopher Larson (Executive Director), Mary Sierawski (DDA Executive Asst/Office Manager), Jana Wallace (DDA Treasurer), Eric Pratt, Tim Kelly, Mandy Cech, Bill Kirk, Kimberly VanDriel, Renata Horvath (staff), Ingrid Jensen (YWCA), Mike DeVries (DeVries Development), Jay Steffen (City of GR Planning), Suzanne Schulz (City of GR Planning), Ron Wheaton, Michelle Marinos, Megan Lasley (GVSU Planning class), Jim Harger (Mlive Media Group), David Czurak (GRBJ) and others.

3. Approval of Minutes of September 11, 2013

*Motion: Mayor George Heartwell, supported by Jane Gietzen, moved approval of the minutes of the September 11, 2013 DDA meeting as presented. Motion carried unanimously.*

4. Presentation of Preliminary September 30, 2013 Financials

Ms. Wallace provided preliminary financial statements for the one month period ending September 30, 2013, including: Statement A: Balance Sheet; Statement B: Comparison of FY2014 Budget vs Results; Statement C: Statement of Project Expenditures; and Statement D: Schedule of September, 2013 Expenditures.

In September, the City Treasurer distributed the summer ad valorem personal property tax increment revenues. The Authority has sufficient cash to support budgeted expenditures.

*Motion: Jane Gietzen, supported by Rick Winn, moved to approve Statement D: Schedule of September, 2013 Expenditures as recommended. Motion carried unanimously.*

5. Authorize Underground Parking Feasibility Contract

Mr. Kelly shared that on May 8, 2013, the DDA Board approved the Arena South Visioning Plan (Plan). Among the priorities in the Plan was a recommendation to complete a study to determine if underground parking is feasible in the Arena South Area. Underground parking is extremely important from both an urban design and economic development perspective. Not only does it preserve prime real estate and more intensive and beneficial land uses, but it also removes parking from street frontages for an improved pedestrian environment. Both of these elements improve the marketability of development sites, and the additional square footage gained by moving parking underground offers the potential for increased tax revenue for the City. Mr. Kelly presented slides comparing the estimates of economic activity between an area with underground parking versus an area with parking ramps. Mayor Heartwell asked about the cost per space between above ground and underground parking. Mr. Kelly responded that part of the study is to answer that questions and obtain further data. Mr. Harris asked what the delta is over the life of the structure and the initial cost and if these are numbers we can estimate prior to the study. Mr. Kelly said the study will help us understand what the characteristics are underneath the developments. Mr. Harris asked if there could be some preliminary numbers produced to estimate the gross cost and the life of that and the delta year after year. Mr. Larson added that going underground will be more expensive but that we need to understand how to amortize that cost. Mr. Larson said that putting parking underground could potentially create hundreds of millions of dollars in net benefits over the course of time. Mr. Winn asked if the study is looking at an all or nothing scenario or if it is possible to put spaces underground partially. Mr. Kelly said that this study is looking at only underground parking, but mixed use could be a possibility. Ms. Gietzen asked if we have an understanding of how much parking is required or if we are just amassing parking. Mr. Larson replied that there is no magical number of what is needed and in the upcoming Downtown Plan those sorts of questions will be addressed. The Downtown Plan will also take a look at mobility options and what the City's parking philosophy is now and moving forward. This study is solely looking at the feasibility of underground parking in this area. Mr. Winn added that there are guidelines that developers use to establish parking needs. Ms. Hillary said that she's supportive of this concept and it's a crucial step in creating a walkable downtown. Ms. Hillary asked what the geographic area is for this study. Mr. Kelly responded that it's broken down by each individual area. Mayor Heartwell said that smart cities are giving equal rate to transit options over parking options and that this is something we need to continue to think about and have conversation about. Mayor Heartwell also added that the Arena South areas used to be a rail yard and there may be certain soil conditions in those areas. Mr. Kelly said that funding will come from the Arena South implementation line item of the FY14 priority plan and that at the Parking Services Commission meeting they will be asked to fund fifty percent of this study. Mr. Winn asked if we are required to use Parking Services to manage potential new parking ramps. Mr. Larson responded that if the DDA owns the ramp, then we are not required to have Parking Services manage the space or engage in a contractual relationship with Parking Services. Mr. Larson added there's interest by the Parking Department and that they are exploring

opportunities to expand their enterprise and are interested in the outcomes of this study. Mayor Heartwell asked if Parking Services decided not to participate in the funding of the study, if the DDA Board will cover the entire funding of the study. Mr. Kelly said that this is budgeted in the FY14 priority plan for the entire amount. Mayor Heartwell added he wants to make sure that Parking Services recognizes that they have a role in this process and that it's important that all parties participate. The timeline being proposed for this study is two months from issuance of contract.

*Motion: Kayem Dunn, supported by Rick Winn, moved to authorize the Executive Director, following a review by DDA legal counsel, to enter into a contract with Carl Walker, Inc. to complete an underground parking feasibility study and further the goals of the Arena South Visioning Plan. Motion carried unanimously.*

6. Approve BRIP for 25 Sheldon SE - YWCA

Mr. Kelly presented a request from the YWCA for a \$75,000 BRIP grant and a \$19,500 SIIP grant. Both the BRIP and SIIP requests meet their respective program guidelines and further the program objectives. Mr. Kelly introduced Mike DeVries who spoke about the project. Mr. DeVries said that the YWCA services the community in a comprehensive way and provides a safe place for people to utilize counseling services among other services offered. Mr. DeVries said that the YWCA Board President and the CEO and Director of Development and Communications are both present to answer any additional questions. The YWCA is committed to remaining in the Downtown area and some of the uses of the BRIP grant would be put towards updates to the counseling offices, creating a barrier free environment, LEED components, and overall operational efficiency. The SIIP grant would be used towards a new sidewalk, decorative paver, street lights, and trees. Mr. Kelly said the funding would come from the Non Tax fund concerning the LEED work only, and the rest would come from the Tax Revenue fund within the priority plan. Mayor Heartwell encouraged them to seek LEED certification if they are installing LEED components and reiterated that the certification is very important. Tom Nemitz, the project architect, responded that they are going to apply for the Silver LEED certification to at least get the building certified in that regard. Ms. Dunn added that she is very committed to this project and is a member of the endorsement council for the YWCA and added that the DDA Board should do what it can to support this project. Ms. Dunn is not required to abstain from voting per legal counsel's advice.

*Motion: Mayor Heartwell, supported by Jane Gietzen, moved to approve the YWCA's requests for a \$75,000 Building Reuse Incentive Program Grant and a \$19,500 Streetscape Improvement Incentive Program Grant for the redevelopment of 25 Sheldon Boulevard. Motion carried unanimously.*

7. Approve Downtown Plan Consultant Selection Committee

Mr. Larson shared that staff has been working towards the Downtown Planning document and after review by appropriate City departments, leadership, and partner organizations, the DDA issued a public Request for Proposals (RFP) on August 28, 2013, for consulting services for the upcoming Downtown Plan. The RFP was posted nationally on three urban planning websites that aggregate such opportunities to serve as clearing houses for planning professionals. Additionally, the RFP was sent directly to more than twenty (20) firms and practitioners whom specialize in the professional services required to fulfill the scope outlined in the RFP. DDA staff received more than thirty (30) notifications of intent to submit a proposal. Full proposals were due by October 4, 2013.

Mr. Larson said that at this point, it is appropriate to assemble a volunteer consultant selection committee to review the proposals and determine which team delivers the greatest blend of professional expertise, experience, creativity, and value. This selection committee will be tasked with individually reviewing and rating the proposals and participating in committee discussions to select finalists and then conduct interviews as needed. It is anticipated that this selection will require about two months of high intensity stakeholder engagement. Given the intensity of the work involved and the rapidity of meetings, DDA staff is recommending a more nimble, representative selection committee to perform the work of recommending a consultant team. Following the completion of the selection activity, a larger, more comprehensive project steering committee will be assembled for review and approval by the DDA Board.

Mr. Larson shared that in addition to the proposed Downtown Plan Consultant Selection Committee list, additions of a Planning Commissioner and City Commissioner will be included so they can be involved from the onset. Additionally, staff has purposely not slated individuals to protect the integrity of the process. In the interest of transparency; the body chosen will be announced publicly.

Ms. Gietzen reiterated that public education within the boundaries of this planning process should be considered, specifically Pre-K through 12. Dr. Falb asked about the determined boundaries and if there would be further discussion about where those boundaries are. Mr. Larson responded that we are interested in exploring those opportunities in partnering with parties outside of our DDA boundaries for the Downtown Plan process. Mr. Winn asked if the green boundaries on the map are listed as the general DDA boundaries. Mr. Larson responded that yes, those are the boundaries and DDA dollars that are contributed can only be spent within those boundaries for the Downtown Planning process, but that all areas surrounding Downtown will be included in these discussions and that we will be seeking alternate sources of funding to be able to fund portions of the conversation. It is not as simple as a DDA project, and the intention of the Downtown Plan is to explore how our Downtown can become the economic center for the entire community. Ms. Hillary asked if there's a need to have someone from the County involved. Mr. Larson responded yes, at the steering committee level. Ms.

Hillary responded that for the sake of ownership if the County should be involved from the beginning. Mayor Heartwell added that some portion of the planning district is outside of the City of Grand Rapids' boundaries and that at some point County involvement will be necessary. Mr. Harris reiterated that for the selection committee process, we are aspiring to be agile and have an efficient process and that with trusting the selection committee and the process; the chosen group should be able to bring three to five consultants to the DDA Board for approval based on the criteria given to them. Mr. Talen added that there is a Downtown Residential category and a component that we should recognize is that the Arena South area has the largest amount of housing in the area and that should be kept in mind when thinking of how to fill that category. Ms. Dunn added that keeping Arena South in mind is a good point and that the people chosen for the selection committee should be selected on the purpose and task at hand. Mr. Winn said that the selection committee is tasked with choosing the consultant and that at the steering committee level, much more involvement will be necessary. Mr. Winn also agreed that a smaller body should be charged with choosing the consultant and pointed out that the word consultant should be added to the "Proposed Downtown Plan Selection Committee" title.

Mr. Harris asked what the criteria would be in choosing the individuals for the selection committee. Mr. Larson responded that the criteria has been disclosed in the RFP and really it's finding those individuals that are able and willing to read more than six-hundred pages of material and be able to discern the right consultant for this project. Mr. Harris said if a risk of this body being too small or narrow, how does it actually effect the choosing of a consultant's experience, capacity and resource commitment. Mr. Larson pointed out that on page five of the RFP, in section eight; it lists the selection criteria and process for choosing a consultant. Ms. Gietzen added that what would give her more confidence is that somebody within those twelve chosen individuals is someone that looks at this process through multiple lenses. Mr. Larson replied that an expectation within the proposal is to have creative ways to engage the public and conduct public outreach. Mr. Larson reiterated that we are serious about engaging a comprehensive and diverse audience for this Downtown Plan process. Mr. Harris asked Mr. Larson about his level of involvement throughout this process. Mr. Larson responded that he is considered a staff member and will be facilitating to ensure that the lenses being looked through are truly representative of the community and diverse in nature. Dr. Falb said that on the front end, we may want to have representation from a member who is representing a more diverse audience. Mr. Talen added that we may be missing an opportunity to include someone from a more diverse background in the consultant selection process and that perhaps someone from the Heartside neighborhood should be included on this list to represent that population. Mr. Harris said that there seems to be some concern about voices and lenses that will be on the selection committee and pointed out that there's nothing in the proposed list of people that defines titles or affiliations. Mr. Harris said he would like to move on the request and ask that the Board provides Mr. Larson the particular lens title that the Board is yearning for and Mr. Larson can reflect on the potential candidates to ensure the individuals carry these traits. Ms. Hillary said she understands what Mr. Harris is saying, but that what the conversation is about is people

with different income levels and their involvement and that we are only talking about adding one spot on the list. Dr. Falb said that the spots created are well thought out but that there are two very different categories for Downtown Residential so that perhaps two positions should become available. Ms. Dunn asked if an alternative is to consider a social service agency to be involved. Mayor Heartwell said that for thirty years he has advocated for that population, but that he has never lived in their neighborhood, and that there are people that can represent that population and bring those sensitivities to the table without actually being a member of the neighborhood. Mayor Heartwell added that if we are thoughtful in making the choices on who is on the selection committee and have that populations' needs in mind, then that would be a good solution and to leave the category of Downtown Residential remain as is. Mr. Harris and Mr. Larson thanked the Board for thorough discussion on this topic.

*Motion: Kayem Dunn, supported by Mayor Heartwell, moved to approve the proposed Downtown Plan Consultant Selection Committee as presented and authorize staff to assemble the committee and initiate the proposal review process. Motion carried unanimously.*

## 8. Executive Director's Report

Mr. Larson shared an update with the Board.

- The Safety Ambassador program has launched and has been receiving a lot of positive feedback. The early statistics are overwhelming and there will be data presented to the Board in the near future.
- The DGRI team is moving forward with the official launch of the Blue Bridge lighting. There will be a formal lighting ceremony on the morning and evening of October 18<sup>th</sup>. There will be a televised showcase in the morning and a public watch experience following Movies in the Park on the evening of the 18<sup>th</sup>.
- Data from the ArtDash is being calculated by the Mobility Manager. Early results show an approximate 38% increase in ridership on the North and South routes. Continual conversation will occur to optimize those routes.
- DGRI recently received two awards from the APA (American Planning Association) and the IDA (International Downtown Association). The APA award was for the Arena South Planning Process and the IDA award was for marketing in association with ArtPrize. At the IDA conference, over 750 Downtown delegates were present to witness DGRI receive the award.
- DGRI worked with Experience GR to produce a video showcasing Grand Rapids. The goal is to keep the video fresh and have the video available for the entire community to use for various purposes such as recruiting, tourism, or just to share

with friends and family. Ms. Gietzen said she shared the video with her HR recruitment team at Spectrum Health and it was very well received.

- DGRI is making great strides with the Merchant Community. Mr. Larson thanked Mandy Cech and Kim Van Driel for their outreach efforts and work in developing new marketing programs.
- The DGRI office space is very close to completion and we will very likely get the keys sometime next week. Being able to co-locate staff will be much more efficient and all staff is looking forward to the move.
- Movies in the Park comes back for two October dates: the 18<sup>th</sup> and 25<sup>th</sup>. The Goonies will be shown on the 18<sup>th</sup> and a double-feature of Hocus Pocus and The Rocky Horror Picture Show will show on the 25<sup>th</sup>.
- The first DGRI Board met recently and some of their actions included electing a Chair and Vice Chair. Ray Kisor was appointed as Chair and Kayem Dunn as Vice Chair. Mr. Harris thanked Mr. Wendt for managing the operating contracts between the various entities. The Board also decided to extend invitations to Mayor Heartwell, Darryl Delabbio, Birgit Klohs, Doug Small, and Rick Baker to become additional members of the DGRI Board. Mr. Harris asked the DDA Board to contact Mr. Larson if they would like to receive news from the DGRI Board of Advisors.
- Mr. Larson thanked staff for their high level of work and aggressiveness in completing projects.

9. Public Comment

None.

10. Board Member Discussion

Ms. Dunn shared that Downtown Grand Rapids was featured as an award winner at the IDA Conference and that Mr. Larson was a keynote speaker. Ms. Dunn said that Mr. Larson received a lot of positive feedback from his peers. Ms. Dunn also added that she learned several things from the IDA Conference, but the top takeaways are that Downtowns are about people. Arts and culture are important to a Downtown, and that we shouldn't just be focused on making places, but changing the experience of the places.

Mayor Heartwell contributed that at the last DDA Board meeting, Paul Mayhue came to the Board with a complaint concerning Baker Lofts. Mayor Heartwell said this issue was followed up on by City staff and that repairs are being made and Mayor Heartwell is satisfied with the progress thus far.



11. Adjournment

The meeting adjourned at 9:57 a.m.

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

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

DATE: November 7, 2013

TO: Brian Harris  
Chairman

FROM: Jana M. Wallace   
Downtown Development Authority Treasurer

**SUBJECT: FY2014 Financial Statements through October 31, 2013**

Attached are the interim financial statements for the first four months of the fiscal year ending June 30, 2014.

The attached statements include:

Statement A: Balance Sheet

Statement B: Comparison of FY2014 Budget vs Actual Results

Statement C: Statement of Project Expenditures

Statement D: Schedule of October, 2013 Expenditures

Construction season has started to wind down resulting in quite a number of payments for Authority-supported capital projects. Expenditures were also incurred to construct and furnish the Downtown Grand Rapids Inc headquarters at 29 Pearl Street, N.W. into which staff moved midway through the month. The Authority has sufficient cash to support budgeted expenditures.

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

Attachments

**STATEMENT A**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Balance Sheet**  
**October 31, 2013**

	<b>Non-Tax Funds</b>	<b>Debt Increment</b>	<b>Local Tax Increment</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 3,963,611	\$ 9,432,903	\$ 5,901,287	\$ 19,297,801
Petty Cash	-	-	200	200
Debt Service Reserve Fund	-	5,398,923	-	5,398,923
Accounts Receivable	9,355	-	-	9,355
Loan Receivable - Project Developer	898,848	-	-	898,848
Loan Receivable - Special Assessments	22,104	-	-	22,104
General Fixed Assets	-	-	90,386,880	90,386,880
Future Tax Increment Revenues Anticipated	-	32,806,507	266,250	33,072,757
<b>TOTAL ASSETS</b>	<b>\$ 4,893,918</b>	<b>\$ 47,638,333</b>	<b>\$ 96,554,617</b>	<b>\$ 149,086,868</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Current Liabilities	\$ 1,842	\$ -	\$ 12,723	\$ 14,565
Parking Revenue Payable	25,255	-	-	25,255
Project Increment Due to Developers	-	-	47,216	47,216
Due to Other Governmental Units	-	4,438,390	-	4,438,390
Debt Increment Reimbursement Payable	-	2,097,280	-	2,097,280
Deposit - Area 1 and Area 5 Options to Buy	100,000	-	-	100,000
Net Retiree Health Care Obligation <sup>1</sup>	-	-	(5,891)	(5,891)
Prior Year Property Tax Appeals	-	208,740	114,560	323,300
Deferred Revenue - Developer Loan	898,848	-	-	898,848
Contract Payable	-	-	266,250	266,250
Bonds Payable	-	32,806,507	-	32,806,507
<b>TOTAL LIABILITIES</b>	<b>1,025,945</b>	<b>39,550,917</b>	<b>434,858</b>	<b>41,011,720</b>
<b>Fund Balance / Equity:</b>				
Investments in General Fixed Assets	-	-	90,386,880	90,386,880
Non-Tax Increment Reserve	3,221,163	-	-	3,221,163
Reserve for Authorized Projects	-	-	4,777,421	4,777,421
Reserve for Brownfield Series 2012 Bonds	500,144	-	-	500,144
Reserve for Compensated Absences	-	-	6,869	6,869
Reserve for Eligible Obligations	-	265,000	-	265,000
Reserve for Encumbrances	146,666	-	948,589	1,095,255
Reserve for Long-Term Lease	-	7,822,416	-	7,822,416
<b>TOTAL FUND EQUITY</b>	<b>3,867,973</b>	<b>8,087,416</b>	<b>96,119,759</b>	<b>108,075,148</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 4,893,918</b>	<b>\$ 47,638,333</b>	<b>\$ 96,554,617</b>	<b>\$ 149,086,868</b>

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

## STATEMENT B

### DOWNTOWN DEVELOPMENT AUTHORITY Comparison of FY2014 Budget vs Actual Results Year to Date for July 1, 2013 - October 31, 2013

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
Property Tax Increment - General	\$ -	\$ -	\$ 7,514,281	\$ 7,568,880	\$ 3,962,583	\$ 3,691,831
Property Tax Increment - Transit Millage	-	-	-	-	384,350	384,350
Property Tax Increment - Prior Year Appeals	-	-	(200,000)	(5,714)	(50,000)	(2,965)
Property Tax Increment - Rebates to City / ITP	-	-	-	-	(126,050)	-
Special Assessments	15,000	-	-	-	-	-
Brownfield Authority - Grandville Avenue	-	-	-	-	21,542	-
Interest on Investments - General	29,665	(5,425)	15,000	-	40,687	(31,392)
Interest on Investments - The Gallery Note	40,448	-	-	-	-	-
Miscellaneous Fees / Reimbursements	-	-	-	-	10,000	675
Property Rental - DASH Parking Lots	355,000	102,306	-	-	-	-
Property Rentals - Winter Avenue Building	9,000	-	-	-	-	-
Property Rentals - YMCA Customer Parking	52,000	16,900	-	-	-	-
From / (To) Fund Balance	1,002,387	-	(15,000)	-	2,324,920	-
<b>TOTAL REVENUES</b>	<b>\$ 1,503,500</b>	<b>\$ 113,781</b>	<b>\$ 7,314,281</b>	<b>\$ 7,563,166</b>	<b>\$ 6,568,032</b>	<b>\$ 4,042,499</b>
<b>EXPENDITURES</b>						
Investment - Planning and Infrastructure						
Development Incentive Programs	\$ -	\$ -	\$ -	\$ -	\$ 1,395,000	\$ 641,847
Transit Projects - Transit Millage Funded	-	-	-	-	1,228,000	359,250
Planning	70,000	8,015	-	-	225,000	100
Public Infrastructure	-	-	-	-	2,361,952	672,222
Investment Total	\$ 70,000	\$ 8,015	\$ -	\$ -	\$ 5,209,952	\$ 1,673,419
Livability - Residents / Workers / Neighborhood	527,500	777	-	-	346,730	18,230
Vibrancy - Attracting Visitors	754,500	86,990	-	-	-	-
Miscellaneous	150,000	44,980	-	-	2,500	863
<b>Total Alliance Projects</b>	<b>\$ 1,502,000</b>	<b>\$ 140,762</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,559,182</b>	<b>\$ 1,692,512</b>
Administration	1,500	777	-	-	800,000	237,746
Debt Service for Bond Issues	-	-	5,471,600	742,262	208,850	45,476
Estimated Capture to be Returned	-	-	1,842,681	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,503,500</b>	<b>\$ 141,539</b>	<b>\$ 7,314,281</b>	<b>\$ 742,262</b>	<b>\$ 6,568,032</b>	<b>\$ 1,975,734</b>
<b>EXCESS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (27,758)</b>	<b>\$ -</b>	<b>\$ 6,820,904</b>	<b>\$ -</b>	<b>\$ 2,066,765</b>

**STATEMENT C**

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Statement of Current Project Expenditures**  
**As of October 31, 2013**

Project Title	Project Budgets		EXPENDITURES			Available Budget
	%	Cost	Month	Fiscal Year	All Years	
Areaway Fill Program (ARIP)		\$ 35,000 <sup>1,2</sup>	\$ -	\$ -		\$ 35,000
Building Re-use Incentive Program (BRIP)		500,000 <sup>1,2</sup>	3,600	16,400		483,600
Development Project Reimbursements		810,000 <sup>1,2</sup>	330,001	625,447		184,553
Streetscape Improvement Incentive Program		50,000 <sup>1,2</sup>	-	-		50,000
<b>Investment - Development Incentives Sub-Total</b>	<b>13.70%</b>	<b>\$ 1,395,000</b>	<b>\$ 333,601</b>	<b>\$ 641,847</b>		<b>\$ 753,153</b>
Amtrak Station Relocation		800,000	-	-	-	800,000
DASH North Shuttle Purchases		112,500	6,250	6,250		112,500
Jefferson Ave - Cherry/Fulton ITP Millage		353,000	121,281	353,000	353,000	-
<b>Investment - Transit Millage Funded Sub-Total</b>	<b>12.43%</b>	<b>\$ 1,265,500</b>	<b>\$ 127,531</b>	<b>\$ 359,250</b>	<b>\$ 353,000</b>	<b>\$ 912,500</b>
Downtown Plan		325,000	-	100	100	324,900
<b>Investment - Planning Sub-Total</b>	<b>3.19%</b>	<b>\$ 325,000</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 324,900</b>
Arena South Implementation		550,000	-	-	-	550,000
Bridge Street Streetscape Improvs		375,000	-	-	-	375,000
GR/Indiana Railroad Bridge Capital Repairs		791,952	104,999	300,822	398,192	393,760
Grand River Activation		332,435	-	-	132,435	200,000
Ionia Ave 9 - Buckley St to Wealthy St		886,673	-	-	561,673	325,000
Jefferson Avenue - Cherry St to Fulton St		440,588	161,885	162,042	207,630	232,958
Monroe Center-Phase 3 / Monument Park		725,000	112,746	209,358	338,230	386,770
State Street - Jefferson to Lafayette		450,000	-	-	-	450,000
<b>Investment - Public Infrastructure Sub-Total</b>	<b>44.69%</b>	<b>\$ 4,551,648</b>	<b>\$ 379,630</b>	<b>\$ 672,222</b>	<b>\$ 1,638,160</b>	<b>\$ 2,913,488</b>
Arena South Parking Mnmt Study		40,000 <sup>1,3</sup>	-	-	-	40,000
Downtown Speakers Series		30,000 <sup>1,3</sup>	2,628	8,015		21,985
<b>Investment - Non-Tax Supported Sub-Total</b>	<b>0.69%</b>	<b>\$ 70,000</b>	<b>\$ 2,628</b>	<b>\$ 8,015</b>		<b>\$ 61,985</b>
Accessibility and Mobility Repairs		10,000 <sup>1,2</sup>	-	-	-	10,000
Bicycle Friendly Improvements		105,000 <sup>1,2</sup>	-	220		105,000
Gateway Signage		20,000 <sup>1,2</sup>	-	-	-	20,000
Riverwalk Wayfinding Sign System		80,915	-	-	25,915	55,000
Seward Ave Non-Motorized Facility		56,730	-	-	-	56,730
Skywalk Wayfinding Sign Improvements		69,842	-	-	19,842	50,000
Snowmelt System Repairs / Investigation		510,075	15,285	18,010	278,085	231,990
Urban Recreation Plan		290,000	-	-	-	290,000
<b>Livability - Local Tax Supported Sub-Total</b>	<b>11.22%</b>	<b>\$ 1,142,562</b>	<b>\$ 15,285</b>	<b>\$ 18,230</b>	<b>\$ 323,842</b>	<b>\$ 818,720</b>
Division Ave Task Force Implemntn		15,000 <sup>1,3</sup>	-	-	-	15,000
Downtown Safety Ambassadors		300,000 <sup>1,3</sup>	84	84		299,916
Project and Fixed Asset Maintenance		50,000 <sup>1,3</sup>	-	693		49,307
Riverwalk Maintenance		60,000 <sup>1,3</sup>	-	-	-	60,000
Stakeholder Engagement Program		5,000 <sup>1,3</sup>	-	-	-	5,000
Street Trees Maintenance Program		10,000 <sup>1,3</sup>	-	-	-	10,000
Transportation Demand Mnmt Prog		85,000 <sup>1,3</sup>	-	-	-	85,000
Winter Avenue Building Lease		2,500 <sup>1,3</sup>	-	-	-	2,500
<b>Livability - Non-Tax Supported Sub-Total</b>	<b>5.18%</b>	<b>\$ 527,500</b>	<b>\$ 84</b>	<b>\$ 777</b>		<b>\$ 526,723</b>
Bridge Lighting Operations		10,000 <sup>1,3</sup>	-	-	-	10,000
DGRI Event Production		25,000 <sup>1,3</sup>	4,636	14,636		10,364
Diversity/Inclusion Programming		10,000 <sup>1,3</sup>	-	-	-	10,000
Downtown Marketing		200,000 <sup>1,3</sup>	3,000	3,965		196,035
Downtown Workforce Program		15,000 <sup>1,3</sup>	-	-	-	15,000
Holiday Décor Program		50,000 <sup>1,3</sup>	-	-	-	50,000
Major Event Sponsorship		80,000 <sup>1,3</sup>	-	25,000		55,000
Rosa Parks Circle Skating Operations		42,000 <sup>1,3</sup>	-	-	-	42,000
Special Events - Grants		50,000 <sup>1,3</sup>	-	-	-	50,000
Special Events - Office of		100,000 <sup>1,3</sup>	-	-	-	100,000
State of Dntn Event & Annual Reports		17,500 <sup>1,3</sup>	-	-	-	17,500
Ticketed Events - Police Services		80,000 <sup>1,3</sup>	7,722	16,563		63,437
Wayfinding Sign Maintenance		75,000 <sup>1,3</sup>	13,301	26,826		48,174
<b>Vibrancy Support Sub-Total</b>	<b>7.41%</b>	<b>\$ 754,500</b>	<b>\$ 28,659</b>	<b>\$ 86,990</b>		<b>\$ 667,510</b>
Downtown Market Administrative Costs		2,500 <sup>1,2</sup>	-	863		1,637
<b>Misc - Local Tax Supported Sub-Total</b>	<b>0.02%</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 863</b>		<b>\$ 1,637</b>
DDA Offices Re-Location		50,000 <sup>1,3</sup>	8,626	34,980		15,020
Experience - Miscellaneous		100,000 <sup>1,3</sup>	-	10,000		90,000
<b>Misc - Non-Tax Supported Sub-Total</b>	<b>1.47%</b>	<b>\$ 150,000</b>	<b>\$ 8,626</b>	<b>\$ 44,980</b>		<b>\$ 105,020</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>\$10,184,210</b>	<b>\$ 896,044</b>	<b>\$ 1,833,274</b>	<b>\$ 2,315,102</b>	<b>\$ 7,085,636</b>

Note 1: Current year (FY2014) budget only.

Note 2: Paid from local tax increment.

Note 3: Paid from non-tax funds.

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

Source	Vendor	Purpose / Project	Description	Amount
Debt	U.S. Bank Corporate Trust	MMBA 2009A Bonds - Van Andel Arena	Semi-annual interest payment	\$ 742,262.50
Local	Huntington Bank-Bridgewater Condos	Development Project Reimbursements	Summer 2013 tax increment reimbursement	330,000.85
Local	Nagel Construction, Inc.	Jefferson Ave - Cherry/Fulton ITP Millage	Reconstruction services - 08/10-09/06/2013	274,155.99
Local	Michigan Department of Transportation	GR/Indiana Railroad Bridge Capital Repairs	Construction engineering thru 09/11/2013	93,126.33
Local	Lodestar Construction, Inc.	Monroe Center-Phase 3/Monument Park	Reconstruction services - 08/17-09/23/2013	87,679.02
Local	County of Kent	Kent County Drain - Series 2008 Floodwalls	Annual principal payment	40,500.00
Local	Paychex	Administration	DGRI payroll, taxes, 401(k) - October, 2013	37,575.53
Local	Two West Fulton LLC	Development Project Reimbursements	Summer 2013 tax increment reimbursement	32,474.34
Local	City Treasurer - City Engineer	Monroe Center-Phase 3/Monument Park	Progress payment #1	15,980.00
Local	Geotech, Inc.	Snowmelt System Repairs / Investigation	Design engineering - 07/02-08/31/2013	12,950.00
Non Tax	City Sign Erectors of Western MI, Inc.	Wayfinding Sign Maintenance	Sign maintenance - 04/01-09/11/2013	11,161.00
Local	Fishbeck, Thompson, Carr & Huber	Monroe Center-Phase 3/Monument Park	Construction engineering - 08/03-08/30/2013	10,834.44
Local	Fishbeck, Thompson, Carr & Huber	GR/Indiana Railroad Bridge Capital Repairs	Construction engineering - 08/31-09/27/2013	10,050.00
Local	Fishbeck, Thompson, Carr & Huber	Monroe Center-Phase 3/Monument Park	Construction engineering - 08/31-09/27/2013	9,886.68
Local	Priority Health	Administration	Health insurance - 11/01/2013 - 01/31/2014	9,338.55
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - September 2013	7,569.23
Local	City Treasurer - Parking Services	DASH North Shuttle Services	DASH North services - June 2013	6,250.00
Local	Nagel Construction, Inc.	Jefferson Avenue - Cherry St to Fulton St	Reconstruction services - 08/10-09/06/2013	5,261.31
Local	County of Kent	Kent County Drain - Series 2008 Floodwalls	Semi-annual interest payment	4,975.94
Non Tax	Fusion IT	DDA Offices Re-Location	Computer hardware purchase - September 2013	3,979.98
Local	City of Grand Rapids	Administration	Staff services - October 2013	3,933.45
Local	Lifestyle Props of Grd Rapids, LLC	Building Re-use Incentive Program (BRIP)	Partial support for project	3,600.00
Local	Fishbeck, Thompson, Carr & Huber	Monroe Center-Phase 3/Monument Park	Construction engineering - 07/06-08/02/2013	3,444.37
Non Tax	Alpine Trailer Sales	DGRI Event Production	Movies in the Park - digital screen & AV equipmt trailer	3,070.00
Non Tax	Experience Grand Rapids	Downtown Marketing	GR Collaboration' video creation (50% contribution)	3,000.00
Local	City Treasurer - Risk Management	Administration	General insurance - October 2013	2,348.00
Local	City Treasurer - Engineering	Snowmelt System Repairs / Investigation	Engineering services - 09/01-10/05/2013	2,335.00
Local	City Treasurer - Budget Office	Administration	Support services allocation - October 2013	2,265.83
Non Tax	Williams & Works	Wayfinding Sign Maintenance	Sign maintenance - August 2013	2,140.02
Non Tax	LiveSpace	DDA Offices Re-Location	Audiovisual hardware and installation - October 2013	1,923.08
Local	Dickinson Wright PLLC	Administration	Legal services - Formation of DGRI July 2013	1,856.40
Local	Fishbeck, Thompson, Carr & Huber	GR/Indiana Railroad Bridge Capital Repairs	Construction engineering - 08/31-09/27/2013	1,822.30
Non Tax	Nawara Brothers Home Store	DDA Offices Re-Location	Kitchen appliances for conference room	1,787.84
Local	Materials Testing Consultants	Jefferson Avenue - Cherry St to Fulton St	Construction materials testing - 08/01-08/31/2013	1,764.83
Local	Wondergem Consulting	Administration	Public relations - 09/16-09/30/2013	1,622.00
Local	Wondergem Consulting	Administration	Public relations - 08/16-08/31/2013	1,620.00
Local	Dickinson Wright PLLC	Administration	Legal services - 29 Pearl NW lease July 2013	1,587.18
Local	City Treasurer - Facilities Mmnt	Administration	Office space & maintenance - September 2013	1,563.52
Local	Fishbeck, Thompson, Carr & Huber	Jefferson Avenue - Cherry St to Fulton St	Construction engineering - 08/31-09/27/2013	1,468.45
Local	Fifth Third Bank - Procurement Card	Administration	Profl developmt & travel expenses - New York City	1,437.80
Local	Dickinson Wright PLLC	Administration	Legal services - bicycle infrastructure July 2013	1,383.20
Non Tax	Fifth Third Bank - Procurement Card	DGRI Event Production	Movies in the Park - speaker cables/film purchase/license	1,266.25
Local	City of Grand Rapids	Administration	Staff services - September 2013 (paid after 10/3/13)	1,076.77
Local	Dickinson Wright PLLC	Administration	Legal services - misc matters August 2013	1,019.20
Non Tax	Fifth Third Bank - Procurement Card	Downtown Speakers Series	Speaker Series refreshments / meeting supplies	989.64
Local	Wondergem Consulting	Administration	Public relations - 09/01-09/15/2013	966.00
Local	Dickinson Wright PLLC	Administration	Legal services - DGRI Task force July 2013	964.60
Non Tax	Fusion IT	DDA Offices Re-Location	Server migration project - October 2013	934.96
Local	Geotech, Inc.	Monroe Center-Phase 3/Monument Park	Power handholds reimbursement - September 2013	902.00
Local	City Treasurer - Parking Services	Administration	Parking - Exec Dir/Office Mgr/Proj Mgrs -October 2013	886.00
Local	Fifth Third Bank - Procurement Card	Administration	DGRI staff - professional development registration	790.00
Local	Dickinson Wright PLLC	Administration	Legal services - sale of lot 1 July 2013	655.20
Non Tax	Empress Productions	Downtown Speakers Series	Presentation filming; series video editing/adding slides	610.00
Non Tax	Mitchell Silver	Downtown Speakers Series	Mitchell Silver - travel reimbursement August 2013	527.95
Local	Fishbeck, Thompson, Carr & Huber	Jefferson Ave - Cherry/Fulton ITP Millage	Environmental engineering - 08/03-08/30/2013	515.50
Local	Adams Remco	Administration	Color copies - 06/27-09/27/2013	510.70
Local	Michigan Downtown Association	Administration	2013 Michigan Downtowns Conference sponsorship	500.00
Non Tax	Mitchell Silver	Downtown Speakers Series	Mitchell Silver - Leadership Luncheon Aug 2013	500.00
Local	City Treasurer - Parking Services	Administration	Parking validations - August 2013	471.00
Local	City Treasurer - Parking Services	Administration	Parking validations - September 2013	470.00
Local	Integrity Business Solutions	Administration	Office supplies - toner	466.64
Non Tax	Elite Security Services Inc.	DGRI Event Production	Movies in the Park - security 08/23/2013	300.00

continued on next page

STATEMENT D - continued  
DOWNTOWN DEVELOPMENT AUTHORITY  
Schedule of Expenditures  
October, 2013

Page 2

Source	Vendor	Purpose / Project	Description	Amount
Local	Fifth Third Bank - Procurement Card	Administration	Administrative Assistant job posting on Monster.com	250.00
Local	Priority Health	Administration	Health insurance - October 2013 remaining balance	182.07
Local	Integrity Business Solutions	Administration	Office supplies	173.52
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - August 2013	152.68
Local	Dickinson Wright PLLC	Administration	Legal services - Arena Place project July 2013	145.60
Local	Dickinson Wright PLLC	Administration	Legal services - DDA parklets July 2013	145.60
Local	Dickinson Wright PLLC	Administration	Legal services - property acquisition July 2013	145.60
Local	Paychex	Administration	Payroll processing fees - October, 2013	123.84
Local	Sir Speedy	Administration	Business cards - Kim Van Driel/Mandy Cech/Bill Kirk	120.90
Local	Integrity Business Solutions	Administration	Office supplies	113.73
Local	Dickinson Wright PLLC	Administration	Legal services - Parking Svcs ops/maint agreemt July 13	91.00
Local	Tim Kelly	Administration	Reimburse for APA application fee and shipping	84.34
Local	AT & T Mobility	Administration	Exec Director cell phone - 08/26-09/25/2013	80.96
Local	Integrity Business Solutions	Administration	Office supplies	73.87
Non Tax	Fifth Third Bank - Procurement Card	Administration	Meeting refreshments	67.63
Local	Dickinson Wright PLLC	Administration	Legal services - sale of lot 5 July 2013	54.60
Non Tax	Dickinson Wright PLLC	Downtown Safety Ambassadors	Legal services - Safety Ambassador program Aug 2013	54.60
Local	Adams Remco	Administration	Copier base rental - 09/11-10/11/2013	53.75
Local	JPMorganChase	Administration	Payroll account bank fees - October, 2013	33.27
Non Tax	Fusion IT	Downtown Safety Ambassadors	Computer set-up for Safety Ambassadors	30.02
Local	City Treasurer - Mail Room	Administration	Metered mail - July, 2013	20.27
Local	City Treasurer - Mail Room	Administration	Metered mail - August, 2013	13.76
Local	Integrity Business Solutions	Administration	Office supplies	4.50
Local	Integrity Business Solutions	Administration	Returned office supplies	(19.44)
Local	Tim Kelly	Administration	Voided June, 2013 lost check	(84.34)
Local	Integrity Business Solutions	Administration	Returned office supplies	(89.24)
Local	Paychex	Administration	Cancel taxes related to paychecks issued in error	(736.38)
Local	Paychex	Administration	Cancel paychecks issued in error	(1,540.82)
<b>OCTOBER 2013 EXPENDITURES</b>				<b><u>\$1,807,053.26</u></b>

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

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# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: November 8, 2013

TO: Downtown Development Authority Board

FROM: Eric Pratt,   
Project Manager

**Agenda Item #4**  
**November 13, 2013**  
**DDA Meeting**

**SUBJECT: Building Reuse Incentive Program Grant for the Building at 309 South Division Avenue (Herkimer Hotel Apartments)**

Dwelling Place, representing Herkimer Apartments Limited Dividend Housing Association Limited Partnership ("Herkimer Apartments LDHA LP"), has submitted an application to the Downtown Development Authority (DDA) for a \$75,000 Building Reuse Incentive Program (BRIP) grant to assist with the renovation of the historic Herkimer Hotel Apartments (also known as the "Herkimer Hotel").

The building was built in two phases by Samuel Jenks; the southwest section in 1895 and northwest section in 1907. Mr. Jenks originally came to Grand Rapids from Herkimer County, NY, and named the hotel after Nicholas Herkimer, a famous revolutionary war hero and ancestor of the Jenks' wife. In 1995, Dwelling Place of Grand Rapids rehabilitated the hotel and converted the building into 122 studio apartments.

Herkimer Apartments LDHA LP, a for-profit entity, is currently in the process of investing \$17.8 Million to replace the 122 studio apartments with 127 single-bedroom apartments by combining the existing studios into 55 apartments and constructing 67 additional apartments along the Commerce Avenue SW side of the building. As a part of the renovation project, the applicant is also proposing to convert the nine existing ground floor suites into seven market-rate live / work units. Herkimer Apartments LDHA LP has already received a P.I.L.O.T. (Payment in Lieu of Taxes) from the City of Grand Rapids for the upper floors of the building. However, the ground floor of the existing building will remain on the Ad Valorem tax roll.

The applicant is requesting a \$75,000 grant to help defray some of the cost associated with BRIP eligible activities, including: historic façade restoration, barrier free access, streetscape improvements, installation of a fire suppression system, and a fire-rated stair tower. In addition to these activities, the applicant is proposing to incorporate elements of sustainable design as a part of the renovation project and seek Leadership in Energy and Environmental Design Certification Silver ("LEED Silver"), or higher.

Staff has reviewed the BRIP application, and has found it consistent with program guidelines and intentions.

**Recommendation:**

**Approve a BRIP grant, of up to \$75,000, to reimburse Herkimer Apartments LDHA LP for eligible costs incurred as a part of the renovation of the ground floor of the Herkimer Hotel Apartment building located at 309 South Division Avenue.**



# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: November 8, 2013

TO: Downtown Development Authority Board

FROM: Kristopher Larson, AICP   
President & CEO

Agenda Item #5  
November 13, 2013  
DDA Meeting

**SUBJECT:** Authorize Contracting for Christmas Decor

During the FY14 budget and priority plan development process, the former DDA Experience Action Group offered support for the idea of investing in additional holiday décor to adorn more of Downtown Grand Rapids for the holiday season. This recommendation was later approved by the DDA Board in June 2013, and the allocation resides in the within the Vibrancy category of the Non-Tax Fund.

DGRI staff members have dutifully engaged representatives from the Downtown merchant community to assist in identifying high-profile, high-impact areas to focus the 2013 investments. This outreach yielded the preference for lighting improvements as the preferred investment type for this holiday season. Because the addition of lighting requires electricity, the lighting installations must be coordinated with available electrical receptacles. Installation opportunities for the current season have been prioritized according to the aforementioned opportunities and constraints, and yielded significant LED lighting opportunities in the 21 birch trees and 11 oak trees in Rosa Parks Circle, 52 trees and 52 light poles along Monroe Center, 5 ornamental pear trees in Louis Campau Square, and placing an illuminated 13-foot Crystal Tree on the pedestal in Louis Campau Square. Previously, the DDA purchased “dripping” icicles that will be also incorporated into the décor installations throughout Downtown.

The proposed purchase agreement includes the provision, installation, take-down, and annual storage of the materials. Installation and take-down in décor in subsequent years would be on a time and materials basis, and is estimated to be approximately \$8,000 annually, inclusive of storage costs. Should the DDA continue to fund the line item in future years as shown in the FY14-18 Priority Plan, there would be considerable opportunity to expand the holiday decorating program both in terms of the overall reach along other corridors in Downtown, but also in the types of decorations desired.

Consistent with the DDA procurement process, staff solicited quotes from three firms that specialize in procuring, installing, and storing these types of outdoor holiday decorations. Three firms responded, two from out-of-state, and one from in-state. The in-state firm, Christmas Décor by DeVries, of Jenison, MI was determined to best deliver the services needed within the program’s timeframe and budget.

There exists ample budgeted funds within the Holiday Décor line item of the DDA Non-Tax Fund. If approved, the lighting should be fully installed within two weeks, and right in time for the 2013 holiday season.

**Recommendation:**

**Approve executing a contract with Christmas Décor by DeVries in an amount not to exceed \$45,000 for the provision, installation, take-down, and storage of holiday decorations.**

# MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: November 8, 2013

TO: Downtown Development Authority Board

FROM: Tim Kelly, AICP  
Planning Manager



Agenda Item #6  
November 13, 2013  
DDA Meeting

**SUBJECT: Consent to granting an extension of a PILOT (Payment in Lieu of Taxes) at 138 and 349 South Division**

In 1997, a fifteen (15) year payment in lieu of taxes (PILOT) was approved for the Chaffee and Lenox Apartments, located at 138 and 349 South Division respectively. Both mixed-use developments are owned by Grandville-Heartside Limited Dividend (Owner), an affiliate of Dwelling Place of Grand Rapids, Inc., and were placed into service in 1998 following historic renovation. Chaffee Apartments includes two (2) commercial spaces and eight (8) apartments, while Lenox Apartments includes three (3) commercial spaces and fourteen (14) apartments. All apartment units are rent restricted to households under 60% of the area median income.

With the expiration of the PILOTs in 2012, the rental units for both properties were placed on the ad valorem tax role for 2013. Based on the estimated ad valorem tax bill, the Owner has demonstrated need for an extension of the existing PILOT to sustain financial viability. Without a PILOT, a financial burden will exist due to rent restrictions resulting in deferred maintenance and/or potential mortgage default. The table below is a summary of the anticipated benefit to be realized by the extension.

Property	Estimated Ad Valorem Tax Bill	Estimated PILOT Payment	Benefit
Chaffee Apartments 138 S. Division Avenue	\$7,530	\$1,194	\$6,336
Lenox Apartments 349 S. Division Avenue	\$12,310	\$2,079	\$10,231

At the recommendation of Community Development staff, on October 22, 2013 the City Commission granted the PILOT extension for both properties for a term not to exceed twenty-five (25) years. As both properties are located in the DDA boundaries, the request would typically come to the DDA Board prior to City Commission approval. However, as the timing of application processing and the deadline for the Michigan State Housing Development Authority to provide a "Notification to Local Assessor of Exemption" was November 1, 2013, it did not coincide with a normally scheduled DDA meeting.

**Recommendation:** Consent to granting a PILOT for the Chaffee and Lenox Apartments, located at 138 and 349 South Division respectively.