

MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

Wednesday, September 10, 2014

8:30 a.m. Meeting

Room 601, City Hall

AGENDA

1. Call to order
2. Approve Meeting Minutes from August 13, 2014 (8:30)Motion Harris
(enclosure)
3. Accept August 31, 2014 Financial Statements (8:33).....Motion Wallace
(enclosure)
4. Approve Lease Amendment with City of Grand Rapids (8:38).....Motion Larson
(enclosure)
5. Approve Lease Amendment with Grand Rapids Downtown Market (8:42).....Motion Larson
(enclosure)
6. Execute Property Exchange Agreement with City of Grand Rapids (8:52)Motion Larson
(enclosure)
7. Approve Lease Agreement for GR Forward Open House Pop-Up (9:07)Motion Kelly
(enclosure)
8. Movies in the Park Impact Report (9:15).....Info Item Larson
9. DGRI President & CEO Report (9:30).....Info Item Larson
10. DDA Chair Report (9:35).....Info Item Larson
11. Public Comment (9:40)
12. Board Member Discussion (9:45)
13. Adjournment

MEETING OF THE DOWNTOWN DEVELOPMENT AUTHORITY

August 13, 2014

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

2. Attendance

Present: Kayem Dunn, Jane Gietzen, Brian Harris, Mayor George Heartwell, Elissa Hillary, Diana Sieger, Jim Talen, Rick Winn

Absent: Dr. Wendy Falb

Others Present: Kristopher Larson (Executive Director), Mary Sierawski (DDA Executive Asst/Office Manager), Jana Wallace (DDA Treasurer), Eric Pratt, Tim Kelly, Bill Kirk, Kim Van Driel, Mandy Cech (staff), Marcia Warner (GRPL), Pete Daly (GRBJ), Jim Harger (MLive), and others.

4. Approval of Minutes of July 9, 2014

Motion: Diana Sieger, supported by Elissa Hillary, moved approval of the minutes of the July 9, 2014 DDA meeting as presented. Motion carried unanimously.

5. Accept June 30, 2014 Financial Statements

Ms. Wallace provided preliminary financial statements for the period ending June 30, 2014, including: Statement A: Balance Sheet; Statement B: Comparison of FY2014 Budget vs Actual Results; Statement C: Statement of Project Expenditures; Statement D: Schedule of June 2014 Expenditures.

Ms. Wallace said as part of the FY2014 year-end closing process, an entry will be made to allocate portions of the FY2014 Administration expenditures to the Monroe North Tax Increment Finance Authority and the Downtown Improvement District.

Motion: Jane Gietzen, supported by Kayem Dunn, moved to approve Statement D: Schedule of June 2014 Expenditures as recommended. Motion carried unanimously.

6. Financial Audit Services Contract for Fiscal Year ended June 30, 2014

Ms. Wallace said BDO has been chosen to conduct the FY2014 audit. Ms. Wallace said during the past six years BDO has consistently provided exemplary auditing and consulting services. In February 2014, the City Commission awarded an extension to the BDO USA, LLP contract to include financial audit and due diligence services for the fiscal year ending

June 30, 2014. Mr. Harris asked if there is a requirement to rotate the audit. Ms. Wallace said no, and at this time the City has decided to extend the BDO contract for one more year. BDO is asking for the DDA Board's approval to begin the audit process.

Motion: Diana Sieger, supported by Jane Gietzen, moved to approve a contract with BDO USA LLP for audit services for fiscal year ended June 30, 2014. Motion carried unanimously.

7. Consent to Liquor License Application for Parsley, 80 Ottawa NW

Mr. Pratt presented a liquor license application for Parsley Mediterranean Grill (Parsley's). Mr. Pratt said Parsley's is seeking a Class C Resort Liquor License which will allow for the sale and consumption of beer and wine on premise. Mr. Pratt introduced Rudy, the proprietor of Parsley's to answer any questions. The proprietor relayed that Parsley's would be increasing its hours and would continue to use all Michigan products. Mayor Heartwell complimented Parsley's on their food and asked if they will be changing the interior of the restaurant because of the liquor license. The proprietor replied that they would be spreading out the seating and will be transitioning to more of a restaurant feel.

Motion: Kayem Dunn, supported by Mayor George Heartwell, moved to approve Parsley Mediterranean Grill's liquor license resolution. Motion carried unanimously.

8. Authorize Contract with Walk Your City

Mr. Kirk said that during the FY15 budget planning process, the Alliance for Livability prioritized a pilot program to encourage increased pedestrian activity in the Downtown through the use of simple wayfinding signage. Some specific goals of the effort include improved connectivity, enhanced wellness, alleviation of auto traffic, congestions, and parking issues, as well as continued progress towards becoming a "park once" Downtown. Mr. Kirk shared that Walk Your City is an organization and program that assists in planning, production, and implementation of fully customizable pedestrian and bicycle wayfinding systems. Mr. Kirk said this would be a pilot program to last approximately 12-18 months. Ms. Gietzen asked about the colors of the signs. Mr. Kirk said the Alliance can decide how it would like to tailor the colors to fit Grand Rapids. Ms. Sieger asked about private businesses getting involved and asked if there would be a cost. Ms. Sieger also said it's important to make this program known to all businesses so that they are given an opportunity to participate. Ms. Hillary said she thinks that this is a great idea to increase pedestrian traffic to retail stores in the Downtown. Mr. Talen asked about the software infrastructure such as GPS or Google mapping. Mr. Kirk said that work is done on the back end of the system, DGRI would provide the locations and Walk Your City completes the mapping. Mayor Heartwell said that while walking is good and promoting local business is good, sign pollution within the Downtown can be a bad thing, and the proliferation of signage takes away from the natural environment and beauty of buildings. Mayor Heartwell said he wouldn't necessarily want these signs to be permanent and he doesn't really like the way they look. Mayor Heartwell

added that people might start putting their own signs or writing on them and this may violate the City's rule about signage. Mayor Heartwell said he is worried about cluttering the Downtown, and that he is less than enthusiastic, but will support this pilot program. Ms. Sieger said she would like to see a statement in the marketing materials about it being a pilot program and that it will comply with all City sign regulations. Mr. Harris said it sounds like the Board is willing to take this experiment on. Mr. Harris said the Board should identify the top three things we want to learn from this pilot program, and if we learn those things affirmatively, then perhaps we make the program more permanent, while recognizing the issue of sign pollution and obeying City ordinance. Mr. Kirk said there could be an opportunity to incorporate this program within the permanent system that already exists. Mr. Kirk said the ability to track foot traffic will give us a lot of data for future use. Ms. Gietzen asked if the Safety Ambassadors or clean team will be keeping an eye on the signs. Mr. Kirk said yes, the signs will be monitored regularly. Mr. Pratt said there's also a tertiary benefit from this project in helping people overcome the perceived distances between locations and the spatial disconnect that many people have. Ms. Dunn said this will be a learning experience for everyone and that the education aspect of the program is a huge benefit.

Motion: Kayem Dunn, supported by Diana Sieger, moved to authorize expenditures not-to-exceed \$10,000 for the design and purchase of signage from Walk Your City for the pilot wayfinding signage project. Motion approved unanimously.

9. Report from DGRI President and CEO

MNTIFA (8/13)

- Will adopt FY15 MNTIFA Budget
- Will consider funding for

DID (10/7)

- Will appoint a Steering Committee for DID re-authorization

DGRI Board of Advisors (7/16)

- Received a preview of Rapid Silver line project
- Received an update on GRForward / Downtown Plan
- Received an overview of fiduciary budgets

Alliances:

INVESTMENT (8/12)

- Chair: Nikos Monoyios, Long Range Planner @ The Rapid
- Advising on the Downtown Plan process
- Divided into Implementation-based Working groups:
 - Real Estate Incentives

- River Activation
 - Public Space Activation
 - Infrastructure
- Working groups reporting out for consensus building

VIBRANCY (8/18)

- Appointed a new Chair – Brandy Moeller
- Has recommended allocation of all Event support funds for FY15
- Divided into Implementation-based Working groups:
 - Holiday Décor
 - Special Events Optimization
 - Workforce Appreciation
 - Diversity & Inclusion
 - Public Space Activation

LIVABILITY (8/26)

- Chair: Lynee Wells, Principal @ Williams & Works
- Assisting in the formation of a unified Downtown residential association
- Divided into Implementation-based Working groups:
 - Bicycles & Mobility
 - Asset Management
 - Clean, Safe, and Beautiful
 - Engagement
 - Urban Recreation

DGRI Staff Highlights

- Five movies down – 1 to go! (Next up: The Sandlot / Jurassic Park, Aug 22nd)
- Administering Special Events Optimization Online and in-person – 647 respondents!
- Soliciting quotes for Public Safety Task Force facilitation
- Next Downtown Plan steering committee meeting – Sep 18th
- Held Closing Event for Grandwch 2014 August 1st

Recent Kudos for Staff

Not sure if you have an involvement with the large Chess game set up on Monroe by the GRAM... but if you know the person in charge, let them know – GREAT idea & success!!

We have a perfect view of it and there are always people playing it. We never see people goofy of or be obnoxious with it. Right now, in the rain, there are three kids and a mom standing out of the rain, when it's the kids turn they run out to make their move. So cute!

Lindsay Buist

ADMINISTRATIVE ASSISTANT | RDV CORPORATION

Hi Kris,

Hope you are well. I wanted to give you some feedback from Friday's Movies In The Park: it was fantastic. The fly over was cool, the movie was fun and the atmosphere was great. Your team did a great job.

Keep up the good work!

Kate

--

Kate O'Keefe

Heartside Neighborhood Collaboration Project (HNCP)

Sent: Monday, August 04, 2014 4:49 PM

To: Melvin Eledge - BBB

Subject:

Dear Melvin, Today, I did my primary grocery trip of the month-about 60 lbs. of products coming home on the bus with me. When I got off the bus, I got lucky as I was met by "Bill" who immediately offered to burden himself with at least 2/3rds of that load. He took it the entire way to my apt-about 2 blocks and was extremely cordial and cheerful about it. What a guy! It was obvious he loves working among the public. Sincerely, Susan B.

Sent: Saturday, August 09, 2014 12:43 PM

Subject: Feedback about Rebecca in Grand Rapids

Hello -

I am visiting Grand Rapids this week for a conference, and while I was downtown we happened to meet Rebecca from the safety ambassador program. I'm emailing to tell you how incredibly friendly and helpful she was to us. She gave us great suggestions for restaurants and even walked us there! Rebecca was so full of energy, enthusiasm, and positive feelings towards Grand Rapids, and gave us a wonderful flavor for the city. I'm now thinking about coming back here sometime for a vacation since we had such a nice time here.

Thanks for having such a helpful and welcoming program in your city.

Rebecca Lewis

Sent: Friday, August 08, 2014 11:33 AM

Subject: Our Visit to GR

Melvin,

I am just wrapping up a 3 day visit to Grand Rapids with my family. We are from California and had a great time here in Downtown Grand Rapids. We were greeted several times at various hours of the day and night by 'Ambassadors'.

I am so impressed by this program and how genuine the representatives are. This morning we ran into Veronica who went out of her way to greet us with a smile and ask if we needed any help or information. She was wonderful as were several others who I did not get the name of.

I just wanted to let you know how great this program is to visitors and what great employees the program has.

Have a great day.

Brian Bencz and Family.

10. Public Comment

Mike Farage asked the DDA Board to not accept any funds from the Veterans millage if it is passed on November 4th. Mr. Farage asked the DDA Board to put their support in writing, lead by example, and not take any funds from the Veterans millage.

11. Board Member Discussion

Ms. Dunn shared that the Downtown Market achieved 'Gold' LEED designation and thanked Mayor Heartwell for his ongoing efforts in encouraging sustainability.

12. Adjournment

The meeting adjourned at 9:17 a.m.


MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

**Agenda Item 3.
September 10, 2014
DDA Meeting**

DATE: September 5, 2014

TO: Brian Harris
Chairman

FROM: Jana M. Wallace 
Downtown Development Authority Treasurer

SUBJECT: FY2015 Financial Statements Through August 31, 2014

Attached are the financial statements for the first two months of the fiscal year ending June 30, 2015.

The attached August 31, 2014 statements include:

- Statement A: Balance Sheet
- Statement B: Comparison of FY2015 Budget vs Actual Results
- Statement C: Statement of Project Expenditures
- Statement D: Schedule of July and August, 2014 Expenditures

This is the first set of financial statements for the Authority's fiscal year ending June 30, 2015. Budgets on Statements B and C have been updated to reflect the FY2015 budgets approved by City Commission in June then adopted by the Authority in July. The Authority issued \$370,286 of Summer 2014 property tax reimbursements to project developers, in accordance with eligible costs described in project agreements. On Statement D, there are four expenditures where the descriptions include the phrase, "ACCRUED TO FY2014." These expenditures are for services provided in FY2014 so they have been charged to FY2014, via journal entry, rather than to FY2015 even though they were paid after June 30, 2014.

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

Attachments

STATEMENT A
DOWNTOWN DEVELOPMENT AUTHORITY
Balance Sheet
August 31, 2014

	Non-Tax Funds	Debt Increment	Local Tax Increment	TOTAL
ASSETS				
Pooled Cash and Investments	\$ 5,469,181	\$ 2,238,789	\$ 2,478,832	\$ 10,186,802
Petty Cash	-	-	500	500
Debt Service Reserve Fund	-	5,400,766	-	5,400,766
Accounts Receivable	8,995	-	-	8,995
Tax Increment Receivable	-	(1,033)	-	(1,033)
Loan Receivable - Project Developer	898,848	-	-	898,848
Loan Receivable - Special Assessments	18,420	-	-	18,420
General Fixed Assets	-	-	90,386,880	90,386,880
Future Tax Increment Revenues Anticipated	-	31,877,460	225,750	32,103,210
TOTAL ASSETS	\$ 6,395,444	\$ 39,515,982	\$ 93,091,962	\$ 139,003,388
LIABILITIES AND FUND EQUITY				
Liabilities				
Current Liabilities	\$ 257	\$ -	\$ 1,766	\$ 2,023
Parking Revenue Payable	3,644	-	-	3,644
Project Increment Due to Developers	-	-	47,216	47,216
Due to Other Governmental Units	-	3,774,319	-	3,774,319
Deposit - Area 1 and Area 5 Options to Buy	122,903	-	-	122,903
Deposit - Movies in the Park Vendors	1,900	-	-	1,900
Net Retiree Health Care Obligation ¹	-	-	(5,906)	(5,906)
Prior Year Property Tax Appeals	-	42,528	22,139	64,667
Deferred Revenue - Developer Loan	898,848	-	-	898,848
Contract Payable	-	-	225,750	225,750
Bonds Payable	-	31,877,460	-	31,877,460
TOTAL LIABILITIES	1,027,552	35,694,307	290,965	37,012,824
Fund Balance / Equity:				
Investments in General Fixed Assets	-	-	90,386,880	90,386,880
Non-Tax Increment Reserve	4,804,182	-	-	4,804,182
Reserve for Authorized Projects	-	-	1,971,133	1,971,133
Reserve for Brownfield Series 2012A Bonds	514,748	-	-	514,748
Reserve for Compensated Absences	-	-	6,897	6,897
Reserve for Eligible Obligations	-	3,821,675	-	3,821,675
Reserve for Encumbrances	48,962	-	436,087	485,049
TOTAL FUND EQUITY	5,367,892	3,821,675	92,800,997	101,990,564
TOTAL LIABILITIES & FUND EQUITY	\$ 6,395,444	\$ 39,515,982	\$ 93,091,962	\$ 139,003,388

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 FY2015 Budget vs Actual Results July 1, 2014 - August 31, 2014

	Non-Tax Funds		Debt Tax Increment		Local Tax Increment	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Property Tax Increment - General	\$ -	\$ -	\$ 7,529,127	\$ -	\$ 4,237,009	\$ -
Property Tax Increment - Transit Millage	-	-	-	-	385,681	-
Property Tax Increment - Prior Year Appeals	-	-	(200,000)	-	(100,000)	-
Property Tax Increment - Rebates to City / ITP	-	-	-	-	(278,682)	-
Special Assessments - Areaway	15,000	-	-	-	-	-
Brownfield Authority - Grandville Avenue	-	-	-	-	21,973	-
Interest on Investments - General	18,747	24,976	10,000	-	50,644	75,249
Interest on Investments - Multi-Year Accrual Reversal ¹	-	(28,853)	-	-	-	(95,792)
Interest on Investments - The Gallery Note	40,167	-	-	-	-	-
Miscellaneous Fees / Reimbursements	500	-	-	-	10,000	625
Property Rental - DASH Parking Lots	336,925	-	-	-	-	-
Property Rentals - Movies in the Park Vendors	-	1,250	-	-	-	-
Property Rentals - Winter Avenue Building	9,000	-	-	-	-	-
Property Rentals - YMCA Customer Parking	52,000	8,450	-	-	-	-
From / (To) Fund Balance	3,127,112	-	(10,000)	-	145,089	-
TOTAL REVENUES	\$ 3,599,451	\$ 5,823	\$ 7,329,127	\$ -	\$ 4,471,714	\$ (19,918)
EXPENDITURES						
Investment - Planning and Infrastructure						
Development Incentive Programs	\$ -	\$ -	\$ -	\$ -	\$ 1,085,000	\$ 371,536
Transit Projects - Transit Millage Funded	-	-	-	-	125,000	6,250
Planning	35,000	-	-	-	350,000	28,838
Public Infrastructure	2,051,451	-	-	-	890,000	11,441
Investment Total	\$ 2,086,451	\$ -	\$ -	\$ -	\$ 2,450,000	\$ 418,065
Livability - Residents / Workers / Neighborhood	605,000	28,652	-	-	700,000	3,277
Vibrancy - Attracting Visitors	808,000	46,500	-	-	-	-
Miscellaneous	100,000	2,147	-	-	-	-
Total Alliance Projects	\$ 3,599,451	\$ 77,299	\$ -	\$ -	\$ 3,150,000	\$ 421,342
Administration	-	219	-	-	862,863	194,628
Debt Service for Bond Issues	-	-	5,479,525	-	458,851	-
Estimated Capture to be Returned	-	-	1,849,602	-	-	-
TOTAL EXPENDITURES	\$ 3,599,451	\$ 77,518	\$ 7,329,127	\$ -	\$ 4,471,714	\$ 615,970
EXCESS / (DEFICIT)	\$ -	\$ (71,695)	\$ -	\$ -	\$ -	\$ (635,888)

Note 1: For efficiency reasons, the City Treasurer does not record interest revenue when earned from multiple year investments. Instead, revenues associated with multiple year investments are accumulated annually, accrued, and then reversed in the following fiscal year.

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STATEMENT C
DOWNTOWN DEVELOPMENT AUTHORITY
Statement of Current Project Expenditures
As of August 31, 2014

Project Title	Project Budgets		EXPENDITURES			Available Budget
	%	Cost	Month	Fiscal Year	All Years	
Areaway Fill Program (ARIP)		\$ 35,000 ^{1,2}	\$ -	\$ -		\$ 35,000
Building Re-use Incentive Program (BRIP)		250,000 ^{1,2}	1,250	1,250		248,750
Development Project Reimbursements		750,000 ^{1,2}	370,286	370,286		379,714
Streetscape Improvement Incentive Program		50,000 ^{1,2}	-	-		50,000
Investment - Development Incentives Sub-Total	10.72%	\$ 1,085,000	\$ 371,536	\$ 371,536		\$ 713,464
Amtrak Station Relocation		800,000	-	-	746,164	53,836
DASH North Shuttle Services		150,000	6,250	6,250		143,750
Investment - Transit Millage Funded Sub-Total	9.39%	\$ 950,000	\$ 6,250	\$ 6,250	\$ 746,164	\$ 197,586
Downtown Plan		487,500	28,838	28,838	187,812	299,688
Investment - Planning Sub-Total	4.82%	\$ 487,500	\$ 28,838	\$ 28,838	\$ 187,812	\$ 299,688
Arena South Implementation		230,809 ²	-	-	34,024	196,785
Bostwick Avenue - Lyon St to Crescent St		225,000 ²	-	-	-	225,000
Bridge Street Streetscape Improvs		125,000 ²	-	-	-	125,000
Grand River Activation		232,435 ²	-	-	132,435	100,000
Michigan / Ottawa Gateway		300,000 ²	-	-	-	300,000
Monroe Ave Resurfacing - Louis to I-196		165,000 ²	-	-	-	165,000
Monroe Center-Phase 3 / Monument Park		725,000 ²	11,441	11,441	1,179,686	(454,686)
Ottawa Avenue Public Improvements		330,000 ²	-	-	-	330,000
State Street - Jefferson to Lafayette		450,000 ²	-	-	-	450,000
Veterans Park Improvements		100,000 ²	-	-	-	100,000
Wealthy Street - US 131 to Division Ave		885,000 ²	-	-	-	885,000
Weston Street - Sheldon to LaGrave Ave		400,000 ²	-	-	-	400,000
Investment - Public Infrastructure Sub-Total	41.19%	\$ 4,168,244	\$ 11,441	\$ 11,441	\$ 1,346,145	\$ 2,822,099
Downtown Speakers Series		35,000 ^{1,3}	-	-		35,000
Investment - Non-Tax Supported Sub-Total	0.35%	\$ 35,000	\$ -	\$ -		\$ 35,000
Accessibility and Mobility Repairs		10,000 ^{1,2}	-	-		10,000
Bicycle Friendly Improvements		401,000 ²	-	-	111,123	289,877
Downtown Census		30,000 ^{1,2}	-	-		30,000
Public Realm Improvements		200,000 ²	-	-	-	200,000
Seward Ave Non-Motorized Facility		56,730 ²	2,974	2,974	18,268	38,462
Snowmelt System Repairs / Investigation		532,574 ²	-	-	382,575	149,999
Urban Recreation Plan		326,496 ²	303	303	51,799	274,697
Wayfinding System Improvements		310,000 ²	-	-	-	310,000
Livability - Local Tax Supported Sub-Total	18.45%	\$ 1,866,800	\$ 3,277	\$ 3,277	\$ 563,765	\$ 1,303,035
Division Ave Task Force Implemntn		5,000 ^{1,3}	-	-		5,000
Downtown Safety Ambassadors		300,000 ^{1,3}	24,600	24,600		275,400
Educational Partnerships Initiatives		10,000 ^{1,3}	-	-		10,000
Project and Fixed Asset Maintenance		100,000 ^{1,3}	2,215	2,215		97,785
Recreational Walk / Tour Signage		40,000 ³	-	-	-	40,000
Riverwalk Maintenance		60,000 ^{1,3}	-	-		60,000
Stakeholder Engagement Program		5,000 ^{1,3}	225	225		4,775
Street Trees Maintenance Program		5,000 ^{1,3}	-	-		5,000
Transportation Demand Mgmt Prog		92,500 ^{1,3}	1,612	1,612		90,888
Winter Avenue Building Lease		2,500 ^{1,3}	-	-		2,500
Livability - Non-Tax Supported Sub-Total	6.13%	\$ 620,000	\$ 28,652	\$ 28,652		\$ 591,348
Bridge Lighting Operations		10,000 ^{1,3}	-	-		10,000
DGRI Event Production		45,000 ^{1,3}	23,823	23,823		21,177
Diversity/Inclusion Programming		10,000 ^{1,3}	-	-		10,000
Downtown Marketing		225,000 ^{1,3}	1,500	1,500		223,500
Downtown Workforce Program		15,000 ^{1,3}	-	-		15,000
Go-Site Visitor Center at GRAM		30,000 ^{1,3}	-	-		30,000
Holiday Décor Program		60,000 ^{1,3}	-	-		60,000
Major Event Sponsorship		82,000 ^{1,3}	-	-		82,000
Public Space Activation		30,000 ^{1,3}	-	-		30,000
Rosa Parks Circle Skating Operations		42,000 ^{1,3}	-	-		42,000
Special Events - Grants		50,000 ^{1,3}	11,697	11,697		38,303
Special Events - Office of		100,000 ^{1,3}	-	-		100,000
Special Events - Training Program		5,000 ^{1,3}	-	-		5,000
State of Dntn Event & Annual Reports		22,500 ^{1,3}	150	150		22,350
Ticketed Events - Police Services		80,000 ^{1,3}	5,339	5,339		74,661
Wayfinding Sign Maintenance		- ^{1,3}	3,991	3,991		(3,991)
Vibrancy Support Sub-Total	7.97%	\$ 806,500	\$ 46,500	\$ 46,500		\$ 760,000
Experience - Miscellaneous		100,000 ^{1,3}	2,125	2,125		97,875
Monroe Ave Phase 3 Services		- ^{1,3}	22	22		(22)
Misc - Non-Tax Supported Sub-Total	0.99%	\$ 100,000	\$ 2,147	\$ 2,147		\$ 97,853
TOTAL	100.00%	\$ 10,119,044	\$ 498,641	\$ 498,641		\$ 6,820,073

Note 1: Current year (FY2015) budget only.

Note 2: Paid from local tax increment.

Note 3: Paid from non-tax funds.

STATEMENT D
DOWNTOWN DEVELOPMENT AUTHORITY
Schedule of Expenditures
July and August, 2014

Source	Vendor	Purpose / Project	Description	Amount
Local	HP3 LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	\$ 277,244.10
Local	Paychex	Administration	DGRI payroll, taxes, 401(k) - August, 2014	63,076.51
Local	Paychex	Administration	DGRI payroll, taxes, 401(k) - July, 2014	62,049.37
Local	Two West Fulton LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	32,983.35
Local	Health Park Central LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	32,224.01
Local	Interface Studio, LLC	Downtown Plan	DDA services - June 2014 ACCRUED TO FY2014	30,981.88
Local	Interface Studio, LLC	Downtown Plan	DDA share of services - July 2014	25,685.33
Non Tax	Block by Block	Downtown Safety Ambassadors	Monthly services - July 2014	23,567.85
Local	DBD Properties, LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	20,211.50
Non Tax	Grand Rapids Art Museum	Experience - Miscellaneous	Partial support ACCRUED TO FY2014	13,500.00
Non Tax	Susan G. Komen West Michigan	Special Events - Grants	Partial event support	7,683.20
Local	Priority Health	Administration	Health insurance - July 1-September 30, 2014	7,594.16
Local	O'Boyle Cowell Blalock & Assoc	Monroe Center-Phase 3 / Monument Park	Reconstruction work through 03/31/2014	6,723.60
Local	City Treasurer - Budget Office	Administration	Support services allocation - July, 2014	6,265.12
Local	City Treasurer - Budget Office	Administration	Support services allocation - August, 2014	6,265.08
Local	City Treasurer - Parking Services	DASH North Shuttle Services	Shuttle lease - June 2014	6,250.00
Non Tax	Aerostars, Inc.	DGRI Event Production	Fly-over performance - Movies in the Park	6,000.00
Non Tax	LiveSpace	DGRI Event Production	World Cup Soccer broadcast at Ah-Nab-Awen Park	5,907.50
Local	100 Commerce Development, LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	5,646.98
Local	Nagel Construction Inc	Jefferson Avenue - Cherry St to Fulton St	Services - 11/01-04/30/14 ACCRUED TO FY2014	5,611.12
Local	Dickinson Wright PLLC	Administration	Legal services - sale of lot 1 May 2014	5,041.40
Local	Dickinson Wright PLLC	Administration	Legal services - share of TIF legislation May 2014	4,713.71
Local	City of Grand Rapids	Administration	Staff services - August, 2014	4,260.43
Local	Federal Square Building	Administration	Share of July, 2014 office lease	4,184.10
Local	Federal Square Building	Administration	Share of August, 2014 office lease	4,184.10
Local	Federal Square Building	Administration	Share of September, 2014 office lease	4,184.10
Non Tax	Larry Merkel dba Alpine Trailer	DGRI Event Production	Trailer for hauling - Movies in the Park	3,809.98
Local	Fishbeck, Thompson, Carr & Huber	Monroe Center-Phase 3 / Monument Park	Professional services through 06/30/2014	3,667.35
Local	Dickinson Wright PLLC	Downtown Plan	Legal services - Interface agreement May 2014	3,152.81
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - June 2014	3,013.97
Non Tax	Williams & Works	Wayfinding Sign Maintenance	Professional services - July 2014	3,011.02
Non Tax	Meijer State Games of Michigan	Special Events - Grants	Support for Urban Downhill Skateboard Event	2,814.06
Local	Michigan Dept of Transportation	Seward Ave Non-Motorized Facility	Local progress payment - July 2014	2,415.55
Non Tax	City Treasurer - Police Department	Ticketed Events - Police Services	Pedestrian safety - July 2014	2,324.88
Local	Dickinson Wright PLLC	Administration	Legal services - share of TIF legislation June 2014	2,299.68
Non Tax	Friends of Grand Rapids Parks	Experience - Miscellaneous	Group facilitation - special event application process	2,125.00
Local	Dickinson Wright PLLC	Administration	Legal services - Civic Theater areaway May 2014	1,729.00
Non Tax	Valley City Sign	Project and Fixed Asset Maintenance	Install DGRI logo prints on downtown trash cans	1,530.00
Non Tax	Grand Rapids Public Schools	Downtown Marketing	Advertisement in "We are GR" - August 2014	1,500.00
Local	68 Commerce LLC	Development Project Reimbursements	Summer 2014 tax increment reimbursement	1,438.69
Local	City of Grand Rapids	Administration	Staff services - July, 2014	1,364.71
Local	Fifth Third Bank - Procurement Card	Administration	K. Larson - professional development	1,347.68
Non Tax	Priority Health	Transportation Demand Mnmt Prog	Health insurance - July 1-September 30, 2014	1,252.37
Local	HUB International Midwest Limited	Administration	Share of D&O policy for August 2014-July 2015	1,251.92
Local	MI Blendz, LLC	Building Re-use Incentive Program (BRIP)	Partial support - 15 Ionia Ave. SW	1,250.00
Non Tax	Dwelling Place	Special Events - Grants	"First Fridays" event sponsorship	1,199.73
Non Tax	DK Security	DGRI Event Production	Movies in the Park security - 7/25, 8/8, & 8/22/2014	1,116.00
Local	City Treasurer - Risk Management	Administration	General insurance - July, 2014	1,072.00
Local	City Treasurer - Risk Management	Administration	General insurance - August, 2014	1,068.00
Local	Katerberg Verhage Inc.	Monroe Center-Phase 3 / Monument Park	Reconstruction work - 07/01-07/29/2014	1,050.00
Non Tax	Hark Up Music	DGRI Event Production	Movies in the Park entertainment	1,000.00
Local	Dickinson Wright PLLC	Administration	Legal services - misc matters June 2014	982.80
Non Tax	Williams & Works	Wayfinding Sign Maintenance	Wayfinding/parking sign maintenance May 2014	979.84
Non Tax	Kerkstra Portable Restroom Svc, Inc	DGRI Event Production	Movies in the Park portable restrooms 7/11/14	960.00
Non Tax	Kerkstra Portable Restroom Svc, Inc	DGRI Event Production	Movies in the Park portable restrooms 7/25/14	960.00
Non Tax	Kerkstra Portable Restroom Svc, Inc	DGRI Event Production	Movies in the Park portable restrooms 6/6/14	960.00
Local	Wondergem Consulting	Administration	Share of public relations - 07/01-07/15/2014	817.79

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STATEMENT D - continued
DOWNTOWN DEVELOPMENT AUTHORITY
Schedule of Expenditures
July and August, 2014

Page 2

Source	Vendor	Purpose / Project	Description	Amount
<i>continued from previous page</i>				
Non Tax	Creative Studio Promotions	Downtown Safety Ambassadors	Safety ambassador stickers - August 2014	\$ 778.00
Local	City Treasurer - Parking Services	Administration	Parking - DGRI staff- July, 2014	753.00
Local	City Treasurer - Parking Services	Administration	Parking - DGRI staff- August, 2014	753.00
Non Tax	Kerkstra Portable Restroom Svc, Inc	DGRI Event Production	World Cup Soccer broadcast - portable restrooms	720.00
Local	Applied Imaging	Administration	B/W & color copies - 04/15-07/14/2014	717.55
Non Tax	City Treasurer - Water & Sewer	Project and Fixed Asset Maintenance	Wealthy St roundabout irrigation - January-July 2014	685.70
Local	Dickinson Wright PLLC	Administration	Legal services - misc matters May 2014	564.20
Local	Soil and Materials Engineers, Inc.	Seward Ave Non-Motorized Facility	Concrete/asphalt testing - 05/26-06/30/2014	545.98
Local	Fusion IT	Administration	Share of MS laptop hard drive replacement - 7/2014	540.81
Local	Owen-Ames-Kimball	Development Project Reimbursements	Summer 2014 tax increment reimbursement	536.96
Non Tax	Adam Bird Photography	DGRI Event Production	World Cup Soccer - photography services	490.00
Local	Fifth Third Bank - Procurement Card	Administration	Share of DGRI staff development	404.44
Non Tax	Kathy Lamar	DGRI Event Production	Kathy Lamar - entertainment Movies in the Park	400.00
Local	American Planning Association	Administration	Share of K. Larson - APA dues - 10/01/14-09/30/15	378.47
Local	The Employers' Association	Administration	Share of TEA annual dues - July 2014-June 2015	359.92
Local	Dickinson Wright PLLC	Administration	Legal services - Arena Place project May 2014	345.80
Local	Eric Pratt	Administration	Travel reimb - MDA meeting 07/31-08/01/2014	340.93
Local	Professional Maint of Michigan Inc	Administration	Share of janitorial services - July 2014	335.26
Local	Dickinson Wright PLLC	Administration	Legal services - M & B FOIA requests - May 2014	327.60
Local	Fifth Third Bank - Procurement Card	Urban Recreation Plan	Chess board signage	303.28
Non Tax	Adam Bird Photography	DGRI Event Production	Movies in the Park photography services	300.00
Non Tax	Adrian Butler	DGRI Event Production	Movies in the Park - DJ services	300.00
Non Tax	Elite Security Services Inc	DGRI Event Production	Movies in the Park security 07/11/14	300.00
Non Tax	Cellco Partnership dba Verizon	Transportation Demand Mnmt Prog	B. Kirk cellphone svc/equip - 07/02-08/01/2014	294.67
Local	Dickinson Wright PLLC	Administration	Legal services - share of DGRI corresp May 2014	270.13
Local	Federal Square Building	Administration	Share of 29 Pearl NW electricity - 08/07/2014	259.68
Non Tax	Fifth Third Bank - Procurement Card	DGRI Event Production	Movies in the Park supplies	258.79
Local	Staples Advantage	Administration	Share of office supplies	250.16
Local	U.S. Bank NA	MMBA 2009A Bonds - Van Andel Arena	Annual paying agent fee	250.00
Local	Fifth Third Bank - Procurement Card	Administration	Share of SurveyMonkey subscription	222.63
Non Tax	Fifth Third Bank - Procurement Card	Administration	K. Larson - working lunch meetings	218.81
Local	Staples Advantage	Administration	Share of office supplies	208.09
Local	Paychex	Administration	Payroll processing fees - August, 2014	202.87
Local	TDS Metrocom LLC	Administration	Share of 29 Pearl NW telephone service - June 2014	185.79
Local	TDS Metrocom LLC	Administration	Share of 29 Pearl NW telephone service - July 2014	185.65
Local	Fusion IT	Administration	Share of services - remote monitoring/svcs Aug 2014	178.11
Local	Cellco Partnership dba Verizon	Administration	Share of staff cellphone svc/equip 06/02-07/01/2014	177.71
Local	Great America Financial Services	Administration	Share of Ricoh copier system lease - August 2014	176.84
Local	Kevin P. Murphy	Administration	Share of repainted storage room DGRI office	175.61
Local	Cellco Partnership dba Verizon	Administration	Share of staff cellphone svc/equip 07/02-08/01/2014	173.69
Non Tax	Swift Printing & Communications	DGRI Event Production	Movies in the Park poster prints	173.18
Local	PCS Gophers	Administration	Interoffice and mail service	157.03
Local	Fusion IT	Administration	IT services - antivirus add-on July 2014	153.26
Non Tax	Fifth Third Bank - Procurement Card	State of Dntn Event & Annual Reports	State of the Downtown supplies	149.94
Local	Dickinson Wright PLLC	Administration	Legal services - exchange Areas 1 and 5 June 2014	145.60
Non Tax	Swift Printing & Communications	State of Downtown Event & Annual Reports	Welcome poster & map ACCRUED TO FY2014	138.71
Local	Paychex	Administration	HRS processing fees - July, 2014	135.00
Local	Paychex	Administration	HRS processing fees - August, 2014	135.00
Local	Paychex	Administration	Payroll processing fees - July, 2014	132.90
Local	Great America Financial Services	Administration	Share of Ricoh copier system lease - July 2014	131.22
Non Tax	City Treasurer - Parking Services	Downtown Safety Ambassadors	Melvin Eledge parking card - July 2014	127.00
Non Tax	City Treasurer - Parking Services	Downtown Safety Ambassadors	Melvin Eledge parking card - August 2014	127.00
Non Tax	Swift Printing & Communications	Stakeholder Engagement Program	Alliance poster print	125.00
Local	Fusion IT	Administration	Share of e-mail repair - July 2014	123.38
Local	Staples Advantage	Administration	Share of office supplies	120.57
Local	Fusion ICS LLC	Administration	Share of phone system user / repair January 2014	105.75
Non Tax	Fifth Third Bank - Procurement Card	Stakeholder Engagement Program	Condolence gift card - downtown stakeholder	100.00
Local	Professional Maint of Michigan Inc	Administration	Share of event clean-up June 2014	95.79
Local	Comcast	Administration	Share of 29 Pearl NW high speed internet - July 2014	95.68
Local	Comcast	Administration	Share of 29 Pearl NW high speed internet - June 2014	76.54
Local	Michigan Downtown Association	Administration	E. Pratt - professional development	75.00
Non Tax	Staples Advantage	DGRI Event Production	Event supplies	65.54

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STATEMENT D - continued
DOWNTOWN DEVELOPMENT AUTHORITY
Schedule of Expenditures
July and August, 2014

Page 3

Source	Vendor	Purpose / Project	Description	Amount
<i>continued from previous page</i>				
Non Tax	Cellco Partnership dba Verizon	Transportation Demand Mgmt Prog	B Kirk cellphone svc/equip - 06/02-07/01/2014	\$ 64.73
Local	Engineered Protection Systems Inc	Administration	Share of 29 Pearl security svcs - 08/01-10/31/14	57.47
Local	Dickinson Wright PLLC	Administration	Legal services - Morton House agreement May 2014	54.60
Local	Dickinson Wright PLLC	Administration	Legal services - sale of Area 5 May 2014	54.60
Non Tax	Staples Advantage	DGRI Event Production	Movies in the Park supplies	44.63
Local	JPMorganChase	Administration	Payroll account bank fees - August, 2014	37.70
Local	JPMorganChase	Administration	Payroll account bank fees - July, 2014	37.12
Local	Staples Advantage	Administration	Share of office supplies	36.90
Local	Staples Advantage	Administration	Share of office supplies	33.93
Local	Staples Advantage	Administration	Share of office supplies	30.01
Non Tax	Staples Advantage	DGRI Event Production	State of the Downtown supplies	29.99
Local	Fifth Third Bank - Procurement Card	Administration	Office supplies	29.66
Local	Model Coverall Service	Administration	Share of floor mats - 29 Pearl NW - 07/23/2014	23.31
Local	Model Coverall Service	Administration	Share of floor mats - 29 Pearl NW - 07/09/2014	23.31
Non Tax	Consumers Energy	Monroe Ave Phase 3 Services	Monroe Center Ph 3 - electricity - 06/26-07/24/2014	22.61
Non Tax	Staples Advantage	DGRI Event Production	Various events supplies	21.29
Local	Staples Advantage	Administration	Share of office supplies	14.68
Local	Fishbeck, Thompson, Carr & Huber	Seward Ave Non-Motorized Facility	Professional services through 06/30/2014	11.98
Local	Marco Riolo LLC	Administration	Share of office supplies	8.62
Local	Staples Advantage	Administration	Share of office supplies	8.30
Non Tax	Staples Advantage	DGRI Event Production	Movies in the Park supplies	5.98
Local	Adams Remco	Administration	Share of copier usage at City Hall	5.08
Local	Adams Remco	Administration	Share of copier usage at City Hall	0.60
JULY AND AUGUST, 2014 EXPENDITURES				\$ 743,719.65

Local - local tax increment funds

Non-tax - non-tax funds

Debt - school tax increment funds

MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: September 5, 2014

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP
Executive Director 

Agenda Item 4
September 10, 2014
DDA Meeting

SUBJECT: Amending the Lease Agreement with the City of Grand Rapids

In September of 2013, Downtown Grand Rapids Inc. (DGRI) launched its Downtown Ambassador program (The Program) as a means of providing an elevated hospitality amenity, providing direct on-street social service assistance, interacting with stakeholders, and assisting in public safety efforts. Similar to a community-based policing model, the Downtown Ambassadors spend 99% of their time within the public realm proactively interacting with stakeholders and seeking to meet the evolving needs of Downtown.

With the launch of the Program, DGRI entered into a six-month lease with the City of Grand Rapids via the Parking Services department for a very small space that functions as a deployment hub. That lease included a single six-month renewal option. The space is located in the Monroe Center parking ramp, and serves as an operational headquarters for shift briefings, provides a restroom facility that doubles as an area for changing into and out of uniforms, accommodates equipment storage, and offers a small office for the Program's Operations Manager. The space has no visible street presence and is accessed only from within the ground floor of the parking ramp.

The amended lease agreement would extend the lease term to a month-to-month basis with a modest rental rate increase of 3% for the extended occupancy period. As the Program matures into its second year, DGRI staff are working with the Program's Operations Manager to determine the optimal location based upon various considerations that include but are not limited to service needs, deployment efficiencies, and the relative impact that a deployment hub may have on areas most in need of service.

The attached, amended lease terms have been developed in concert with the City's Parking Services Department and were drafted by the DDA's legal counsel. The agreement must also be approved by the Grand Rapids City Commission.

Recommendation: Approve the amended lease terms as described in the attached resolution and agreement.

FIRST AMENDMENT TO SUBLEASE AGREEMENT

THIS FIRST AMENDMENT TO SUBLEASE AGREEMENT is made and executed as of this 15th day of September, 2014 (the "First Amendment"), between the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City"), and the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, a Michigan statutory authority created by the City pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (the "DDA").

RECITALS

A. The City and the DDA have previously entered into a Sublease Agreement dated as of September 15, 2013 (the "Sublease Agreement"), which Sublease Agreement was consented to by the City of Grand Rapids Building Authority (the "Building Authority") as required by a Contract of Lease dated as of October 1, 2001, between the Building Authority and the City.

B. Pursuant to the terms of the Sublease Agreement, the City agreed to lease to the DDA and the DDA agreed to lease from the City the Leased Premises (as defined in the Sublease Agreement) for use as an office and dispatch center for the DDA's safety ambassador program.

C. The term of the Sublease Agreement including a six month renewal option exercised by the DDA expires at 12:00 a.m. on September 15, 2014, and the City and DDA have agreed to extend the term of the Sublease Agreement for up to another twelve months with an increase in the rent of 3%.

NOW, THEREFORE, in consideration of the terms and conditions contained in this First Amendment and the benefits to be mutually derived therefore, receipt and sufficiency of which are mutually acknowledged, the City and DDA agree as follows:

Section 1. Extension of Term of Sublease Agreement. The term of the Sublease Agreement shall be extended an additional year from 12:01 a.m. on September 15, 2014, to 12:00 a.m. on September 14, 2015 (the "Extension Term"), *provided, however*, the DDA may terminate the Sublease Agreement at any time during the Extension Term upon thirty days prior written notice for the City.

Section 2. Rent for the Extension Term. The DDA shall pay an amount equal to \$7,238.84 payable in equal monthly installments of \$603.24 (the "Rent") prorated for any partial month and upon any early termination by the DDA pursuant to Section 1 of this First Amendment. Rent shall be payable for the first partial calendar month of the Extended Term on or before the first day of the Extended Term and thereafter in advance on the first business day of each calendar month during the Extended Term.

Section 3. Ratification. Except as amended by this First Amendment, the Sublease Agreement is hereby ratified and confirmed.

IN WITNESS OF WHICH, the City and the DDA have executed this First Amendment as of the date first indicated above.

CITY OF GRAND RAPIDS

By: _____
George K. Heartwell, Mayor

Attest: _____
Darlene O'Neal, City Clerk

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

By: _____
Brian Harris, Chairperson

**The City of Grand Rapids Building
Authority** approves this First Amendment
to Sublease Agreement between the City
of Grand Rapids and the City of Grand
Rapids Downtown Development Authority.

By: _____
Eric R. DeLong, Chairperson

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF FIRST AMENDMENT TO SUBLEASE
AGREEMENT WITH THE CITY OF GRAND RAPIDS
RELATED TO LEASED SPACE FOR THE SAFETY
AMBASSADOR PROGRAM**

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

WHEREAS the City of Grand Rapids (the “City”) and the City of Grand Rapids Downtown Development Authority (the “DDA”) previously entered into a Sublease Agreement dated as of September 15, 2013 (the “Sublease Agreement”), for the lease by the DDA of certain space in the Monroe Center Parking Ramp for use as an office and dispatch center for the safety ambassador program; and

WHEREAS, the term of the Sublease Agreement expires on September 14, 2014, and the City and DDA have agreed to extend the term for up to an additional twelve additional months (subject to termination by the DDA at any time upon 30 days advance written notice) at an adjusted 3% increase in rent pursuant to a First Amendment to Sublease Agreement (the “First Amendment”).

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the First Amendment in the form presented at this meeting and as approved by DDA legal counsel as to form is approved and the Chairperson of the DDA Board of Directors is authorized and directed to execute the approved First Amendment for and on behalf of the DDA.

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

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: September 10, 2014

Mary Sierawski
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary 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 meeting held on September 10, 2014, 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: September 10, 2014

Mary Sierawski
Recording Secretary

MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

Agenda Item 5
September 10, 2014
DDA Meeting

DATE: September 5, 2014

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP 
Executive Director

SUBJECT: Amending the Agreement with the Downtown Market

In January of 2012, the Downtown Development Authority entered into ground lease (The Agreement) with Grand Rapids Downtown Market (GRDM) that outlined the various elements of the relationship between the DDA and GRDM. The agreement included specifics about the land-lease relationship, operational guidelines for GRDM that outlined acceptable uses within the market, debt service responsibilities and priorities, and requirements to maintain taxable property status, among other details. The agreement was first amended in March of 2013 to add more clarity regarding the Agreement's non-disturbance language and provide specific provisions designed to enhance the on-going partnership between the DDA and GRDM.

The process of developing the Agreement followed years of various memorandums of understanding (MOUs) between the DDA, GRDM, and other partners such as the Grand Rapids Brownfield Authority. In drafting the MOUs, the contribution and support that the DDA could offer GRDM evolved, as the Downtown Market project was both complicated and without many local analogs. Following this iterative partnership evolution, it was determined that the preferred method of participation for the DDA in the Downtown Market project would be assembling the land, providing the land to GRDM in a long-term land lease, and contributing to the debt service for the improved Ionia St. streetscape project. In consideration of the significant contributions of the DDA, the GRDM agreed to maintain the taxable classification of the property such that the DDA would have some tax increment to use to offset the land acquisition costs and \$75,000 annual debt service towards the bonds issued via the Brownfield Authority used to rebuild Ionia Street.

While the amount on annual debt service can be estimated with a high level of accuracy and certainty, the taxable value of the Downtown Market, when finished, was less certain. As plans for the new Market were developed, financial estimates began to emerge based on assumptions of new increment that would be captured by the DDA. The attached Agreement amendments would effectively recalibrate the placeholder figure (\$42,000) that appears in section 6.07 the original agreement to reflect current projections of minimum taxes (\$29,000) to be captured by the DDA.

The attached, amended lease terms have been developed in concert with the GRDM and were drafted by the DDA's legal counsel.

Recommendation: Approve the amended Agreement terms as described in the attached resolution and agreement.

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

THIS DEVELOPMENT AND REIMBURSEMENT AGREEMENT (the “Agreement”) is made as of September 2, 2014, between the **CITY OF GRAND RAPIDS BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate (the “Authority”), whose address is 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503 and **GRAND RAPIDS DOWNTOWN MARKET, INC.**, a Michigan nonprofit corporation (“GRDM”), whose address is 435 Ionia Avenue, S.W., Grand Rapids, Michigan 49503 and **GRAND RAPIDS DOWNTOWN MARKET HOLDINGS, LLC**, a Michigan limited liability company (“Holdings”), whose address is 435 Ionia Avenue, S.W. Grand Rapids, Michigan 49503.

RECITALS

A. The Authority was created by the City of Grand Rapids (the “City”) pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended (“Act 381”) and, pursuant to Act 381, the Authority has prepared a Brownfield Plan which was duly approved by the City Commission of the City (the “Brownfield Plan”).

B. The City of Grand Rapids Downtown Development Authority (the “DDA”) was created by the City pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”).

C. The Authority, the DDA and the Grand Action Committee (“Grand Action”) entered into a Memorandum of Understanding Related to Urban Market Land dated as of September 14, 2011 (the “MOU”) related to the collaborative development, financing and construction of an urban market including multi-vendor space for fresh food markets with both a year-round indoor component and space for an outdoor farmers’ market (the “Project”) to be located on two parcels of property at 435 Ionia Avenue S.W. and 109 Logan Street, S.W. at the northwest corner of Ionia Avenue, S.W., and Logan Street, S.W., in the City which have been combined into one parcel consisting of approximately 3.5 acres and legally described on the attached Exhibit A (the “Property”) and which is included in the Brownfield Plan as a “facility” as defined in Act 381.

D. Included in the MOU is the requirement of the DDA to lease the Property for the location of the Project for 99 years for \$1.00 (the “Lease Terms”) and the agreement of the Authority to issue tax increment bonds pursuant to Act 381 in an amount not to exceed \$2,325,000 (the “Bonds”), the proceeds of which are to be used to pay for certain public infrastructure improvements related to the Project that constitute “eligible activities” as defined in Act 381. The MOU describes the terms of the Bonds and how annual debt service on the Bonds is to be paid, including the agreement of the DDA to make an annual \$75,000 payment to the Authority to be applied towards the annual debt service on the Bonds (the “DDA Annual Payment”) as well as the reimbursement of “eligible activities” incurred by Holdings and related to the Project. Further, the MOU approves the assignment by Grand Action of its interest in the MOU to Holdings.

E. The DDA and Holdings, as successor to GRDM pursuant to an Assignment of Lease effective as of May 23, 2013, between GRDM and Holdings, entered into a Ground Lease dated as of January 1, 2012 (the "Lease"), leasing the Property to GRDM for the Project according to the Lease Terms; which Lease further describes in Section 6.07 how annual debt service on the Bonds is to be paid.

F. The Authority and the DDA entered into a Payment and Repayment Agreement dated April 12, 2012 (the "P & R Agreement"), related to the priority of the use of tax increment revenues, as defined in Act 381, realized from the Project (the "Authority Tax Increment Revenues"). The P & R Agreement together with the MOU and the Lease provides that Authority Tax Increment Revenues received by the Authority during any annual period (the "Authority Annual Tax Increment Revenues"), beginning with the annual period commencing July 1, 2012, and ending June 30, 2013, and continuing for each similar annual period thereafter while the Bonds (or any bonds used to refund the Bonds) are outstanding, shall only be used in accordance with the following priority:

I. First, to pay, when the principal of and/or interest on the Bonds become due during such annual period after receipt and application of the DDA Annual Payment.

II. Second, to pay the annual administrative fee equal to 10% of such Authority Annual Tax Increment Revenues (the "Administrative Costs") up to the maximum amount allowed annually for administrative costs under Act 381 for all Authority projects.

III. Third, to the extent that DDA tax increment revenues, as defined in Act 197 related to the Project (the "DDA Tax Increment Revenues") received during such annual period is not at least equal to \$29,000 the difference between \$29,000 and the DDA Tax Increment Revenues received (the "Annual Difference Amount"), to pay the DDA, if GRDM has elected not to reimburse the DDA the Annual Difference Amount during such annual period plus interest at the rate of 3.514% per annum, such Annual Difference Amount and said interest all as provided in Section 6.07 of the Lease.

IV. Fourth, if during an annual period, after applying the DDA Annual Payment and the Authority Annual Tax Increment Revenues after deduction of Administrative Costs, there is a shortfall in the amount to pay annual debt service due in such annual period (the "Annual Shortfall Amount"), and the DDA has paid such Annual Shortfall Amount to the Authority because GRDM has elected not to pay such Annual Shortfall Amount plus interest at the rate of 3.514% per annum, to pay such Annual Shortfall Amount plus applicable interest as provided in Section 6.07 of the Lease.

V. Fifth, to reimburse Holdings and GRDM for "eligible activities" meeting the requirements of Act 381 and payable in accordance with the provisions of this Agreement (the "Holdings Eligible Costs").

VI. Sixth, to fund a local site remediation revolving fund (the "Revolving Fund") as provided in and in accordance with Act 381.

The priority items identified as I, II, III and IV above, including any accumulated unpaid amount including, where applicable, interest due and unpaid with respect to an item, are collectively referred to as the “Prior Priority Items.”

G. The Authority issued the Bonds entitled the “City of Grand Rapids Brownfield Redevelopment Authority Tax Increment Bonds, Series 2012A” on June 12, 2012, in the principal amount of \$2,325,000 and the proceeds thereof have been used to pay for the cost of “eligible activities” as defined in Act 381 related to the Project. The principal and interest on the Bonds shall be payable in the amounts as provided on the attached Exhibit B (the “Bond Payments”).

H. The Project has been completed by Holdings and GRDM and included (i) baseline environmental assessment, (ii) due care and additional response, (iii) demolition including lead and asbestos abatement, (iv) site preparation and (v) infrastructure improvements (the “Improvements”) at total Holdings Eligible Costs of \$902,765, all as described in the Revised Amendment to the City of Grand Rapids Brownfield Redevelopment Authority Brownfield Plan for the Grand Rapids Urban Market Holdings, LLC Project approved by the Authority Board on August 18, 2011 (the “Brownfield Revised Amendment”), attached as Exhibit C. The Project and the Improvements have had the effect and will continue to have the effect of assisting in the redevelopment and reuse of the Property, increasing employment within the City, increasing the tax base within the City and otherwise enhancing the economic viability and quality of life in the City.

I. Subject to the Michigan Economic Growth Authority (“MEGA”) and Michigan Department of Environmental Quality (“MDEQ”) approval of a work plan as defined in Act 381 for the Project (the “Work Plan”), which approval has been obtained, with respect to the state education tax and taxes levied for school operating purposes (the “Educational Taxes”), Act 381 permits the Authority to capture and use the Authority Tax Increment Revenues to reimburse Holdings and GRDM for Holdings Eligible Costs.

J. By undertaking the Improvements, Holdings and GRDM incurred the Holdings Eligible Costs and the costs of preparing the Revised Brownfield Amendment and the Work Plan and its review by MEGA and MDEQ of \$18,176 (the “Work Plan Costs”), all as identified in the Revised Brownfield Amendment.

K. The Authority has incurred and will incur certain Administrative Costs associated with the Revised Brownfield Amendment for which it is seeking reimbursement from the Authority Tax Increment Revenues other than Educational Taxes (the “Local Authority Tax Increment Revenues”).

L. Following payment of all principal and interest payments due on the Bonds and payment and/or reimbursement of all amounts due the Authority, the DDA and Holdings and GRDM from applicable Authority Tax Increment Revenues, Authority Tax Increment Revenues will be deposited in the Revolving Fund in accordance with the provisions of Act 381, *provided, however*, that pursuant to Section 13(5) of Act 381, such deposits shall be made only 5 years

after the time the Authority Tax Increment Revenues are required to reimburse GRDM Eligible Costs and Work Plan Costs.

M. The Authority, Holdings and GRDM are entering into this Agreement to establish the procedures for such funding and reimbursement.

TERMS AND CONDITIONS

1. Capture of Taxes. During the term of this Agreement, the Authority shall capture Authority Tax Increment Revenues realized from the Project and Property and use those Authority Tax Increment Revenues as permitted by Act 381 and as provided in this Agreement, the MOU, the Lease and the P & R Agreement.

2. Submission of Holdings and GRDM Costs. For those Holdings Eligible Costs and Work Plan Costs for which GRDM seeks reimbursement from the Authority, GRDM shall submit to the Authority on or before 90 days after execution of this Agreement by the parties hereto:

- (1) a written statement detailing the costs;
- (2) a written explanation as to why they are Holdings Eligible Costs or Work Plan Costs;
- (3) for those costs which have been approved by MEGA and MDEQ for use of Educational Taxes, references to any applicable portions of the Work Plan as approved by MEGA and MDEQ as expenses eligible for payment from Educational Taxes;
- (4) copies of invoices from contractors, engineers or others who provided such services, or, for Holdings' or GRDM's personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals; and
- (5) all other information which may be required by the Michigan Strategic Fund (as successor to MEGA), MDEQ or the Authority or their respective auditors.

3. Payments.

(a) After the Authority Annual Tax Increment Revenues received by the Authority during any annual period have been used to fully satisfy the Prior Priority Items, any remaining Authority Annual Tax Increment Revenues shall be used to reimburse Holdings and GRDM for Holdings Eligible Costs and Work Plan Costs provided such Costs have not otherwise been paid for from a non-repayable grants provided for the project, *provided, however*, if Holdings or GRDM has not paid professional fees and costs (legal, environmental, etc.) incurred by the Authority related

to Holdings' or GRDM's request to use Authority Tax Increment Revenues to reimburse either of them for Holdings Eligible Costs and Work Plan Costs (the "Professional Fees and Costs"), the Authority is authorized to pay such costs from Authority Annual Tax Increment Revenues before such Authority Annual Tax Increment Revenues are used to reimburse Holdings or GRDM. The amount of Authority Annual Tax Increment Revenues used to pay such costs shall be subtracted from total Holdings Eligible Costs and Holdings or GRDM shall not be entitled to reimbursement of such amount. The Authority shall have no obligation to reimburse Holdings or GRDM for Holdings Eligible Costs or Work Plan Costs from Authority Tax Increment Revenues captured and received by the Authority after December 31, 2043. The amount of taxes levied as Educational Taxes that will be used to reimburse the Holdings Eligible Costs of implementing eligible activities at the Property and Work Plan Costs will be limited to the Holdings Eligible Costs of eligible activities and Work Plan Costs approved by MDEQ or MEGA. The Authority may permit all Local Authority Tax Increment Revenues to be used to pay or reimburse all costs approved by the Authority hereunder, regardless of whether any particular cost item is approved by MDEQ or MEGA for payment of Educational Taxes, provided that such cost item is eligible for reimbursement under Act 381.

(b) Unless it disputes whether such costs are Holdings Eligible Costs or Work Plan Costs or the accuracy of such costs, the Authority shall, after approval of the Authority Board, pay to Holdings or GRDM the amounts for which submissions have been made pursuant to paragraph 2 of this Agreement, provided there are any remaining Authority Annual Tax Increment Revenues after the use of such Authority Annual Tax Increment Revenues to pay the Prior Priority Items and any Professional Fees and Costs (as provided in subparagraph (a) of this paragraph 3). Such payment, if any, shall be made annually to Holdings or GRDM after the June 1 debt service payment on the Bonds. If a partial payment is made by the Authority because of insufficient available Authority Annual Tax Increment Revenues, the Authority shall make additional payments toward the remaining amount from additional remaining Authority Annual Tax Increment Revenues it receives after payment of the Prior Priority Items and any additional Professional Fees and Costs until all of the amounts, for which submissions have been made, have been fully paid to Holdings or GRDM or to December 31, 2043, whichever occurs first.

4. Adjustments. If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason the Authority is required to reimburse any Authority Tax Increment Revenues to the City or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing Holdings or GRDM. If all amounts due Holdings or GRDM under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to Holdings or GRDM, the Authority shall invoice Holdings and GRDM for the amount of such reimbursement and Holdings or GRDM shall pay the Authority such invoiced amount within 30 days of Holdings' and GRDM's receipt of the invoice. Amounts invoiced and paid to the Authority by Holdings or GRDM pursuant to this paragraph shall be reinstated as Holdings Eligible Costs for which Holdings and GRDM shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement.

Nothing in this Agreement shall limit the right of Holdings or GRDM to appeal any tax assessment.

5. Completion of Project. The Project was substantially complete on December 31, 2013.

6. Interpretation. This Agreement shall not be amended or modified except in writing signed by the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

7. Assignment; Binding Effect. This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other party, which shall not be unreasonably withheld, *provided, however*, Holdings or GRDM may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority, *provided*, any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other individual or entity which (a) is owned or controlled by Holdings or GRDM, (b) owns or controls Holdings or GRDM or (c) is under common ownership or control with Holdings or GRDM. This Agreement shall be binding upon any successors or permitted assigns of the parties.

8. Term. This Agreement shall terminate the earlier of the date when all payments and reimbursements required under this Agreement have been made or December 31, 2043.

WHEREFORE, this Agreement has been executed as of the date first written above.

**CITY OF GRAND RAPIDS BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____
Terry Nicholas, Chairperson

**GRAND RAPIDS DOWNTOWN
MARKET, INC.**

By: _____
Mimi K. Fritz, President

**GRAND RAPIDS DOWNTOWN
MARKET HOLDINGS, LLC**

By: _____
Mimi K. Fritz, Manager

EXHIBIT A

IDENTIFICATION OF PROPERTY

Property Address: 435 Ionia Ave S.W.
Grand Rapids, Michigan

Tax Parcel No.: 41-13-36-227-018

Legal Description:

Part of McConnell's Addition, part of C.H. Taylor's Addition, part of Tanner's Addition, and part of the Northeast 1/4, Section 36, T7N, R12W, City of Grand Rapids, Kent County, Michigan, described as: Beginning at the Southeast corner of Lot 1, Block 2, Tanner's Addition (Liber 1 of Plats, Page 37), said point being the intersection of the West R.O.W. line of Ionia Avenue (66.0 feet wide) and the North R.O.W. line of Logan Street (66.0 feet wide); thence North $88^{\circ}44'07''$ West 278.00 feet along the North line of Logan Street to the Southwest corner of Lot 6, Block 2, Tanner's Addition; thence North $00^{\circ}17'00''$ West 60.00 feet along the West line of said Lot 6; thence North $88^{\circ}44'07''$ West 44.67 feet to the Easterly R.O.W. line of Highway US-131; thence North $02^{\circ}49'52''$ East 20.53 feet along said R.O.W. line; thence Northeasterly 59.47 feet along said R.O.W. line on a 3917.32 foot radius curve to the right, the chord of which bears North $16^{\circ}06'53''$ East 59.47 feet; thence North $16^{\circ}32'57''$ East 229.15 feet along said R.O.W. line; thence Northeasterly 240.75 feet along said R.O.W. line on a 2513.12 foot radius curve to the left, the chord of which bears North $13^{\circ}48'17''$ East 240.66 feet to the South R.O.W. line of Wealthy Street (66 feet wide, as platted); thence South $88^{\circ}44'09''$ East 180.95 feet along the South line of Wealthy Street to the Northeast corner of Lot 14, McConnell's Addition (Liber 36 of Plats, Page 18), said point being the intersection of the South R.O.W. line of Wealthy Street (66 feet wide, as platted) and the West R.O.W. line of Ionia Avenue (66 feet wide); thence South $00^{\circ}10'16''$ East 594.15 feet along the West line of Ionia Avenue to the Place of Beginning.

EXHIBIT B

PRINCIPAL AND INTEREST PAYMENTS ON BONDS

Date	Principal	Interest	Total Principal and Interest
06/12/2012	\$0	\$0	\$0
12/01/2012	0	35,941.84	35,941.84
06/01/2013	0	38,281.25	38,281.25
12/01/2013	0	38,281.25	38,281.25
06/01/2014	0	38,281.25	38,281.25
12/01/2014	0	38,281.25	38,281.25
06/01/2015	100,000	38,281.25	138,281.25
12/01/2015	0	37,281.25	37,281.25
06/01/2016	100,000	37,281.25	137,281.25
12/01/2016	0	36,281.25	36,281.25
06/01/2017	105,000	36,281.25	141,281.25
12/01/2017	0	35,231.25	35,231.25
06/01/2018	105,000	35,231.25	140,231.25
12/01/2018	0	34,181.25	34,181.25
06/01/2019	110,000	34,181.25	144,181.25
12/01/2019	0	32,531.25	32,531.25
06/01/2020	110,000	32,531.25	142,531.25
12/01/2020	0	30,881.25	30,881.25
06/01/2021	115,000	30,881.25	145,881.25
12/01/2021	0	29,156.25	29,156.25
06/01/2022	120,000	29,156.25	149,156.25
12/01/2022	0	26,756.25	26,756.25
06/01/2023	125,000	26,756.25	151,756.25
12/01/2023	0	24,256.25	24,256.25
06/01/2024	130,000	24,256.25	154,256.25
12/01/2024	0	21,981.25	21,981.25
06/01/2025	135,000	21,981.25	156,981.25
12/01/2025	0	19,618.75	19,618.75
06/01/2026	135,000	19,618.75	154,618.75
12/01/2026	0	17,256.25	17,256.25
06/01/2027	140,000	17,256.25	157,256.25
12/01/2027	0	14,718.75	14,718.75
06/01/2028	145,000	14,718.75	159,718.75
12/01/2028	0	12,090.63	12,090.63
06/01/2029	155,000	12,090.63	167,090.63
12/01/2029	0	9,281.25	9,281.25
06/01/2030	160,000	9,281.25	169,281.25
12/01/2030	0	6,281.25	6,281.25
06/01/2031	165,000	6,281.25	171,281.25
12/01/2031	0	3,187.50	3,187.50
06/01/2032	170,000	3,187.50	173,187.50
Total	\$2,325,000	\$1,009,291.85	\$3,334,291.85

EXHIBIT C

REVISED AMENDMENT TO THE CITY OF GRAND RAPIDS BROWNFIELD REDEVELOPMENT AUTHORITY BROWNFIELD PLAN FOR GRAND RAPIDS URBAN MARKET HOLDINGS, LLC

August 18, 2011

Summary of Project

A brownfield plan was originally approved on November 10, 2010 for the renovation by Grand Rapids Urban Market Holdings, LLC ("Holdings") of warehouse buildings located at 435 Ionia Ave SW and 109 Logan St. SW, Grand Rapids, Michigan (the "Property") into an urban market including multi-vendor space for fresh food markets with both a year-round, indoor component and space for an outdoor seasonal farmer's market as well as restaurants and other food services, educational facilities, food processing and production facilities (such as a kitchen incubator), a rooftop greenhouse and possibly other mixed-use components such as crafts, retail shops, residential units, offices, etc. (the "Project"). Holdings now plans to demolish the existing buildings and construct a new building to be used for the same purposes. The Project will remove several old, derelict buildings on a contaminated site in the downtown area and will construct a new building. The Project will create new permanent jobs as well as a significant number of construction jobs. The initial anticipated investment is approximately \$30 million.

Basis of Eligibility

The Property is contaminated with volatile organic compounds associated with gasoline, polynuclear aromatic hydrocarbons, and metals in the soil and groundwater in excess of generic residential Part 201 cleanup criteria, thus making the Property an "eligible property" as defined in Part 201 of the Natural Resources and Environmental Protection Act ("NREPA"). A summary of the environmental conditions from the Baseline Environmental Site Assessment prepared by NTH Consultants, Ltd. dated January 31, 2008 is attached as Exhibit D.

Required Elements of Brownfield Plan

1. A description of costs intended to be paid for with tax increment revenues. (MCLA 125.2663(1)(a))

Holdings will seek brownfield tax increment revenues for eligible expenses from county taxes, excluding taxes to pay debt service, community college taxes, excluding taxes to pay debt service, school operating taxes and state education tax millage for eligible activities at the Property to finance the cost of demolition, site preparation, public infrastructure improvements and MDEQ and MEGA work plan preparation as well as preparation and development of this brownfield plan revised amendment totaling \$5,332,151*.

* Represents reimbursement to Holdings for eligible costs at an estimated \$3,270,530 and payment of \$2,061,621 estimated debt service on Authority bonds to be issued in the principal amount of \$2,325,000 to pay for other eligible costs (the Grand Rapids Downtown Development Authority will pay an additional \$1,500,000 of the debt service on such bonds).

Table 1 below presents estimated costs of eligible activities of the project which qualify for reimbursement from brownfield tax increment revenues.

<u>Table 1 – Eligible Activities</u> Task	Cost Estimate for Holdings	Cost Estimate for City
1. Baseline environmental assessment activities	\$ 10,000	\$ 0
2. Site Preparation	\$ 673,000	\$ 0
3. Demolition	\$ 509,000	\$ 0
4. Lead or asbestos abatement	\$ 110,000	\$ 0
5. Infrastructure improvements	\$ 856,200	\$ 4,725,000
6. Due care/additional response activities	\$ 664,000	\$ 0
Sub-total	\$ 2,822,200	\$ 4,725,000
7. Contingencies (15%)	\$ 423,330	\$ 0
8. Preparation and development of brownfield plan and MDEQ and MEGA work plans	\$ 20,000	\$ 0
9. MDEQ and MEGA work plan review	\$ 5,000	\$ 0
TOTAL	\$ 3,270,530	\$ 4,725,000
TOTAL PROJECT ELIGIBLE ACTIVITIES	\$ 7,995,530	

*Includes public water and sanitary sewer public infrastructure costs at an estimated cost of \$2,400,000 to be funded from the City of Grand Rapids water and sanitary sewer enterprise funds and for which reimbursement from brownfield tax increment revenues will not be sought. Brownfield tax increment revenues will be used to pay debt service in the estimated amount of \$2,061,621 on Authority bonds issued in the principal amount of \$2,325,000 for eligible costs. Additional debt service on such bonds will be paid by the Grand Rapids Downtown Development Authority in the amount of \$1,500,000.

2. A brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(b))

"Eligible activities" are defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. In addition, in qualified local governmental units such as the City of Grand Rapids, the Act includes the following additional activities under the definition of "eligible activities": (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not a response activity under Part 201 of NREPA.

The cost of eligible activities, including site design and engineering for said eligible activities, is estimated in Table 1 above and includes the following:

- a. Baseline environmental assessment activities. Baseline environmental assessment activities will be conducted on the Property.
- b. Site Preparation. Various site preparation activities will be required including construction staking, clearing, rough and final grading/land balancing, excavation of footings, removal of existing retaining walls and foundations, soil disposal, dewatering, alternative green storm water management, etc.
- c. Demolition. The existing buildings will be demolished to prepare the site for its new use. In addition, certain existing site improvements will be required to be removed prior to redevelopment.
- d. Lead or asbestos abatement. Due to the age of the buildings, lead or asbestos may be encountered and will need to be properly removed and disposed of from the Property.
- e. Infrastructure Improvements. Infrastructure improvements will be made in connection with the project within the public right-of-way, including grading, storm water system, curbs, drive approaches, sidewalks, pavers, site furnishings, landscaping, snow melt system, streetscape improvements made by the City, which include the following: brick Ionia Ave S.W. (Buckley St. S.W. to Wealthy St. S.W.) and Logan Street S.W. (Division Ave. S.W. to Ionia Ave. S.W.), McConnell Street S.W. (Division Ave. S.W. to Ionia Ave. S.W.) repaving, ornamental lighting, burial of electric line and replacement of water and sanitary sewer lines in the streets referenced above.
- f. Due Care/Additional Response Activities. Holdings will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and to take reasonable precautions against reasonably foreseeable actions or omissions of third parties. To satisfy this requirement, a due care plan will be prepared and contaminated soil will be removed as necessary.
- g. Contingency. A 15% contingency factor is included to accommodate unexpected conditions during the course of the project.
- h. Brownfield Plan Preparation and Development. Costs incurred to prepare and develop this brownfield plan and proposed work plan, as required per Act 381 of 1996, as amended.
- i. MDEQ and MEGA Work Plan Review. Administrative review fees associated with work plan review.

3. An estimate of the captured taxable value and tax increment revenues for each year of the Plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of the brownfield property tax capture for tax increment financing is attached as Exhibit B.

4. The method by which the costs of the Plan will be financed, including a description of any advances made or anticipated to be made for the costs of the Plan from the City. (MCLA 125.2663(1)(d))

Costs of Plan will be financed by Holdings except a portion of the public infrastructure work will be paid for through a bond issue of the Authority, the City of Grand Rapids ("City") or DDA and will be paid through reimbursement from the available tax increment from brownfield and DDA TIF capture. Tax increment revenues will be used first to repay principal and interest on the bond with any remaining available capture being used to reimburse Holdings for their eligible activities. The bond will be used to cover the costs outlined above (see 2e. above). The City will use water and sewer funds to cover the cost of the water and sanitary sewer improvements that are estimated to be \$2.4 million. In addition, the DDA will contribute an additional \$150,000 from its funds for improvements that are not covered by the bond issue. A projected repayment schedule is attached as Exhibit B.

5. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(e))

The Authority will issue bonds for a portion of the Project (i.e. street improvements). The estimated principal amount of such bonds may be up to \$2.325 million.

6. The duration of the Plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f))

The estimated duration of this brownfield plan is 32 years. It is estimated that the project will be completed in one and a half years and that it could take up to 30 years following the beginning date of tax increment capture. Therefore, the first year of tax increment capture will be 2013 and the Plan will remain in place until all eligible investment is completed and all eligible activities are reimbursed, but in no event will the Plan exceed the maximum duration provided for in (MCLA 125.2663(1)(f)). In addition, funds may be captured for up to five years (if available) to fund the local site remediation revolving fund.

7. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the Property is located. (MCLA 125.2663(1)(g))

An estimate of the real property tax capture is attached as Exhibit B.

8. A legal description of each parcel of eligible property to which the Plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(h))

- a. See legal description at Exhibit A.
- b. See location and site map at Exhibit C.
- c. Characteristics of Property: The buildings on the eligible property were constructed over time beginning as early as 1937 and have historically been used for produce and other warehouse purposes.
- d. Personal Property: Personal property is included as part of the eligible property.

9. An estimate of the number of persons residing on each eligible property to which the Plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(i))

There are no persons residing on this Property and, therefore, no families or individuals will be displaced.

10. A plan for establishing priority for the relocation of persons displaced by implementation of the Plan, if applicable. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site as there are no persons residing on this Property.

11. Provision for the costs of relocating persons displaced by implementation of the Plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site as there are no persons residing on this Property.

12. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(l))

This Section is inapplicable to this site as there are no persons residing on this Property.

13. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

The revolving fund is not anticipated to be used for the project but may be used for expenses allowed under Act 381 for other brownfield projects within the City.

14. Other material that the Authority or the City Commission considers pertinent. (MCLA 125.2663(1)(n))

This project will remove old buildings in the downtown area and will construct a new building which is expected to create a dynamic downtown place to attract diverse residents and visitors, strengthen and celebrate the City's local food system, catalyze redevelopment in the area, provide opportunities to independent entrepreneurs, promote healthy lifestyles and create a model of sustainable development. The project is expected to add 200 new jobs and increase the City's tax base.

Michigan Business Tax Credit

The project has already applied for and received a Michigan Business Tax ("MBT") credit for the project equal to 20% of its eligible investment pursuant to Act 36 of the Public Acts of Michigan of 2007. Holdings anticipates to begin the eligible investment in Fall 2011 and be completed in Spring 2013.

5491359-3

Exhibit A

Property Description

Property Address: 435 Ionia Ave SW
Grand Rapids, Michigan

Tax Parcel No.: 41-13-36-227-015

Legal Description:

Part of McConnell's Addition, part of C.H. Taylor's Addition, part of Tanner's Addition, and part of the Northeast 1/4, Section 36, T7N, R12W, City of Grand Rapids, Kent County, Michigan, described as: Beginning at the Northeast corner of Lot 14, McConnell's Addition (Liber 36 of Plats, Page 18), said point being the intersection of the South R.O.W. line of Wealthy Street (66 feet wide, as platted) and the West R.O.W. line of Ionia Avenue (66 feet wide); thence South 00° 10' 16" East 594.15 feet along the West line of Ionia Avenue to the Southeast corner of Lot 1, Block 2, Tanner's Addition (Liber 1 of Plats, Page 37), said point being the intersection of the West R.O.W. line of Ionia Avenue (66 feet wide) and the North R.O.W. line Logan Street (66.0 feet wide); thence North 88° 44' 07" West 144.80 feet along the North line of Logan Street; thence North 03° 54' 28" West 64.12 feet; thence North 14° 46' 28" West 70.79 feet; thence South 88° 44' 07" East 17.84 feet along the South line of C.H. Taylor's Addition (Liber 2 of Plats, Page 47); thence North 14° 35' 20" West 129.00 feet; thence North 06° 47' 59" West 24.33 feet; thence North 88° 58' 53" West 16.93 feet; thence Northerly 54.08 feet along a 279.50 foot radius curve to the right, the chord of which bears North 01° 02' 53" East 54.00 feet; thence North 88° 56' 07" West 7.58 feet; thence South 23° 21' 53" West 58.37 feet; thence South 16° 18' 53" West 153.23 feet; thence North 88° 44' 07" West 32.72 feet along the South line of C.H. Taylor's Addition to the Easterly R.O.W. line of Highway US-131; thence Northeasterly 6.25 feet along said R.O.W. line on a 3917.32 foot radius curve to the right, the chord of which bears North 16° 30' 14" East 6.25 feet; thence North 16° 32' 57" East 229.15 feet along said R.O.W. line; thence Northeasterly 240.75 feet along said R.O.W. line on a 2513.12 foot radius curve to the left, the chord of which bears North 13° 48' 17" East 240.66 feet to the South R.O.W. line of Wealthy Street (66 feet wide as platted); thence South 88° 44' 09" East 180.95 feet along the South line of Wealthy Street to the Place of Beginning.

Property Address: 109 Logan St. SW
Grand Rapids, Michigan

Tax Parcel No.: 41-13-36-227-017 (formerly 41-13-36-227-013, 41-13-36-227-006, 41-13-36-227-005)

Legal Description:

Part of C.H. Taylor's Addition, part of Tanner's Addition, and part of the Northeast 1/4, Section 36, T7N, R12W, City of Grand Rapids, Kent County, Michigan, described as: Commencing at the Southeast corner of Lot 1, Block 2, Tanner's Addition (Liber 1 of Plats, Page 37), said point being the intersection of the West R.O.W. line of Ionia Avenue (66 feet wide) and the North R.O.W. line of Logan Street (66.0 feet wide); thence North 88° 44' 07" West 144.80 feet along the North line of Logan Street to the Place of Beginning of this description; thence North 88° 44' 07" West 133.20 feet along the North line of Logan Street to the Southwest corner of Lot 6, Block 2, Tanner's Addition; thence North 00° 17' 00" West 60.00 feet along the West line of said Lot 6; thence North 88° 44' 07" West 44.67 feet to the Easterly R.O.W. line of Highway US-131; thence North 02° 49' 52" East 20.53 feet along said R.O.W. line; thence Northeasterly 53.22 feet along said R.O.W. line on a 3917.32 foot radius curve to the right, the chord of which bears North 16° 04' 08" East 53.22 feet; thence South 88° 44' 07" East 32.72 feet along the South line of C.H. Taylor's Addition (Liber 2 of Plats, Page 47); thence North 16° 18' 53" East 153.23 feet; thence North 23° 21' 53" East 58.37 feet; thence South 88° 56' 07" East 7.58 feet; thence Southerly 54.08 feet along a 279.50 foot radius curve to the left, the chord of which bears South 01° 02' 53" West 54.00 feet; thence South 88° 58' 53" East 16.93 feet; thence South 06° 47' 59" East 24.33 feet; thence South 14° 35' 20" East 129.00 feet; thence North 88° 44' 07" West 17.84 feet along the South line of C.H. Taylor's Addition; thence South 14° 46' 28" East 70.79 feet thence South 03° 54' 28" East 64.12 feet to the Place of Beginning.

Exhibit B

TIF Table

Grand Rapids Urban Market



TIF Capture Charts

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current Taxable Value	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846
Taxable Value after Improvement	\$ 17,846	4,851,200	4,875,456	4,899,833	4,924,332	4,948,954	4,973,699	4,998,567	5,023,560	5,048,678
Total Capturable Taxable Value	\$ -	\$ 4,833,354	\$ 4,857,610	\$ 4,881,987	\$ 4,906,486	\$ 4,931,108	\$ 4,955,853	\$ 4,980,721	\$ 5,005,714	\$ 5,030,832
Total Capture Brownfield	\$ -	\$ 173,376	\$ 174,247	\$ 175,121	\$ 176,000	\$ 176,883	\$ 177,771	\$ 178,662	\$ 179,559	\$ 180,460

City Administration Fee

City Admin Fee (10% Local Only)	\$ -	\$ 17,338	\$ 17,425	\$ 17,512	\$ 17,600	\$ 17,688	\$ 17,777	\$ 17,866	\$ 17,956	\$ 18,046
Cumulative City Admin Fee	\$ -	\$ 17,338	\$ 34,763	\$ 52,275	\$ 69,875	\$ 87,563	\$ 105,340	\$ 123,206	\$ 141,162	\$ 159,208
Total Local Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Revolving Fund (Local Only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Payment DDA (Local)	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Cumulative Payment DDA (Local)	\$ 75,000	\$ 150,000	\$ 225,000	\$ 300,000	\$ 375,000	\$ 450,000	\$ 525,000	\$ 600,000	\$ 675,000	\$ 750,000

Total Available for Reimbursement	\$ 75,000	\$ 231,038	\$ 231,822	\$ 232,609	\$ 233,400	\$ 234,195	\$ 234,994	\$ 235,796	\$ 236,603	\$ 237,414
Cumulative Available for Reimbursement	\$ 75,000	\$ 306,038	\$ 537,860	\$ 770,469	\$ 1,003,869	\$ 1,238,064	\$ 1,473,058	\$ 1,708,854	\$ 1,945,457	\$ 2,182,871

Local Brownfield TIF/DDA Reimbursement

Principal Payment (Local)	\$ 75,000	\$ 115,038	\$ 115,239	\$ 115,441	\$ 115,644	\$ 115,848	\$ 116,054	\$ 116,259	\$ 116,466	\$ 116,674
State TIF Reimbursement	\$ -	\$ 116,000	\$ 116,583	\$ 117,168	\$ 117,756	\$ 118,347	\$ 118,940	\$ 119,537	\$ 120,137	\$ 120,740

Eligible Activity Bond Reimbursement*

Eligible Activity Bond Payment*	\$ 3,561,621	\$ 3,485,641	\$ 3,394,465	\$ 3,203,288	\$ 3,013,842	\$ 2,826,335	\$ 2,636,089	\$ 2,448,593	\$ 2,259,248	\$ 2,068,565
Eligible Activity Bond Balance Due*	\$ 75,980	\$ 91,177	\$ 191,177	\$ 189,447	\$ 187,507	\$ 190,247	\$ 187,496	\$ 189,346	\$ 190,686	\$ 186,554
Eligible Activity Bond Balance Due*	\$ 3,485,641	\$ 3,394,465	\$ 3,203,288	\$ 3,013,842	\$ 2,826,335	\$ 2,636,089	\$ 2,448,593	\$ 2,259,248	\$ 2,068,565	\$ 1,882,011
Developer TIF Reimbursement	\$ 3,269,631	\$ 3,269,631	\$ 3,129,770	\$ 3,089,124	\$ 3,045,962	\$ 3,000,068	\$ 2,956,120	\$ 2,908,621	\$ 2,862,171	\$ 2,816,250
Developer TIF Payment	\$ -	\$ 139,862	\$ 40,646	\$ 43,163	\$ 45,894	\$ 43,949	\$ 47,499	\$ 46,451	\$ 45,921	\$ 50,860
Balance Due After TIF Payment	\$ 3,269,631	\$ 3,129,770	\$ 3,089,124	\$ 3,045,962	\$ 3,000,068	\$ 2,956,120	\$ 2,908,621	\$ 2,862,171	\$ 2,816,250	\$ 2,765,390

MDEQ Reimbursement

Local Reimbursement	\$ 788,249	\$ 777,518	\$ 744,461	\$ 711,292	\$ 678,010	\$ 644,615	\$ 611,106	\$ 577,483	\$ 543,745	\$ 509,892
State Reimbursement	\$ 10,731	\$ 16,480	\$ 16,488	\$ 16,517	\$ 16,546	\$ 16,576	\$ 16,605	\$ 16,634	\$ 16,664	\$ 16,694
Total Reimbursement	\$ -	\$ 16,597	\$ 16,681	\$ 16,764	\$ 16,849	\$ 16,933	\$ 17,018	\$ 17,103	\$ 17,189	\$ 17,276
Balance	\$ 10,731	\$ 33,057	\$ 33,169	\$ 33,282	\$ 33,395	\$ 33,509	\$ 33,623	\$ 33,738	\$ 33,853	\$ 33,969
Balance	\$ 777,518	\$ 744,461	\$ 711,292	\$ 678,010	\$ 644,615	\$ 611,106	\$ 577,483	\$ 543,745	\$ 509,892	\$ 475,923

MEGA Reimbursement

Local Reimbursement	\$ 4,720,882	\$ 4,656,613	\$ 4,458,632	\$ 4,259,979	\$ 4,060,652	\$ 3,860,647	\$ 3,659,961	\$ 3,458,590	\$ 3,256,532	\$ 3,053,782
State Reimbursement	\$ 64,269	\$ 98,578	\$ 98,761	\$ 98,924	\$ 99,098	\$ 99,272	\$ 99,449	\$ 99,625	\$ 99,802	\$ 99,980
Total Reimbursement	\$ -	\$ 99,403	\$ 99,902	\$ 100,404	\$ 100,907	\$ 101,414	\$ 101,922	\$ 102,434	\$ 102,948	\$ 103,464
Balance	\$ 64,269	\$ 197,981	\$ 198,653	\$ 199,327	\$ 200,005	\$ 200,686	\$ 201,371	\$ 202,058	\$ 202,750	\$ 203,445
Balance	\$ 4,656,613	\$ 4,458,632	\$ 4,259,979	\$ 4,060,652	\$ 3,860,647	\$ 3,659,961	\$ 3,458,590	\$ 3,256,532	\$ 3,053,782	\$ 2,850,337

*Bond includes Payment for City Infrastructure Improvements totaling \$2,239,500

Prepared by: Michael Wright
8/16/2011

Grand Rapids Urban Market



TIF Capture Charts

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Taxable Value	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846
Taxable Value after Improvement	5,073,921	5,099,291	5,124,787	5,150,411	5,176,163	5,202,044	5,228,054	5,254,194	5,280,465	5,306,867
Total Capturable Taxable Value	\$5,056,075	\$5,081,445	\$5,106,941	\$5,132,565	\$5,158,317	\$5,184,198	\$5,210,208	\$5,236,348	\$5,262,619	\$5,289,021
Total Capture Brownfield	\$ 181,366	\$ 182,276	\$ 183,191	\$ 184,108	\$ 185,032	\$ 185,962	\$ 186,893	\$ 187,832	\$ 188,775	\$ 189,722

City Administration Fee

City Admin Fee (10% Local Only)	\$ 18,137	\$ 18,228	\$ 18,319	\$ 18,411	\$ 18,503	\$ 18,596	\$ 18,689	\$ 18,783	\$ 18,878	\$ 18,972
Cumulative City Admin Fee	\$ 177,345	\$ 195,573	\$ 213,892	\$ 232,303	\$ 250,806	\$ 269,402	\$ 288,091	\$ 306,874	\$ 325,752	\$ 344,724
Total Local Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Revolving Fund (Local Only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Payment DDA (Local)	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Cumulative Payment DDA (Local)	\$ 825,000	\$ 900,000	\$ 975,000	\$ 1,050,000	\$ 1,125,000	\$ 1,200,000	\$ 1,275,000	\$ 1,350,000	\$ 1,425,000	\$ 1,500,000
Total Available for Reimbursement	\$ 238,229	\$ 239,048	\$ 239,872	\$ 240,697	\$ 241,529	\$ 242,366	\$ 243,204	\$ 244,049	\$ 244,897	\$ 245,750
Cumulative Available for Reimbursement	\$ 2,421,100	\$ 2,660,148	\$ 2,900,020	\$ 3,140,717	\$ 3,382,246	\$ 3,624,612	\$ 3,867,816	\$ 4,111,865	\$ 4,356,762	\$ 4,602,512

Local Brownfield TIF/DDA Reimbursement

Principal Payment (Local)	\$ 116,884	\$ 117,093	\$ 117,305	\$ 117,516	\$ 117,729	\$ 117,945	\$ 118,159	\$ 118,377	\$ 118,594	\$ 118,814
State TIF Reimbursement	\$ 121,345	\$ 121,955	\$ 122,567	\$ 123,181	\$ 123,800	\$ 124,421	\$ 125,045	\$ 125,672	\$ 126,303	\$ 126,936

Eligible Activity Bond Reimbursement*

Eligible Activity Bond Payment*	\$ 187,219	\$ 187,443	\$ 187,678	\$ 187,913	\$ 188,147	\$ 188,382	\$ 188,617	\$ 188,852	\$ 189,087	\$ 189,322
Eligible Activity Bond Balance Due*	\$ 1,694,793	\$ 1,507,350	\$ 1,320,095	\$ 1,133,417	\$ 942,693	\$ 753,493	\$ 566,179	\$ 376,118	\$ 188,928	\$ -
Developer TIF Reimbursement	\$ 2,765,390	\$ 2,714,380	\$ 2,662,774	\$ 2,610,157	\$ 2,556,138	\$ 2,505,334	\$ 2,452,167	\$ 2,396,278	\$ 2,342,289	\$ 2,284,582
Developer TIF Payment	\$ 51,011	\$ 51,606	\$ 52,217	\$ 52,834	\$ 53,457	\$ 54,085	\$ 54,718	\$ 55,356	\$ 55,999	\$ 56,647
Balance Due After TIF Payment	\$ 2,714,380	\$ 2,662,774	\$ 2,610,157	\$ 2,556,138	\$ 2,505,334	\$ 2,452,167	\$ 2,396,278	\$ 2,342,289	\$ 2,284,582	\$ 2,227,760

MDEQ Reimbursement

Local Reimbursement	\$ 475,923	\$ 441,837	\$ 407,634	\$ 373,313	\$ 338,874	\$ 304,316	\$ 269,638	\$ 234,840	\$ 199,921	\$ 164,881
State Reimbursement	\$ 16,724	\$ 16,754	\$ 16,784	\$ 16,814	\$ 16,845	\$ 16,876	\$ 16,906	\$ 16,937	\$ 16,968	\$ 17,000
Total Reimbursement	\$ 17,362	\$ 17,449	\$ 17,537	\$ 17,625	\$ 17,713	\$ 17,802	\$ 17,891	\$ 17,981	\$ 18,071	\$ 18,162
Balance	\$ 34,086	\$ 34,203	\$ 34,321	\$ 34,439	\$ 34,558	\$ 34,678	\$ 34,798	\$ 34,919	\$ 35,040	\$ 35,162

MEGA Reimbursement

Local Reimbursement	\$ 2,850,337	\$ 2,646,194	\$ 2,441,349	\$ 2,235,798	\$ 2,029,540	\$ 1,822,569	\$ 1,614,881	\$ 1,406,475	\$ 1,197,345	\$ 987,488
State Reimbursement	\$ 100,160	\$ 100,339	\$ 100,521	\$ 100,702	\$ 100,884	\$ 101,069	\$ 101,253	\$ 101,440	\$ 101,626	\$ 101,814
Total Reimbursement	\$ 103,983	\$ 104,506	\$ 105,030	\$ 105,556	\$ 106,087	\$ 106,619	\$ 107,154	\$ 107,691	\$ 108,232	\$ 108,774
Balance	\$ 204,143	\$ 204,845	\$ 205,551	\$ 206,258	\$ 206,971	\$ 207,688	\$ 208,406	\$ 209,130	\$ 209,857	\$ 210,588

*Bond includes Payment for City Infrastructure Improvements totaling \$2,239,500

Prepared by: Michael Wright
8/16/2011

Grand Rapids Urban Market



TIF Capture Charts

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Current Taxable Value	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846
Taxable Value after Improvement	5,333,401	5,360,068	5,386,868	5,413,802	5,440,871	5,468,075	5,495,415	5,522,892	5,550,506	5,578,259
Total Capturable Taxable Value	\$ 5,315,555	\$ 5,342,222	\$ 5,369,022	\$ 5,395,956	\$ 5,423,025	\$ 5,450,229	\$ 5,477,569	\$ 5,505,046	\$ 5,532,660	\$ 5,560,413
Total Capture Brownfield	\$ 190,673	\$ 191,630	\$ 192,591	\$ 193,557	\$ 194,527	\$ 195,504	\$ 196,484	\$ 197,470	\$ 198,461	\$ 199,456

City Administration Fee

City Admin Fee (10% Local Only)	\$ 19,067	\$ 19,163	\$ 19,259	\$ 19,356	\$ 19,453	\$ 19,550	\$ 19,648	\$ 19,747	\$ 19,846	\$ 19,946
Cumulative City Admin Fee	\$ 363,791	\$ 382,954	\$ 402,213	\$ 421,569	\$ 441,022	\$ 460,572	\$ 480,220	\$ 499,967	\$ 519,813	\$ 539,759
Total Local Revolving Fund										
Local Revolving Fund (Local Only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Revolving Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Payment DDA (Local)

Total Payment DDA (Local)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Cumulative Payment DDA (Local)

Cumulative Payment DDA (Local)	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$ -
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Total Available for Reimbursement

Total Available for Reimbursement	\$ 171,606	\$ 172,467	\$ 173,332	\$ 174,201	\$ 175,074	\$ 175,954	\$ 176,836	\$ 177,723	\$ 178,615	\$ 179,510
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Cumulative Available for Reimbursement

Cumulative Available for Reimbursement	\$4,774,118	\$4,946,585	\$5,119,917	\$5,294,118	\$5,469,192	\$5,645,146	\$5,821,982	\$5,999,705	\$6,178,320	\$6,357,830
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Local Brownfield TIF/DDA Reimbursement

Principal Payment (Local)	\$ 44,033	\$ 44,254	\$ 44,476	\$ 44,698	\$ 44,922	\$ 45,149	\$ 45,375	\$ 45,602	\$ 45,831	\$ 46,061
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State TIF Reimbursement

Principal Payment (State)	\$ 127,573	\$ 128,213	\$ 128,856	\$ 129,503	\$ 130,152	\$ 130,805	\$ 131,461	\$ 132,121	\$ 132,784	\$ 133,449
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Eligible Activity Bond Reimbursement*

Eligible Activity Bond Reimbursement*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Eligible Activity Bond Payment*

Eligible Activity Bond Payment*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Developer TIF Reimbursement

Developer TIF Reimbursement	\$2,227,760	\$2,056,154	\$1,883,687	\$1,710,355	\$1,536,154	\$1,361,080	\$1,185,126	\$1,008,290	\$830,567	\$651,952
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Developer TIF Payment

Developer TIF Payment	\$ 171,606	\$ 172,467	\$ 173,332	\$ 174,201	\$ 175,074	\$ 175,954	\$ 176,836	\$ 177,723	\$ 178,615	\$ 179,510
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Balance Due After TIF Payment

Balance Due After TIF Payment	\$2,056,154	\$1,883,687	\$1,710,355	\$1,536,154	\$1,361,080	\$1,185,126	\$1,008,290	\$830,567	\$651,952	\$472,442
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MDEQ Reimbursement

MDEQ Reimbursement	\$ 129,719	\$ 105,166	\$ 80,489	\$ 55,689	\$ 30,764	\$ 5,714	\$ -	\$ -	\$ -	\$ -
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Local Reimbursement

Local Reimbursement	\$ 6,300	\$ 6,332	\$ 6,364	\$ 6,395	\$ 6,427	\$ 2,441	\$ -	\$ -	\$ -	\$ -
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State Reimbursement

State Reimbursement	\$ 18,253	\$ 18,345	\$ 18,437	\$ 18,529	\$ 18,622	\$ 3,274	\$ -	\$ -	\$ -	\$ -
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Total Reimbursement

Total Reimbursement	\$ 24,553	\$ 24,677	\$ 24,800	\$ 24,925	\$ 25,050	\$ 5,714	\$ -	\$ -	\$ -	\$ -
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Balance

Balance	\$ 105,166	\$ 80,489	\$ 55,689	\$ 30,764	\$ 5,714	\$ -	\$ -	\$ -	\$ -	\$ -
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MEGA Reimbursement

MEGA Reimbursement	\$ 776,900	\$ 629,847	\$ 482,057	\$ 333,525	\$ 184,249	\$ 34,225	\$ -	\$ -	\$ -	\$ -
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Local Reimbursement

Local Reimbursement	\$ 37,733	\$ 37,922	\$ 38,112	\$ 38,303	\$ 38,495	\$ 14,619	\$ -	\$ -	\$ -	\$ -
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State Reimbursement

State Reimbursement	\$ 109,320	\$ 109,868	\$ 110,419	\$ 110,974	\$ 111,530	\$ 19,606	\$ -	\$ -	\$ -	\$ -
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Total Reimbursement

Total Reimbursement	\$ 147,053	\$ 147,790	\$ 148,532	\$ 149,276	\$ 150,024	\$ 34,225	\$ -	\$ -	\$ -	\$ -
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Balance

Balance	\$ 629,847	\$ 482,057	\$ 333,525	\$ 184,249	\$ 34,225	\$ -	\$ -	\$ -	\$ -	\$ -
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*Bond includes Payment for City Infrastructure Improvements totaling \$2,239,500

Prepared by: Michael Wright
8/16/2011

Grand Rapids Urban Market

TIF Capture Charts							
	2043	2044	2045	2046	2047	2048	
Current Taxable Value	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	
Taxable Value after Improvement	5,606,150	5,634,181	5,662,352	5,690,664	5,719,117	5,747,713	
Total Capturable Taxable Value	\$ 5,588,304	\$ 5,616,335	\$ 5,644,506	\$ 5,672,818	\$ 5,701,271	\$ 5,729,867	
Total Capture Brownfield	\$ 200,458	\$ 201,463	\$ 202,472	\$ 203,488	\$ 204,509	\$ 205,536	
City Administration Fee							
City Admin Fee (10% Local Only)	\$ 20,046						
Cumulative City Admin Fee	\$ 559,805	\$ 559,805	\$ 559,805	\$ 559,805	\$ 559,805	\$ 559,805	
Total Local Revolving Fund							
Local Revolving Fund (Local Only)	\$ -	\$ 66,671	\$ 67,004	\$ 67,340	\$ 67,678	\$ 68,019	
Cumulative Revolving Fund	\$ -	\$ 66,671	\$ 133,675	\$ 201,015	\$ 268,693	\$ 336,712	
Total Payment DDA (Local)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cumulative Payment DDA (Local)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Available for Reimbursement							
Cumulative Available for Reimbursement	\$ 6,538,242	\$ 6,538,242	\$ 6,538,242	\$ 6,538,242	\$ 6,538,242	\$ 6,538,242	
Local Brownfield TIF/DDA Reimbursement							
Principal Payment (Local)	\$ 46,293	\$ -	\$ -	\$ -	\$ -	\$ -	
State TIF Reimbursement							
Principal Payment (State)	\$ 134,119	\$ -	\$ -	\$ -	\$ -	\$ -	
Eligible Activity Bond Reimbursement*							
Eligible Activity Bond Payment*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Eligible Activity Bond Balance Due*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Developer TIF Reimbursement							
Developer TIF Payment	\$ 472,442	\$ 292,030	\$ 292,030	\$ 292,030	\$ 292,030	\$ 292,030	
Balance Due After TIF Payment	\$ 180,412	\$ -	\$ -	\$ -	\$ -	\$ -	
MDEQ Reimbursement							
Local Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MEGA Reimbursement							
Local Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

*Bond includes Payment for City Infrastructure Improvements totaling \$2,239,500

Prepared by: Michael Wright
8/16/2011

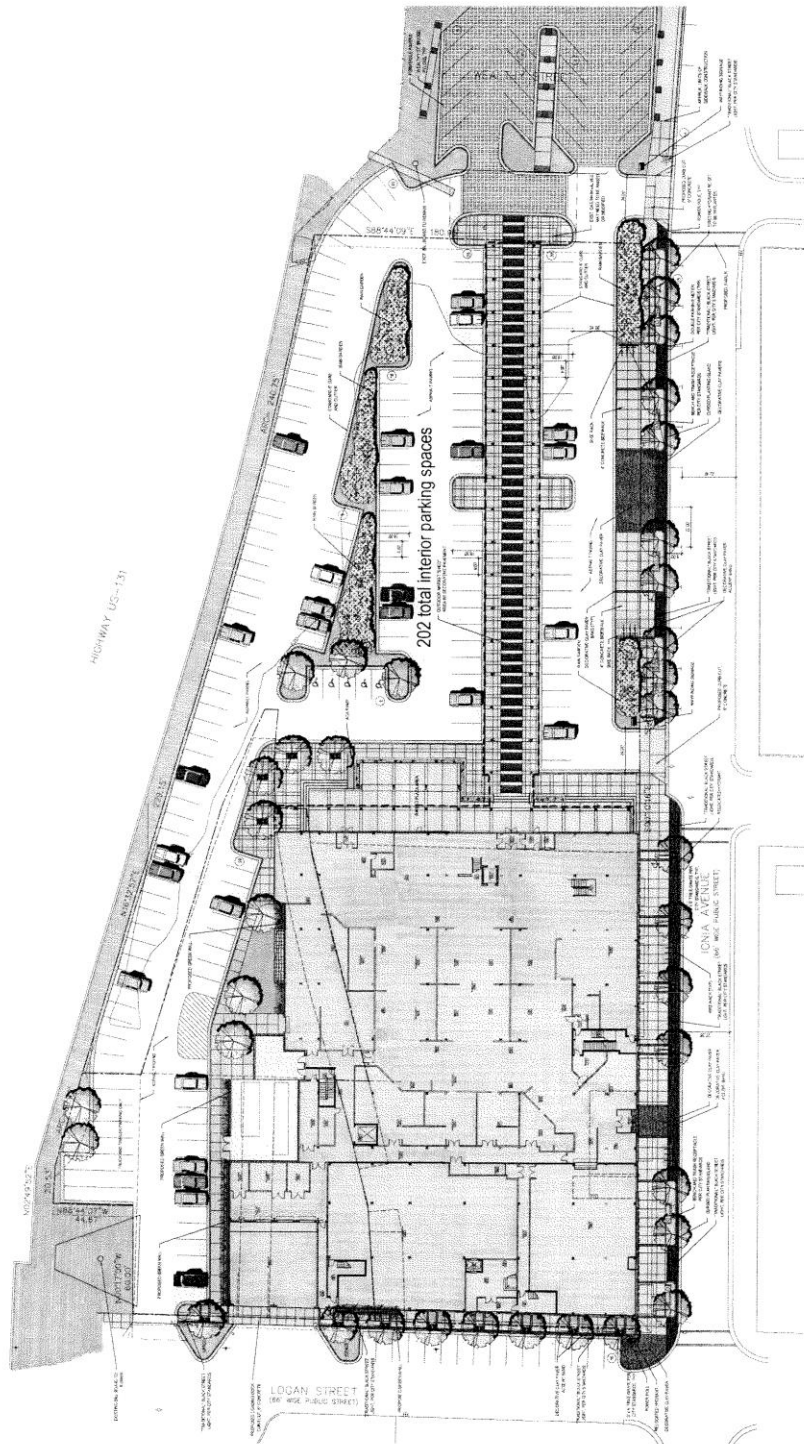


Grand Rapids Urban Market

TIF Capture Charts	Total
Current Taxable Value	
Taxable Value after Improvement	
Total Capturable Taxable Value	
Total Capture Brownfield	\$ 5,598,047 Total Capture
City Administration Fee	
City Admin Fee (10% Local Only)	\$ 559,805 Total City Admin Fee
Cumulative City Admin Fee	
Total Local Revolving Fund	
Local Revolving Fund (Local Only)	\$ 336,712 Total Revolving Fund Payment
Cumulative Revolving Fund	
Total Payment DDA (Local)	
Cumulative Payment DDA (Local)	\$ 1,500,000 Total DDA TIF Capture
Total Available for Reimbursement	
Cumulative Available for Reimbursement	\$ 6,538,242 Total Available for Reimbursement
Local Brownfield TIF/DDA Reimbursement	
Principal Payment (Local)	\$ 2,792,773 Total Payments from Local capture
State TIF Reimbursement	
Principal Payment (State)	\$ 3,745,469 Total Payments from State Capture
Eligible Activity Bond Reimbursement*	
Eligible Activity Bond Payment*	\$ 3,561,621 Total Payments for Bond
Eligible Activity Bond Balance Due*	
Developer TIF Reimbursement	
Developer TIF Payment	\$ 2,977,601 Total Developer Reimbursement
Balance Due After TIF Payment	
MDEQ Reimbursement	
Local Reimbursement	
State Reimbursement	
Total Reimbursement	\$ 788,249 Total MEDQ Reimbursement
Balance	
MEGA Reimbursement	
Local Reimbursement	
State Reimbursement	
Total Reimbursement	\$ 4,720,882 Total MEGA Reimbursement
Balance	
*Bond includes Payment for City Infrastructure Improvements totaling \$2,239,500	

Prepared by: Michael Wright
8/16/2011

Exhibit C
Site Rendering



Heidi A. Boyd
 ARCHITECTS
 Design+frch



Grand Rapids Urban Market
 SPI - Site Plan
 10061



8/5/2011
 2:17:37 PM

Exhibit D
Environmental Summary



Exhibit A

4.0 KNOWN CONTAMINATION

4.1 KNOWN HAZARDOUS SUBSTANCES PRESENT ON THE PROPERTY

The Phase II ESA study at the Site confirmed the presence of hazardous substances at concentrations above applicable Part 201 generic residential cleanup criteria in soil and groundwater samples. The following table lists the contaminants detected in soil that exceed generic residential cleanup criteria:

Parameter (CAS No.)	Part 201 Generic Residential Cleanup Criteria Exceeded	Samples Where Contaminant Was Detected	Maximum Concentration (ug/kg)
Benzene (71432)	DWP, GSIP, SVIIC	GP-1 (4-7) GP-2 (5-6)	4,700
Ethylbenzene (100414)	DWP, GSIP	GP-1 (4-7) GP-2 (5-6)	55,000
1,2,4-trimethylbenzene (95636)	DWP, GSIP	GP-1 (4-7) GP-2 (5-6)	92,000
1,3,5-trimethylbenzene (108678)	DWP, GSIP	GP-1 (4-7) GP-2 (5-6)	30,000
Xylenes (1330207)	DWP, GSIP	GP-1 (4-7) GP-2 (5-6)	135,100
Benzo[a]pyrene (50328)	DCC	GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	14,000
Dibenzo[a,h]anthracene (56564)	DCC	GP-8 (0-4) GP-10 (1-4)	3,000
Fluoranthene (206440)	GSIP, DCC	GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	1,100
Naphthalene (104518)	GSIP	GP-1 (4-7) GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	5,300
Phenanthrene (85018)	GSIP	GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	30,000



Arsenic (7440382)	DWP, DCC	GP-1 (1-4) GP-3 (0-3) GP-5 (1-4) GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	21,000
Chromium (7440473)	GSIP	GP-7 (3-4) GP-8 (0-4)	27,000
Copper (7440508)	GSIP	GP-8 (0-4)	710,000
Lead (7439921)	DWP, DCC	GP-8 (0-4)	850,000
Mercury (7439976)	GSIP	GP-1 (1-4) GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	1,500
Selenium (7782492)	GSIP	GP-1 (1-4) GP-3 (0-3) GP-5 (1-4) GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	1,300
Zinc (7440665)	GSIP	GP-8 (0-4) GP-9 (0-3) GP-10 (1-4)	890,000

GSIP = Groundwater / Surface Water Interface Criteria

DWP = Drinking Water Protection Criteria

DCC = Direct Contact Criteria

DWC = Drinking Water Criteria

GVIC = Groundwater Volatilization to Indoor Air Inhalation Criteria

The following table lists the contaminants detected in groundwater that exceed generic residential cleanup criteria:

Parameter (CAS No.)	Part 201 Generic Residential Cleanup Criteria Exceeded	Samples Where Contaminant Was Detected	Maximum Concentration (ug/L)
Copper (7440508)	DWC, GSI	GP-5 (GW)	26
Lead (7439921)	DWC	GP-5 (GW)	19

FIRST AMENDMENT TO PAYMENT AND REPAYMENT AGREEMENT

THIS FIRST AMENDMENT TO PAYMENT AND REPAYMENT AGREEMENT (the “First Amendment”) is made as of September 2, 2014, by and between the **CITY OF GRAND RAPIDS BROWNFIELD REDEVELOPMENT AUTHORITY**, (the “Authority”) and the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, (“GRDDA”).

RECITALS

A. The Authority and the GRDDA previously entered into a Payment and Repayment Agreement on April 12, 2012 (the “Agreement”), related to (i) the payment of debt service on bonds issued by the Authority related to Infrastructure Improvements (as identified in the Agreement) related to the Project (as identified in the Agreement) and (ii) the payment or reimbursement of other amounts as provided in the Agreement with Authority Tax Increment Revenues (as defined in the Agreement).

B. The Authority and Grand Rapids Downtown Market, Inc. and Grand Rapids Downtown Market Holdings, LLC have entered into a Development and Reimbursement Agreement dated as of September 2, 2014 (the “D and R Agreement”), related to the Project requiring that certain provisions of the Agreement be amended to conform with the provisions of the D and R Agreement.

NOW, THEREFORE, in consideration of the terms and conditions contained in this First Amendment and the benefits to be mutually derived therefrom, receipt and sufficiency of which are mutually acknowledged, the Authority and GRDDA agree as follows:

Section 1. Amendment to Section 2 of Agreement. Section 2 of the Agreement is amended in its entirety to read as follows:

Section 2. Payment of Debt Service Shortfall. In the event in any annual period the DDA Annual Payment plus the Authority Tax Increment Revenues realized from the Project in such annual period are insufficient to pay, when due, the debt service on such Bonds for such annual period and an additional amount required to be paid by the developer of the Project, Grand Rapids Downtown Market Holdings, LLC (“Holdings”), under a Ground Lease dated as of January 1, 2012, related to the Project between the GRDDA and Holdings, as assignee pursuant to an Assignment of Lease effective as of May 23, 2013, between Grand Rapids Downtown Market, Inc., as assignor, and Holdings, as assignee, as amended by a First Amendment to Ground Lease made as of September 2, 2014, between GRDDA and Holdings, to make up such shortfall that has not been timely paid to the Authority, the GRDDA will, upon request of the Authority,

advance an amount sufficient to make up the shortfall. Any advance shall be timely made by GRDDA to the Authority in order that principal of and interest on the Bonds may be paid when due.

Section 2. Amendment to Section 4 of Agreement. Subsection D of Section 4 of Agreement is amended in its entirety to read as follows:

D. Fourth to reimburse Grand Rapids Downtown Market, Inc. and Holdings for the cost of “eligible activities” they incurred.

Section 3. Ratification of Agreement. Except as otherwise provided in this First Amendment, the Agreement is hereby ratified and confirmed.

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

**CITY OF GRAND RAPIDS BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____
Terry Nicholas, Chairperson

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

By: _____
Brian Harris, Chairperson

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF FIRST AMENDMENT TO GROUND
LEASE WITH GRAND RAPIDS DOWNTOWN MARKET
HOLDINGS, LLC AND A FIRST AMENDMENT TO
PAYMENT AND REPAYMENT AGREEMENT WITH THE
CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT
AUTHORITY**

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

WHEREAS the City of Grand Rapids Brownfield Redevelopment Authority and Grand Rapids Downtown Market, Inc. (“GRDM”) and Grand Rapids Downtown Market Holdings, LLC (“Holdings”) will enter into a Development and Reimbursement Agreement (the “D and R Agreement”) related to the Project as therein identified; and

WHEREAS, the provisions of the D and R Agreement require that a certain provision in the Ground Lease dated as of January 1, 2012, between City of Grand Rapids Downtown Development Authority (the “GRDDA”) and Holdings be amended to conform with the provisions of the D and R Agreement pursuant to a First Amendment to Ground Lease (the “First Amendment to Lease”) between the GRDDA and Holdings; and

WHEREAS, the provisions of the D and R Agreement also require that certain provisions in the Payment and Repayment Agreement made and entered into April 12, 2012, between the City of Grand Rapids Brownfield Redevelopment Authority (the “GRBRA”) and the GRDDA be amended to conform with the provisions of the D and R Agreement pursuant to a First Amendment to Payment and Repayment Agreement (the “First Amendment to P and R Agreement”) between the GRBRA and GRDDA.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

1. The First Amendment to Lease between the GRDDA and Holdings and the First Amendment to P and R Agreement between GRBRA and GRDDA both as presented at this meeting are approved with such modification not materially adverse to GRDDA approved as to content by the GRDDA Executive Director and as to form by GRDDA legal counsel and the Chairperson of the Board of Directors of the GRDDA is authorized and directed to execute both approved First Amendments for and on behalf of the GRDDA.

2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: September 10, 2014

Mary Sierawski
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the City of Grand Rapids Downtown Development Authority (the "GRDDA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the GRDDA at a meeting held on September 10, 2014, 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: September 10, 2014

Mary Sierawski
Recording Secretary

MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

Agenda Item 6
September 10, 2014
DDA Meeting

DATE: September 5, 2014

TO: Downtown Development Authority

FROM: Kristopher Larson, AICP
Executive Director



SUBJECT: Approval to Execute Property Exchange Agreement

In December of 2011, the Downtown Development Authority (DDA) approved a term sheet (The Agreement) with the City of Grand Rapids (The City) that outlined a potential property exchange regarding 138 Weston Street SW (Area 1) and 125 Cherry St. SW (Area 5). The Agreement was the result of development interest in Area 5, and reflected a mutual desire for the DDA to serve as the lead on the property disposition. Given the difference in physical area and resulting value between Areas 1 & 5, the Agreement also specified the amount of monetary compensation to be paid to the City by the DDA in the event that the property exchange would be executed.

Following the execution of the Agreement, the DDA entered into a two-year option agreement for Area 5 with Jackson Entertainment, LLC (Jackson). That option was renewed for one additional year in April, 2014. Also since the execution of the term sheet, the Area 1 property was disposed separately, resulting the in the need to execute the property exchange such that the DDA assumes ownership of Area 5 in the event that Jackson chooses to exercise its option.

The execution of the property exchange would result in the DDA issuing immediate payment of \$2,077,514.50 to the City of Grand Rapids, plus \$130,248.55 with interest over ten installments commencing on December 1, 2015. These expenses were anticipated and appear in the approved FY15 DDA Budget and Priority Plan. Following suit, the City would convey ownership of Area 5 to the DDA within 60 days. This Agreement also requires approval by the City Commission.

Recommendation: Authorize the DDA Board Chair to exercise the attached Property Exchange Agreement and adopt the corresponding resolution.

PROPERTY EXCHANGE AGREEMENT

THIS PROPERTY EXCHANGE AGREEMENT (the “Agreement”) is made and entered into as of September 2, 2014, by and between the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the “City”), and the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**, a Michigan statutory authority created by the City pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (the “GRDDA”).

RECITALS

A. The Board of Directors of GRDDA by resolution adopted December 4, 2011 (the “GRDDA Resolution”), and the City Commission of the City by resolution adopted December 20, 2011 (Proceeding No. 81010) approved the terms of a term sheet (the “Term Sheet”) between the City and GRDDA for the exchange by the GRDDA of a parcel of property it owns at 138 Weston Street, S.W. in the City known as “Area 1” and identified on the attached Attachment I for a parcel of property owned by the City at 125 Cherry Street, S.W. in the City known as “Area 5” and identified on the attached Attachment I (the “Exchange”).

B. In accordance with the Term Sheet, based on the independent appraisals of Area 1, having an appraisal value of \$2,250,000, and Area 5, having an appraised value \$3,380,000, the GRDDA was to receive title to Area 5 from the City and the City was to receive title to Area 1 plus \$1,130,000 (\$3,380,000 minus \$2,250,000) payable in 10 annual installments plus interest on the unpaid balance of 4% per annum.

C. The GRDDA Resolution also authorized the GRDDA Executive Director to make Area 5 available for sale; Area 5 was listed for sale; the proposal of Jackson Entertainment, L.L.C. (“Jackson”) for an option to purchase Area 5 was approved by the Board of Directors of GRDDA by resolution on April 11, 2012; and an Option Agreement was entered into by GRDDA and Jackson on April 30, 2012 for the purchase of Area 5 by Jackson (the “Jackson Option”).

D. The Option Agreement provided that GRDDA was to obtain title to Area 5 from the City if Jackson exercised the Jackson Option and the purchase price was to be determined by an independent appraisal within 10 days after Jackson’s exercise of the Jackson Option.

E. While the Term Sheet Permits the Exchange to occur at anytime, it was determined not to have it occur unless or until Jackson exercised the Jackson Option to purchase Area 5.

F. Before Jackson exercised the Jackson Option or the Jackson Option otherwise terminated, interest was expressed in the development of Area 1 and the Board of Directors of GRDDA determined to list Area 1 for sale.

G. GRDDA received a proposal from Arena Place Development, LLC (“Arena Place”) for an option to purchase Area 1 at its appraised value of \$2,250,000; the Board of Directors of the GRDDA by resolution adopted on May 13, 2013, accepted the proposal of

Arena Place; and entered into an Option Agreement with Arena Place dated June 17, 2013, granting Arena Place an option to purchase Area 1 (the "Arena Place Option").

H. Arena Place exercised the Arena Place Option and title to Area 1 was conveyed by GRDDA to Arena Place on May 22, 2014.

I. It is now necessary to memorialize (i) the intent of the Term Sheet taking into account the Jackson Option to Purchase Area 5 and Arena Place's purchase of Area 1 and (ii) the terms and the conditions of the Exchange.

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

Section 1. Conveyance of Area 5 to GRDDA. The City shall convey Area 5 to GRDDA by quit claim deed not later than 60 days after the date of this Agreement for the consideration set forth in Section 2. hereof.

Section 2. Consideration to City. In consideration of its conveyance of Area 1 to GRDDA, GRDDA shall pay the City at the time of conveyance \$2,077,514.50 representing the net purchase price GRDDA received from the sale of Area 1 to Arena Place. In addition, the GRDDA shall pay the City \$1,302,485.50 (\$3,380,000.00 minus \$2,077,514.50) in ten annual installments of \$130,248.55 plus interest on the unpaid amount at the rate of 4% per annum accruing from the date the City conveys Area 5 to GRDDA pursuant to Section 1 hereof. The annual installments plus accrued interest shall be payable commencing December 1, 2015, and each December 1 thereafter until fully paid. *Provided, however,* upon transfer of ownership of Lot 5 by GRDDA to a third party, the unpaid balance of the installment payments plus accrued interest shall be immediately due and payable by GRDDA to the City. *Provided, further,* GRDDA may prepay the unpaid installments at any time, in whole or in part, without payment of a premium or prepayment penalty.

Section 3. Execution of Documents. The Mayor and City Clerk are authorized and directed to execute a quit claim deed conveying Area 5 to GRDDA approved as to form by the City Attorney. The City Manager and Chief Financial Officer of the City or their respective designees are authorized to execute all documents and certificates related such conveyance approved as to form by the City Attorney. The Executive Director of GRDDA or his designee is authorized to execute all documents and certificates related to such conveyance approved as to form by GRDDA legal counsel.

Section 4. Conflict. To the extent there is a conflict between the provisions of this Agreement and the Term Sheet the provisions of this Agreement shall control.

Section 5. Recording. GRDDA shall, at its cost, record the quit claim deed conveying Area 5 to it with the Kent County Register of Deeds.

CITY OF GRAND RAPIDS

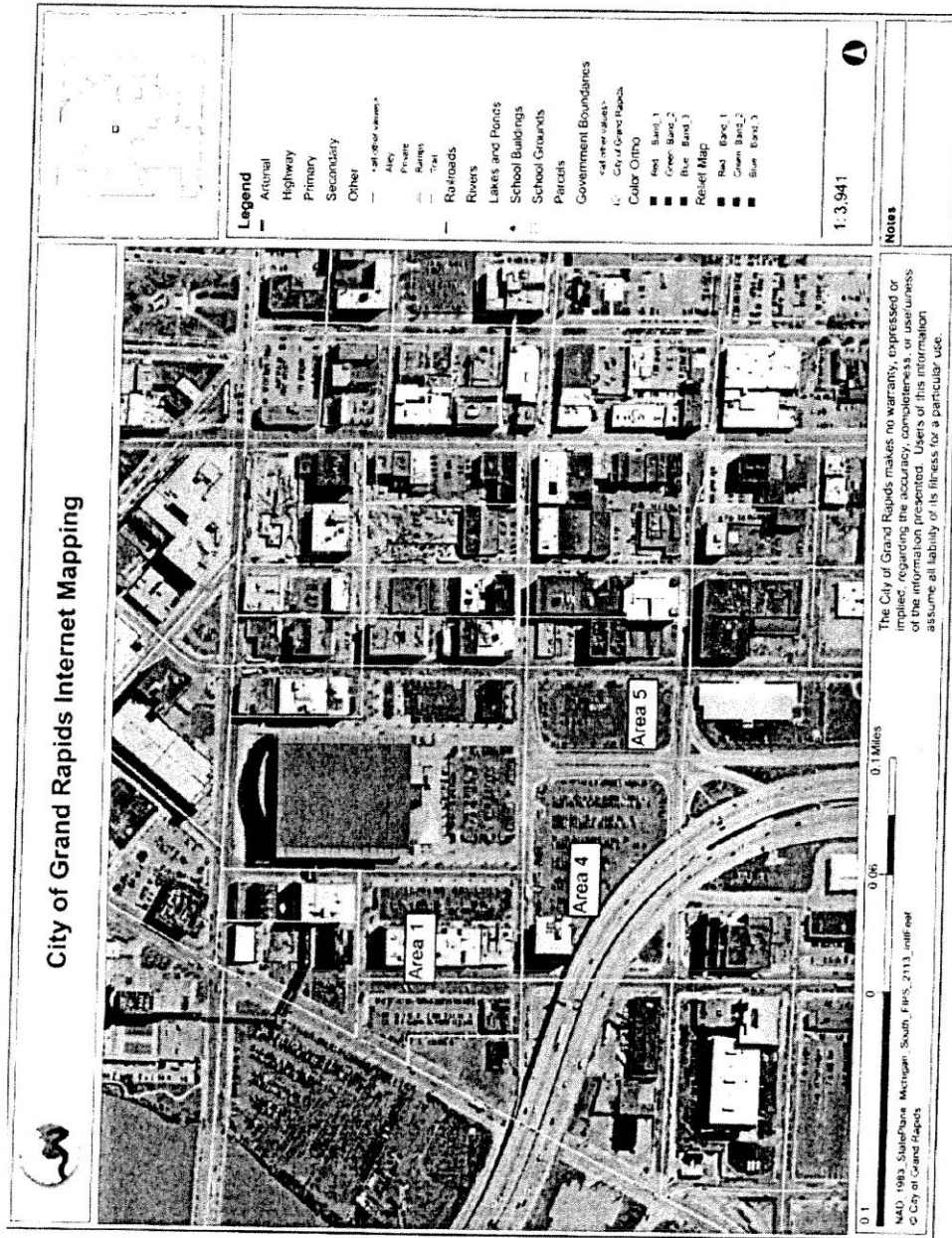
By: _____
George K. Heartwell, Mayor

Attest: _____
Darlene O’Neal, City Clerk

**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

By: _____
Brian Harris, Chairperson

ATTACHMENT I



**CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING THE
EXECUTION OF A PROPERTY EXCHANGE
AGREEMENT WITH THE CITY OF GRAND RAPIDS
RELATED SURFACE PARKING LOT AREA 1 AND AREA
5**

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

WHEREAS the City of Grand Rapids (the “City”) and the City of Grand Rapids Downtown Development Authority (the “GRDDA”) in 2011 approved and entered into a term sheet (the “Term Sheet”) for the exchange of property owned by the City located at 125 Cherry Street, S.W. in the City known as “Area 5” for property owned by GRDDA located at 138 Weston Street, S.W. in the City known as “Area 1;” and

WHEREAS, since approval of the Term Sheet an option has been granted to Jackson Entertainment, L.L.C. to purchase Area 5 (the “Jackson Option”) and Area 1 has been sold to Arena Place Development, LLC (the “Arena Place Purchase”); and

WHEREAS, it is necessary to memorialize (i) the intent of the Term Sheet taking into account the Jackson Option and the Arena Place Purchase and (ii) the terms and conditions of the exchange of Area 5 for Area 1 as set forth in the Property Exchange Agreement (the “Agreement”) between the City and GRDDA.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

1. That the Agreement in the form presented at this meeting is approved with such modifications not materially adverse to GRDDA approved as to content by the GRDDA Executive Director and as to form by DDA legal counsel and the Chairperson of the GRDDA

Board of Directors is authorized and directed to execute the approved Agreement for and on behalf of GRDDA..

2. All resolutions and 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: September 10, 2014

Mary Sierawski
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the City of Grand Rapids Downtown Development Authority (the "GRDDA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the GRDDA at a meeting held on September 10, 2014, 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: September 10, 2014

Mary Sierawski
Recording Secretary

MEMORANDUM

CITY OF GRAND RAPIDS · DOWNTOWN DEVELOPMENT AUTHORITY

DATE: September 5, 2014

TO: Downtown Development Authority

FROM: Tim Kelly, AICP
Planning Manager



Agenda Item 7
September 10, 2014
DDA Meeting

SUBJECT: Event License Agreement for 50 Louis Street NW for GR Forward Open House

On January 8, 2014, the Downtown Development Authority (DDA) Board approved a Resolution directing staff and counsel to finalize a scope of work, and authorizing the Chairperson of the DDA Board to execute a contract with Interface Studios (Interface) for consulting services for the Downtown, Grand River Corridor, and the Grand Rapids Public Schools Museum School and Innovation Central High master plans. The project has since been jointly re-branded as *GR Forward*.

Interface was selected as the lead consultant by a volunteer Selection Committee largely for their creative and inclusive community outreach strategy. Among the tools they proposed to employ is the conversion of a vacant retail space into a visible and welcoming project headquarters. The space will host a series of Open Houses as well as other activities, and will engage residents in discussions about all components of *GR Forward*.



After conversations and meetings with several community partners, CWD Real Estate (CWD) notified staff of the availability of the space at 50 Louis Street NW, Suite 102, which was previously home to Lee & Birch. Given the location and visibility of the space, it is expected the location will help attract those not currently familiar with the ongoing GR Forward efforts.

To memorialize the relationship for use of the space, counsel and CWD have requested execution of the attached Event License Agreement. Under the terms of the Agreement, the DDA will use the space at no cost from September 15 through December 12, with the landlord maintaining the right to terminate the Agreement at any point after November 14 with fifteen (15) days written notice. In exchange for free use of the space, any GR Forward materials produced advertising activities at the space will list CWD as a sponsor.

While securing the space is a major milestone in the process, there are several logistical items to be worked out. The space will need to be staffed, and regular hours of operation will need to be established so visitors know

when they can visit. Additionally, several events will also be planned and held in the space. Staff will work collaboratively with the GR Forward consultant team to finalize these details. Both the Downtown and River Corridor Steering Committees will be engaged to help program the space. If approved, it is anticipated work will begin at the space on September 15, with events beginning the first week of October.

RECOMMENDATION: Authorize the DDA Board Chair to execute the Event License Agreement between the Downtown Development Authority and CWD Real Estate.

EVENT LICENSE AGREEMENT

This EVENT LICENSE AGREEMENT made this ____ day of September, 2014 between the undersigned Landlord and the undersigned Tenant.

LANDLORD:

CWD 50 Louis, LLC
c/o CWD Real Estate Investment
50 Louis NW, Suite 600
Grand Rapids, MI 49503

TENANT:

Downtown Development Authority
300 Monroe NW
Grand Rapids, MI 49503

1. **Leased Premises.** The “Building” contains commercial office space defined as the “Premises” at 50 Louis NW, Suite 102 (former Lee & Birch retail space) in Grand Rapids, MI as designated by Landlord.

2. **Term.** The period of licensed use is September 15, 2014 through December 12, 2014. At any point on or after November 14, 2014, the Landlord has the right to terminate this Event License Agreement with fifteen (15) days advance written notice to the Tenant.

3. **Fee.** The Landlord shall donate the Premises for use during the Term in exchange for having the “CWD Building” and/or “CWD Real Estate Investment” listed in the marketing brochures and general publications that are distributed for the scheduled events within the Premises.

4. **Tenant’s Responsibilities and Expenses.** Tenant is solely responsible for all janitorial and refuse collection at the Premises and all nonstructural repairs and maintenance of the Premises needed for Tenant to conduct its operations during the Term. Landlord shall be indemnified by the Tenant against such costs, expenses and obligations. Tenant shall not block or restrict access to the Building’s entrances, elevators, or stairwells. Tenant shall provide insurance coverage to comply with the limits listed on Exhibit A.

5. **Use.** Tenant may use the Premises for the duration of the Term and for no other purposes without the written consent of the Landlord. The use for the space will be to serve as project headquarters for the GR Forward planning effort. The Premises will be used in part to organize a series of exhibits about Grand Rapids and to host interactive activities for the community to participate in the process. Tenant shall not do or permit anything to be done on the Premises that may violate any state or federal law or local ordinance.

6. **Indemnity.** Tenant agrees to indemnify and hold harmless the Landlord from any and all claims, demands, liabilities, costs and expenses of whatsoever kind or nature which in any way arise out of Tenant’s use and occupancy of the Premises. The liability of Tenant to indemnify Landlord as herein set forth shall not apply to the extent Landlord recovers under any existing insurance; provided, however, that if such liability shall exceed the amount collected under any existing insurance, the said liability of Tenant shall apply to such excess.

7. Waiver of Subrogation. Landlord and Tenant waive all right of recovery against each other for any loss covered by insurance. The insurance policies on the Premises shall include a waiver of subrogation by the insurance carrier.

8. Tenant Alterations. Tenant shall make no improvements, alterations or changes to the Premises without the written consent of Landlord to be given in its discretion; provided, Tenant may make temporary alterations and additions, including signage, provided Tenant restores the Premises during such period as required by this Agreement. Tenant shall not attach any signs or projections to the exterior of the Premises without the Landlord's consent to be given in its discretion. Tenant shall not install any additional locks. All improvements, alterations and changes to the Premises made by the Tenant with the consent of the Landlord shall be the property of Tenant unless otherwise provided as part of Landlord's consent.

9. Access. Landlord may enter the Premises at any time in event of emergency, to prevent loss or destruction of the Premises.

10. Title to Property to be Preserved. Tenant agrees, and notice is hereby given, that no construction, mechanic's, or other liens, shall in any manner or degree affect the title of the Landlord to the Building or Premises, nor shall anything in this Agreement authorize the Tenant to encumber or impair in any manner the title of the Landlord in the Building or the Premises, including lands, buildings and personal property.

11. Return of Premises. Tenant shall return the Premises to Landlord upon the end of the licensed period in like condition as upon the date Tenant received such.

12. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters mentioned in it and supersedes all prior agreements respecting such matters.

Witnesses:

LANDLORD:
CWD 50 Louis, LLC

By _____

Its _____

TENANT:
Downtown Development Authority

By _____

Its _____

Exhibit A

INSURANCE REQUIREMENTS

The coverage indicated below must be provided through an insurance company, which carries an A. M. Best rating of no less than "A-" "VIII". A certificate evidencing the coverage noted below shall be on file in our office prior to the commencement of the work, and shall provide for thirty (30) days prior written notice of cancellation or reduction of coverage. This certificate must include additional insured language as noted in #4 below.

Access may be denied until the management office of the building receives evidence of all insurance coverage required.

The minimum requirements acceptable are:

- | | | |
|----|-------------------------------------|--|
| 1. | Commercial General Liability | \$1,000,000 each occurrence |
| | Bodily Injury and Property Damage | \$1,000,000 aggregate |
| 3. | Workers' Compensation | Statutory Requirements |
| | Employer's Liability Limit | \$500,000/\$500,000/\$500,000 per
accident/disease/employee |

Statutory coverage as required by state in which the work is to be performed. If you are self-employed with no other employees, a qualified self-insured, or not required to carry Workers' Compensation, you must submit a letter stating this, or a copy, or a copy of your certificate of self-insurance. A Waiver of Subrogation endorsement issued in favor of CWD Real Estate Investment and CWD 171 Monroe, LLC must be attached to the certificate.

Total Per Occurrence/Accident Limits for Commercial General Liability, Auto Liability and Employer's Liability Insurance may be satisfied by a party with any combination of primary and excess or umbrella liability policies totaling the amount of the required insurance.

4. **Additional Insured Endorsement**
(Form B CG 2010 11/85 or equivalent) This endorsement must be attached to the certificate. You are required to name the entities below as Additional Insured in an endorsement to your Commercial General Liability and Automobile Liability Coverage policies:

CWD 50 Louis, LLC
50 Louis NW, Suite 600
Grand Rapids, MI 49503

CWD Urban Fund, LLC
CWD Real Estate Investment, LLC

The endorsement may include the following clause, or a separate endorsement may be issued:

Primary coverage

"The insurance afforded by this policy for the additional insured(s) is primary insurance and any other insurance maintained by or available to the additional insured(s) is non-contributory"

Note: We ask the additional insured endorsement provide coverage for "all operations" or "all operations performed for CWD 50 Louis, LLC, CWD Urban Fund, LLC and CWD Real Estate Investment, LLC" in order to minimize paperwork for you and us.