



AGENDA

GOAL 2 ALLIANCE

Board Members:

Aaron Terpstra • Brian Grooms • Daniel Kvamme • Danielle Rowland • Sarah Green • Dave Nitkiewicz • Jacey Ehmann •
Jenn Schaub • Katy Hallgren • Landon Jones • Latesha Lipscomb • Latrisha Sosebee • Monica App •

December 9, 2019

1:00pm-2:30pm

29 Pearl Street, NW Suite #1

1. Call to Order
2. Approval of Minutes – October 14, 2019, November 12, 2019
3. GR Forward Goal 4 Alliance Update Kyama Kitavi
4. DNN Update Annamarie Buller
 - Civicize.me (11/9)
 - DNN Events (Holiday Happy Hour 11/14)
 - DNN Resident Survey
 - Action Planning for Community Change (1/25)
5. Grand Rapids Police Department update
6. Next Meeting – December 9, 2019 1-2:30pm
7. Public Comment
8. Adjournment





Goal 2 Alliance

October 14, 2019

1. Call to order: Ms. Buller called the meeting to order at 1:01 pm

Members Present: Aaron Terpstra, Brian Grooms, Latrisha Sosebee, Monica App, Danielle Rowland, Jenn Schaub, Sarah Green, Dave Nitkiewicz, and Latesha Lipscomb

Members Absent: Daniel Kvamme, Jacey Ehmann, Katy Hallgren, and Landon Jones

Others Present: Samantha Minnis, and Annamarie Buller, Melvin Eledge, Marion Bonneaux, and Amanda Sloan (DGRI)

2. Approval of Minutes- September 9, 2019

Ms. Sosebee, supported by Mr. Nitkiewicz, motioned to approve September 9, 2019 Meeting Minutes. None opposed. Motion passed.

3. Dwelling Place Affordable Housing RFP

Ms. Buller reviewed the criteria in the RFP which requires the proposal have a \$250,000 budget, build or maintain Affordable Housing downtown, and be within the DDA Boundaries. Ms. Schaub presented the Frequent Users Systems Engagement (FUSE) program that The Dwelling Place is working to implement in Heartside. FUSE is a national model that identifies individuals over-utilizing city emergency services and focuses on providing a stable environment by prioritizing permanent housing (with extensive wrap around services). The Corporation for Supportive Housing (CSH) will provide technical assistance by identifying target individuals, prioritizing housing placement with health the behavioral health services, and tracking outcomes. Ms. Schaub listed local organizations that have contributed financially to this program including Cherry Health, Mercy St. Mary's, and Network 180. She stated FUSE was identified to, upon implementation, have the greatest positive impact on our

community. Expenses to initiate this program include a one-time contract with CSH for \$42,500, a FUSE Implementation Coordinator contract for \$15,200, as well as training and supplies totaling \$61,435. Ms. Schaub stated current funding sources (both committed and pending) add up to \$28,000 leaving a gap of \$33,435 which is the ask from DGRI to meet this budget need. Ms. Schaub stated Dwelling Place also has submitted funding requests to other foundations but is also seeking substantial financial support for creating *additional* affordable housing downtown through other projects. She recognized that this program doesn't create affordable housing but does address a very vulnerable population that is not currently being cared for in our community and creates an opportunity for our alliance to aptly utilize our budgeted funds. Ms. Buller agreed that we traditionally relocate these problems and FUSE may be the key to address this issue more proactively.

Mr. Wooden presented information on the Community Land Trust (CLT). He stated this CLT proposal involves a downtown property, Martineau Lofts, that has been in use for 15 years which contains 23 live/work spaces, a 10,000 square feet commercial gallery space and café. He stated this CLT would not just maintain affordable housing in this building but provide a new affordable housing option as homeownership in Heartside is so limited (and currently all at market rate). Mr. Wooden explained the CLT provides an affordable homeownership opportunity because it lowers the barriers to getting a mortgage without increasing the risk of homeownership. (The value of the property owned by the CLT, along with the reduction of 25% in the price that follows, can be considered a down payment when seeking a mortgage.) The original subsidy will be preserved in perpetuity, assuring affordability for subsequent homebuyers as well. Mr. Wooden stated our proposal is to transfer current renters into homeowners. He maintained no current residents are to be displaced and will be prioritized as buyers as long as they qualify (though renting will remain an option for as long as the resident desires). Renovations of all major systems will occur prior to conversion and CLT homeownership trainings will be offered. The CLT governance structure includes equal parts: sponsoring organization (Dwelling Place), leaseholders, and community stakeholders. To facilitate this conversion, Dwelling Place will create a condo association for all 23 housing units and 2 commercial spaces, form a 501c3 entity to own the land under Martineau Apartments and the commercial spaces, and form a CLT Board. Huntington Bank and Opportunity Resource Fund have both expressed interest in originating mortgages for this project. Mr. Wooden stated in terms of expenses, the project renovations make up the bulk of the \$640,450 budget which also includes technical assistance, legal, and engineering. Sources of funding include a \$50,000 grant from NeighborWorks, a \$490,450 contribution from Dwelling Place (from a portion of unit sales proceeds), and the ask is \$100,000 from DGRI to complete this budget.

Ms. Roland asked if the FUSE \$60k is an annual expense? Ms. Schaab stated after the integration, we expect the cost savings for organizations to translate to an internally funded and sustainable program. Mr. Nitkiewicz asked what happens to those on the waiting list for affordable housing if we fast track these individuals. Ms. Schaab stated they will remain on the list and stay in a shelter. Individuals that are currently staying in a shelter, though not ideal, have this option. The vulnerable identified are often not in a shelter (potentially because have been banned) and are sleeping on a park bench, overnight in the hospital, or utilizing the inebriate center. FUSE creates an option for those that do not have any other options.

Mr. Nitkiewicz asked how sites are determined for the CLT? Mr. Wooden stated Martineau residents have expressed the desire for homeownership. This building also has higher income thresholds which homeownership often requires. Ms. Buller requested clarification on the mortgage financing options. Mr. Wooden stated Huntington Bank will be serving applicants with credit scores above 600 and the Opportunity Resource Fund will serve applicants with credit scores under 600 and who would typically be ineligible for a traditional home loan. Mr. Terpstra requested clarification on the renter displacement. Ms. Schaub stated under this structure, current residents can choose to stay indefinitely without purchasing. Mr. Wooden concurred and further explained Dwelling Place would own the unit under the 501c3 until that person fails to renew their lease. At that time, the unit would go on the market as a CLT sale. Mr. Terpstra asked how utilities would be paid. Mr. Wooden stated depending on the utility, service would either be transferred to the resident or paid through condo association fees.

Ms. Buller stated she would like to first confirm both of these proposals meet our RFP and are a fit for what we are seeking. Ms. Rowland stated she is comfortable funding both. Considering the overall challenges we face with frequent users, if we can get them into permanent housing, we need to try. She pointed out the impact this has made in other cities and stated we have the money budgeted so we should support this. Ms. Green agreed and stated this issue affects us on a lot of different levels which these programs can start to address. Mr. Nitkiewicz stated it would be worth our investment. Ms. App stated from her experience working on the Housing Commission, supportive services are incredibly important to keeping residents in permanent housing. Ms. App motioned to support both proposals submitted. Mr. Terpstra seconded. Dwelling Place affiliated board members abstained. None opposed. Ms. Buller stated she will present this funding request recommendation to the DDA in November.

4. Heartside Public Restroom Updates

Ms. Buller stated the concept designs were presented to you last month. Since that time, we have presented this recommended plan to Design Team and the Historic Preservation Society

and are continuing community engagement. On October 21, we will host Community Outreach and Public Restroom Concept Open Hours where staff will be available to answer questions and listen to any concerns. The plan is to present this proposal to the DDA in November, requesting funds to order the Portland Loo. Currently we are soliciting engineering services and determining a final cost for this project and are hopeful to get this approval in November from DDA, take to City Commission in December to seek a \$50,000 contribution, and install this restroom Spring of 2020.

5. Monroe North Banners

Mr. Eledge stated Goal 2 has budgeted funds for banner replacement. Currently in the Monroe North area we have poorly designed banners with insufficient hardware that continuously need replaced. He stated he would like to propose better designed banners with new robust hardware, using a previously established model (West Side Banner Project). These banners would have a replacement warranty of 12 years for the hardware and 7 years for the banners. The Monroe North Business Association (MNBA) will be selling these banners to local businesses as a cost share program (with the MNBA logo on one side of the banner and the local business' logo on the other). The total cost for 89 banners, hardware, installation and permits is \$24,516.90. Mr. Eledge stated in the FY20 budgets, Goal 2 has \$10,000 allocated for this line item and Goal 5 has \$5,000 allocated. There should also be an offset by revenue generated from banner sponsorship, but additional funding will need to be approved by both the DDA and MNTIFA Boards to obtain full funding.

Mr. Nitkiewicz asked where these banners will be placed. Mr. Eledge stated these will be placed on Monroe Avenue north of Bridge Street to Leonard Street with the potential for MNBA to expand the program to side streets over time. Mr. Terpstra asked if these would be displayed all year long. Mr. Eledge stated, yes, and potentially swapped out seasonally or as needed but they will be placed as close as possible to the business sponsored.

Ms. Sosebee, supported by Ms. Lipscomb, motioned to approve this funding request. None opposed. Motion passed.

6. Downtown Neighbor Network

Ms. Buller stated you received a draft resident survey that we plan to deploy on October 28 to November 29. Our goal is to collect at least 500 completed surveys; we will be marketing in our DNN Newsletter, through an email reminder, and the distribution of posters and palm cards. We have 6 different Stay-Cation Packages to raffle off as incentives and will provide every submission a \$5 veggie voucher. We will be concentrating our engagement efforts on the 3-5 largest multi-unit buildings of each type (affordable housing, condos, and rental

properties). Ms. Buller stated she will also be attending near neighborhood association/community events throughout October and November.

The last week of October we will be finalizing the survey, meeting with the Real Estate Community and Property Management. Starting November 1st, we will distribute posters and palm cards with a QR code to easily access the survey. November 14th is the DNN Holiday Party and a targeted mailing will go out on the 18th to neighborhoods or buildings that we are not seeing any participation. Data review will take place in December and in January the outcomes card will be created. Data will be shared in February and March as we prepare for the 2020 census. Ms. App suggested we ask more detailed questions regarding downtown goods/services perhaps around preferred business hours or other details in regard to business support. Ms. Sosebee asked what neighborhoods are included in downtown. Ms. Buller stated we are technically a network of neighborhoods and will include all gateway or directly bordering neighborhoods. Ms. Schaub asked what the participation was last time. Ms. Buller stated we received 300 completed surveys last year.

Ms. Buller stated the Civicize.Me Civic Leadership course being offered on November 9 at DGRI to residents and neighboring partners.

7. Grand Rapids Police Department Update

Mr. Grooms stated we have 2 classes of recruits that will graduate 18 officers in December. This should allow for additional night shift community officers, at least one serving downtown, though we have a number of officers retiring in January.

8. Open Alliance Member Discussion

9. Next Meeting – November 12, 2019 *Tuesday following the holiday!

10. Public Comment

None

11. Adjournment

Ms. Buller adjourned the meeting at 2:23 pm.

Minutes taken by:

Amanda Sloan

Administrative Assistant

Downtown Grand Rapids Inc.



Goal 2 Alliance

November 12, 2019

1. Call to order: Monica App called the meeting to order at 1:04 pm
2. Members Present: Brian Grooms, Katy Hallgren, Latesha Lipscomb, Latrisha Sosebee, Monica App, Danielle Rowland, Jenn Schaub, Sarah Green, Dave Nitkiewicz, and Jacey Ehmann

Members Absent: Aaron Terpstra, Landon Jones, and Daniel Kvamme

Others Present: Ryan Kilpatrick (Housing Next), Annamarie Buller, Melvin Eledge, Marion Bonneaux, and Amanda Sloan (DGRI)

3. Grand Rapids Housing
Mr. Kilpatrick presented a brief history of Housing Next. Founded in Ottawa County, this organization seeks to address the workforce housing shortage of the fastest growing county in the state. Area employers found difficulty in hiring a workforce at \$12-20/hour as these employees struggled to find and afford homeownership. Mr. Kilpatrick stated his background is in planning, design, and more recently project financing. In this role, he facilitates the design and funding of projects that fits the character and needs of the community. After 2 years, Mr. Kilpatrick has seen a pipeline developed county-wide of 2,000 new units. As a Grand Rapids resident, member of the City's Community Housing Fund Board, and Goal 3 Alliance member, Mr. Kilpatrick was invited by the City to support a GR housing initiative. He stated he committed to a 9-month project to develop a recommendation on what a housing practice leader for GR would look like and what they would do. A key component to this work will be to conduct a housing needs assessment, building off of the Marketing Analysis done in 2015, and looking at the housing supply across the city. This study will determine housing inventory, price, quality, condition, locations and then look at economic

growth factors across the county to determine housing needs. These recommendations will include existing demand plus growth at workforce level (low income demand) and market level. Mr. Kilpatrick stated they will look at the goals for each neighborhood (striking the balance of affordability with tax increment growth and other market variables) to determine what housing is needed and where. He stated they will then look at all of the barriers to implementation (money, regulatory burdens, lack of partnerships) to address the necessary variables and build strategic priorities around healthy communities (both economically and socially). Additionally, this project will make recommendations pertaining to equitable housing opportunities looking at best practices from organizations across the country. This will begin with piloted investments to be built upon over time. Mr. Kilpatrick stated, as we collect data, we will involve this group to provide input on core factors that make downtown livable. He stated they will carve the city into 3-4 districts (wards), examining the needs for each of the areas using both data science and art (perspectives).

Ms. App asked when the final recommendation or Housing Needs Assessment would be completed. Mr. Kilpatrick stated Bowen National Research has been hired to complete the assessment which will be completed by April. Ms. Lipscomb asked who at the City Mr. Kilpatrick is working with and if the scope of work has already been defined. He stated he is working directly with Mark Washington and Eric DeLong and the head of 3 departments most influenced by this work. Though the proposal provides direction, the outcomes are not set in stone; please share ideas and suggestions for what to pay attention to. Ms. Buller suggested looking at incentives for developers to maintain all current Affordable Housing units downtown. Ms. App agreed and stated as resident population continues to grow, so will the need for additional Affordable Housing to maintain a 30% balance as called for in GR Forward. Ms. Lipscomb stated the Heartside Quality of Life Study recommended researching vacant spaces that exist downtown, specifically along the Division Avenue corridor (to determine mixed use development opportunities) and suggested that be included in this work. Ms. Ehmann stated a vacant space survey throughout all of downtown would be interesting. Mr. Kilpatrick stated that a housing needs assessment will provide that data as of 2018, which is slightly outdated, but an improvement on the 2012 data that the city is currently working on. He stated one recommendation will be to update this data every 5 years. With the Census 2021 data and a 2023 housing needs assessment, we will have a core set of data to continue to build upon.

Ms. App asked how his work would fit into the Housing Now work that was completed. Mr. Kilpatrick stated many of the zoning recommendations have been implemented though he will likely make more nuanced recommendations to further incentivize affordability. Ms. Schaub asked if a wage forecast was included in this data. Mr. Kilpatrick nodded. She then stated she is interested in closely following the current stock of Affordable Housing and the life

expectancy of specific units. Mr. Kilpatrick stated we will want to project the cost of rehab on a particular building so we can evaluate the likely gap for that developer to maintain the affordability. He stated as we look for ways to utilize the Housing Trust Fund, the low hanging fruit will almost always be maintaining existing stock even if the cost of rehab is high. Ms. Lipscomb requested clarification on the Housing Trust Fund. Mr. Kilpatrick stated the City created a fund at the end of 2018 per the recommendation of Housing Now. It was seeded with \$1.3 million which is currently sitting dormant until a list of recommendations can be developed for how to use and grow this fund.

Ms. Sosebee asked for the scope of work included in this project. Mr. Kilpatrick agreed to share the contract. Mr. Nitkiewicz asked about ownership versus rental options and if we have a plan for providing equitable opportunities for homeownership. Mr. Kilpatrick stated homeownership was a core component of the contract and addressing financial barriers for multi-unit development will be an important piece. Ms. Schaub shared results from a resident satisfaction survey taken by Heartside neighbors showed the African American population, in particular, voiced a fear of losing housing, suggesting that portions of the community are more effected by rising housing costs. She also asked that speculative buying be tracked.

4. DID Streetspace presentation

Mr. Eledge introduced himself as the Operations Manager at Downtown Grand Rapids, Inc. and stated as part of his work he has been developing a mechanism to grade the cleanliness of the sidewalks throughout the Downtown Improvement District. The DID Streetspace Assessment project seeks to measure stakeholder perception of the DID's impact on cleaning, beautification, and right of way maintenance. This data will help us identify where we are performing well, where we need to make improvements, and additional opportunities to enhance the downtown streetscape. Mr. Eledge stated we recruited volunteers (DGRI board members, downtown residents, business and property owners) to conduct on-site assessments of key corridors. Volunteers were asked to identify the presence of litter, cigarette butts, graffiti, infrastructure/amenities/greenspace and public right of way conditions. The first corridor assessed was Ionia Ave from Fulton to Oaks with an average rating between Good and Moderate conditions. The presence of weeds and cigarette butts were the two most prevalent issues within this (and most every) corridor assessment. He presented photographs of some of the highlights that included dead trees, cracks in the sidewalks, graffiti and overgrown weeds. The assessment results along Monroe Center (from Monroe to Division Ave.) showed a similar rating with bulky items (construction debris) being a noticeable issue. Cigarette butts were visible everywhere (despite the presence of collection urns) but the consensus overall was that the ambassadors were doing a great job taking care of the space. The next corridor assessed was Ottawa Ave (Michigan to Pearl) which noted a lack of amenities and greenspace but kept very clean. There were found to be multiple tripping

hazards on the sidewalks due to missing bricks, tree grates, and insufficiently patched cement. On Bridge Street (from Scribner to Seward), volunteers found the area generally clean and well-kept but noted a lack of greenspace. The amenities present are a good start, but more are needed to provide a welcoming feel. The underpass was found to be very unwelcoming and contained a substantial amount of pigeon excrement on the sidewalk. S. Division Ave (from Fulton to Oakes) resulted in the poorest average score, though volunteers noted the overall feel was better than anticipated. The area was abundant in cigarette butts and weeds. Also, many sidewalks and crosswalks were found to be in dire need of repair.

Mr. Eledge presented the overall average scores, noting the total average to be between Good and Moderate. He stated we certainly do need to make improvements, specifically in regard to cigarette collection and weeds. Going forward, Mr. Eledge stated he has shared these observations with the Ambassador team which will examine and redefine priorities to better establish targets. He noted, not all of the issues observed are the duty or responsibility of Block By Block, so he will be providing relevant data to the City as well. Mr. Eledge stated he is pleased to have this baseline data and will continue assessments quarterly.

Ms. Buller thanked those volunteers that have participated.

5. Winter 2020 Programming

Ms. Catcho introduced herself as the Project Coordinator at DGRI. She stated her work is to activate public spaces downtown through events and would like to share the programming she is currently working on. World of Winter is our annual winter ice festival that will take place from January 17th to February 17th. She presented photos of Prismatic, the interactive art installation from CREOS being hosted at 555 Monroe Avenue NW during these four weeks. 25 spinnable light up prisms will be placed throughout the Monroe North Lot (MNL) inviting the public to watch, touch, and listen. To kick off World of Winter, on January 18th at 7 - 10pm, we will host a Silent Disco at MNL (age 18+). Multiple DJs play music that can only be heard through headphones (controlled by the listener). Alcoholic beverages will be sold benefiting GR Asian-Pacific Festival; you will also find ice beer pong table games, food trucks, and more. Lunar New Year takes place on January 25th and a celebration will be held at MNL with food vendors, performances, and a warming shelter tent. World Market & Game Day will take place the next day from noon to 6 pm with small business goods, ice games, food vendors and other partners. February 1st we will host Movies on the Piazza at Studio C featuring summer themed games, movies, and food trucks. The Human Hungry Hungry Hippo Tournament will take place the following weekend at Rosa Parks Circle with prizes for both the Family and Adult divisions. Valent-ICE starts February 14 with ice sculptures placed throughout downtown. Love on Ice will offer two-for-one ice skating on Valentine's Day and a giant interactive ice carving wall. Paint the Park on February 15th will comprise of community

ice painting and a street party on Monroe Center with food trucks and other vendors. Black History Walking Tours will take place on February 1st, 8th, and 15th provided by GR Walking & Running Tours and Ice Sculpture Walking Tours on February 14-16th. Snowga will be held at MNL on February 6th at 6 pm taught by Gazelle Girl and Snowshoeing provided by Friends of GR Parks held at Ah-Nab-Awen for various dates and times. Ms. Catcho stated if you, or someone you know, would like to consider an ice sculpture sponsorship please contact Kim Van Driel for details. Ms. Ehmann asked if Ms. Catcho has reached out to DAKC for partnership adaptive ski event. Ms. Catcho stated she had not, but that is a great suggestion.

6. Alliance schedule 2020

Ms. Buller asked if the Second Monday of every month is still the best time for this group to hold meetings. None opposed. She stated she would like to shorten our regular meetings to an hour and 30 minutes, if possible.

7. Grand Rapids Police Department Update

Mr. Grooms stated GRPD is working with the City Attorney regarding abandoned belongings being discarded in City Parks. They will be working on a procedure for the storage of these items as oftentimes these are found wet and contaminated. Ms. Green stated the transit shelter at Michigan and Fuller has been a trouble area as well.

8. Open Alliance Member Discussion

Ms. Buller stated both the Affordable Housing Proposal (from Dwelling Place) and Heartside Public Restroom projects will be presented to the DDA as funding requests this month. We are requesting funding for the Portland Loo and the engineering costs for this restroom. Ms. Green stated it has been 2 years in the making and she is anxious to hear that decision.

9. Next Meeting – December 9, 2019

10. Public Comment

11. Adjournment

Ms. Buller adjourned the meeting at 2:22 pm.

Minutes taken by:

Amanda Sloan

Administrative Assistant

Downtown Grand Rapids Inc.

GOAL 4 ALLIANCE

Expand Job Opportunities & Ensure Continued Vitality of the Local Economy

FY20 Projects for Goal 4 Alliance

This is a list of projects and initiatives prioritized for the budget items for Fiscal Year 2020 which runs from July 1, 2019 to June 30, 2020. The brief descriptions are not meant to be all encompassing but rather to serve as a high level overview of the particular project.

Retail Attraction and Incubation Grant Program
Funds available to attract underserved and unavailable retail options Downtown. The overarching goal is to build a unique retail market and experience that expands opportunities for all as well as attracting and serving an increasing diverse population. This is done through gap support for individual businesses as well as supporting space activation activities such as pop up shops and incubations spaces geared towards retailers interested in doing business Downtown.

Business Resource Fair/Expo
Half day event featuring as many small business resource providers; from technical assistance providers and alternative financing. A place where those we are looking to have those looking to do business downtown are able to begin to explore more in-depth resource options. This event will also be used as promotion for DGRI business programs and events

Doing Business Downtown Seminar Series
A more focused series of panel's, talks and discussions on what it takes to do business downtown and some of the unique challenges that downtown businesses face such as dealing with social service needs or capitalizing on or managing downtown events. Starting off this will be quarterly with additional topics being more intentional conversations of general business resources such as contracting with DGRI or the City and or marketing strategies.

Downtown Business Association Support
This funding will be used explicitly to support the Business Association's organizational support. What this means depends on the association but will be for events, marketing and work that the Business Associations are doing themselves.

Downtown Business/Retail Marketing
Developing a branding/marketing strategy for downtown retail. A study on what is Brand Rapids would help inform gaps and where money would best be utilized. Suggested publications that we regularly advertise in highlighting shopping districts in downtown.

Research
A study of current retail conditions by looking at vacancy rates/locations and leakage/gap analysis in order to set a current state base line within the context of local regional and national conditions. Internal capacity to maintain the relevancy and accuracy of the date would then be used to measure the impact of DGRI efforts and programs. The on going tracking of trends will include a map/listing of retail opportunities, maintaining a directory of downtown retailers and relevant statistics that impact general business decisions.

GRAND RAPIDS AREA RETAIL MARKET, BY THE NUMBERS

AREA	# OF BUILDINGS	EXISTING INVENTORY (SQUARE FEET)	VACANCY RATE
28th Street SE	217	7,296,006	3.59%
28th Street SW	91	1,655,169	0.84%
Alpine Avenue	97	2,840,232	2.97%
East Beltline Avenue	32	767,016	2.57%
Plainfield Avenue/ Northland Drive	111	2,374,994	7.63%
Rivertown Parkway	48	3,203,716	0.40%
MARKET TOTALS	595	18,137,133	3.17%

SOURCE: COLLIER'S INTERNATIONAL, Q3 2019 RETAIL FORECAST AND RESEARCH REPORT
MIBIZ FILE PHOTO

Grand Rapids groups partner on retail pilot program

BY [SYDNEY SMITH](#) Sunday, October 27, 2019 06:30pm

GRAND RAPIDS — Multiple organizations have partnered to assess how Grand Rapids can attract and retain retail across all parts of the city.

The city of Grand Rapids, the Downtown Development Authority and the **Grand Rapids Area Chamber of Commerce** will begin the Retail Retention and Attraction Initiative on Nov. 1. The initiative is a one-year pilot program that will involve studying current and future trends in retail and hiring a retail specialist who will develop and implement an action plan.

“We recognize that there can be unique challenges to retailers in Grand Rapids, so we want to make sure we are providing support for those existing businesses, and providing

retention services to them across the various resources available in the community,” said Jono Klooster, the city’s acting economic development director.

The total cost estimated for the initiative is \$174,616, which includes a retail market study and action plan, the hiring of a retail recruitment and retention specialist, marketing and other needs. The Grand Rapids City Commission voted this month to contribute \$100,000 for the initiative, while the DDA in November will consider a \$60,000 contribution. The Chamber will make an in-kind contribution of workspace, technology and other resources.

The partners aim to present the recommended strategies outlined in the action plan to the Grand Rapids City Commission in the first half of 2020 and report on the outcomes of the strategies in early 2021.

According to Klooster, a market analysis on the entire Grand Rapids retail environment has never been completed. A study covering some areas of the market was completed about 10 years ago, so it needs to be updated, he said. The new study will focus purely on the retail market, including the downtown and neighborhood business corridors.

“The retail market is changing significantly, and we know that one size doesn’t fit all, and that vibrant business districts, which come in many different forms, help to create a sense of place that contributes to the quality of life for residents. It’s a really broad-based initiative,” Klooster said.

The three partners came together on the initiative because of an alignment of priorities in their missions, said Tim Kelly, president and CEO of **Downtown Grand Rapids Inc.**, which administers the DDA. The initiative also fits within the city’s strategic plan objectives.

“(Being supportive of the retail environment) has been a priority for us for a number of years, and something we are going to continue to do,” Kelly said. “We all identified it as an opportunity.”

Despite a range of threats and challenges, including limited available space because of the low vacancy rates across the market, research has shown West Michigan’s traditional shopping corridors continue to thrive. Retailers and researchers previously told *MiBiz* that while the retail industry is reacting to technology-driven changes such as the convenience of e-commerce, brick-and-mortar stores remain viable in cases where retailers deploy new online strategies in addition to their physical locations.

This is the case for Woodland Mall and its recently opened 90,000-square-foot Von Maur anchor store. A spokesperson for Woodland owner **Pennsylvania Real Estate Investment Trust Inc.** told *MiBiz* the mall has stayed viable because of retailers’ continued reinvestment in their stores.

According to a third quarter report by the West Michigan office of **Colliers International**, a number of stores including GNC and Kmart announced large-scale closures, while many new retailers and restaurants have come online in Grand Rapids.

Along with Von Maur, Urban Outfitters opened a new store at Woodland Mall. Several new restaurants have also announced openings, including North Carolina-based **Tupelo Honey Southern Kitchen & Bar**, which signed a 10-year lease to occupy the first floor of the Hyatt Place Grand Rapids/Downtown at 140 Ottawa Ave. NW.

Other recent openings include Studio Park in downtown Grand Rapids, a 62,500-square-foot mixed-use development that includes a movie theater, restaurants and retail space, among other uses.

The vacancy rate for West Michigan retail overall stands at 3.17 percent. Colliers noted that space continues to fill up quickly, especially second-generation restaurant space, end caps, mid-box space and newer multi-tenant spaces in major retail corridors like 28th Street and Alpine Avenue.

Looking forward, Colliers expects retailers to continue to face high construction costs, which it defines as a major factor in the lack of new or speculative retail space coming online. Vacancy rates will decrease as space fills, while absorption and lease rates will increase because demand outweighs supply in the local market.

City leaders have made it a priority to continue developing a vibrant retail environment, which they see as a critical component of downtown and neighborhood business districts. The economic development department has started conversations with the six corridor improvement authorities throughout the city to engage them in the development of the action plan.

Overall, the new initiative is intended to support current retail businesses and increase the number of new businesses resulting in fewer first-floor vacancy rates. The retail specialist hired as part of the project will focus on these goals.

“The goal is to really understand the current market, getting into market analysis and data gathering so we can understand the growth potential,” DGRI’s Kelly said. “Really, it’s about how we attract and maintain what we currently have, making sure there is a point person that is charged with doing that, both in downtown and throughout the city.”

Staff Writer, covers real estate and economic development

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DOWNTOWN
GRAND RAPIDS INC.

REQUEST FOR PROPOSAL

RETAIL BUSINESS ATTRACTION, INCUBATION & DEVELOPMENT IN DOWNTOWN GRAND RAPIDS, MI

Deadline:

Downtown Grand Rapids Inc. will receive proposals on a rolling basis

Deliver To:

Downtown Grand Rapids Inc.
Attention: Tim Kelly, President/CEO
29 Pearl Street NW
Suite 1
Grand Rapids, MI 49503
or
tkelly@downtowngr.org

Retail Business Attraction, Incubation and Development Program

Request for Proposals

Funds available to attract underserved and unavailable retail options in Downtown Grand Rapids.

Background

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

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

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

Funds Available

Downtown Grand Rapids Inc. (DGRI) administers the Grand Rapids Downtown Development Authority (DDA) and, in October 2016, updated the DDA's financing plan to prioritize statutorily-sanctioned efforts that work to attract underserved and/or unavailable retail options in Downtown. In June 2017, the DDA adopted a budget that directed funding to support marketing initiatives and/or a retail business incubation program that further the community's goals discussed above. Up to \$60,000 could be awarded to successful applicants. Any expenditure of these funds must occur in accordance with sections 7(1)(r) and 7(2) the DDA's enabling statute PA 197 of 1975. Please find a copy of these requirements attached.

Potential Uses of Funds

This process is open to good ideas that will make change happen. The purpose of this RFP is to identify creative strategies and partnerships that effectively and measurably advance on the community's goal of strengthening and diversifying Downtown's retail market. It is strongly recommended that proposals view this funding opportunity as a component of a comprehensive approach to supporting small business development and demonstrate the intent accordingly. Proposals that outline complementary business development support services outside of the requested funds will be viewed favorably.

Potential ideas for the use of DDA funds could include but are not limited to:

- Providing technical assistance to specific Downtown business prospects to support business planning and concept testing;
- Successfully recruiting prospective businesses to fill vacant storefronts; and/or
- Providing financial assistance to a Downtown property owner(s) to bridge a specific funding gap for a qualifying business.

Please see *Exhibit A: Examples of Eligible Uses* for more information regarding eligible and prohibited uses.

Evaluation Factors

DGRI and the *GR Forward* Goal 4 Alliance will evaluate proposals based on several key factors including:

- The use of funds is consistent with MI PA 197 state-statute, which empowers the Downtown Development Authority to fund retail recruitment and incubation efforts in the Downtown district.
- Alignment with the aforementioned community goals defined in *GR Forward*.
- Creativity and completeness of proposed solution/approach.
- Relevant past performance/experience.
- Speed of implementation.
- Potential for success/sustainability.
- Clear articulation of expected outcomes.

Timeline

Downtown Grand Rapids Inc. invites applications on a rolling basis and will review requests with the support the *GR Forward* Goal 4 Citizen Alliance on a quarterly basis.

Exhibit A: Examples of Eligible Uses

Funds available to support successful proposals are made available from local increment tax capture by the Downtown Development Authority. As such, funds are subject to geographic limitations, use restrictions and payment availability as established by PA 197 of 1975, as amended, and other policies established by the Grand Rapids Downtown Development Authority Board.

Below are examples of situational uses that are eligible, as well as uses that are prohibited. This list is intended to be illustrative, though not exhaustive. If needed, DGRI staff is available to help potential applicants determine the eligibility of proposed uses that are not outlined below. Given the complexity of ways in which tax increment funds can be used coupled with the many opportunities and challenges associated with leasehold negotiations and building improvements, potential applicants are strongly encouraged to involve DGRI staff in the comprehensive review of proposed deal structure.

Examples of some potential uses of grant funds:

- **Contributions towards permanent building improvements:** Whereby an existing property owner within the eligible geography desires to make permanent improvements to a commercial building to support the leasehold deal. Commonly supported building improvements include ADA access improvements, commercial facades, etc. In this instance, the property owner likely would be the program applicant and proof of the intent to locate the qualifying business in the building would be required.
- **Contributions to lease payments:** In the event of a potential lease between a qualifying business and a property owner within the eligible geography, funds may be used to help partially reduce rent payments for a period up to 18 months. Any program funds used for this scenario would be paid to the property owner according to a schedule that would be included within the leasehold agreement. In this instance, a property owner and the qualifying business owner are envisioned to be co-applicants to the program.

Contracting for deal-making / recruitment services: Where there exists an economic development service organization (ESO) or other similar entity with strong relationships to potential qualifying businesses, funds could be used to deploy a marketing initiative that raises awareness and understanding of Downtown's economic development tools in a way that supports business recruitment and/or expansion. In this scenario, DGRI's *GR Forward* Goal 4 Alliance supported by DGRI staff, would establish specific outcome expectations from the proposed economic development activity and funds would be paid upon successful goal accomplishment.

Examples of some prohibited uses of grant funds:

- **Direct payments qualifying businesses:** Funding cannot be used to support any business operating needs, capital, salaries, inventory, goods, equipment, furniture, fixtures, marketing expenses, or other day-to-day resources required for business operations.
- **Program Marketing:** Funds are not available to support general marketing, promotions, advocacy, public relations, or any other such effort related to the program goals or ambitions.

Proposal Requirements

Proposals submitted shall be limited to 6 pages (front and back allowed). The proposal should include the following information:

- **Description of Approach** – A summary of your venture, strategy, partnership(s) and/or any distinguishing points of the proposed action intended to achieve the community goals.
- **Relevant Experience** – A description of your previous experience and qualifications on similar or related types of venture or initiatives proposed to achieve the community goal.
- **Team** – Description of the individual(s), businesses, organization(s) and/or other partners involved. Key personnel will be an important factor considered by the review committee.
- **Schedule** – Overview of timeline and important project milestones to ensure measurable movement toward the community goal.
- **Project Costs** – An outline of proposed costs, professional fees, or other expenses required to complete the proposed approach.

A digital copy of the proposal can be emailed to tkelly@downtowngr.org. Hard copy proposals, while not required, can be mailed to the address below.

Downtown Grand Rapids Inc.
Attn: Tim Kelly
29 Pearl Street NW, Suite #1
Grand Rapids, MI 49503