

AGENDA



TIFA

MONROE
NORTH
TIFA

Board Members:

Jim Baldwin • Shaun Biel • Mayor Rosalynn Bliss • Diedre Deering • Kayem Dunn • Jim Talen • Rick Winn

Wednesday, February 14, 2024
10:00 a.m. Meeting
29 Pearl Street NW

1. Call to order
2. Approve Meeting Minutes from June 14, 2023 (10:00)
Motion – Biel | (enclosure)
3. Accept Financials from January 31, 2024 (10:01)
Motion – Chapman | (enclosure)
4. Accept FY2023 Audit (10:05)
Motion – Chapman | (enclosure)
5. FY2025 Budget Overview (10:15)
Info – Kelly |
6. DGRI President & CEO Report (10:25)
Info Item – Kelly
7. Public Comment (10:30)
8. Board Member Discussion (10:35)
9. Adjournment



TIFA

Tax Increment
Finance
Authority

Meeting of the City of Grand Rapids Tax Increment Financing Authority
June 14, 2023

1. Call to Order – This meeting was called to order at 9:00am by Chair Shaun Biel

Attendance

Present: Shaun Biel, Kayem Dunn, Diedre Deering, Jim Talen, Rick Winn, Mayor Rosalynn Bliss, and Jim Baldwin.

Absent:

Others Present: Tim Kelly (Executive Director), Mandy McDaniel (Recording Secretary), Jessica Wood (Legal Counsel), Bill Kirk, Mark Miller (DGRI Staff).

2. Approved Meeting Minutes from April 14, 2023
Motion: Baldwin, supported by Mayor Bliss, moved approval of the minutes from April 14, 2023, Board Meeting as presented. Motion Carried unanimously.
3. Approved May 31, 2023, Financials
Motion: Talen, supported by Dunn, moved to accept Statement C: Schedule of May 31, 2023, Expenditures as presented. Motion carried unanimously.
4. FY2024 Budget Adoption
Kelly has reviewed the recommendation for the FY24 budget from the April 2023 MNTIFA Board Meeting, which was approved by the City Commission without any changes. The final adoption of the FY24 budget is now being requested by the Monroe North TIFA Board.

Motion: Member Talen, supported by Member Dunn, moved to adopt the FY2024 Budget to fund projects and priorities in the Monroe North Tax Increment Finance Authority for the period from July 1, 2023 – June 30, 2024. Motion carried unanimously.

5. DASH Funding Support

Kelly presented a proposal to continue supporting the DASH services in Monroe North. The proposal suggests entering a three-year extension of the MOU, which would enable the DASH service to continue Downtown until June 30, 2026. The proposal involves the DDA and MNTIFA contributing \$300,000 (\$25,000 per month) and \$100,004 (\$8,333 per month), respectively. The route was rerouted in May and is now a consolidated route.

Motion: Member Winn, supported by Mayor Bliss, to approve the extension of the DASH MOU with Mobile GR for an additional three years and for an amount not to exceed \$300,000 annually in FY24 – 26 for the continued operation of DASH services. Motion carried unanimously.

6. DGRI President and CEO Report

Kelly shared the following DDA updates:

- On July 11th, the City Commission will hold a public hearing to discuss increasing building heights to 20 stories.
- The construction should start at Colebrook roundabout after the 4th of July and go through November.
- DGRI and DNR grant agreement has been executed.
- Activation at Futsal Courts and Canal Park will have kayaking rentals available.

Talen inquired about the height issue that was mentioned. An understanding is currently, you can add additional height if you provide affordable housing. Given what we hear about downtown with the unhoused individuals. What can we do to incentivize that? Kelly responded we have seen that the zoning code is not the best place to address some of these issues. We recognize there are other areas to help. DDA approved funding to help support a new program called Community Rebuilders. Incentives were not working the way we hoped.

7. Public Comment

None.

8. Board member discussion

Monroe North's annual summer picnic is on August 16th at 6th Street Park this year.

The meeting was adjourned at 9:16 am.

Minutes taken by:

Mandy McDaniel

Downtown Grand Rapids, Inc

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: February 5, 2024

TO: Monroe North Tax Increment Financing Authority

FROM: Tricia Chapman
Administrative Services Officer II

Agenda Item # 3
February 14, 2024
Monroe North TIFA Meeting

SUBJECT: Interim Financial Statements Through January 31, 2024

Attached are the Monroe North Tax Increment Financing Authority interim financial statements for the first seven months of the Authority's fiscal year ending June 30, 2024.

Statement A: Balance Sheet

Statement B: Statement of Revenues and Expenses

Statement C: Schedule of Expenditures

The Authority's balance sheet on Statement A indicates the Authority is in a strong position financially with sufficient Pooled Cash to support development plan expenditures for FY2024 and beyond.

Winter tax increment revenues were posted in December, bringing tax revenue to 110% of budget. The Authority has spent approximately 20.3% of its budgeted expenditures this fiscal year.

Please feel free to contact me at 456-3848 or at tchapman@grcity.us if you have any questions.

Attachments

STATEMENT A
MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
Balance Sheet
January 31, 2024

ASSETS

Pooled Cash and Investments	\$	3,470,061
General Fixed Assets		1,486,800
Less: Accumulated Depreciation		(1,486,800)
TOTAL ASSETS	\$	<u>3,470,061</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accounts Payable	\$	17
TOTAL LIABILITIES		<u>17</u>

Fund Balance / Equity:

Investments in General Fixed Assets		-
Reserve for Compensated Absences		815
Reserve for Encumbrances		2,096
Reserve for Authorized Projects		3,467,133
TOTAL FUND EQUITY		<u>3,470,044</u>

TOTAL LIABILITIES & FUND EQUITY	\$	<u>3,470,061</u>
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Prepared 2/5/2024

STATEMENT B
MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
FY2023 Statement of Revenues and Expenses
July 1, 2023 - January 31, 2024

REVENUES	FY2024	
	Budget	Actual
Property Tax Increment	\$ 445,225	\$ 492,407
Property Tax Increment - Prior Year Appeals	(5,000)	-
State of Michigan - Personal Property Losses	139,957	152,476 ¹
Investments Earnings	66,420	227,864
TOTAL REVENUES	\$ 646,602	\$ 872,747
EXPENSES		
Committed and Ongoing		
Contractual Services - Annual Audit	\$ 5,763	\$ 6,380
Contractual Services - Legal	5,000	328
General Fund Departments Services	28,056	16,366
Insurance - General Liability	1,105	552
Staff Support / Personnel	125,000	58,253
Supplies	200	89
Share of DGRI Administration	10,000	4,153
Sub-Total Committed and Ongoing	\$ 175,124	86,121
<u>GR Forward Projects:</u>		
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor		
Grand River Greenway and Corridor Planning	\$ 175,000	\$ 25,000
Sub-Total GR Forward - Goal #1	\$ 175,000	\$ 25,000
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population		
District Enhancement Grants	\$ 50,000	\$ -
Infrastructure Improvements - Miscellaneous	10,000	-
Sub-Total GR Forward - Goal #2	\$ 60,000	\$ -
Goal #3: Implement a 21st Century Mobility Strategy		
Accessibility and Streetscape Improvement	\$ 150,000	\$ 7,755
Bicycle Infrastructure Improvements	15,000	-
Transit Improvements in Monroe North District	150,000	58,331
Sub-Total GR Forward - Goal #3	\$ 315,000	\$ 66,086
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming		
Urban Recreation Plan	\$ 150,000	\$ -
Sub-Total GR Forward - Goal #5	\$ 150,000	\$ -
TOTAL EXPENSES	\$ 875,124	\$ 177,207
EXCESS / (DEFICIT)	\$ (228,522)	\$ 695,540
BEGINNING FUND BALANCE		2,774,504
ENDING FUND BALANCE		\$ 3,470,044

Note 1: State of Michigan reimbursement for the tax increment revenue losses related to State-mandated industrial and commercial personal property exemptions.

STATEMENT C
MONROE NORTH TAX INCREMENT FINANCING AUTHORITY
Schedule of Expenditures
December 1, 2023 - January 31, 2024

Date Posted	Vendor	Purpose / Project	Description	Amount
12/13/2023	Rowe Professional Services Company, Inc.	Accessibility and Streetscape Improvement	Rapid Flash Beacons at Var Locs 2023-1	2,131.37
1/29/2024	Rowe Professional Services Company, Inc.	Accessibility and Streetscape Improvement	Rapid Flash Beacons at Var Locs 2023-1	1,797.29
				3,928.66
12/31/2023	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	2,338.00
1/31/2024	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	2,338.00
				4,676.00
12/31/2023	City Treasurer - Risk Mgmt	Insurance - General Liability	Monthly General Insurance Allocation	92.08
				92.08
12/6/2023	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Space Lease Dec 23	321.61
1/3/2024	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Space Lease Jan 2024	321.61
12/14/2023	US Bank National Association	Share of DGRI Administration	Admin: Conferences	147.23
1/7/2024	Lisa M Cooper	Share of DGRI Administration	HR Consultant services 12/23	143.82
12/11/2023	Worksighted, Inc.	Share of DGRI Administration	MNTIFA Worksighted IT software 12/23	120.95
1/16/2024	Worksighted, Inc.	Share of DGRI Administration	Worksighted IT software 01/24	120.95
12/11/2023	Lisa M Cooper	Share of DGRI Administration	HR Consultant services 12/23	43.50
12/11/2023	Worksighted, Inc.	Share of DGRI Administration	Worksighted IT monthly subscription 12/23	34.92
1/16/2024	Worksighted, Inc.	Share of DGRI Administration	Worksighted IT monthly subscription 01/24	34.92
1/7/2024	GreatAmerica Financial Services Corp	Share of DGRI Administration	Copier Lease 11/23	34.90
12/6/2023	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Space Lease Dec 2023 Mezz	31.52
1/3/2024	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Space Lease Jan 2024 Mezz	31.52
1/4/2024	City Treasurer - MobileGR	Share of DGRI Administration	Parking Validations invoices - July 2023	28.85
12/3/2023	Metro FiberNet, LLC	Share of DGRI Administration	Internet/Phone at 29 Pearl St NW 11/23	23.32
12/28/2023	Metro FiberNet, LLC	Share of DGRI Administration	Internet/Phone at 29 Pearl St NW 11/23	23.32
1/29/2024	Metro FiberNet, LLC	Share of DGRI Administration	Internet/Phone at 29 Pearl St NW 01/24	23.32
1/18/2024	City Treasurer - MobileGR	Share of DGRI Administration	Parking Validations invoices - June 2023	21.55
12/3/2023	Professional Maintenance of Michigan Inc.	Share of DGRI Administration	Janitorial services Nov 23	17.25
1/2/2024	Professional Maintenance of Michigan Inc.	Share of DGRI Administration	Janitorial/Custodial Services- Dec 23	17.25
1/31/2024	Professional Maintenance of Michigan Inc.	Share of DGRI Administration	Janitorial services Jan 24	17.25
1/23/2024	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Utility Service: Electric 01/24	15.76
1/7/2024	Fusion Financial Services, LLC	Share of DGRI Administration	Fusion Accounting services 11/23	13.08
1/23/2024	Cellco Partnership	Share of DGRI Administration	Cell Phone Service 01/24	12.90
12/15/2023	City Treasurer - MobileGR	Share of DGRI Administration	Parking Validations invoices - Nov 2023	12.70
12/17/2023	Cellco Partnership	Share of DGRI Administration	Cell Phone Service 12/23	12.66
12/17/2023	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Utility Service: Electric 12/23	11.92
1/7/2024	Fusion Financial Services, LLC	Share of DGRI Administration	Fusion Accounting services 12/23	11.75
12/14/2023	US Bank National Association	Share of DGRI Administration	DGRI Admin: Supplies (TIFA)	10.28
12/3/2023	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office supplies 11/23 TIFA	9.10
1/28/2024	YMCA of Greater Grand Rapids	Share of DGRI Administration	YMCA memberships first quarter 01/24	9.00
12/14/2023	US Bank National Association	Share of DGRI Administration	Admin: Food/Bev (MNTIFA)	8.31
1/7/2024	Littlefoot Coffee Roasters	Share of DGRI Administration	Office Supply coffee 12/23	7.58
12/20/2023	Marion Bonneaux	Share of DGRI Administration	M.Bonneaux - IDA conference reimbursement 10/23	7.40
1/7/2024	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office supplies 12/23 TIFA	6.70
1/7/2024	AccuSourceHR, Inc.	Share of DGRI Administration	Criminal Background Check services 12/23	6.44
1/12/2024	US Bank National Association	Share of DGRI Administration	Admin: Service (MNTIFA)	5.95
1/12/2024	US Bank National Association	Share of DGRI Administration	Admin: Food/Bev (MNTIFA)	5.73
1/11/2024	City Treasurer - MobileGR	Share of DGRI Administration	Parking Validations invoices - Dec 2023	5.70
12/17/2023	JobMatch LLC	Share of DGRI Administration	HR software 12/23	5.45
1/25/2024	JobMatch LLC	Share of DGRI Administration	HR software 01/24	5.45
1/7/2024	Engineered Protection Sys Inc	Share of DGRI Administration	Office Security System 11/01/23-1/31/24	4.92
1/12/2024	US Bank National Association	Share of DGRI Administration	DGRI Admin: Supplies (TIFA)	4.05
1/16/2024	Field & Fire Cafe LLC	Share of DGRI Administration	Staff breakfast 01/24	3.50
12/20/2023	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 02/23-06/23	2.05
1/11/2024	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 02/23-06/23	2.05
12/17/2023	ACO Inc	Share of DGRI Administration	Ace Hardware Office Supplies 12/23	1.60
1/12/2024	US Bank National Association	Share of DGRI Administration	DGRI Admin: Fees (MNTIFA)	0.62
1/12/2024	US Bank National Association	Share of DGRI Administration	Admin: Supplies	0.54
12/14/2023	US Bank National Association	Share of DGRI Administration	Admin: Subscriptions (MNTIFA)	(1.94)
				1,760.81

continued on the next page

STATEMENT C - continued
Monroe North Tax Increment Financing Authority
Schedule of Expenditures
December 1, 2023 - January 31, 2024

Date Posted	Vendor	Activity # Purpose / Project	Description	Amount
<i>Continued from previous page</i>				
1/31/2024	Downtown Development Authority	Staff Support / Personnel	DDA Payroll allocation - 7/1/2023-2/1/2024	50,000.00
12/11/2023	Priority Health	Staff Support / Personnel	Health Insurance Premium December 2023 -March 2024	2,703.15
1/31/2024	Downtown Development Authority	Staff Support / Personnel	DDA Payroll allocation - 7/1/2023-2/1/2024	365.00
1/7/2024	American United Life-Group Div	Staff Support / Personnel	OneAmerica Life Insurance 12/23	224.98
1/20/2024	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 01/20/2024	205.77
12/9/2023	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 12/09/2023	205.60
12/23/2023	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 12/23/2023	205.60
1/6/2024	City of Grand Rapids	Staff Support / Personnel	Payroll period ended 01/06/2024	205.50
12/4/2023	American United Life-Group Div	Staff Support / Personnel	OneAmerica Life Insurance 11/23	149.23
1/28/2024	Encompass EAP LLC	Staff Support / Personnel	Annual EAP Billing 2024	147.00
1/15/2024	Blue Cross Blue Shield of Mich	Staff Support / Personnel	Dental Insurance Premiums 11.01.23 - 06.30.24	53.15
12/13/2023	Blue Cross Blue Shield of Mich	Staff Support / Personnel	Dental Insurance Premiums 11.01.23 - 06.30.24	51.97
				54,516.95
12/28/2023	City Treasurer - Mobile GR	Transit Improvements	Nov 2023 MNTIFA Share DASH North Service	8,333.00
12/28/2023	City Treasurer - Mobile GR	Transit Improvements	Dec 2023 MNTIFA Share DASH North Service	8,333.00
1/29/2024	City Treasurer - Mobile GR	Transit Improvements	Jan 2024 MNTIFA Share DASH North Service	8,333.00
				24,999.00
TOTAL EXPENDITURES				\$ 89,973.50

December 5, 2023

To the Members
Grand Rapids Tax Increment Financing Authority

We have audited the financial statements of the Grand Rapids Tax Increment Financing Authority (the "Authority") as of and for the year ended June 30, 2023 and have issued our report thereon dated December 5, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 1, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 18, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

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

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

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

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

Corrected and Uncorrected Misstatements

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

Significant Findings or Issues

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2023.

Management Consultations with Other Independent Accountants

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

To the Members
Grand Rapids Tax Increment Financing Authority

December 5, 2023

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

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "William Brickey", with a stylized flourish at the end.

William Brickey

Grand Rapids Tax Increment Financing Authority

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

Financial Report
, with Supplementary Information
June 30, 2023

Grand Rapids Tax Increment Financing Authority

Contents

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Independent Auditor's Report

To the Members
Grand Rapids Tax Increment Financing Authority

Opinions

We have audited the financial statements of the governmental activities and the governmental fund of the Grand Rapids Tax Increment Financing Authority (the "Authority"), a component unit of the City of Grand Rapids, Michigan, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Grand Rapids Tax Increment Financing Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the governmental fund of the Authority as of June 30, 2023 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Members
Grand Rapids Tax Increment Financing Authority

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the accompanying schedule of projects, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinions on the basic financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

Plante & Moran, PLLC

December 5, 2023

Grand Rapids Tax Increment Financing Authority

Management's Discussion and Analysis

This section of the Grand Rapids Tax Increment Financing Authority's (the "Authority") financial report presents a discussion and analysis of the Authority's financial performance for the fiscal year ended June 30, 2023. This discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. This discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts.

Using This Financial Report

This financial report consists of two financial statements that focus on the financial condition of the Authority and the results of its operations as a whole.

One of the most important questions asked about governmental finances is whether the unit of government as a whole is better off or worse off as a result of the year's activities. The keys to understanding this question are the statement of net position and the statement of activities.

The statement of net position presents financial information on all of the Authority's assets and liabilities, with the difference reported as net position. The statement of net position is prepared using the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The Authority's net position is one indicator of the Authority's financial health. Over time, increases or decreases in net position indicate the improvement or erosion of the Authority's financial health.

Condensed Statement of Net Position

	2023	2022	Percent Change
Assets			
Current assets:			
Cash and investments	\$ 2,764,364	\$ 2,431,460	13.7
Receivables	10,777	7,892	36.6
Capital assets	1,188	2,138	(44.4)
Total assets	2,776,329	2,441,490	13.7
Liabilities			
Current liabilities	637	2,245	(71.6)
Noncurrent liabilities	1,993	2,940	(32.2)
Total liabilities	2,630	5,185	(49.3)
Net Position			
Net investment in capital assets	10	-	-
Restricted for authorized projects	2,773,689	2,436,305	13.8
Total net position	<u>\$ 2,773,699</u>	<u>\$ 2,436,305</u>	13.8

Current Assets

Equity in Pooled Cash and Investments

The City of Grand Rapids, Michigan maintains an investment pool for most city funds and component units. The Authority's portion of the investment pool is displayed on the statement of net position as equity in pooled cash and investments.

Noncurrent Assets

Capital Assets - Net

Capital assets consist of \$1,486,800 in land improvements, all of which were fully depreciated as of June 30, 2023, and a lease asset of \$1,188. The difference between the net capital assets on June 30, 2023 and 2022 is the lease asset and the related depreciation expense of \$950 recorded in fiscal year 2023.

Grand Rapids Tax Increment Financing Authority

Management's Discussion and Analysis (Continued)

Current Liabilities

Vouchers Payable and Accrued Interest Payable

Amounts due to suppliers and contractors and accrued interest payable have been accrued in the amount of \$637.

Noncurrent Liabilities

Noncurrent liabilities consist of a lease liability plus certain long-term accrued staff compensation. The decrease from 2022 to 2023 is due to payments made during the year.

Net Position

Net position is the difference between the Authority's assets and the Authority's liabilities. Total net position is \$2.8 million, which is 13.8 percent higher than the 2022 total net position of \$2.4 million. The Authority's net position, other than the net investment in capital assets, is restricted by the requirements of Michigan Public Act 57 of 2018, as amended, which limits expenditures to those that further the Authority's development plan. The increase between the two fiscal years is due to the difference between the Authority's fiscal year 2023 revenue and expenditures.

Condensed Statement of Activities

	2023	2022	Percent Change
Revenue			
Property taxes	\$ 445,269	\$ 430,632	3.4
Federal and state grants	144,286	137,086	5.3
Investment gain (loss)	4,366	(123,653)	(103.5)
Other revenue	26	-	-
Total revenue	593,947	444,065	33.8
Expenditures			
Urban development	256,553	254,639	0.8
Total expenditures	256,553	254,639	0.8
Changes in Net Position	337,394	189,426	78.1
Net Position - Beginning of year	2,436,305	2,246,879	8.4
Net Position - End of year	<u>\$ 2,773,699</u>	<u>\$ 2,436,305</u>	13.8

Revenue

Property Taxes

The Authority's revenue is generated primarily through the use of property tax increment financing, in which the Authority captures ad valorem property tax and industrial facility tax revenue attributable to increases in the value of real and personal property within the district boundaries. Property tax revenue related to the State Education Tax, the Kent Intermediate School District, and the Grand Rapids Public Schools levies is not captured because the Authority had no eligible obligations outstanding when Proposal A took effect on January 1, 1995. Property tax increment revenue for the year ended June 30, 2023 includes property taxes levied on July 1, 2022 and December 1, 2022.

Other Revenue

The Authority receives funds from the State of Michigan's Local Community Stabilization Authority to offset property tax increment revenue losses resulting from the State of Michigan's Small Taxpayer Personal Property and Eligible Manufacturing Personal Property (EMPP) exemptions that became effective during fiscal year 2017. This reimbursement is identified as state grants on the statement of activities.

Grand Rapids Tax Increment Financing Authority

Management's Discussion and Analysis (Continued)

Expenses

Urban Development

These expenses include operating expenses and public improvement project expenditures within the Monroe North Development Area.

Overall Financial Position

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

Requests for Information

This financial report is designed to provide a general overview of the Grand Rapids Tax Increment Financing Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Grand Rapids, Michigan comptroller's department at 300 Monroe Avenue NW, Grand Rapids, MI 49503.

Grand Rapids Tax Increment Financing Authority

Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2023

	Governmental Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Equity in pooled cash and investments (Note 2)	\$ 2,764,364	\$ -	\$ 2,764,364
Receivables - Net	10,777	-	10,777
Capital assets - Assets subject to depreciation - Net (Note 4)	-	1,188	1,188
Total assets	<u>\$ 2,775,141</u>	1,188	2,776,329
Liabilities			
Vouchers payable	\$ 637	-	637
Noncurrent liabilities: (Note 5)			
Due within one year	-	1,287	1,287
Due in more than one year	-	706	706
Total liabilities	637	1,993	2,630
Equity			
Fund balance - Restricted for authorized projects	2,774,504	(2,774,504)	-
Total liabilities and fund balance	<u>\$ 2,775,141</u>		
Net position:			
Net investment in capital assets		10	10
Restricted for authorized projects		2,773,689	2,773,689
Total net position		<u>\$ 2,773,699</u>	<u>\$ 2,773,699</u>

Grand Rapids Tax Increment Financing Authority

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

	Year Ended June 30, 2023		
	Governmental Fund	Adjustments (Note 3)	Statement of Activities
Revenue			
Property taxes	\$ 445,269	\$ -	\$ 445,269
Federal and state grants	144,286	-	144,286
Investment (loss) gain:			
Unrealized loss on investments	(68,637)	-	(68,637)
Investment earnings	73,003	-	73,003
Other revenue	26	-	26
Total revenue	<u>593,947</u>	<u>-</u>	<u>593,947</u>
Expenditures - Urban development	<u>256,550</u>	<u>3</u>	<u>256,553</u>
Net Change in Fund Balance/Net Position	337,397	(3)	337,394
Fund Balance/Net Position - Beginning of year	<u>2,437,107</u>	<u>(802)</u>	<u>2,436,305</u>
Fund Balance/Net Position - End of year	<u><u>\$ 2,774,504</u></u>	<u><u>\$ (805)</u></u>	<u><u>\$ 2,773,699</u></u>

June 30, 2023

Note 1 - Reporting Entity

The Grand Rapids Tax Increment Financing Authority (the "Authority"), a component unit of the City of Grand Rapids, Michigan (the "City"), was created in December 1985 by the City and began operations in fiscal year 1987 under the provisions of Act 450, Public Acts of 1980 of the State of Michigan, as amended. The Authority is also guided by Public Act 57 of 2018, which was enacted effective January 1, 2019. Public Act 57 recodifies several tax increment financing (TIF) statutes, including the Authority's enabling statute, while allowing the Authority to continue to capture property tax increment revenue. Public Act 57 establishes reporting requirements and penalties for noncompliance with these reporting requirements. It requires the Authority to hold information meetings twice a year. In addition, Public Act 57 provides for the continuation of a liability or obligation of an authority under a statute that the bill repeals. The purpose of the Authority is to provide for the development of the Monroe North Development Area, which is bounded roughly by Coldbrook Street on the north, Ionia Avenue on the east, the Grand River on the west, and the south line of Newberry Street on the south.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

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

Basis of Accounting

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

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

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

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

Budget

The Grand Rapids City Commission annually approves the Authority's budget after the Authority's board members have reviewed and recommended it. After the City Commission approves the budget, the Authority's board members adopt it. The budget for the Authority is a project budget rather than an annual budget. Therefore, budget-to-actual information has not been reflected in the financial statements.

Specific Balances and Transactions

Cash and Investments

The City maintains an investment pool for most city funds, including component units, such as the Authority. The Authority's portion of the investment pool is displayed on the balance sheet as equity in pooled cash and investments. The Authority's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty.

June 30, 2023

Note 2 - Significant Accounting Policies (Continued)

The investment policy adopted by the City Commission is governed by the provisions of Michigan Public Act 20 of 1943, as amended. The policy is designed to prioritize the preservation of principal while also providing an investment return. Details on the investment policy and the categorization of cash and investments are included in the Annual Comprehensive Financial Report of the City of Grand Rapids, Michigan to give an indication of the level of risk assumed by the City at year end. It is not feasible to allocate the level of risk to the various component units of the City because of the commingling of assets in the pool. Interest income and investment losses from the cash and investment pooling is distributed by the city treasurer to the appropriate funds based on the fund's weighted-average share of the investment pool.

Deposits are less than 10 percent of the City's total portfolio. They consist of bank money market funds, demand deposit accounts, and certificates of deposit with original maturities greater than three months at the date of purchase. Michigan statutes require that deposits be maintained in financial institutions with offices located in Michigan. Most deposits are uninsured and uncollateralized.

Investments are a diversified mixture of U.S. government agency and U.S. Treasury securities, money market mutual funds that maintain a \$1 value per share, obligations of the State of Michigan or its subdivisions with a rating of A or higher, and commercial paper rated by at least two rating organizations at their highest rating. All investments are reported at fair value.

Capital Assets

Capital assets, which include land improvements, are reported on the statement of net position. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital assets, outside of the leases that are discussed below, are fully depreciated in the current year and were depreciated over 20 years using the straight-line method.

Long-term Obligations

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

Net Position

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

Property Tax Revenue

The majority of the Authority's revenue is generated through property tax increment financing. Summer taxes are levied on July 1 and attach as an enforceable lien at that time. Summer taxes are due without penalty on or before July 31. Winter taxes are levied on December 1 and attach as an enforceable lien at that time. Winter taxes are due without penalty on or before February 14.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Leases

The Authority is a lessee for noncancelable leases of a building. The Authority recognizes a lease liability and an intangible right-to-use lease asset in governmental activities.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with noncurrent liabilities in the governmental activities column.

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

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

Fund Balance Reported in Governmental Fund	\$ 2,774,504
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	1,487,988
Accumulated depreciation	<u>(1,486,800)</u>
Net capital assets and lease assets used in governmental activities	1,188
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(1,178)
Compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(815)</u>
Net Position of Governmental Activities	<u><u>\$ 2,773,699</u></u>

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

Net Change in Fund Balance Reported in Governmental Fund	\$ 337,397
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
	(950)
Repayment of bond principal and lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt and lease liabilities)	
	950
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
	<u>(3)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 337,394</u></u>

Grand Rapids Tax Increment Financing Authority

Notes to Financial Statements

June 30, 2023

Note 4 - Capital Assets

The following table summarizes, by major class of asset, the capital asset activity for the year ended June 30, 2023:

	Balance July 1, 2021	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets being depreciated:				
Land improvements	\$ 1,486,800	\$ -	\$ -	\$ 1,486,800
Lease assets	3,088	-	-	3,088
Subtotal	1,489,888	-	-	1,489,888
Accumulated depreciation:				
Land improvements	1,486,800	-	-	1,486,800
Lease assets	950	950	-	1,900
Subtotal	1,487,750	950	-	1,488,700
Net capital assets	\$ 2,138	\$ (950)	\$ -	\$ 1,188

Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Leases	\$ 2,128	\$ -	\$ (950)	\$ 1,178	\$ 950
Compensated absences	812	479	(476)	815	337
Total governmental activities long-term debt	\$ 2,940	\$ 479	\$ (1,426)	\$ 1,993	\$ 1,287

Note 6 - Contingencies

The Authority is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Authority believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Note 7 - Leases

The Authority leases certain assets from various third parties. The assets leased include buildings. Payments are generally fixed monthly.

Lease asset activity of the Authority is included in Note 4.

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	\$ 950	\$ 6	\$ 956
2025	228	-	228
Total	\$ 1,178	\$ 6	\$ 1,184

Other Supplementary Information

Grand Rapids Tax Increment Financing Authority

Schedule of Projects (Unaudited)

June 30, 2023

In December 2015, the Authority approved GR Forward, which established a vision and strategies for the future of downtown Grand Rapids. Drawing on input from the community, GR Forward prioritizes ideas and projects that align with and enhance the collective vision and began building leadership around the following five goals:

Goal 1: Restore the Grand River as the draw and create a connected and equitable river corridor.

Goal 2: Establish a true downtown neighborhood that is home to a diverse population.

Goal 3: Implement a 21st century mobility strategy.

Goal 4: Expand job opportunities and ensure continued vitality of the local economy.

Goal 5: Reinvest in public space, culture, and inclusive programming.

The Authority has funds allocated to aid in implementation of the following priorities that align with GR Forward:

Goal 1: Create a Connected and Equitable River Corridor

Downtown Plan

GR Forward/River Governance

Support to advance on recommendations flowing from the work begun in FY 2020 to define a long-term organizational and funding strategy for Grand River corridor revitalization. In addition to continued project management support, this includes proposed investment to develop or support the following:

A business plan, board development, and other startup organizing efforts to establish the new river-focused entity.

A community engagement program to support continued governance incubation. This investment proposes to build on the FY 2020-2022 DDA-funded community engagement work with the Community Catalysts/WMCAT.

An equity framework plan that presents a shared definition around "equity" grounded in common goals, measurable outcomes, and tactics.

An impact analysis of the potential increased visitation/tourism benefits associated with a revitalized river corridor. This work builds on the initial benefits analysis conducted in FY 2021. Project partners will include Experience GR, Grand Rapids Public Museum, and other corridor stakeholders.

Research and fundraising services to help identify and strategize around capital and infrastructure funding opportunities.

A Corridor Connections Plan that maps the strategic assets, identifies opportunities for broader collaboration, and defines key projects to support river corridor revitalization from Riverside Park to Millennium Park.

River-specific engagement and activation that help reconnect Grand Rapidsians to the Grand River socially, psychologically, and recreationally. These efforts, organized in close collaboration with community partners, will support more informed and robust community participation in ongoing river planning and activation conversations. More specifically, efforts could include Kayak Crawls, River Walks, and other activities that intentionally strive to invite people outdoors and around the river.

Goal 2: Establish a True Downtown Neighborhood that is Home to a Diverse Population

Downtown Enhancement Grant

Funding for the Downtown Enhancement Grant Program. Funds will be used to cover existing obligations and to continue to assist property and business owners in the rehabilitation of the downtown public realm. Funds are utilized to reimburse eligible activities, including installation of street furniture, snowmelt, and other public realm improvements.

Infrastructure Improvements - Miscellaneous

Funding improved public infrastructure in Monroe North, including new tree plantings.

Grand Rapids Tax Increment Financing Authority

Schedule of Projects (Unaudited) (Continued)

June 30, 2023

Goal 3: Implement a 21st Century Mobility Strategy

Accessibility and Streetscape Improvements

Includes funding for pedestrian and human-scaled enhancements within Monroe North streetspaces, including seating, banners, lighting, trees, and planters. Also includes a share (DDA is also investing in this) of the Placer.ai data gathering to more accurately understand how people are using Monroe North street spaces. This data is finer-grained and more accurate than the physical pedestrian counters and will work in tandem with them. This may also help local businesses to better understand their patrons.

Bicycle Infrastructure Improvements

Includes funding for additional repair stands, bicycle parking, and concrete installation to support bicycle parking. Also includes the professional services to design a Coldbrook Bicycle Lane from Monroe to Division in collaboration with other Mobile GR initiatives. The City will be funding the portion of the design outside the boundary, from Division to Clancy.

Transit Improvements in Monroe North District

Funding to help support the continued operation of DASH North, including proposed weekend and evening service. Funds are also provided to complete the installation of new transit shelters.

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

Canal Street Park Improvements

This is a carryover from FY 2021. This funding was previously approved, but the work was not completed because the pandemic limited the ability to do comprehensive public engagement around the Canal Street Park Improvements. This funding will support furniture upgrades in the park and supports the implementation of the River for All Design Guidelines.

Urban Recreation

Funding for continued enhancements to Monroe North Parks, including the implementation of River for All Design Guidelines.

Downtown Vitals Report
Downtown Development Authority



Produced for the month of January 2024

Summary of Downtown Vital Signs | *Vitals Collected: January 2024*

NEW BUSINESSES

+2

in January

+2

year-to-date

STOREFRONT VACANCY RATES

+3%

vs. Dec 2023

+3%

vs. 2-yr avg.

OFFICE SPACE VACANCY RATES

8.3%

in Q4 2023 vs. 9.5% in Q3 2023

OFFICE SPACE RENTAL RATES

\$22.28

per square foot
in Q4 2023 vs. \$22.12 in Q3 2023

HOUSING OCCUPANCY

-.2%

vs. Q3

+1%

vs. 5-yr avg.

+1%

vs. 15-yr avg.

(DEC) HOTEL OCCUPANCY

-16%

vs. Nov 2023

-15%

vs. Dec 2022

-15%

vs. 5-yr avg.

VISITOR ACTIVITY COUNTS

-6%

vs. Dec 2023

-8%

vs. Jan 2023

EMPLOYEE ACTIVITY COUNTS

+7%

vs. Dec 2023

-8%

vs. Jan 2023

RESIDENT ACTIVITY COUNTS

+16%

vs. Dec 2023

+26%

vs. Jan 2023

(DEC) DASH WORK RIDES

-34%

vs. Nov 2023

(DEC) DASH CIRCULATOR RIDES

+8%

vs. Nov 2023

(OCT) CITY EMPLOYMENT

+2%

vs. Sep 2023

+6%

vs. Oct 2022

+6%

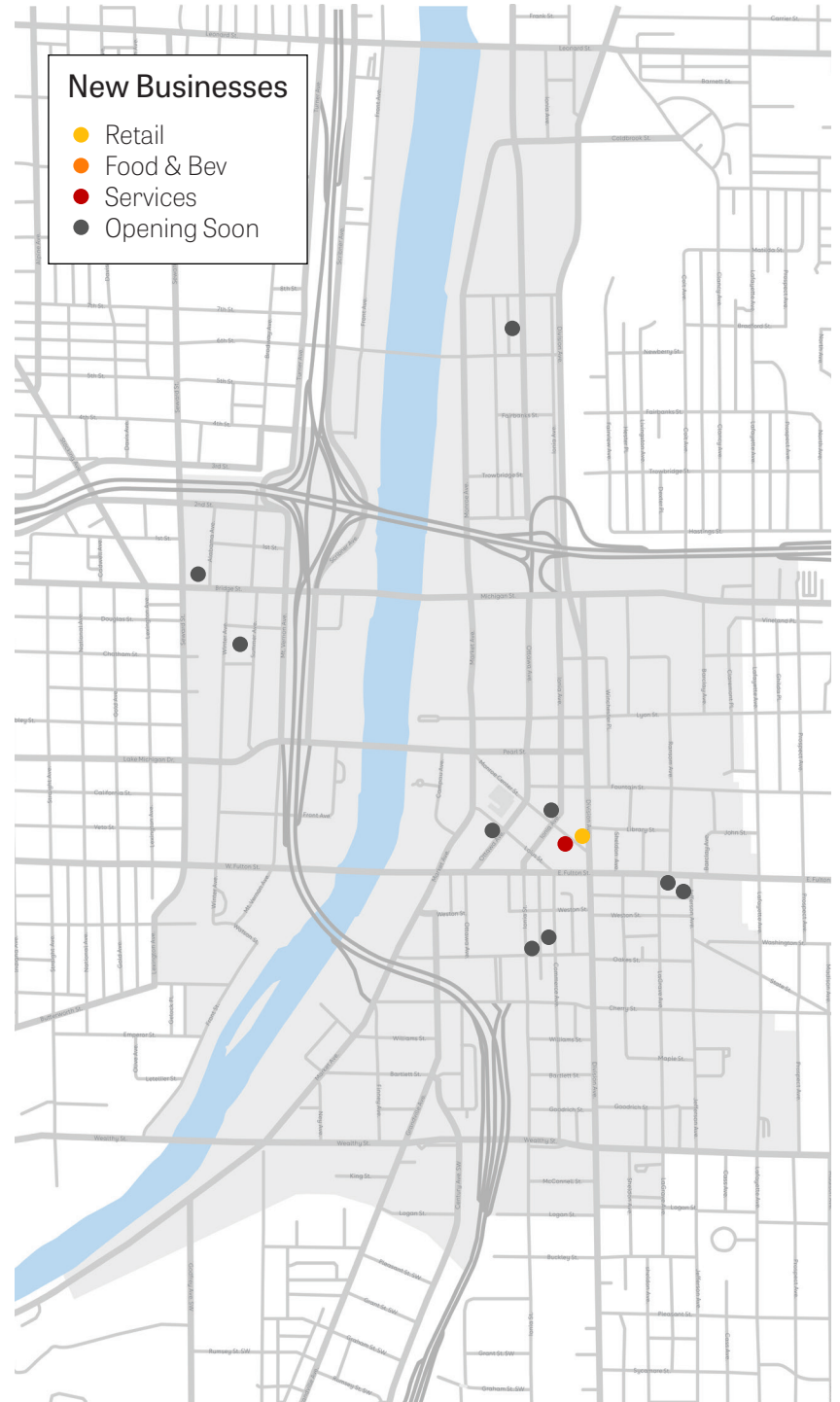
vs. 5-yr avg.

Storefront Business Openings | Updated January 2024

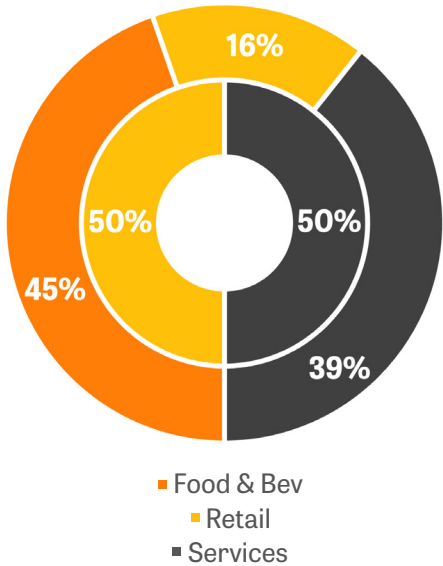
Retail
Shinola Detroit*

Food & Beverage

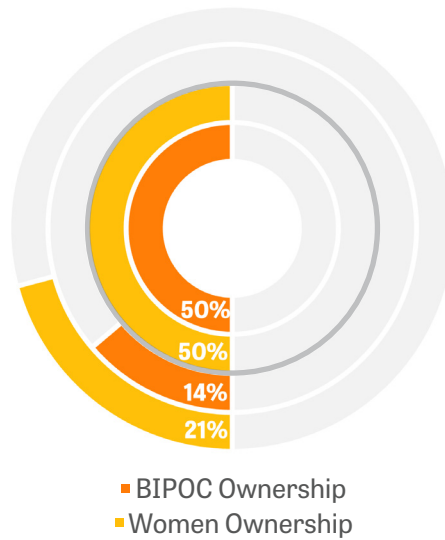
Services
D'Vine Nails & Spa



Business Mix of Storefronts
Overall: Outer Ring
New in 2024: Inner Ring



Business Ownership of Storefronts
Overall: Outer Rings
New in 2024: Inner Rings

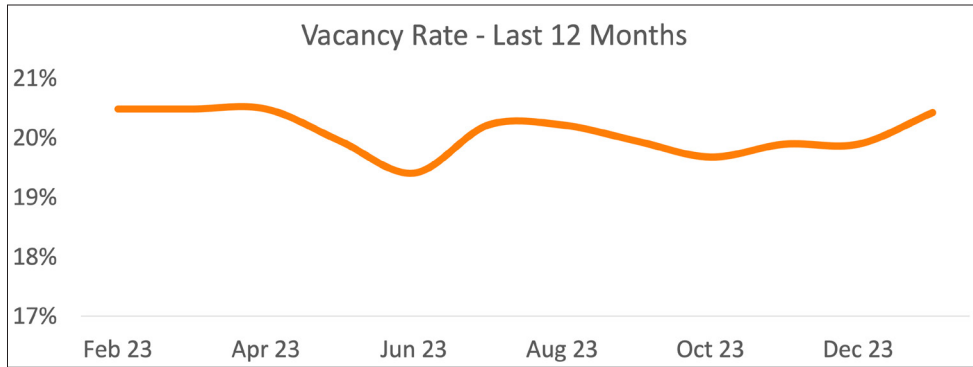


Storefront Vacancies & Recent Closures | Updated Jan 2024

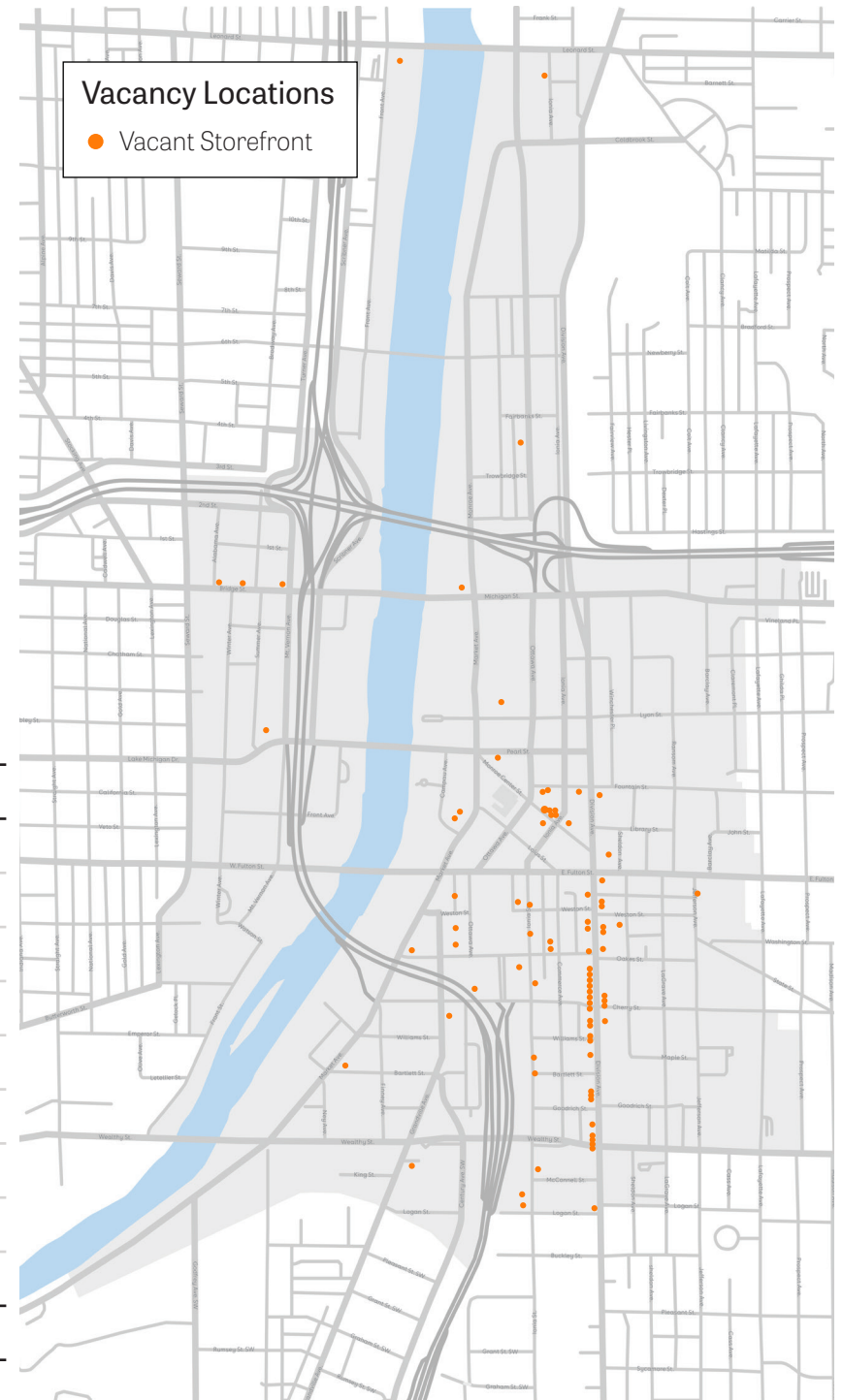
3
storefront
businesses have
closed in 2024

2024 Closures:
67% Food & Bev
33% Retail
0% Services

20%
vacancy rate



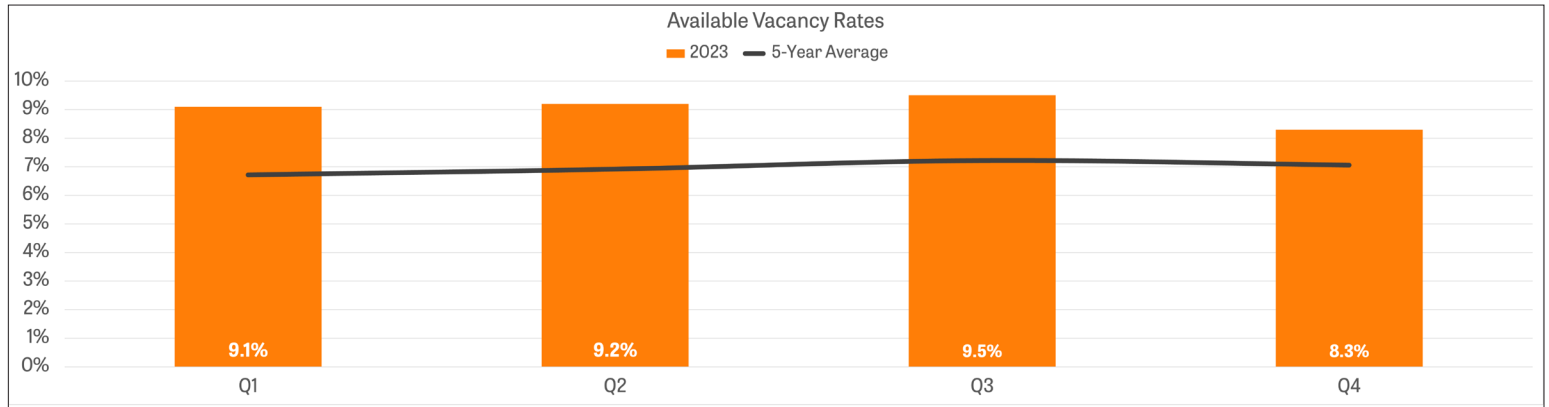
	Storefronts	Vacancies	Vacancy %	Sq Ft Available
Bridge Street	22	3	14%	6,335 sq ft
Center City	119	20	18%	91,240 sq ft
Monroe Center*	52*	8*	15%*	55,388 sq ft*
Fulton & Jefferson	21	0	0%	0 sq ft
Heartside: Division	99	33	34%	~89,597 sq ft
Heartside: Ionia	70	12	14%	54,812 sq ft
Heartside: C. Chavez	13	3	29%	12,087 sq ft
Monroe North	28	2	4%	3,280 sq ft
Other	5	2	40%	4,460 sq ft
DISTRICT TOTALS:	378	76	20%	~261,811 sq ft



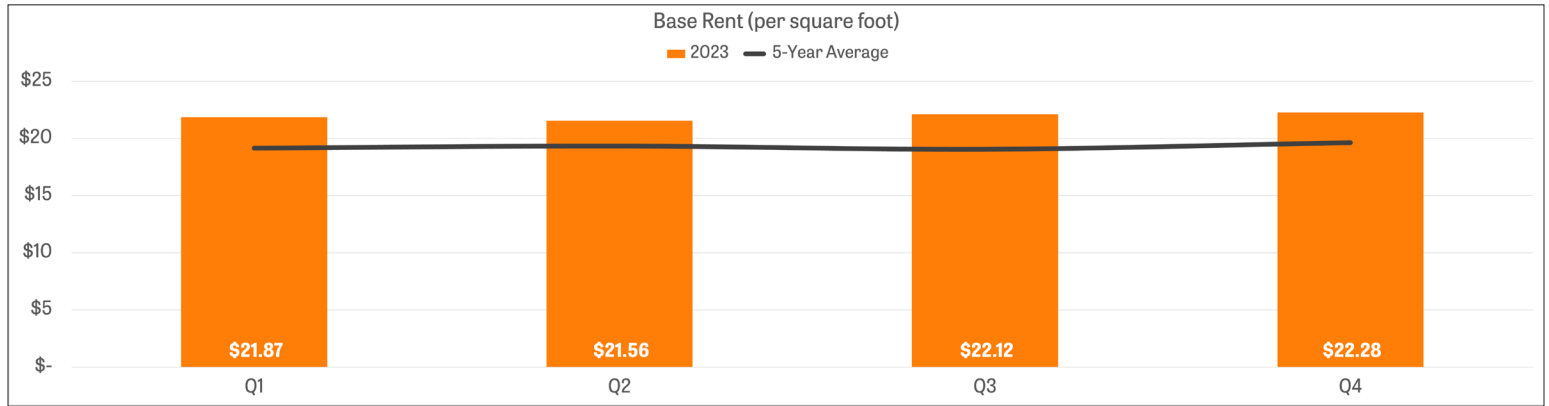
*Monroe Center is a subset of Center City and is not included in District Totals
 †truncated y-axis to highlight month-over-month changes

Source: Downtown Grand Rapids Inc.

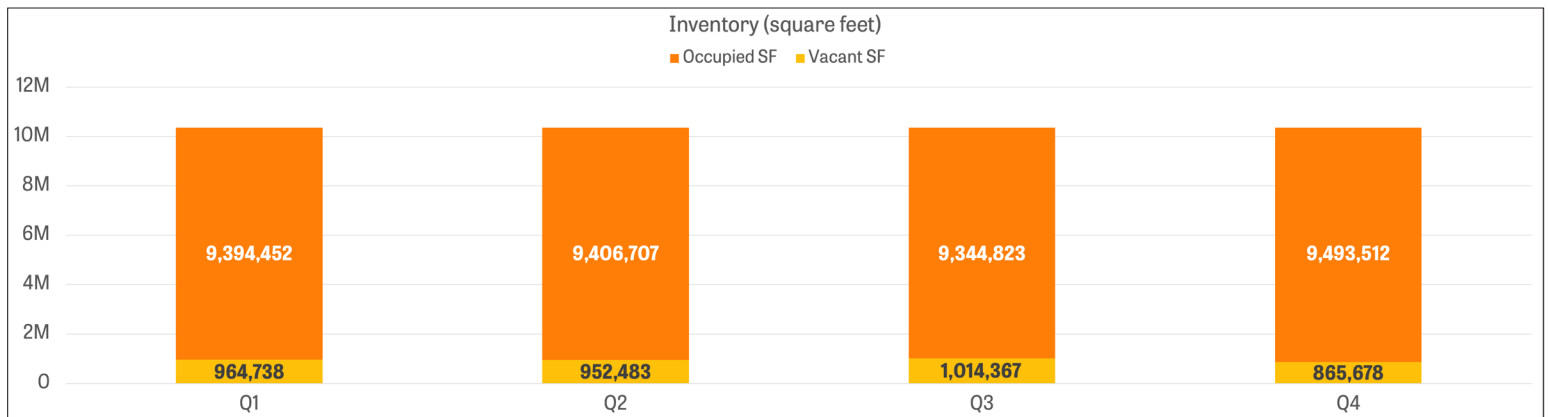
8.3%
vacancy in Q4 2023
vs. 9.5% in Q3 2023



\$22.28
per sq ft in Q4 2023
vs. \$22.12 in Q3 2023



10.4M
square feet of office
space inventory

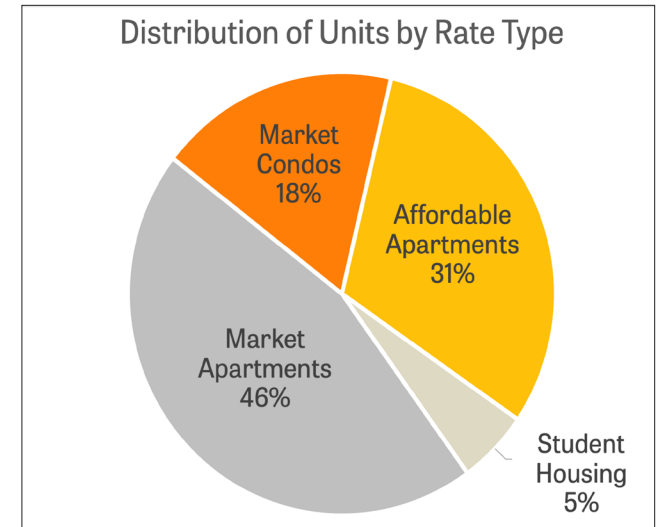
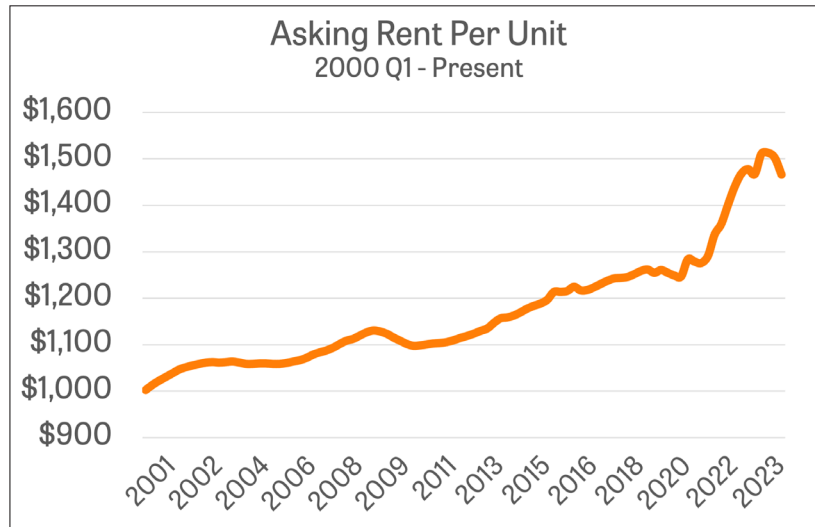
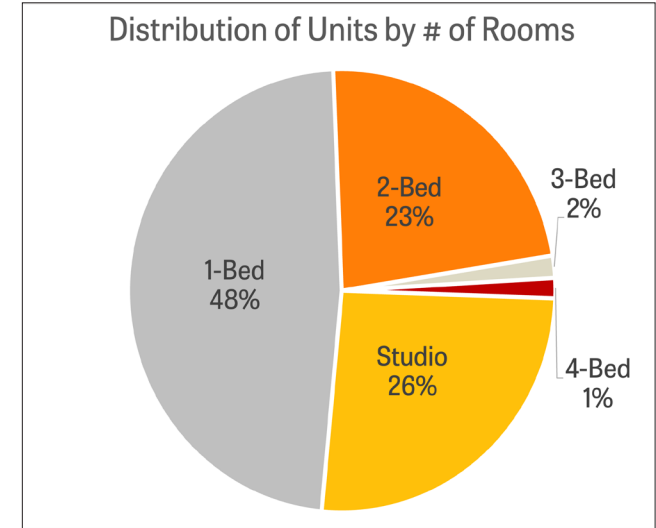
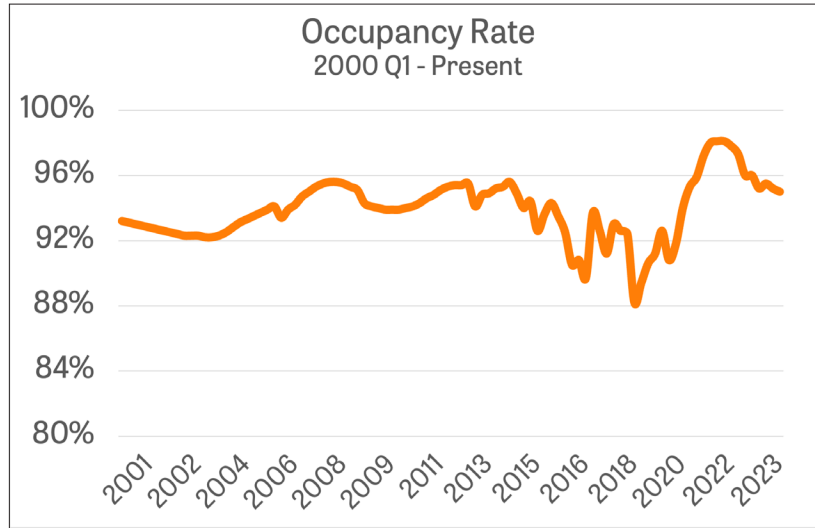


95%
occupancy
in Q4 2023

\$1,466
asking rent rate
in Q4 2023

248
units under
construction

1,033
units in planning



*truncated y-axis to highlight changes

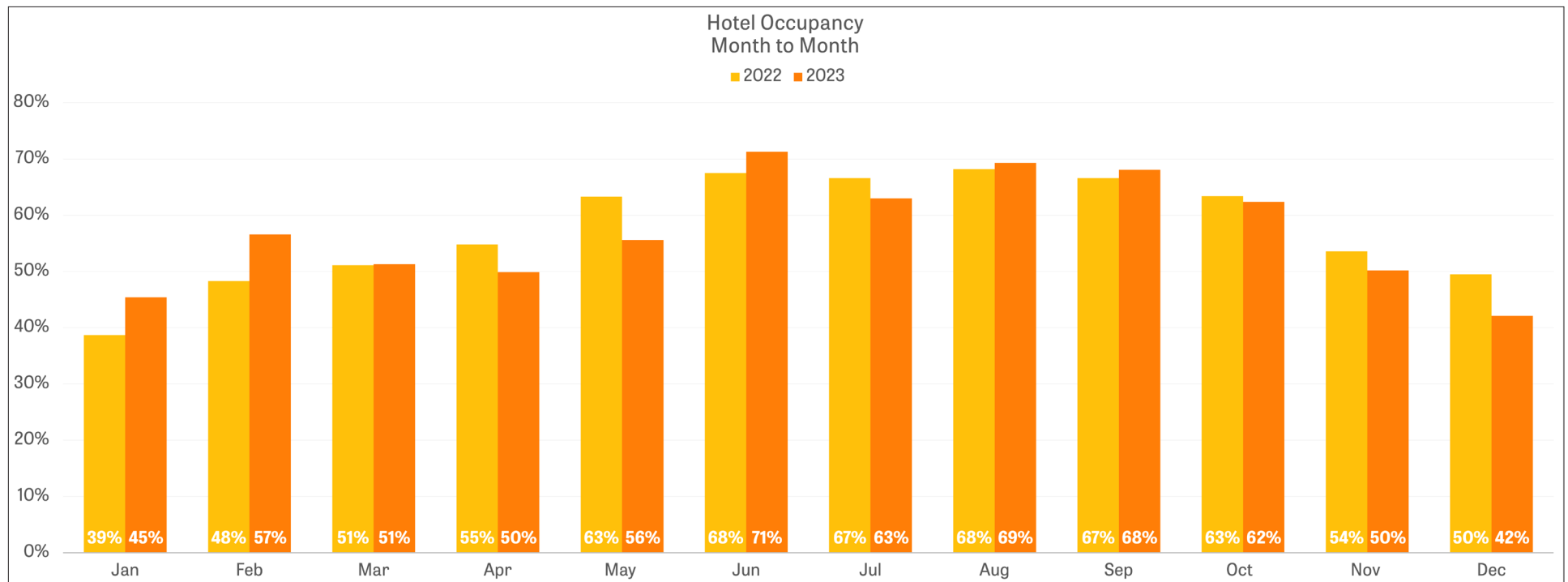
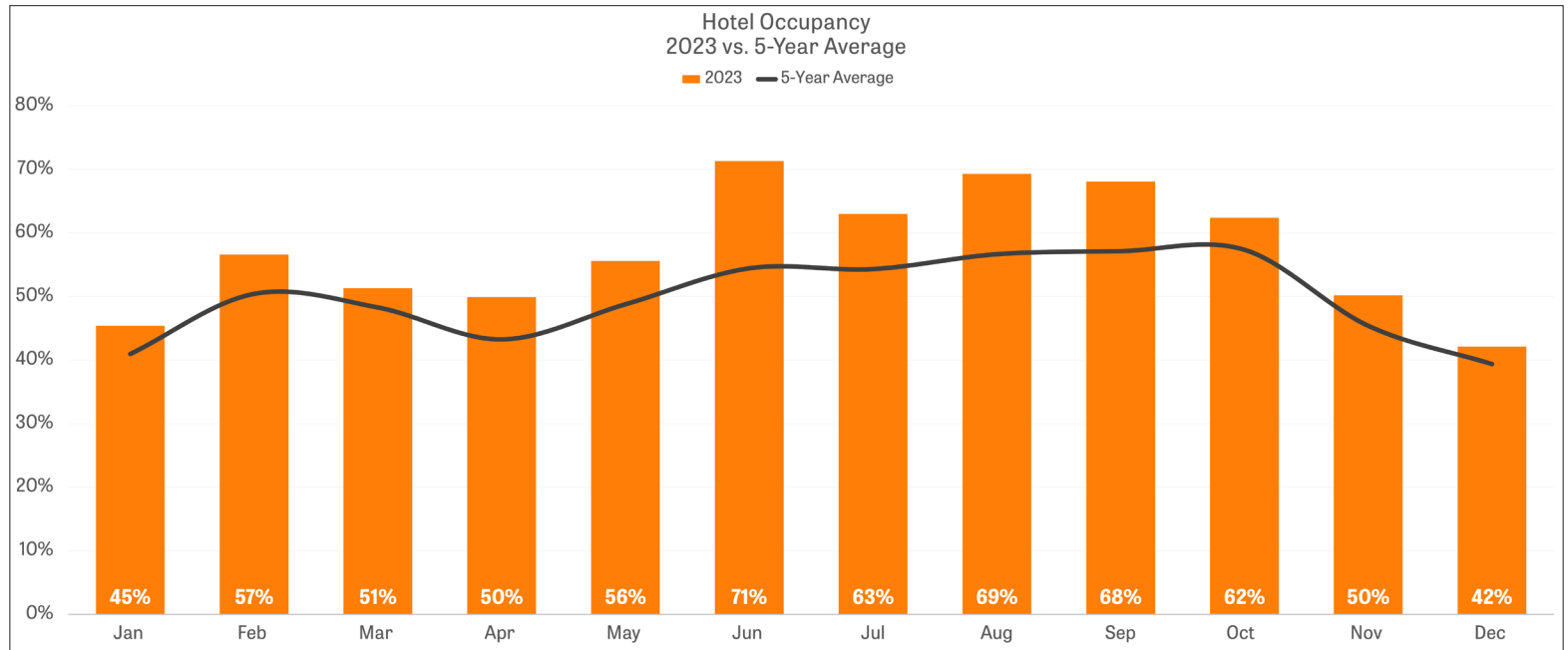
Source: CoStar & Downtown Grand Rapids Inc.

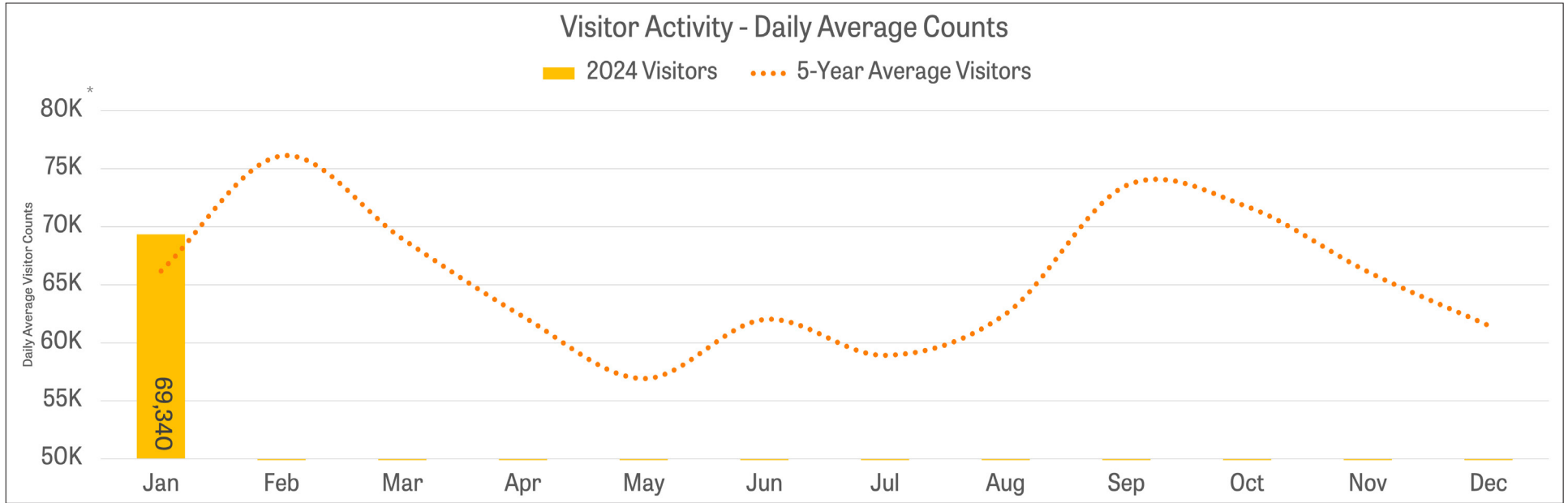
42%

hotel occupancy in
December 2023

57%

average hotel
occupancy in 2023



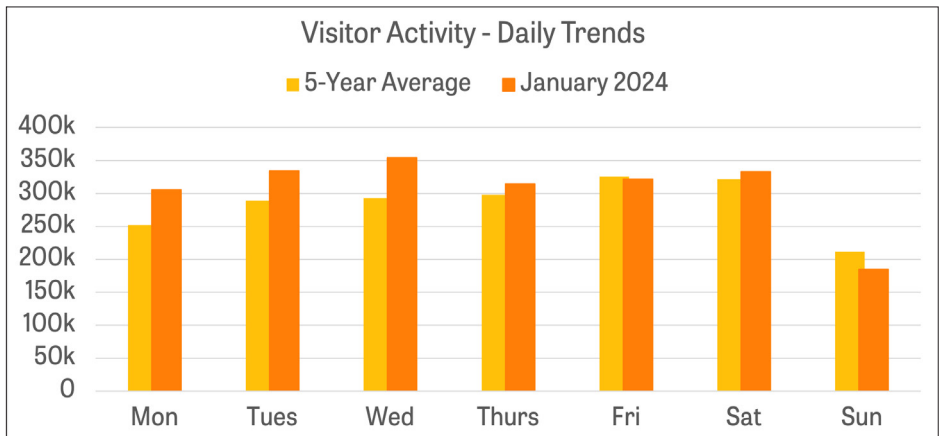
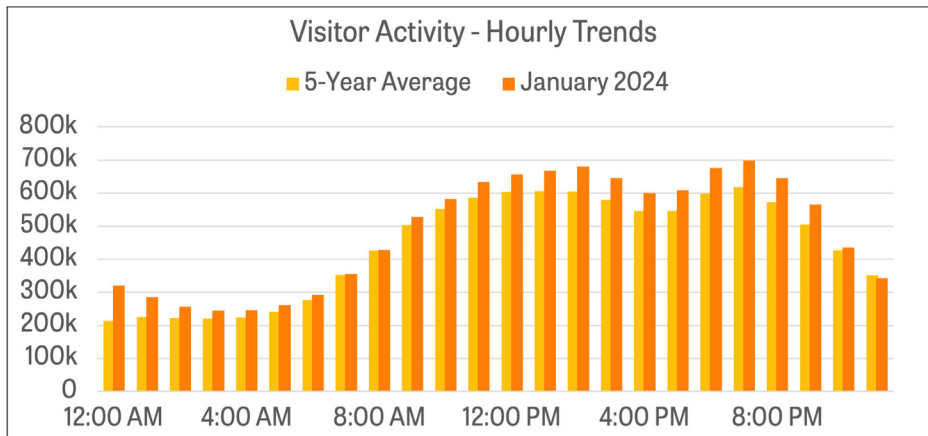


6%
decrease in
 Jan 2024 vs. Dec 2023

8%
decrease in Jan 2024
 vs. 2023 average

5%
increase in Jan 2024
 vs. Jan 5-year average

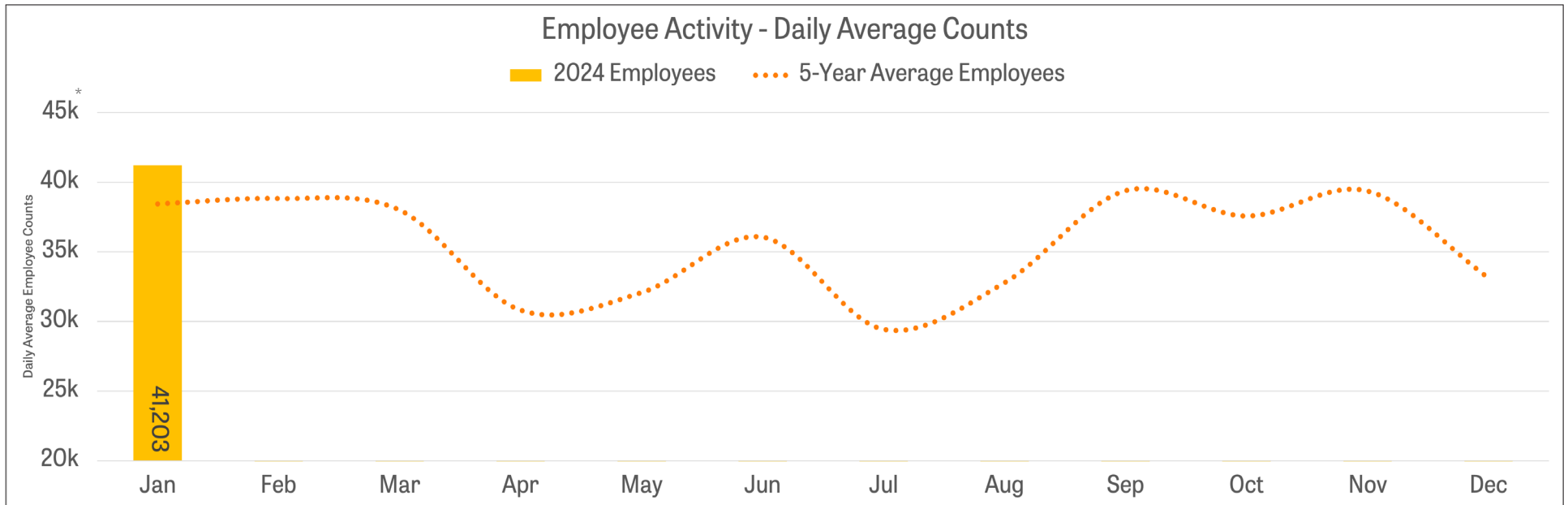
8%
decrease in
 Jan 2024 vs. Jan 2023



*truncated y-axis to highlight changes

Source: Placer.ai

Downtown Employee Activity Tracking | Updated January 2024

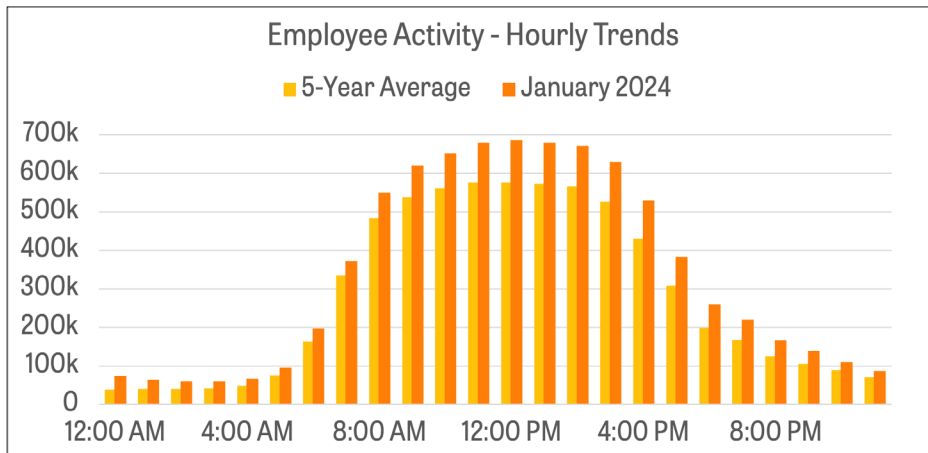


7%
increase in
 Jan 2024 vs. Dec 2023

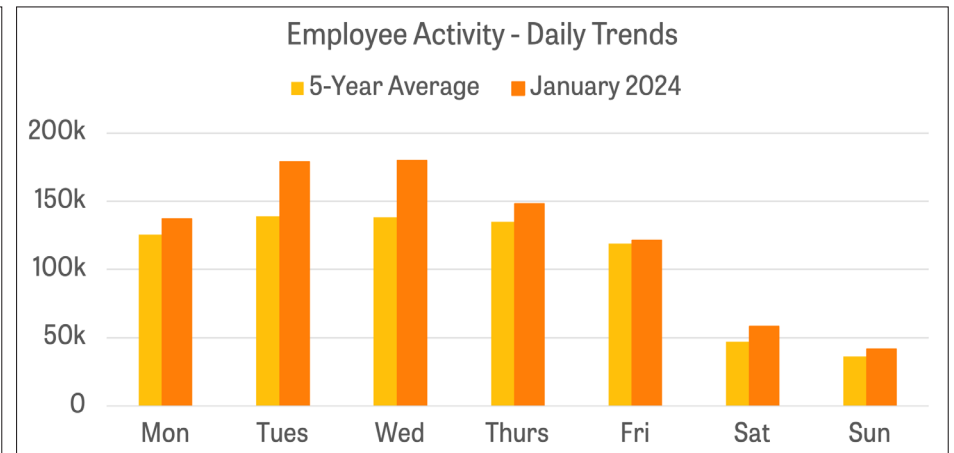
2%
increase in Jan 2024
 vs. 2023 average

7%
increase in Jan 2024
 vs. Jan 5-year average

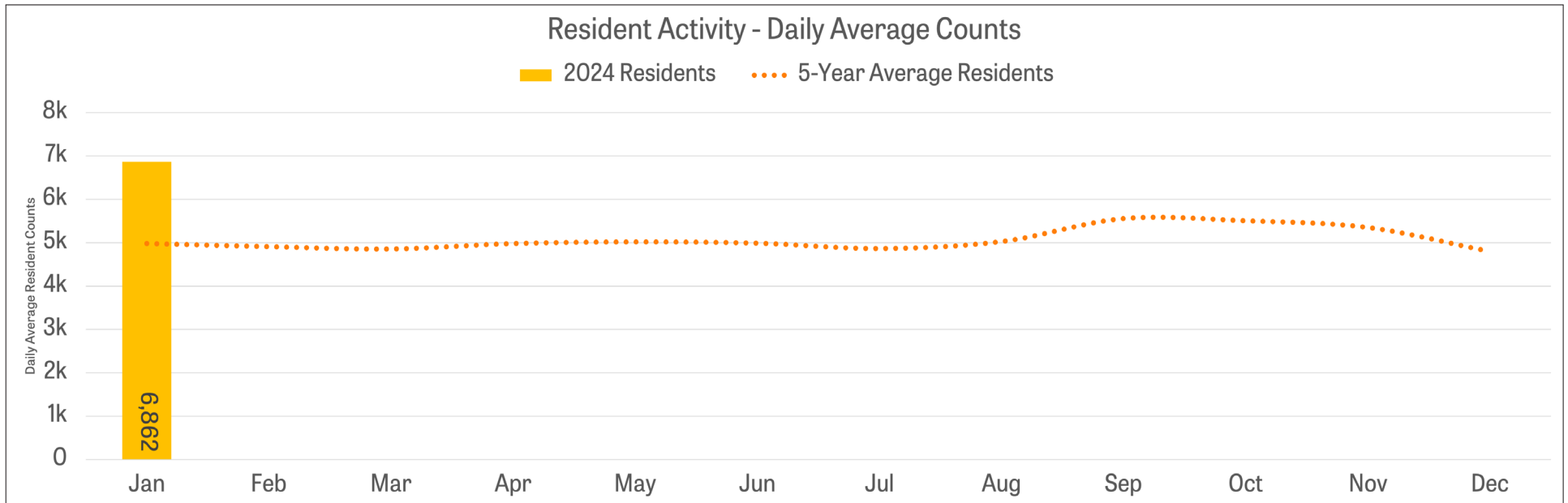
8%
decrease in
 Jan 2024 vs. Jan 2023



**truncated y-axis to highlight changes*



Source: Placer.ai

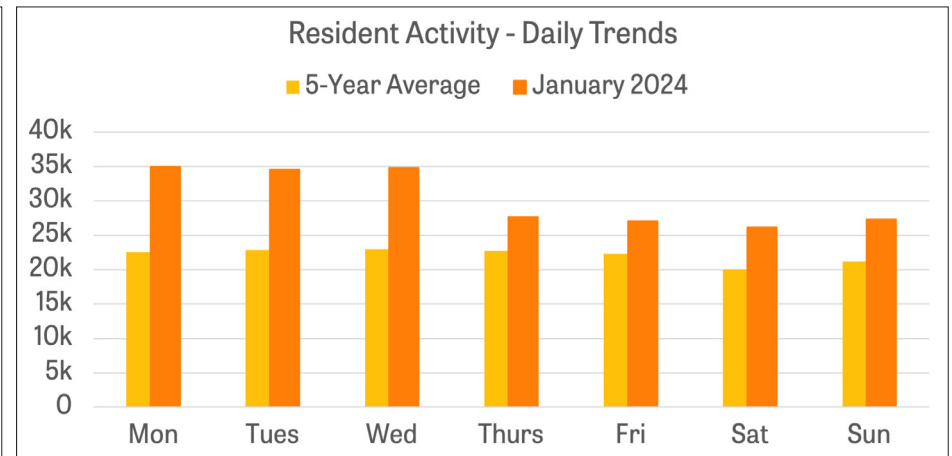
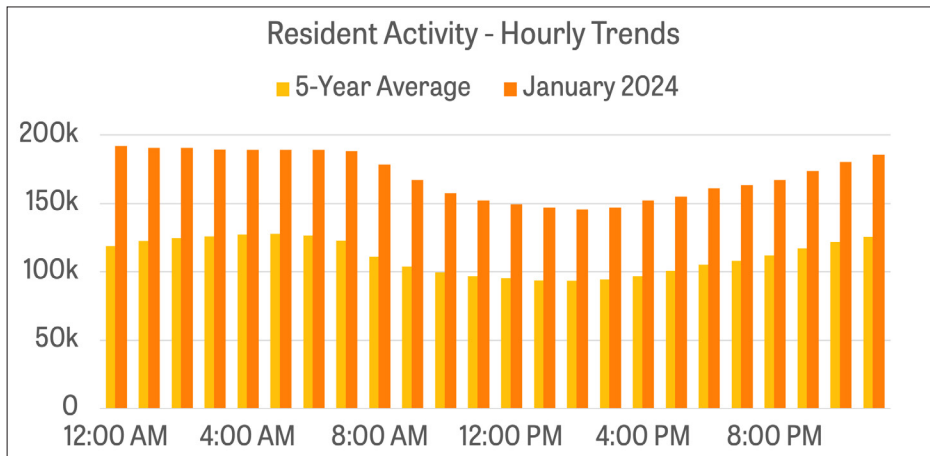


16%
increase in
Jan 2024 vs. Dec 2023

15%
increase in Jan 2024
vs. 2023 average

38%
increase in Jan 2024
vs. Jan 5-year average

26%
increase in
Jan 2024 vs. Jan 2023



Current Construction & Development | Updated January 2024

1 Corewell Health Ambulatory Building

anticipated completion: Spring 2024

+240,000 square feet of office space
\$20,000,000 investment

2 Center for Transformation & Innovation

anticipated completion: Summer 2024

+303,000 square feet of office space
+1,200 jobs
+1,090 parking spaces
\$110,000,000 investment

3 Studio Park Residential Tower

anticipated completion: End 2024

+190 housing units
\$52,000,000 investment

4 Wealthy & Sheldon Lofts

anticipated completion: End 2024

+58 housing units
+2,400 square feet of commercial space
+30 parking spaces
\$17,500,000 investment

5 Corewell Health Parking Structure

6 Lyon Square Reconstruction

anticipated completion: Fall 2024

\$12,000,000 investment

7 GRPM River's Edge Work

anticipated completion: 2025

\$12,000,000 investment

543k

square feet of
office space

2,400

square feet of
commercial space

248

housing units

1,200

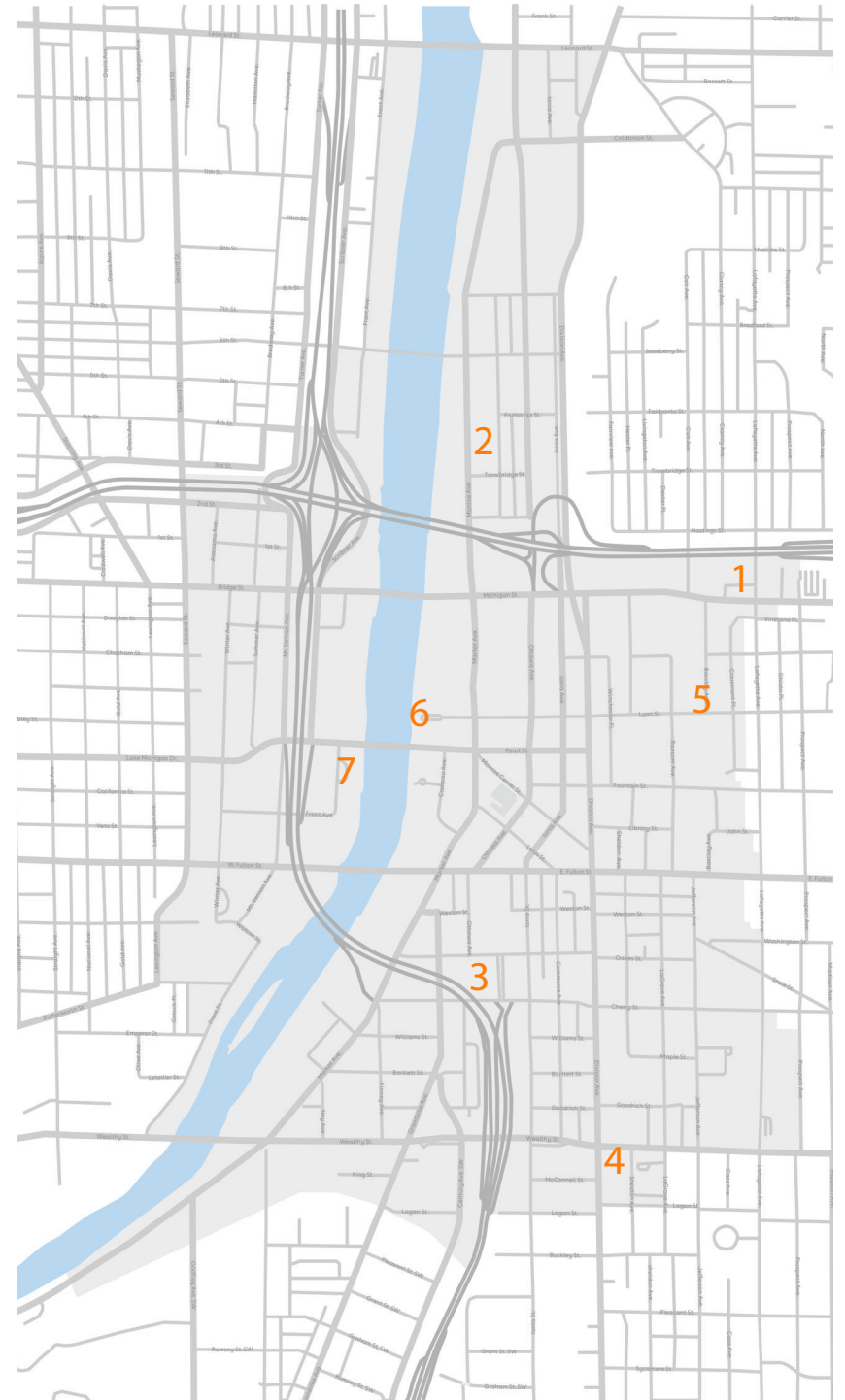
new jobs

1,120

parking spaces

\$224M

in investment



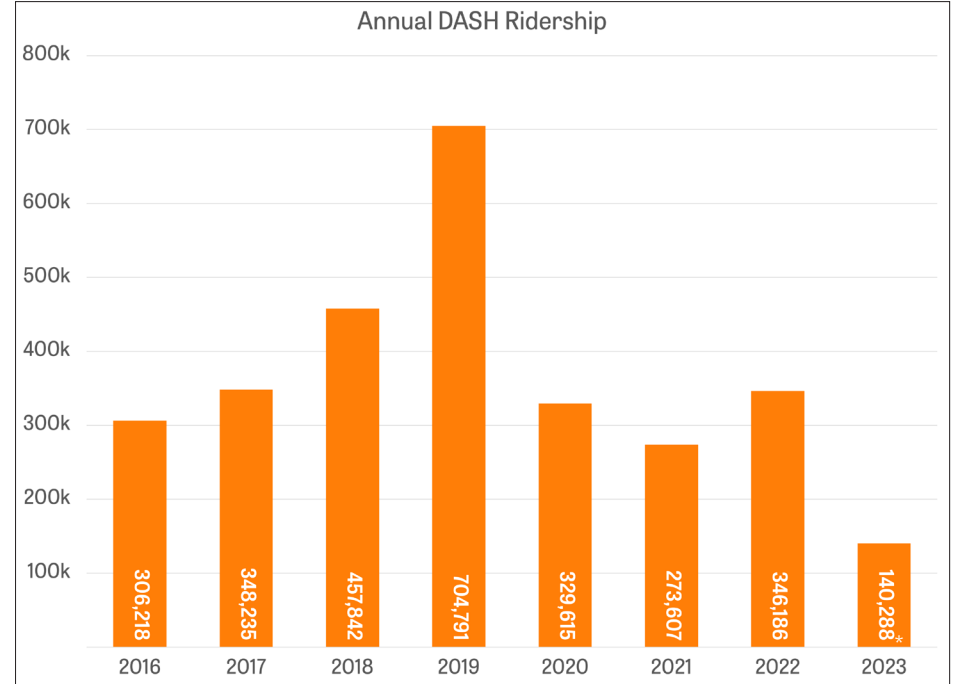
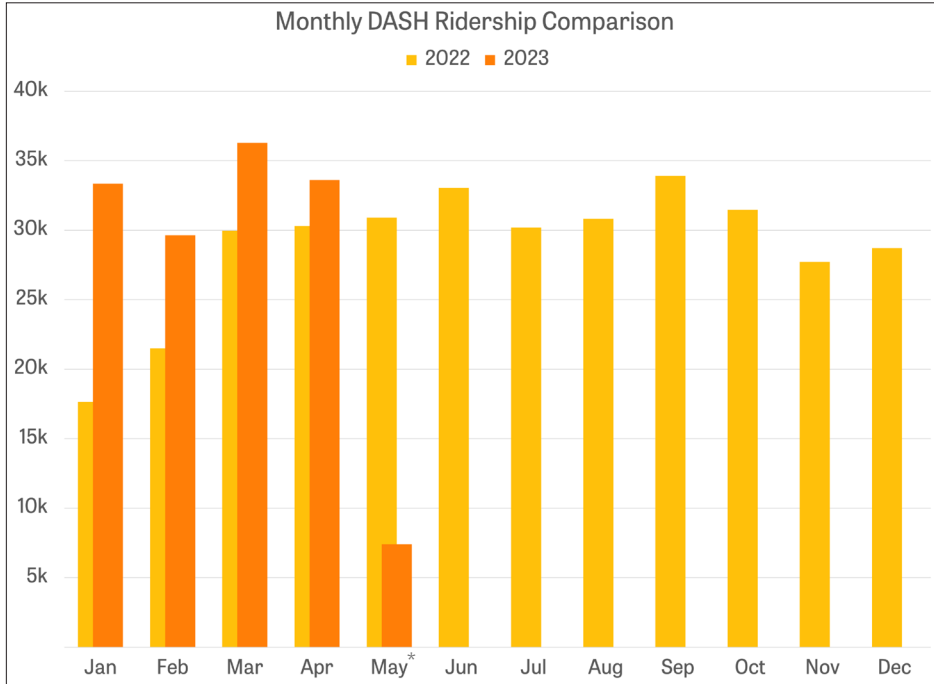
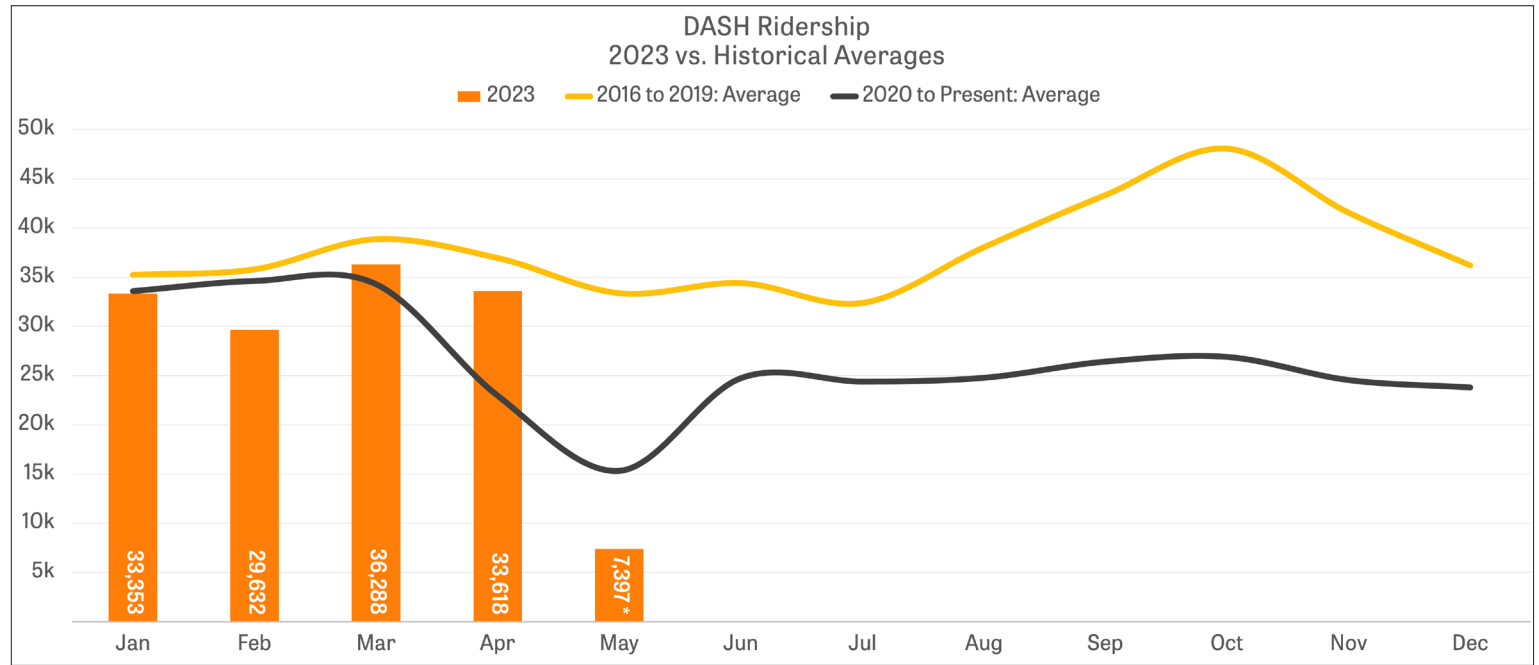
Source: Downtown Grand Rapids Inc.

7%

decrease in average ridership Jan - Apr 2023 vs. 7-year average

34%

increase in ridership in Jan - Apr 2023 vs. Jan - Apr 2022

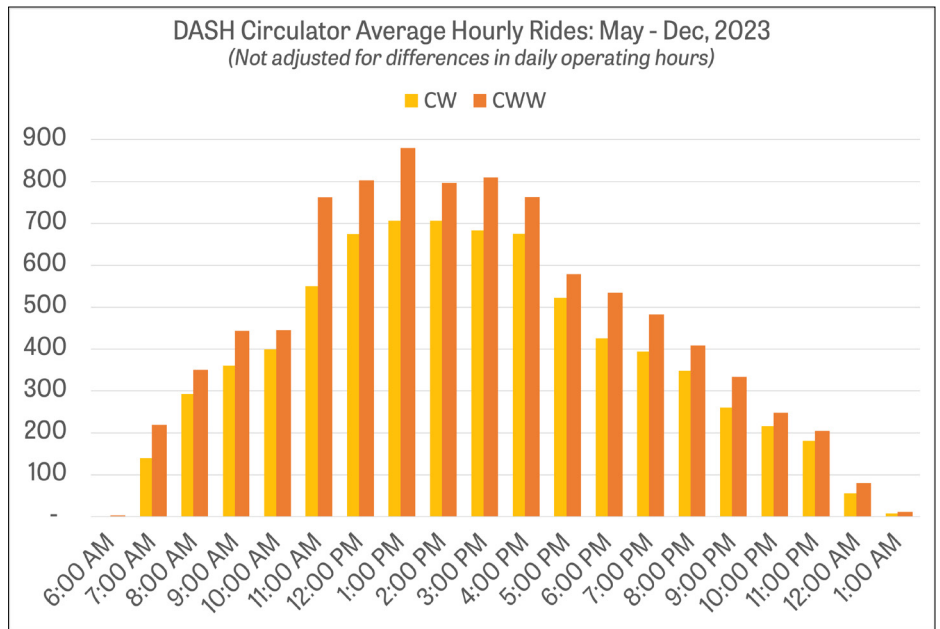
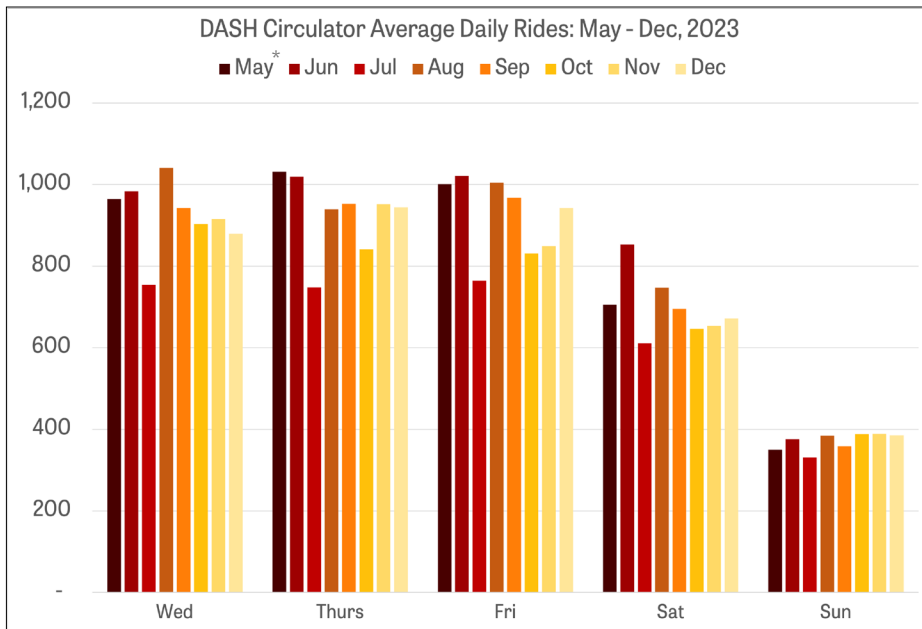
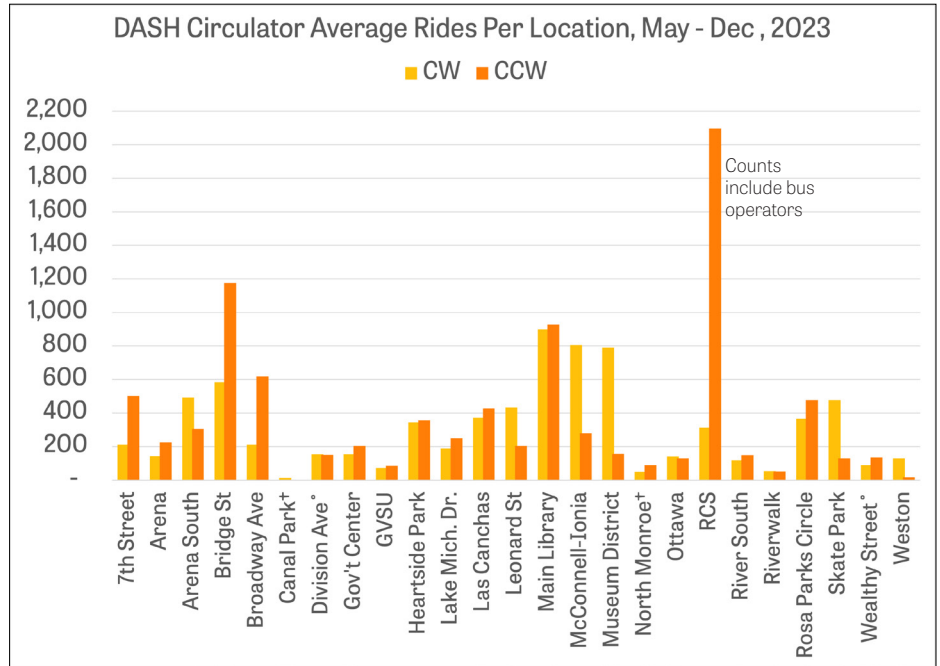
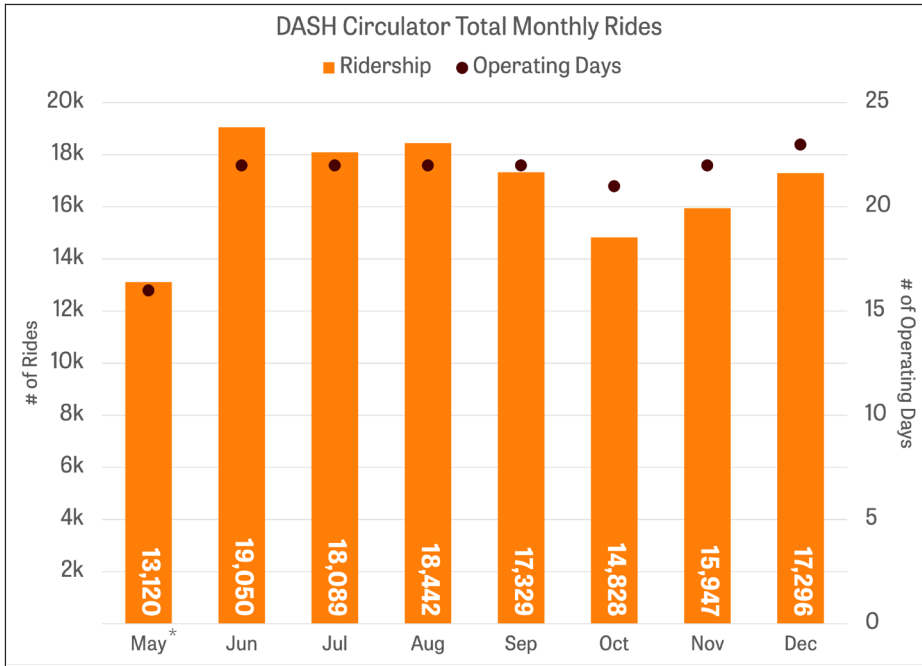


*incomplete year & month

Source: The Rapid

DASH 3.0: Circulator Ridership | Updated December 2023

DASH Circulator operates Wednesday - Sunday on one route with two directions (Clockwise and Counterclockwise).



* May service started on 5/10/23

*Service to Canal Park & North Monroe stops was disrupted due to Ottawa & Coldbrook construction

*Division Avenue & Wealthy Street stops were added (8/30/23)

N.B.: No service on Thanksgiving Day (11/23/23)

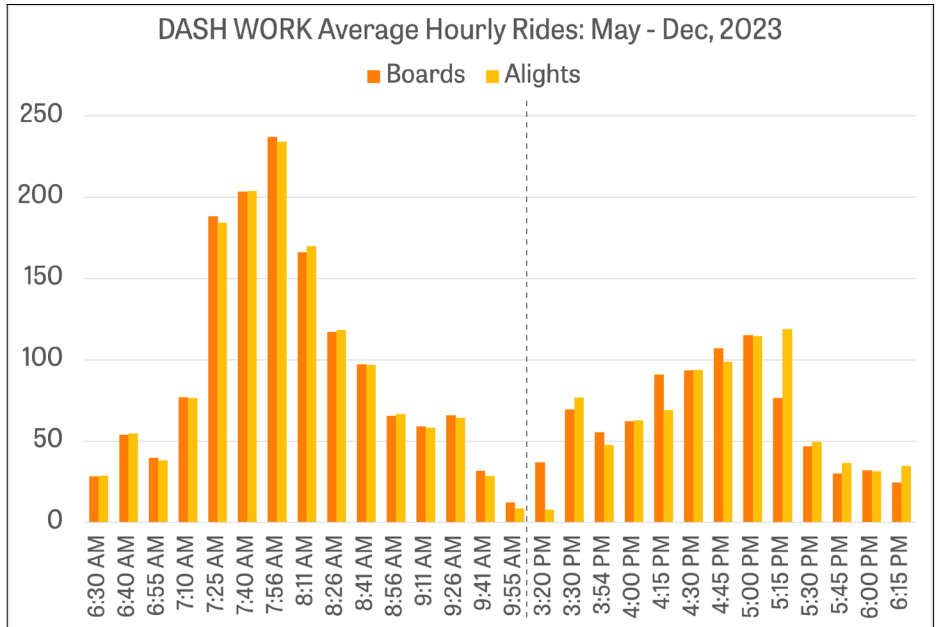
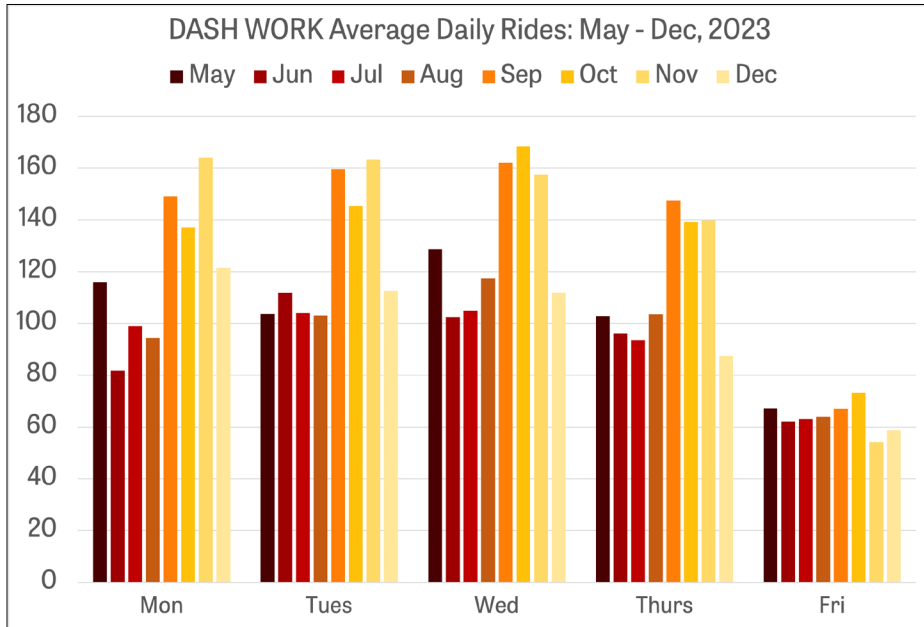
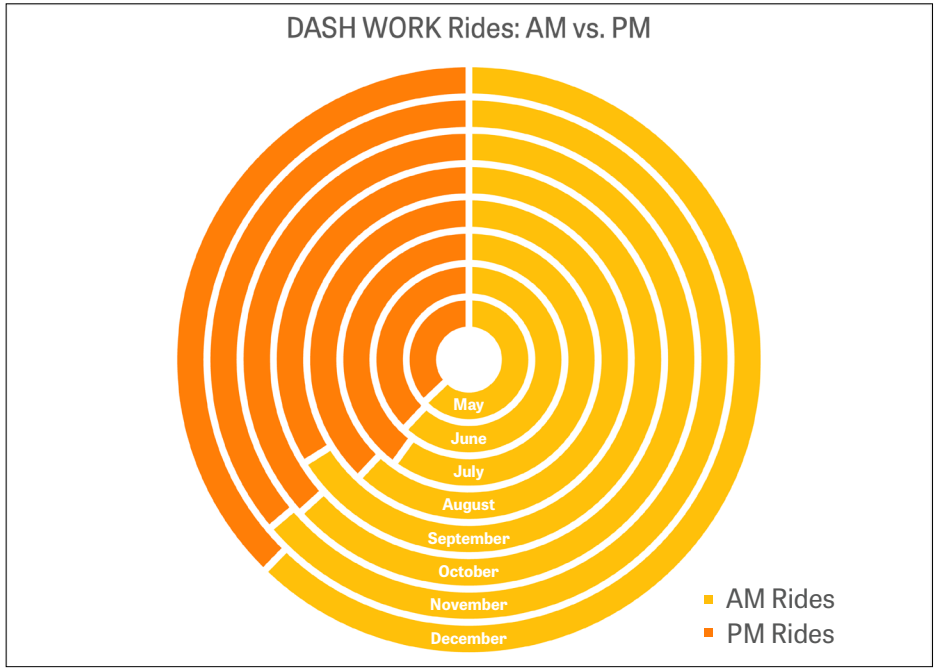
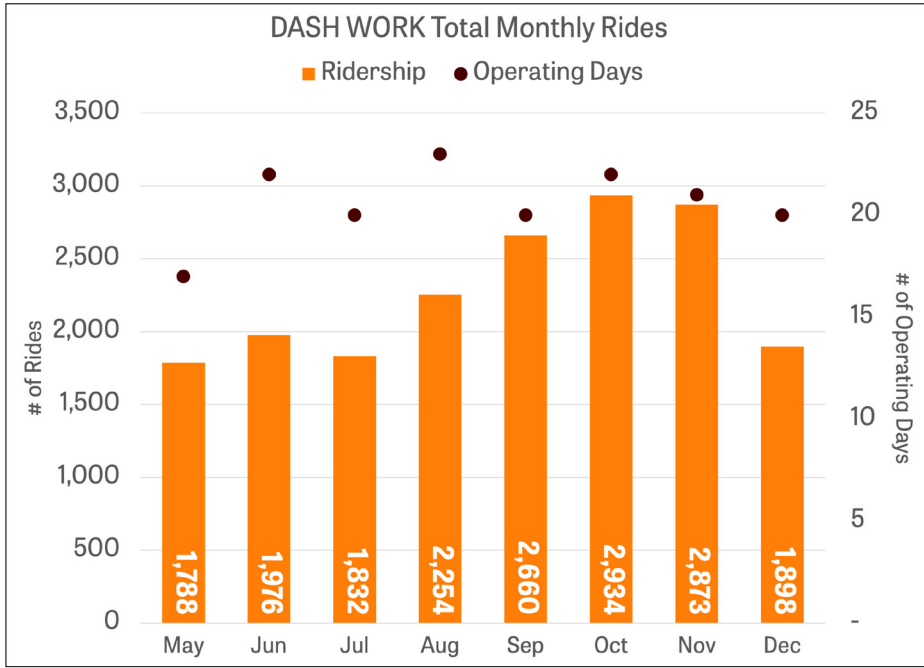
Number of operating days: May: 16; Jun: 22; Jul: 22; Aug: 22; Sep: 22; Oct: 21; Nov: 21; Dec: 23

Source: The Rapid



DASH 3.0: WORK Ridership | Updated December 2023

DASH WORK operates Monday - Friday, 6:30 AM - 9:30 AM & 3:30 PM - 6:30 PM, primarily servicing Downtown employees that park in Area 7 & 9.



Source: The Rapid

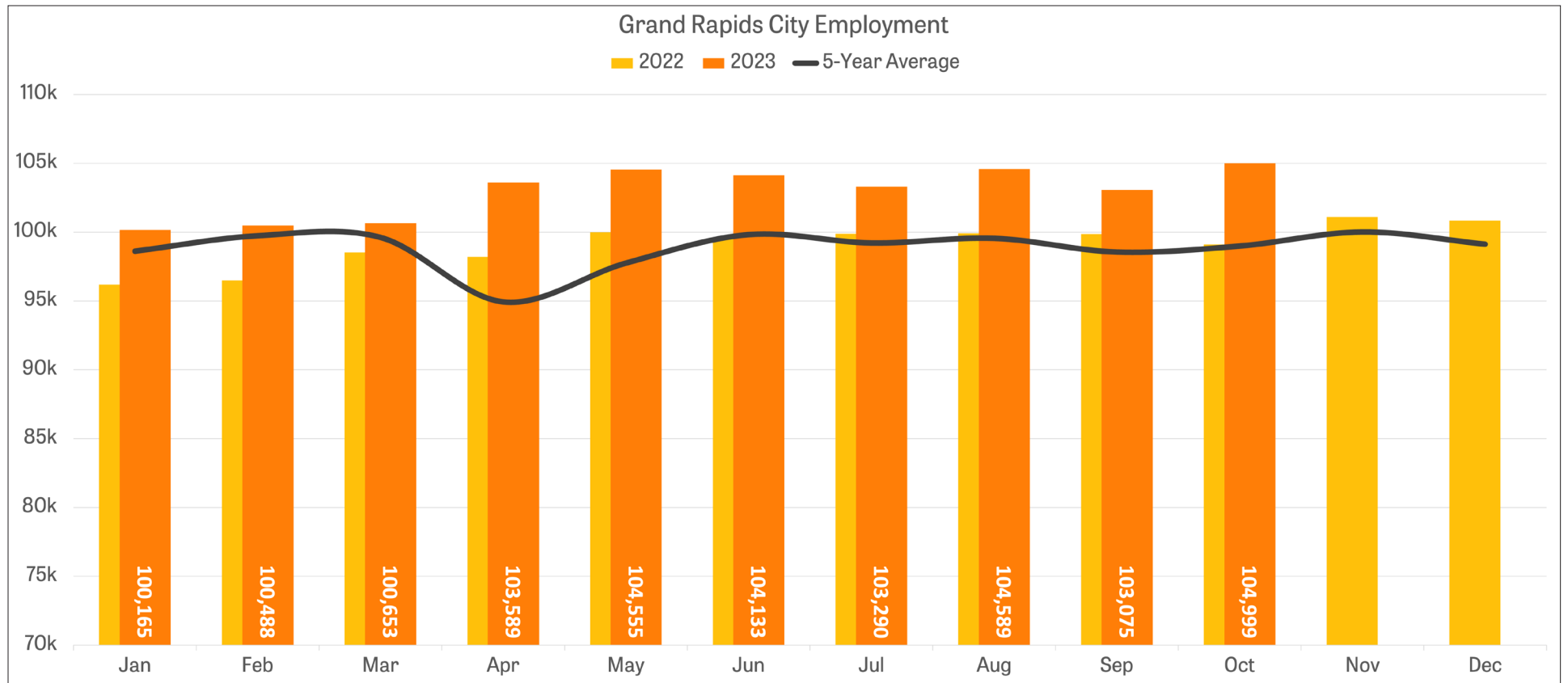


* May service started on 5/10/23

N.B.: No service on Memorial Day (5/29/23), July 4th (7/4/23), Thanksgiving Day (11/23/23), Christmas Day (12/24/23)

Number of ride days: May: 17; Jun: 22; Jul: 20; Aug: 23; Sep: 20; Oct: 22; Nov: 21; Dec: 20

Grand Rapids City Employment | Updated October 2023



*truncated y-axis to highlight month-over-month changes

Source: BLS

2%
increase
 in Oct 2023
 vs. Sep 2023

2%
increase
 in Oct 2023 vs.
 2023 average so far

6%
increase
 in Oct 2023
 vs. 5-year average

6%
increase
 in Oct 2023
 vs. Oct 2022