

AGENDA

MONROE
NORTH
TIFA



TIFA

TAX INCREMENT
FINANCE
AUTHORITY

Board Members:

Shaun Biel • Mayor Rosalynn Bliss • Diedre Deering • Kayem Dunn • Jane Gietzen
Howard Hansen • Carl Kelly • Mark Roys • Jim Talen • Rick Winn

Wednesday, June 14, 2017
9:15 a.m. Meeting
29 Pearl Street, NW Suite #1

- | | | |
|--|-----------|------------------|
| 1. Call to order | | |
| 2. Approve Meeting Minutes from May 10, 2017 (9:16)
(enclosure) | Motion | Hansen |
| 3. Accept May 31, 2017 Financial Statements (9:19)
(enclosure) | Motion | Wallace |
| 4. Adopt FY18 Budget (9:25)
(enclosure) | Motion | Larson |
| 5. Consent to OPRE for 840 Ottawa Ave. (9:30)
(enclosure) | Motion | Kelly / Klooster |
| 6. President & CEO Report (9:45) | Info Item | Larson |
| 7. Public Comment (9:50) | | |
| 8. Board Member Discussion (9:55) | | |
| 9. Adjournment | | |

UNAPPROVED MINUTES

Meeting of the City of Grand Rapids Tax Increment Financing Authority

May 10, 2017

1. Call to Order – The meeting was called to order at 9:58am by Chair Howard Hansen

2. Attendance

Present: Shaun Biel, Mayor Rosalynn Bliss, Diedre Deering, Kayem Dunn, Jane Gietzen, Howard Hansen, Carl Kelly, Jim Talen, Rick Winn

Absent: Mark Roys

Others Present: Kris Larson (Executive Director), Murphy Ackerman (Executive Asst/Office Manager), Tim Kelly, Annamarie Buller (DGRI Staff), Dick Wendt, Jana Wallace

3. Approve Meeting Minutes from October 12, 2016

Motion: Mayor Rosalynn Bliss, supported by Shaun Biel, moved approval of the minutes of the October 12, 2016 meeting of the TIFA as submitted. Motion carried unanimously.

4. Accept March 31, 2017 Financial Statements

Ms. Wallace said these are the first set of financials for FY17. Ms. Wallace noted that the tax increment revenues are higher than estimated and it will help to compensate for the TIR that were lost due to the industrial exemption. Ms. Wallace said she does not anticipate that the revenues will be this high in future years. Mr. Larson said he will work with Ms. Wallace to determine if there is an easier way to allocate overhead costs, so there are not as many small transactions every month.

Motion: Jane Gietzen, supported by Kayem Dunn, moved to approve Statement C- Preliminary Schedule of March 31, 2016 expenditures as recommended. Motion carried unanimously.

5. Presentation of FY16 Financial Audit

Ms. Wallace explained that the presentation of the FY16 audit has been a bit delayed due to a lack of meetings since its completion. Ms. Wallace explained that the supplemental section outlines current and future projects for the benefit of the Board to reference in future years. Ms. Wallace said the auditors issued an unmodified opinion, meaning a clean report.

Motion: Jane Gietzen, supported by Mayor Rosalynn Bliss, moved to accept the audit for the year ending June 30, 2016. Motion carried unanimously.

6. Recommend FY18 Budget and Priority Plan

Mr. Larson gave an overview of various projects proposed for the FY18 budget. Mr. Larson noted that while some of the line items are specific as they include exact estimates or previous not-to-exceed budgeted amounts for programs or projects, others are less certain and require further definition that creates an allocated amount from which staff will work with partners to define the approach to the project. Projects include, but are not limited to: accessibility improvement implementation as a result of the accessibility audit, river trail design guidelines, retrofitting a series of trails, bicycle trail

improvements, downtown census update, DASH system and shelter improvements, Switchback park design, and mobile vending infrastructure. Mr. Larson added because the DDA boundaries have been amended to include the TIFA, there is an opportunity to layer tools and increase the levels of contribution. Mr. Hansen said he would like to more closely evaluate development projects as they approach the TIFA for incentives because they affect revenues. Mr. Larson said projects that request tools in the TIFA tend to ask for OPRE's or NEZ's that effectively move a property off of the tax assessment. While it helps to bring redevelopment to the neighborhood, there is also a need to increase taxable value. Mr. Talen said he would like the Board to begin thinking about the future of the neighborhood and what the desired outcomes are. Mr. Hansen said he is pleased to see this neighborhood growing and believes many are benefitting from the growth. Mr. Hansen asked if the DASH line item includes both the funding of the system as well as the infrastructure improvements. Mr. Larson said it includes the DASH service, but the infrastructure would be funded by the DDA. Mayor Bliss asked if lighting will be added to the Michigan Street underpass as it is currently under construction. Mr. Larson said it is budgeted, but wants to work with the community to identify the character of the neighborhood that they would like to see reflected in the lighting scheme.

Motion: Carl Kelly, supported by Rick Winn, moved to recommend the FY18 MNTIFA Budget Summary to the Grand Rapids City Commission and request fund appropriation. Motion carried unanimously.

7. President & CEO Report
DDA 4/12/17

- Approved \$180,000 for pedestrian improvements and lighting enhancements for Michigan St.
- Approved \$20,000 to support mural project

DID 5/15/17

- Will consider FY18 Budget
- Will receive update on spring plantings

MNTIFA (5/10/17)

- Will receive audit presentation
- Will consider FY18 Budget

DGRI (4/18/17)

- Approved updated inter-organizational term sheet with City
- Receive presentation from VoiceGR Survey
- Reviewed DGRI Performance Indicator Methodology
- Approved Alliance 2.1 model

Alliances:

INVESTMENT (5/9)

- Chair: Nikos Monoyios, Long Range Planner @ The Rapid
- Will consider pedestrian crossing improvement at Wealthy / Cass Sts.

VIBRANCY (3/14)

- Chair – Brandy Moeller, City of Grand Rapids
- Planning for Food Truck Rally event in May, 2017
- 2nd look at Alliance 2.0 engagement model

LIVABILITY (3/27)

- Chair: Lynee Wells, Principal @ Williams & Works – Working Group Discussions
- Reviewed FY18 budget recommendations
- Approved proposed Alliance 2.0 engagement model

DGRI Staff Highlights

Events / Marketing / Communications / Engagement

- Held Women in City Building Event – Mar 30th – packed room - ~600 online streams of video
- Completed first GR Forward update video – 25,886 views March 8 – April 18
- Downtown Residents Network – Mix, Mingle, and Share – April 26th @ EVE at the BOB
- Held first Relax at Rosa May 4, 2017 – 19 to go!

- DGRI Hosting Latino Community Coalition May 11, 2017 @ LINC
- MITP 2017 series launch – Week of May 15, 2017
- Planning for Rollin’Out Food Truck event May 21, 2017
- SAVE THE DATE: State of the Downtown – July 13th at 5:30 PM!

Planning / Development

- Partnered with GR Chamber and Mobile GR on Parking-Cash out training program for employers – held 4/19 @ 11 AM at Start Garden. 30 RSVPs received.
- Participating with City of Grand Rapids in 201 Market RFQ reviews
- Daniel Rose Fellowship:
 - Hosted Grand Rapids Study Visit Mar 20-23 for Daniel Rose Fellowship.
 - Project page available on the website. Follow-up engagement opportunity currently underway.
 - KL attended Anchorage Study Visit Apr 3-7
 - Fellowship Team presented a mid-year fellowship in Seattle Tuesday, May 2nd
- IDA Value of Downtowns – Planning to incorporate findings in State of Downtown program
- Transformational Brownfield (MIThrive) approved in House – to the Senate this week for concurrence – then to the Governor’s office.

8. Public Comment
None

9. Board Member Discussion
None

10. Adjournment
 The meeting adjourned at 10:47 a.m.

MEMORANDUM

CITY OF GRAND RAPIDS

Agenda Item #4
June 14, 2017
Monroe North TIFA Meeting

DATE: June 8, 2017

TO: Monroe North Tax Increment Financing Authority

FROM: Jana M. Wallace
Treasurer

SUBJECT: FY2017 Interim Financial Statements Through May 31, 2017

Attached are the Monroe North Tax Increment Financing Authority interim financial statements for first eleven months of the fiscal year ending June 30, 2017.

Statement A: Balance Sheet

Statement B: FY2017 Statement of Revenues and Expenses

Statement C: Schedule of April 1, 2017 through May 31, 2017 Expenditures

Aside from a typical volumn of expenditures, there was little financial activity during April and May, 2017. Year to date expenditures are well within FY2017 budget parameters. The Authority has sufficient cash for budgeted expenditures.

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

Attachments

STATEMENT A

**MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY**

**Balance Sheet
as of May 31, 2017**

ASSETS

Pooled Cash and Investments	\$	1,556,249
Future Tax Increment Revenues Anticipated		334,800
TOTAL ASSETS	\$	1,891,049

LIABILITIES AND FUND EQUITY

Liabilities

Accounts Payable	\$	1,493
Contracts Payable		334,800
TOTAL LIABILITIES	\$	336,293

Fund balance / equity:

Reserve for Compensated Absences	\$	1,814
Reserve for Encumbrances		150
Reserve for Authorized Projects		1,552,792
TOTAL FUND EQUITY	\$	1,554,756

TOTAL LIABILITIES & FUND EQUITY	\$	1,891,049
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STATEMENT B

MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
FY2017 Statement of Revenues and Expenses
July 1, 2016 - May 31, 2017

REVENUES	FY2017	
	Budget	Actual
Property Tax Increment	\$ 365,238	\$ 482,315
Property Tax Increment - Prior Year Appeals	(7,500)	840
Interest on Investments	9,472	(4,786)
From / (To) Fund Balance	267,340	-
TOTAL REVENUES	\$ 634,550	\$ 478,369
EXPENSES		
Committed and Ongoing		
Contractual Services - Annual Audit	\$ 5,600	\$ 5,600
Contractual Services - Legal	5,000	1,045
Floodwalls Debt Service - Interest	11,249	11,249
Floodwalls Debt Service - Principal	111,600	111,600
General Fund Departments Services	20,666	18,944
Insurance - General Liability	1,635	1,499
Share of DGRI Administration	6,100	2,974
Staff Support	60,000	28,625
Supplies	200	-
Sub-Total Committed and Ongoing	\$ 222,050	181,536
Development Support Projects		
Building Re-Use Incentive Program	40,000	-
Development Support - Miscellaneous	20,000	-
Sub-Total Development Support Projects	\$ 60,000	-
Investment		
Accessibility and Streetscape Improvement	25,000	-
Canal Street Park Riverwalk Extension	100,000	93,145
GR Forward Planning Process & Implementation	2,500	-
Grand River Restoration	25,000	-
Mason Street Reconstruction	-	15,716
Infrastructure Improvements - Miscellaneous	10,000	-
Sub-Total Investment	\$ 162,500	108,861
Livability		
Asset and Riverwalk Maintenance	10,000	-
Bicycle Infrastructure Improvements	5,000	-
Transit Improvements	130,000	40,002
Urban Recreation Plan	10,000	-
Sub-Total Livability	\$ 155,000	40,002
Vibrancy		
Public Realm Improvements	25,000	18,150
Street Lighting Banner Brackets	10,000	-
Sub-Total Vibrancy	\$ 35,000	18,150
TOTAL EXPENSES	\$ 634,550	\$ 348,549
EXCESS / (DEFICIT)	\$ -	\$ 129,820

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

STATEMENT C

MONROE NORTH TAX INCREMENT FINANCING AUTHORITY

Schedule of Expenditures

April 1, 2017 through May 31, 2017

Date Posted	Vendor	Purpose / Project	Description	Amount
4/30/2017	Payroll Re-Allocation Entry	Staff Support	DGRI payroll 01/01-04/01/2017 - wgs/taxes/401(k)	\$ 9,175.70
4/14/2017	County of Kent	KCDC Series 2008 Floodwalls Bonds	Floodwalls debt service - semi-annual interest paid	4,508.25
5/24/2017	State of Michigan	Canal Street Park Riverwalk Extension	Progress payment through 04/13/2017	3,629.53
4/3/2017	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	1,722.00
5/11/2017	City Treasurer - Budget Office	General Fund Departments Services	IET - Operating Transfer A-87	1,722.00
4/13/2017	City of Grand Rapids	Staff Support	Payroll period ended 04/08/2017	895.95
5/11/2017	City of Grand Rapids	Staff Support	Payroll period ended 05/06/2017	245.95
4/27/2017	City of Grand Rapids	Staff Support	Payroll period ended 04/22/2017	175.67
5/26/2017	City of Grand Rapids	Staff Support	Payroll period ended 05/20/2017	175.67
4/13/2017	City Treasurer - Risk Mnmt	Insurance - General Liability	Monthly General Insurance Allocation	139.00
5/19/2017	City Treasurer - Risk Mnmt	Insurance - General Liability	Monthly General Insurance Allocation	136.00
5/2/2017	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Lease: 29 Pearl Street 4/2017	86.22
5/24/2017	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Office Lease: 29 Pearl Street 5/2017	86.22
4/20/2017	Presidio Infrastructure Solutions, LLC	Canal Street Park Riverwalk Extension	Share of security camera purchase / installation	57.54
5/2/2017	HR Collaborative LLC	Share of DGRI Administration	HR Consultant 3/2017	44.26
5/24/2017	HR Collaborative LLC	Share of DGRI Administration	HR Consultant 4/2017	41.53
4/30/2017	Payroll Re-Allocation Entry	Staff Support	DGRI payroll 01/01-04/01/2017 - fees	39.09
5/23/2017	The KR Group, Inc.	Share of DGRI Administration	Office Supplies: K.Larson and Project manager laptops	34.30
5/24/2017	International Downtown Assn	Share of DGRI Administration	Membership: IDA Nonprofit Membership 01/2017-12/21	31.74
4/19/2017	Fifth Third Bank - P-card 03/17	Share of DGRI Administration	General Liability Insurance (MNTIFA Portion)	13.07
4/11/2017	The KR Group, Inc.	Share of DGRI Administration	IT services 4/17	11.47
4/17/2017	The KR Group, Inc.	Share of DGRI Administration	IT services 12/16	11.47
5/24/2017	The KR Group, Inc.	Share of DGRI Administration	IT services 5/17	11.47
4/11/2017	Blue Cross Blue Shield of Mich	Share of DGRI Administration	Dental Insurance Premium 4-6/2017	10.74
5/24/2017	The KR Group, Inc.	Share of DGRI Administration	IT Services: New laptop setup	8.91
5/24/2017	The KR Group, Inc.	Share of DGRI Administration	IT Services: Access point installation	8.12
4/17/2017	Professional Maint of Michigan Inc.	Share of DGRI Administration	Cleaning Services 3/17	6.51
5/24/2017	Professional Maint of Michigan Inc.	Share of DGRI Administration	Cleaning Services 4/17	6.51
4/19/2017	Fifth Third Bank - P-card 03/17	Share of DGRI Administration	Carpet Cleaned & Artprize Venue reg (MNTIFA share)	6.12
4/19/2017	Fifth Third Bank - P-card 03/17	Share of DGRI Administration	Office supplies (MNTIFA Portion)	6.03
5/23/2017	The KR Group, Inc.	Share of DGRI Administration	Office Supplies: Microsoft office licenses	5.18
5/2/2017	MVP Sportsplex - GR, LLC	Share of DGRI Administration	Paid via Payroll Deductions 4/2017	5.07
4/11/2017	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Utility Service: Electricity 2/2017	3.99
5/2/2017	Cellco Partnership	Share of DGRI Administration	Cell Phone Service 3/2017	3.69
5/24/2017	Cellco Partnership	Share of DGRI Administration	Cell Phone Service 4/2017	3.69
5/2/2017	TDS Metrocom	Share of DGRI Administration	Phone Service 3/2017	3.67
5/24/2017	TDS Metrocom	Share of DGRI Administration	Phone Service 4/2017	3.67
5/9/2017	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Utility Service: Electricity 3/2017	3.66
5/18/2017	Fifth Third Bank - P-card 04/17	Share of DGRI Administration	Office Supplies (MNTIFA Portion)	3.45
5/24/2017	Federal Square Building Co. #1, LLC	Share of DGRI Administration	Utility Service: Electricity 4/2017	3.27
4/11/2017	GreatAmerica Financial Svcs Corp	Share of DGRI Administration	Copier Lease 2/2017	3.19
5/23/2017	The KR Group, Inc.	Share of DGRI Administration	IT Services: Wireless AP installation	3.10
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	3.00
5/9/2017	GreatAmerica Financial Svcs Corp	Share of DGRI Administration	Copier Lease 3/2017	2.87
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	2.77
5/24/2017	Applied Imaging	Share of DGRI Administration	Copier Lease 04/15-07/14/17 & Overage 11/15-04/14/	2.62
4/17/2017	The KR Group, Inc.	Share of DGRI Administration	IT security services 11/16	2.53
5/2/2017	The KR Group, Inc.	Share of DGRI Administration	IT security services 4/17	2.53
5/24/2017	The KR Group, Inc.	Share of DGRI Administration	IT security services 5/17	2.53
5/9/2017	MKR Services, Inc	Share of DGRI Administration	Office Supplies: DGRI Board member resignation plaq	2.26
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	2.20
4/11/2017	Professional Maint of Michigan Inc.	Share of DGRI Administration	Janitorial Services: Window Cleaning 2/2017	2.17
5/23/2017	Professional Maint of Michigan Inc.	Share of DGRI Administration	Janitorial Services: Window Cleaning 3/2017	1.86
5/24/2017	Comcast	Share of DGRI Administration	Internet at 29 Pearl St NW 5/07/2017-6/06/2017	1.86
5/2/2017	Comcast	Share of DGRI Administration	Internet at 29 Pearl St NW 4/07/2017-5/06/2017	1.85
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	1.82
5/18/2017	Fifth Third Bank - P-card 04/17	Share of DGRI Administration	Office Internet (MNTIFA Portion)	1.73
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	1.72
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	1.68
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	1.67
4/17/2017	The KR Group, Inc.	Share of DGRI Administration	IT Services: Docking stations	1.45
4/11/2017	Madcap Coffee Company	Share of DGRI Administration	Meeting Supplies 3/2017	1.44
5/9/2017	Madcap Coffee Company	Share of DGRI Administration	Meeting Supplies 4/2017	1.41
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	1.28

continued on the next page

STATEMENT C - continued
Monroe North Tax Increment Financing Authority
Schedule of Expenditures
April 1, 2017 - May 31, 2017

Page 2

Date Posted	Vendor	Activity # Purpose / Project	Description	Amount
				<i>continued from prior page</i>
5/2/2017	Engineered Protection Sys Inc	Share of DGRI Administration	Office Security System 5/2017-7/2017	\$ 1.12
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	0.78
5/2/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.72
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office/Meeting Supplies 3/2017	0.70
4/11/2017	Gordon Water Systems	Share of DGRI Administration	Water Cooler Lease 2/2017-3/2017	0.69
5/23/2017	Gordon Water Systems	Share of DGRI Administration	Water Cooler Lease 3/2117-4/10/2017	0.66
5/24/2017	Gordon Water Systems	Share of DGRI Administration	Water Cooler Lease 4/18/17-5/10/2017	0.63
5/2/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.53
5/2/2017	Model Coverall Service Inc	Share of DGRI Administration	Office Lease: 29 Pearl Street 4/2017	0.51
5/23/2017	Model Coverall Service Inc	Share of DGRI Administration	Floor Mat Rental 4/2017	0.51
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.39
4/11/2017	Fusion IT LLC	Share of DGRI Administration	Network Management 3/2017	0.29
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	0.19
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.18
5/2/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.16
4/11/2017	Fusion IT LLC	Share of DGRI Administration	Network Management 4/2017	0.15
5/23/2017	Fusion IT LLC	Share of DGRI Administration	Network Management 5/2017	0.15
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.11
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	0.09
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	0.09
5/23/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 3/2017	0.07
5/24/2017	Staples Contract and Commercial Inc.	Share of DGRI Administration	Office Supplies 4/2017	0.04
TOTAL APRIL AND MAY, 2017 EXPENDITURES				\$23,146.68

MEMORANDUM

MONROE
NORTH
TIFA



DATE: June 12, 2017

TO: Monroe North TIFA

FROM: Kristopher Larson, AICP
President & CEO

SUBJECT: Adopt FY18 Budget and Priority Plan

Agenda Item #4
June 14, 2017
MNTIFA Meeting

6/8 Update:

At its meeting on May 27, 2017, the Grand Rapids City Commission unanimously approved the FY18 Monroe North Tax Increment Finance Authority's (MNTIFA) budget as recommended by the MNTIFA Board on May 10, 2017. Included with this document is a combined budget summary which provides the MNTIFA with bottom-line authorization to proceed with its priorities planned for fiscal year beginning July 1, 2017.

Each year, the Monroe North Tax Increment Finance Authority (MNTIFA) recommends and adopts a one-year budget and 5-year priority plan to reflect the emergent priorities of the Monroe North neighborhood. Some of the line items are highly specific as they include exact estimates or previous not-to-exceed budgeted amounts for programs or projects. Examples of these include costs for the annual audit, DASH North service, debt service payments, and street enhancement programs completed in partnership with the City of Grand Rapids. Others are less certain and / or require further definition – urban recreation – which effectively creates an allocated amount from which staff will work with partners at the Parks department and / or Friends of GR Parks to define the programmatic approach to outdoor fitness equipment purchases for Canal Street Park.

With GR Forward now an approved amendment to the City's Master Plan, DGRI has continued to work diligently in aligning its budgets with plan's recommendations. Examples of such projects in the proposed budget include contributions to the Grand River restoration efforts, infrastructure that can help support events in the Monroe North neighborhood, planning efforts to develop streetscape and river trail design guidelines, updates to the Downtown Census, accessibility improvements, and bicycle infrastructure. The proposed budget also includes neighborhood branding opportunities through a



banner program built in conjunction with the Downtown Development Authority (DDA) and the Monroe North Business Association.

Similar to previous years, in February of 2017, Downtown Grand Rapids Inc. staff began soliciting input from the three Alliances charged with advising DGRI staff on projects and priorities. This 3-month, iterative process culminated in each of the three Alliances tendering recommendations to the three fiduciary Boards of DGRI (DDA, DID, and MNTIFA) regarding their ambitions for the coming fiscal year. This year, the process was also augmented by recommendations that emerged from the DDA TIF and Development Plan update, which resulted in the overlap of the DDA atop of the MNTIFA, enabling the use of DDA tax increment in the Monroe North area which will result in work via the DDA to design Switchback Park in FY18. *Citizens participated in identifying and prioritizing 100% of the program and project investments proposed in the FY18 MNTIFA Budget.*

Following a recommendation from the MNTIFA Board, DGRI staff will present each of the fiduciary Boards' recommended budgets to the City Commission on June 13, 2017, requesting bottom-line appropriation. After receiving City Commission appropriation, the fiduciary Boards will each adopt their final annual budgets and priority plans, respectively, during their next scheduled meeting(s).

Recommendation: Adopt the FY18 MNTIFA Budget.

**CITY OF GRAND RAPIDS, MICHIGAN
MONROE NORTH
TAX INCREMENT FINANCING AUTHORITY
FY2018 Appropriation Request
Recommended by the Monroe North TIFA Board
on May 10, 2017
Approved by City Commission on May 23, 2017
Submitting for Adoption by the Monroe North TIFA Board
at Its Next Meeting**

	FY2018 Request
RESOURCES	
Property Tax Increment Revenue	\$ 367,014
Property Tax Increment - Prior Year Adjustment	(7,500)
Interest on Investments	15,040
From / (To) Fund Balance	223,891
TOTAL RESOURCES	\$ 598,445

APPROPRIATIONS

Ongoing and Committed Expenditures	
Staff Support	\$ 61,800
Supplies	200
Contractual Services - Annual Audit	5,750
Contractual Services - Legal	5,000
Insurance - General Liability	822
KCDC Series 2008 Floodwall Bonds - Principal	116,400
KCDC Series 2008 Floodwall Bonds - Interest	6,689
General Operating Fund Overhead Allocation	23,084
Share of Downtown Grand Rapids Inc Administration	6,200
TOTAL ONGOING AND COMMITTED	\$ 225,945

DEVELOPMENT AND INFRASTRUCTURE EXPENDITURES

Development Support Projects	\$ 95,000
Infrastructure Projects	
Investment - infrastructure & real property support	127,500
Livability - projects /programs for downtown residents	125,000
Vibrancy - projects and programs for tourist attraction	25,000
TOTAL DEVELOPMENT AND INFRASTRUCTURE	\$ 372,500
TOTAL APPROPRIATIONS	\$ 598,445
EXCESS / (DEFICIT)	\$ -

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 5, 2017

TO: Kristopher Larson, President and CEO
Downtown Grand Rapids, Inc.

FROM: Kara L. Wood, Executive Director

SUBJECT: **Obsolete Property Rehabilitation Exemption Request for
IA840, LLC at 840 Ottawa Avenue NW**

An application for the establishment of an Obsolete Property Rehabilitation District and a 10-year Obsolete Property Rehabilitation Exemption Certificate for the property located at 840 Ottawa Avenue NW (the "Property") has been filed by IA840, LLC, which is an entity affiliated with Integrated Architecture (the "Developer"). The Developer has an option to purchase the Property, which is located in both the Downtown Development Authority and the Monroe North Tax Increment Finance Authority's development areas. According to City Commission policy, staff is seeking the recommendation of both tax increment finance authorities' boards prior to City Commission consideration of the application.

The Developer is a full service architecture firm offering services in sustainable architecture, planning, engineering, and interior and landscape design with offices currently located in the City of Kentwood. The Property currently includes a 13,600 square foot building which was constructed in 1920, as well as approximately 10,000 square feet of parking area. The building was most recently used as a printing facility, but has been largely vacant for the past 10 years.

The plan for redevelopment includes the rehabilitation of the 13,600 square foot building to create office, research, conference and open work spaces. A small addition will be added to the southwest corner of the existing building largely to accommodate accessibility for the building. The parking area will be improved and will include the necessary green space and storm water infrastructure required by City Codes.

The City Assessor has inspected the building and has determined that it meets the definition of "functionally obsolete" as defined by Public Act 146 of 2000 due to inadequate and obsolete heating, plumbing, electrical and mechanical systems, design deficiencies, and windows, doors, roof and interior finishes at the end of the useful economic life. The Assessor's determination qualifies the Property for the establishment of an Obsolete Property Rehabilitation District.

The rehabilitation of the building will facilitate the relocation of Integrated Architecture to the Property, along with 50 full time and two part-time employees. Current wages range from \$15/hr for part-time employees to the equivalent of \$58/hr for management

employees. The average wage for all 52 employees is \$42.39 and benefits are provided for full-time employees. In addition to the existing employees, Integrated Architecture intends to hire 8 new employees over the next two years including architects, designers and administrative roles. Wages for the new positions are estimated to range from \$23/hr to \$46/hr. The estimated investment in the project is slightly over \$2 million, with hard construction costs of approximately \$1.5 million.

The Property is located in the Monroe North Business Association area, the Neighbors of Belknap Lookout Neighborhood, as well as the tax capture districts of the SmartZonesm Local Development Finance Authority (LDFA), the Monroe North Tax Increment Finance Authority (Monroe North TIFA) and the Downtown Development Authority (DDA). The Developer has plans to review the project with each of these organizations prior to the request being considered by the City Commission, and recommendations from each of the individual tax capture authority boards is required prior to City Commission consideration of the application.

According to their respective enabling legislation, neither TIFAs nor DDAs may capture taxes levied on the Obsolete Property Rehabilitation Act Tax roll; however, LDFAs may capture such taxes. Consequently, the Monroe North TIFA may experience a slight decline in captured assessed value, the Smartzonesm would likely experience a slight increase in total captured assessed value. The DDA expanded to the North Monroe area in 2016, and would therefore experience very little impact on captured assessed values.

The project is permitted in the zone district and is in accordance with the City's Master Plan. There are no environmental concerns at the Property and the applicant is current on all of its tax liabilities to the City. The project is currently being presented to the stakeholder groups listed above, and, if met with approval, would proceed to the City Commission in July.

PROJECT PROJECTIONS		
	Total Amount	City of Grand Rapids Portion
Investment – Real Property	\$1,475,258	-
Investment – Personal Property	\$0	-
Retained Jobs	0	-
New Jobs (FTE)	59	-
Average Hourly Wage	42.39	-
Total New Taxes Generated (1 year)	\$29,358	\$6,561
Taxes Paid (1 year)	\$6,883	\$0
Taxes Abated (1 year)	\$22,475	\$6,561
New City Income Taxes	-	\$48,544

KLW/jk

IA840, LLC

Proposed Obsolete Property Rehab District





Neighbors Of Belknap Lookout

May 10, 2017

Dear Ms. Wood and Members of the Economic Development Corporation,

This letter is written in support of the financial incentives requested by Integrated Architecture to renovate and expand the building at 840 Ottawa for their company's offices. The NOBL board and some members of the Development Committee viewed the company's internally developed site plans (dated May 4, 2017) on May 9, 2017. The design featured a restored façade and new two-story entry for barrier free access. We particularly look forward to seeing the curb bump out with street trees and/or other greenery along Ottawa which will be made possible financially by the incentives facilitated by the EDC. In addition, we are hopeful that they will bury the external electrical wires as part of the project, but understand the most likely changes to the project would be to reduce the number of optional features should costs prove higher than expected.

We are excited to welcome Integrated Architecture's employees to the neighborhood.

Sincerely,

Neighbors of Belknap Lookout



June 5, 2017

Jono Klooster
City of Grand Rapids
Economic Development
300 Monroe Ave NW
Grand Rapids, MI 49503

Dear Mr. Klooster,

This letter is sent in support of Integrated Architecture's project to relocate their offices to 840 Ottawa, NW.

The project was introduced to Monroe North Business Association on May 12, 2017 when Scott Vyn, Director of Design with Integrated Architecture, attended our meeting, reviewed project details and renderings, and answered questions from those in attendance. A motion was made, supported, and unanimously approved by a quorum of members.

Monroe North Business Association is pleased to support this project and the anticipated revitalization it will bring to the property and neighborhood.

Sincerely,

A handwritten signature in blue ink that reads "Diedre L. Deering". The signature is fluid and cursive, with the first name "Diedre" being more prominent.

Diedre L. Deering

President, Monroe North Business Association