

**DEVELOPMENT AND TAX INCREMENT FINANCING PLAN
FOR
CITY OF GRAND RAPIDS
DOWNTOWN DEVELOPMENT AREA NO. 1
AS AMENDED**

*CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF GRAND RAPIDS, MICHIGAN*
Approved [REDACTED]

*Approved by the
Grand Rapids City Commission*
Proceeding # [REDACTED]

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	
A. Purpose of the Downtown Development Authority Act	1
B. Creation of the Grand Rapids Downtown Development Authority	1
C. Creation of City of Grand Rapids Development Area No. 1	1
D. Description of Existing Downtown Grand Rapids Characteristics.....	2
E. Purpose of Plan and Determination of Necessity for Grand Rapids Development Area No. 1, as Amended.....	2
II. DEVELOPMENT PLAN	
A. Boundaries of the Grand Rapids Downtown Development Area No. 1, as Amended ..	5
B. Location, Character and Extent of Existing Public and Private Uses	5
C. Location, Character and Extent of Proposed Land Uses.....	6
D. Existing Improvements to be Demolished, Repaired or Altered	7
E. Location, Character, Extent, and Estimated Cost of Proposed Improvements.....	7
F. Development Cost Estimates and Financing	14
III. TAX INCREMENT FINANCING PLAN FOR GRAND RAPIDS DOWNTOWN DEVELOPMENT AREA NO. 1, AS AMENDED	
A. Tax Increment Financing Procedure	16
B. Estimates of Captured Assessed Values and Tax Increment Revenues	17
C. Use of Tax Increment Revenues	18
D. Bonded Indebtedness to Be Incurred	19

E. Annual Surplus of Tax Increment Revenue.....	20
F. Special Millages.....	21
G. Duration of Plan.....	21
H. Impact on Assessed Values and Tax Revenues	22
I. Use of Captured Assessed Values.....	22
J. Reports	22

DRAFT

LIST OF TABLES

1. Expansion District Initial Assessed Values by Proposed District
2. Summary of Estimated 2023 Captured Assessed Values Available for Capture
3. Estimated Tax Increment Revenue Calculation 2023 / FY2024 Without Proposed District
4. Estimated Tax Increment Revenue Calculation 2023 / FY2024 Proposed First Year of Capture
5. Annual Principal and Interest Requirements Debt Obligations
6. Estimates of Future Tax Increment Revenues 30-Year Projection

DRAFT

LIST OF MAPS

1. Boundary Map
2. Downtown Development Activities
3. Tax Increment Financing Districts
4. Future Development
5. Existing Land Use
6. Public and Private Lands
7. Proposed Land Use
8. Open Space Areas
9. Zone Districts
10. Street Changes
11. DDA Owned Land

SECTION I
INTRODUCTION

DRAFT

I. INTRODUCTION

A. Purpose of the Downtown Development Authority Act

Downtown Grand Rapids is of great importance to the City of Grand Rapids (the “City”) and West Michigan (“Region”). The economic vitality and stability of the City and Region would be threatened if vacancy, blight, deterioration, and obsolescence were allowed to persist within the urban core.

Act 197 of the Public Acts of Michigan of 1975, as amended, commonly referred to as the Downtown Development Authority Act, and as recodified as Part 2 of the Recodified Tax Increment Financing Act, Act 57 of 2018 (“Act 57”), was created to correct and prevent deterioration and promote economic stability. Act 57 seeks to reverse historical trends that have led to loss of population, jobs, businesses, and the quality of life in our cities by attacking the problems of urban decline where they are most apparent, in the downtown districts of communities.

B. Creation of the City of Grand Rapids Downtown Development Authority

On October 16, 1979, the City Commission of the City adopted Ordinance No. 79-69, which created the Grand Rapids Downtown Development Authority (DDA). The DDA was given all of the powers and duties prescribed for a downtown development authority, pursuant to Act 57, except that of taxation.

Ordinance No. 79-69 also designated the boundaries of the downtown district within which the DDA may carry out development plans. These boundaries, which have been amended 17 times since the initial approval, are shown on Map 1.

C. Creation of the Grand Rapids Development Area No. 1

The Grand Rapids Development Area No. 1 is the area in which the DDA can implement development activities supported by tax increment financing. In addition to this amendment, the original plan has been amended on the following dates:

December 15, 1981	June 23, 1987	September 13, 1995
November 23, 1982	May 24, 1988	May 7, 2002
October 4, 1983	August 29, 1989	April 19, 2005
December 20, 1983	October 10, 1990	December 18, 2007
October 16, 1984	November 18, 1992	December 6, 2016
April 16, 1987	October 13, 1993	

D. Description of Existing Downtown Grand Rapids Characteristics

Residents

As of December 2023, the estimated population living within the DDA boundaries is 7,500. This Plan amendment does not contemplate acquisition of any parcels that would cause relocation of residents but does seek to identify opportunities to grow the residential population consistent with the community goals and GR Forward.

Existing Open Space Areas

Existing public open space areas in Development Area No. are shown in Map 2. Planned renovations and new public recreation facilities are listed in the Development Plan under Goal 5.

Description of Desired Zoning and Proposed Street and Utility Changes

The existing zone districts and overlay areas for Downtown are shown in Map 3. Future development projects that carry out the goals of the Master Plan may require zoning changes to be accomplished. Any changes will be considered by the Planning and City Commissions at a future time and as circumstances may warrant.

DDA Owned Land, Land Disposition Terms and Private Development Entities to Which Acquired Properties Have Been or Will Be Sold or Leased

A map of currently owned DDA land is shown in Map 4. As redevelopment occurs, additional properties may be acquired and later leased, sold, or conveyed by the DDA. When that occurs purchasers or lessees will be approved by the DDA Board in accordance with the powers and requirements granted them via Act 57. A description and identification of private development entities to which properties previously acquired by the DDA have been sold or leased prior to this latest plan amendment is recited in earlier plan amendments and can be obtained at the offices of the DDA.

E. Purpose of Plan and Determination of Necessity for Grand Rapids Development Area No. 1, As Amended

The success of current and future efforts to revitalize Downtown depends, in large measure, on the readiness of the DDA to encourage and initiate projects through the expenditure of tax increment revenues and other revenues generated through statutorily approved activities. The Development Plan sets forth the vision the DDA will implement to accomplish this purpose and closely follows GR Forward, the Downtown Master Plan that

was adopted in December 2015 by the Grand Rapids City Commission. In addition to the summary in the following section, GR Forward can be reviewed at the offices of Downtown Grand Rapids Inc. and online at downtowngr.org.

DRAFT

SECTION II

DEVELOPMENT PLAN

DRAFT

II. DEVELOPMENT PLAN

A. Boundaries of the Grand Rapids Downtown Development Area No. 1, as Amended

The sixteen different lettered tax increment districts were created by the original plan adoption and earlier amendments and are hereby confirmed and incorporated herein by reference. This amendment adds Districts Q and R as additional tax increment capture districts. Those Districts are shown in Map 5 and generally described below.

District Q includes property north of Wealthy Street, east of the Grand River south of Cherry Street, and west of Finney Street. To the west of the Grand River, it includes the properties along Front Ave to Watson Street and the area bounded by Butterworth Street, Lexington Avenue, Watson Street, and Front Avenue. It also include the area south of Wealthy Street to the Oxford Trails Bridge.

District R includes the property at the northwest corner of Michigan Street and Monroe Avenue where the United States Post Office and The Rowe commercial building are located.

B. Location, Character, and Extent of Existing Public and Private Land Uses

Development Area No. 1 contains public and privately-owned property with a mix of uses. A detailed description of the land use in existing districts was described in earlier plan amendments when those districts were added and are incorporated herein by reference. Described below are the existing public and private land uses in District Q and District R. Additional land use information is available at City of Grand Rapids Planning Department and online from the [City of Grand Rapids Planning Department](#).

District Q

Public Uses

1. City of Grand Rapids Fleet Management and Parks and Recreation (anticipated site of future amphitheater development)
2. The Rapid's Operation Center

3. Grand Valley State University Pew Campus

Private Uses

1. 234 Market Apartments
2. ChoiceOne Bank
3. Several industrial, manufacturing, and commercial properties

District R

Public Uses

1. United States Postal Service Distribution Center

Private Uses

N/A

C. Location, Character and Extent of Proposed Land Uses

The location, character and extent of public and private land uses in District Q and R that will result from currently planned development activities are described below.

Proposed Public Land Uses

In District Q, the DDA anticipates supporting, in coordination with the City, Kent County, the Grand Rapids-Kent County Convention/Arena Authority, the City of Grand Rapids Brownfield Redevelopment Authority, the State of Michigan, as well as other non-profit and private entities, the construction and development of a 12,000-seat amphitheater at the 201 Market Avenue site. Portions of the redeveloped site will also include new public spaces and a multi-use trail along the Grand River.

District R is adjacent to the Grand River and has an existing trail in place. Future redevelopment of the site would maintain and potentially improve that trail and could contemplate additional public spaces providing access to the trail and River as part of a redevelopment strategy.

Proposed Private Land Uses

It is anticipated that portions of the 201 Market Avenue site in District Q and nearby or adjacent properties will be developed for mixed use commercial purposes, including housing. District R might also accommodate future mixed use development.

D. Existing Improvements to Be Demolished, Repaired, or Altered

Certain public infrastructure may be needed to support planned and future development. Implementation may require demolition of buildings, paving, and other infrastructure. For cost-saving and efficiency purposes, the DDA anticipates coordinating the timing of any such work with other public and private entities.

E. Location, Extent, Character, and Estimated Cost of Proposed Improvements

The following is a summary description of the location, extent, character, and estimated cost of each improvement and activity to be accomplished by the Development Plan. It includes committed and ongoing expenditures, as well as potential future projects.

Committed Ongoing Expenditures

The DDA has incurred debt obligations for the financing of now completed or under construction projects that were carried out pursuant to previous Plan amendments. The DDA utilizes revenues from the local tax increment for payments. These projects are:

- Devos Place Convention Center Series 2013B Refunding Bonds**

The Grand Rapids/Kent County Convention - Arena Authority (the “CAA”) completed a major expansion of the Convention Center, now known as DeVos Place. The DDA provided financial assistance to the expansion of the Convention Center through an agreement to make debt service payments on Bonds issued to complete the project.

Remaining Principal and Interest	\$316,200
Annual Payment Due	\$316,200
Final Payment	6/30/2024

- **Ionia Street Construction**

In 2012, the Brownfield Redevelopment Authority undertook construction of street improvements on Ionia Avenue south of Wealthy Street to facilitate development of the Downtown Market. The DDA agreed to assist in making debt service payments on bonds issued to finance a portion of the infrastructure improvements related to the project.

Remaining Principal and Interest	\$675,000
Annual Payment Due	\$75,000
Final Payment	6/1/2032

- **Lyon Square**

In 2023, the DDA in partnership with the City of Grand Rapids, the CAA and adjacent property owners initiated improvements to Lyon Square and Lyon Street between Monroe Avenue and the Grand River. The DDA agreed to assist in making debt service payments on bonds issued to finance a portion of the infrastructure improvements related to the project.

Remaining Principal and Interest	\$11,665,443
Annual Payment Due	\$577,000
Final Payment	6/1/2044

Other ongoing and planned expenditures of the DDA includes implementation of the GR Forward Master Plan goals and objectives, which are described on the following pages.

- **Goal 1: Restore the River as the Draw and Create a Connected Equitable River Corridor**

Funding to complete planning, design and implementation of infrastructure improvements along the Grand River Corridor for purposes of improving public access and spurring economic development. Planned and potential projects include, but are not limited to:

- Lyon Square
- Fish Ladder Park
- Multi-Use River Trail and Walkway
- Canal Park
- Ah Nab Awen
- Downtown Riverfront Amphitheater
- Restoration of the Grand River
- Downtown Aquarium

Estimated Costs For Goal 1: Restore the River as the Draw and Create a Connected and Equitable River					
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Future
4,050,000	750,000	750,000	750,000	750,000	\$63,700,000
				Total	\$70,000,000

- **Goal 2: Create a True Downtown Neighborhood Home to a Diverse Population**

Funding to incentivize and support new development and rehabilitation projects in Downtown. Funds also go toward supporting the Downtown Neighbor Network and the planning of implementation of priorities identified by Downtown residents. Funds only go toward eligible activities in qualifying projects and include but are not limited to the following:

- Development Support Tax Increment Reimbursements
- Land Acquisition and Development Costs
- Downtown Enhancement Grant Incentives
- Affordable Housing Incentives
- Downtown Development Guidance
- Neighborhood Engagement Programs
- Planning and Implementation to Support Neighborhood Level Planning

Estimated Costs For Goal 2: Create a True Downtown Neighborhood that is Home to a Diverse					
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Future
1,675,000	1,675,000	1,625,000	1,625,000	1,625,000	\$71,775,000
				Total	\$80,000,000

- **Goal 3: Implement a 21st Century Mobility Strategy**

Funding for planning, design and implementation of mobility projects and infrastructure in Downtown to further community goals and offer various mobility options to and within Downtown. Projects include but are not limited to the following:

- Inclusive Design Implementation
- DASH Shuttle Service
- Street Enhancement Projects
- Implementation of the Downtown Streetspace Guidelines
- Wayfinding
- Pedestrian Safety Projects
- Bike Infrastructure

Estimated Costs For Goal 3: Implement a 21st Century Mobility Strategy					
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Future
2,100,000	1,075,000	650,000	50,000	50,000	\$60,000,000
				Total	\$63,925,000

- **Goal 4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy**

Funding for economic development to support marketing, as well as business attraction, retention and expansion efforts.

- Retail Innovation and Incubation Grants
- Downtown Business Support Services
- Downtown Soccer Stadium
- Recruitment Activities
- Research and Market Studies

Estimated Costs For Goal 4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy					
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Future
550,000	500,000	500,000	500,000	500,000	\$20,000,000
				Total	\$22,550,000

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

Funding for the planning, design, implementation, activation and maintenance of public spaces in Downtown, including, but not limited to, parks and other public rights of way.

Projects and programs include but are not limited to:

- Annual Tree Plantings and Maintenance
- Downtown Marketing and Inclusion Efforts
- Downtown Ambassadors
- Public Space Maintenance
- Special Event Production
- World of Winter
- Art Prize
- Activation Activities
- Van Andel Arena Alley Improvements
- Heartside Park
- Calder Plaza
- Hill and River Network

- Interchange Park
- Sheldon Linear Park
- Rosa Parks Circle Improvements

Estimated Costs for Parks, Open Space and Cultural Improvements					
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Future
\$2,650,000	2,000,000	3,000,000	1,000,000	1,000,000	\$30,335,000
				Total	\$40,000,000

In addition to the above ongoing expenditures and planned and committed projects to implement GR Forward, the Development Plan also seeks to implement recommendations from Bridge South (2020), the Downtown Streetspace Guidelines (2019), the Destination Asset Study (2016) which identified the potential for professional soccer, an amphitheater and a Convention Center Hotel, the Arena South Visioning Plan (2013), the DDA Framework Plan (2011) and the Monroe North Area Specific Plan (2007), all of which are available at Downtown Grand Rapids Inc. and at downtowngr.org for review and incorporated by reference.

Each plan anticipates a wide range of improvements needed in Downtown, and to the extent financial resources permit, the DDA anticipates identifying additional specific projects from these plans for implementation. The DDA may also increase or decrease funding for the above listed projects based upon needs and financial capability. A summary of the ongoing expenditures and projects is shown in Table 1.

**Summary of Ongoing Expenditures,
Proposed Improvements and Estimated Costs**

Local Increment – Ongoing Expenditures, Proposed Improvements and Estimated Costs						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL (Including Future Costs)
Goal 1: River Corridor	\$4,050,000	\$750,000	\$750,000	\$750,000	\$750,000	\$80,000,000
Goal 2: Downtown Neighborhood	\$1,675,000	\$1,675,000	\$1,625,000	\$1,625,000	\$1,625,000	\$80,000,000
Goal 3: 21 st Century Mobility	\$2,100,000	\$1,075,000	\$650,000	\$50,000	\$50,,000	\$63,925,000
Goal 4: Continued Vitality of Local Economy	\$550,000	\$500,000	\$500,000	\$500,000	\$500,000	\$22,550,000
Goal 5: Public Space Improvement and Programming	\$2,665,000	\$2,000,000	\$3,000,000	\$1,000,000	\$1,000,000	\$40,000,000
Ionia Avenue Improvement Bonds (BRA 2012A)	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Devos Place Convention Center Refunding Bonds (Series 2013B)	\$316,220	\$-	\$-	\$-	\$-	\$316,200
Lyon Square Capital Improvement Bonds	\$129,903	\$577,020	\$577,720	\$577,820	\$577,320	\$11,665,443
					Total Expenditures for Duration of the Plan	\$298,831,643

F. Development Cost Estimates and Financing

Project activities, including the committed and ongoing activities listed in this Plan have an estimated total cost of \$298,831,643. The sources of funds for these costs may include one or more of the following listed below which are sufficient to cover all activities and improvements to be carried out under this plan. Other funding opportunities that arise in the future will be evaluated to diversify revenue and ensure ongoing resources are available to carry out the functions and powers of the DDA.

- Tax increment revenues
- Tax increment bond proceeds
- Revenue bond proceeds
- Donations and sponsorships received by the DDA.
- Parking revenue
- Investment income
- Proceeds from any property, building or facility owned, leased, or sold by the DDA.
- Monies obtained through development agreements with property owners benefiting from adjacent open space improvements.
- Monies obtained from other sources approved by the DDA Board
- Monies provided by the State to indemnify DDA's against losses resulting from possible tax restructuring.

Other Pertinent Information

The DDA may, from time to time and to the extent permitted by 1996 PA 381, as amended, decide to enter into agreements with a brownfield redevelopment authority to forgo or transfer its tax capture (or a portion thereof) to allow the brownfield redevelopment authority to instead capture and utilize those tax increments for a specific project. Following the termination of the Brownfield Plan, the DDA will thereafter capture all available tax increment for the remaining duration of this Plan. Such agreements, if any, may impact the percentage of incremental growth captured by the DDA.

SECTION III
TAX INCREMENT FINANCING PLAN

DRAFT

III. TAX INCREMENT FINANCING PLAN FOR GRAND RAPIDS DOWNTOWN DEVELOPMENT AREA NO. 1, AS AMENDED

This Tax Increment Financing Plan sets forth the procedures, requirements, amounts, and methods by which costs associated with the initiation and completion of project activities and improvements described in the Development Plan for Development Area No. 1, as amended, shall be financed.

A. Tax Increment Financing Procedure

The tax increment financing procedure, as outlined in Act 57, requires the adoption by the City, by ordinance, of a Development Plan and a Tax Increment Financing Plan. Following the adoption of that ordinance, the City Treasurer transmits to the DDA that portion of the tax levy of taxing bodies paid each year on the “Captured Assessed Value” of real and personal property located in the Development Area No. 1 as provided for in this Tax Increment Financing Plan.

Presented in Tables 2 and 3 are schedules of the estimated captured, assessed value (taxable value) of real and personal property in Development Area No. 1, as amended. Also included are assessment values on properties for which an industrial facilities exemption certificate has been issued and were in effect pursuant to Act 198 of the Public Acts of 1974, as amended (“Act 198”).

The Tax Increment Financing Plan for District A was approved in 1980. The most recent assessment of all taxable property in District A, at the time of the Plan approval in 1980, occurred on December 31, 1979, for tax year 1980. The Tax Increment Financing Plan for District B was approved in 1981. The most recent assessment of all taxable property in District B, at the time of the Plan approval in 1981, occurred on December 31, 1980, for tax year 1981. The Tax Increment Financing Plan for District C was approved in 1983. The most recent assessment of all taxable property in District C, at the time of Plan approval in 1983, occurred on December 31, 1982, for the tax year 1983. The Tax Increment Financing Plan for District D was approved in 1984. The most recent assessment of all taxable property in District D, at the time of Plan approval in 1984, occurred on December 31, 1983 for the tax year 1984. The Tax Increment

Financing Plan for District E was approved in 1990. The most recent assessment of all taxable property in District E, at the time of Plan approval in 1990, occurred on December 31, 1989, for the tax year 1990. The most recent assessment of all taxable properties in District F occurred on December 31, 1996, for the tax year 1997. The Tax Increment Plan for Districts G and H were approved on May 7, 2002. The most recent assessment of all taxable properties in District G and District H, at the time this Plan took effect in 2002, occurred on December 31, 2000 for the tax year 2001. The Tax Increment Plan for Districts I, J, and K were approved in 2007. The Tax Increment Plan for Districts L, M, N, O and P was approved in 2016. The most recent assessment of all taxable properties for Districts L, M, N, O and P occurred on December 31, 2016 for the tax year 2017. The Tax Increment Financing Plan for Districts Q and R was approved in 2024. The most recent assessment of all taxable properties for Districts Q and R occurred on December 31, 2023 for the tax year 2024.

To provide for an accounting of assessed values on personal property in all seventeen districts of the Grand Rapids Development Area No. 1 (Development Area No. 1), the City has established a tax report filing system, requiring owners to file an annual report with the City Assessor. The report contains, among other information, the estimated dollar value of all personal property, in each owner's possession, which is located within the boundaries of Development Area No. 1, as amended.

B. Estimates of Captured Assessed Values and Tax Increment Revenues

Provided in Table 4 are schedules for estimated dollar amounts of Captured Assessed Values and Tax Increment Revenues to be realized. These revenue estimates are based upon changes or adjustments (increases and decreases) in base-year real and personal ad valorem property assessments; removals and additions of real and personal property, and changes in the assessment values of current Act 198 certified new construction and restoration-type commercial/industrial facilities exemption projects.

In estimating tax increment revenues, the 2023 local tax levy of 17.2342 mills was utilized. These rates were applied to the captured taxable value totals for ad valorem real and personal property and Act 198 assisted restoration projects. For Act 198 assisted new construction projects, one-half of the rate was applied to the captured value.

Under this Tax Increment Financing Plan, the entire tax increment amount captured is to be utilized by the DDA, except as described in Section E., below. However, in District H and District K, the first priority in the capturing of all local tax increments will be for use in accordance with the Grand Rapids SmartZone Local Development Finance Authority's Development and Tax Increment Financing Plans.

Additionally, there are existing capturing entities in Districts L, M, N and P, which were added in 2016. District L is within the Westside Corridor Improvement District which also captures tax increment revenues. There is also a City of Grand Rapids Brownfield Redevelopment Authority plan amendment for the Bridge and Turner, LLC Project within this district. District M is within the Westside Corridor Improvement District, which captures tax increment revenues. District N is in the Monroe North Tax Increment Finance Authority, Grand Rapids SmartZone Local Development Finance Authority, and the North Quarter Corridor Improvement District. District P is within the City of Grand Rapids SmartZone Local Development Finance Authority District, which captures tax increment revenues. District Q has a Brownfield Redevelopment Authority Plan in amendment in place for the 234 Market Avenue project. District R also has a City of Grand Rapids Brownfield Redevelopment Authority plan amendment for the former Rowe Hotel redevelopment at 201 Michigan Street.

As described in Section E below, a portion of the tax increment revenues from tax levies of some or all tax levying entities in Development Area No. 1 and collected and received by the DDA may be returned to the Tax Levying Entities in accordance with the conditions and schedule contained in said Section E.

Over the current 30-year life of this Tax increment Financing Plan it is estimated that the DDA will receive \$322,234,039 in captured tax increment revenues. A portion of the tax increment revenues received by the DDA will be returned to the tax levying entities pursuant to the gainsharing provisions of Section III.E. of this Plan.

C. Use of Tax Increment Revenues

The Tax Increment Revenues paid to the DDA shall be used by the DDA in such manner as the DDA may deem necessary and appropriate, based on the Development Plan, including, but not limited to, the following:

- The principal and interest payments required for any bonded indebtedness to be incurred on its behalf for purposes provided in the Development Plan.
- Cash payments for initiating and completing any improvement or activity called for in the Development Plan.
- Any annual operating deficits, which the DDA may incur from acquired and/or leased property in the Development Area.
- Interest payments on any sums, which the DDA should borrow before, or during, the construction of any improvement or activity to be accomplished by the Development Plan.
- Payments required to establish and maintain a capital replacement reserve, and payments to create a maintenance fund to minimize replacement.
- Payments required to establish and maintain a capital expenditure reserve.
- Payments to pay the costs of any additional improvements to Development Area No. 1, which are determined necessary by the DDA.
- Payments for management and administration; survey and planning services; consultant fees for authorized studies and investigations; and fees for legal counsel and advice; and staff services.
- Payments to reimburse private parties for eligible expenses related to the construction of a building or redevelopment project.

The DDA may modify its priority of payments at any time if, within its discretion, such modification is necessary to facilitate the Development Plan.

D. Bonded Indebtedness to be Incurred

The future project costs for accomplishing all activities described in the Development Plan for Development Area No. 1, excluding debt service payments, are estimated to be \$298,831,643. These costs are to be financed, in whole or in part, through cash payments and may in part be financed through the issue of one or more

series of bonds. Estimated revenues to be realized from taxes on captured assessed value are adequate to provide for payment of principal and of interest on said bonds.

To the extent that cash payments or bond proceeds are insufficient to carry out all the projects contained within the Development Plan, the DDA will be required to secure additional funds from private sector or grant sources, or set priorities as to the amount and timing of DDA support for individual projects.

E. Annual Surplus of Tax Increment Revenues

Tax increment revenues from tax levies of all tax levying entities (the “Local Tax Levying Entities” or individually a “Local Tax Levying Entity”) collected and received by the DDA (the “Local Tax Increment Revenues”) shall be returned to the Local Tax Levying Entities in accordance with the following schedule:

<u>Tax Levy Years</u>	<u>DDA Fiscal Years</u>	<u>Revenue Annual Return</u>
2022 through 2026	2023 through 2027	15%
2027 through 2031	2028 through 2032	20%
2032 through 2053	2033 through 2053	25%

provided, however, (a) the DDA shall not return any tax increment revenues to a Local Tax Levying Entity who elects after the effective date of the Plan Amendment to exempt its taxes from capture as tax increment revenues pursuant to Section 203(3) of Act 57 in connection with any expansion of the DDA District, (b) the return of tax increment revenues to Local Tax Levying Entities shall be subordinate to the pledge of DDA tax increment revenues as security for the payment of existing and future debt obligations of the DDA including, but not limited to, (i) the obligations of the DDA pursuant to a Reimbursement Agreement dated as of June 1, 2013, between the Authority and Kent County, as may be amended, related to the payment of debt service on the \$5,000,000 City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Refunding Bonds, Series 2013B (DeVos Place Project) and (ii) the obligations of the DDA pursuant to a Payment and Repayment Agreement dated April 12, 2012, between the Authority and the City of Grand Rapids Brownfield Redevelopment Authority (the “Brownfield Authority”, as may be amended, related to the payment of debt service on the Brownfield Authority’s \$2,325,000 Tax Increment Bonds, Series 2012A. Pursuant to

the provisions of Section 214(4) of Act 57, the DDA may enter into or amend existing agreements with Local Tax Levying Entities to implement the provisions of this paragraph III.E.

F. Special Millages

A tax levy approved after November 7, 2016, by the electors of the taxing unit levying the tax (i) for the sole purpose of repaying bonds, notes or other debt identified in the ballot proposal, (ii) for a specified purpose other than the payment of general operating expenses and for a specific time period identified in the ballot proposal, provided, the levying of the tax has not resulted in the reduction of the taxing unit's general operating millage except to the extent such reduction is required by the State Constitution or statutory requirements, and (iii) for use to pay for specific capital improvements and for a specific time period identified in the ballot proposal, provided, the levying of the tax has not resulted in the reduction of the taxing unit's general operating millage except to the extent such reduction is required by the State Constitution or statutory requirements shall be exempt from the capture of tax increment revenues, *provided, however,* in the case of an elector approved renewal of a tax levy that was subject to capture on December 16, 2016 and which would be exempt from capture as provided above, only the portion of the tax levy above the previously approved levy is exempt from the capture of tax increment revenues.

Further, subject to the Kent County Board of Commissioners not adopting a future resolution to exempt the County's taxes from the capture of tax increments from future DDA District expansion, the Kent County Millage for Senior Citizen Services approved by the electors on August 5, 2014, and the Kent County Dedicated Millage for Veterans Services each approved by the electors of the County on November 4, 2014, and as each may be renewed, shall be exempt from capture of tax increment revenues after December 31, 2024.

G. Duration of Plan

This tax increment financing plan shall be for a term ending December 31, 2054 or whenever all outstanding DDA debt obligations are fully paid, whichever period is longer, unless otherwise extended by an amendment hereto.

H. Impact on Assessed Values and Tax Revenues

The overall impact of the Development Plan is expected to generate increased economic activity in Development Area No. 1, the downtown district, the City, and Kent County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing jurisdictions, through increases in assessed valuations of property, and from increases in personal income from new employment within Development Area No. 1, the downtown district, the City, other neighboring communities, and throughout Kent County.

For purposes of determining the estimated impact of this Tax Increment Financing Plan upon those taxing jurisdictions within Development Area No. 1, estimates of captured assessed values were used, along with 2023 tax year millage allocations. These estimates show tax increment revenue amounts that would be shifted, from these jurisdictions to the DDA, to finance the project activities called for in the Development Plan. These estimated amounts are shown in Table 5.

I. Use of the Captured Assessed Values

The Development and Tax Increment Financing Plan provides for the use of all of the captured assessed value by the DDA for the purpose herein set forth, except as provided in Section E hereof.

J. Reports

The DDA shall submit annually, to the City Commission and the Michigan Department of Treasury, a report on the status of the tax increment financing account. Such report shall comply with the requirements of Act 57.

**CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY**

**SUMMARY OF ESTIMATED 2024 CAPTURED ASSESSED VALUES AVAILABLE FOR CAPTURE
DECEMBER 29, 2023**

Values for existing districts include a 2.6% increase in 2023 MBOR assessed values

MBOR Captured Values DISTRICTS	AD VALOREM						IFT - NEW POST 1993		2023/FY2024 ESTIMATED CAPTURED VALUE BY DISTRICT
	REAL PRE/ HOMESTEAD	REAL NON-PRE	UTILITY	INDUSTRIAL	COMMERCIAL	Real	Personal		
District A - Initial Year 1980	\$ 12,598,949	\$ 176,618,000	\$ 1,394,744	\$ (50,171)	\$ 26,566,834	\$ -	\$ -	\$ 217,128,355	
District B - Initial Year 1981	7,496,129	58,318,242	2,126,282	-	3,995,449	-	-	71,936,103	
District C - Initial Year 1983	708,557	134,093,703	5,698,096	(457,801)	14,162,596	-	-	154,205,151	
District D - Initial Year 1984	-	4,758,663	2,182,097	(36,936)	704,452	-	-	7,608,275	
District E - Initial Year 1990	32,810,265	30,974,736	2,860,591	-	2,316,708	-	-	68,962,300	
District F - Initial Year 1997	(24,253)	(453,879)	326,268	(213,100)	(152,771)	-	-	(517,735)	
District G - Initial Year 2001	-	32,235,831	-	-	(134,201)	-	-	32,101,631	
District H - Initial Year 2001	-	1,187,032	-	-	(1,556,339)	-	-	(369,308)	
District I - Initial Year 2007	¹ 5,632,371	23,323,972	-	(387,315)	(724,766)	755,752	-	28,600,013	
District I - Captures City & ITP only	² -	9,763,779	-	-	796,792	810,684	-	11,371,254	
District J - Initial Year 2007	-	3,802,503	-	(339,811)	1,784,009	30,124	-	5,276,825	
District J - Captures City & ITP only	² -	(345,997)	-	-	(12,312)	-	-	(358,309)	
District K - Initial Year 2007	¹ -	7,064,354	-	-	1,154,353	-	-	8,218,706	
District L - Initial Year 2016	¹ 21,121	(78,891)	-	-	(26,779)	-	-	(84,549)	
District M - Initial Year 2016	-	-	-	(273,121)	397,780	-	-	124,659	
District M - Captures County and GRCC only	³ -	1,287,990	-	-	-	-	-	1,287,990	
District N - Initial Year 2016	¹ -	(3,932)	-	-	421,276	-	-	417,344	
District O - Initial Year 2016	¹ -	288,183	-	(363,820)	-	-	-	(75,637)	
District P - Initial Year 2016	-	1,725,761	-	317,957	719,226	-	-	2,762,944	
TOTAL	\$ 59,243,139	\$ 484,560,050	\$ 14,588,078	\$ (1,804,118)	\$ 50,412,305	\$ 1,596,560	\$ -	\$ 608,596,013	
Totals by Capture Class									
Captures all eligible local mills	\$ 59,243,139	\$ 473,854,277	\$ 14,588,078	\$ (1,804,118)	\$ 49,627,825	\$ 785,876	\$ -	\$ 596,295,077	
Captures City & ITP only	-	9,417,782	-	-	784,480	810,684	-	11,012,945	
Captures County & GRCC only	-	1,287,990	-	-	-	-	-	1,287,990	
TOTAL	\$ 59,243,139	\$ 484,560,050	\$ 14,588,078	\$ (1,804,118)	\$ 50,412,305	\$ 1,596,560	\$ -	\$ 608,596,013	

Note 1: For Districts I - O Captured Values for pre-existing MNTIFA, SZ, & CIA overlaps are not included above.

Note 2: Prior to 2017/FY2018, Kent County & GRCC opted out of Districts F, I, J, & K. Beginning with RY2017/FY2018, KC opted into all DDA Districts, as did GRCC. For any BRA or SZ overlapping areas that began capturing while Kent County and GRCC opted out, these authorities continue to capture KC and GRCC. Therefore in District I & J the DDA only captures City and ITP in certain overlaps.

Note 3: District M completely overlaps WestSide CIA. Since Kent County & GRCC opted out of the WSCIA, DDA may capture these mills. Since the WSCIA does not capture personal property taxes,

CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
DISTRICT Q - INITIAL TAXABLE VALUES
INITIAL VALUE YEAR = 2023
DECEMBER 29, 2023

	AD VALOREM					IFT - NEW POST 1993		TOTAL
	REAL PRE/ HOMESTEAD	REAL NON-PRE	UTILITY	INDUSTRIAL	COMMERCIAL	Real	Personal	
District Q - No Overlaps	\$ -	\$ 10,826,533	\$ -	\$ 1,636,900	\$ 205,900	\$ 3,987,499	\$ -	\$ 16,656,832
District Q - Overlaps Brownfield, 234 Market ¹	-	16,183,335	-	-	456,800	-	-	16,640,135
District R - No Overlaps ²	-	-	-	-	-	-	-	-
District R - Overlaps Brownfield, OMH LLC ¹	1,314,310	2,217,225	-	-	-	-	-	3,531,535
TOTAL 2023 INITIAL TAXABLE VALUES	\$ 1,314,310	\$ 29,227,093	\$ -	\$ 1,636,900	\$ 662,700	\$ 3,987,499	\$ -	\$ 36,828,502
2023 Capturable Initial Values	\$ -	\$ 10,826,533	\$ -	\$ 1,636,900	\$ 205,900	\$ 3,987,499	\$ -	\$ 16,656,832
2024 Estimated Values @ 2.6% growth	-	11,108,023	-	1,679,459	211,253	4,091,174	-	17,089,910
2024 ESTIMATED CAPTURED VALUES	\$ -	\$ 281,490	\$ -	\$ 42,559	\$ 5,353	\$ 103,675	\$ -	\$ 433,078

Note 1: The Brownfield projects captures all mills (except school debt)

**CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY**

**ESTIMATED TAX INCREMENT REVENUE CALCULATION - 2023 / FY2024 WITHOUT EXPANSION PARCELS
DECEMBER 29, 2023**

Values for existing districts include a 2.6% increase in 2023 MBOR assessed values

MBOR Captured Values By Category - Current Districts only	AD VALOREM						IFT - NEW POST 1993		TOTALS
	REAL PRE/ HOMESTEAD	REAL NON-PRE	UTILITY	INDUSTRIAL	COMMERCIAL	Real	Personal		
Captures all eligible local mills	\$ 59,243,139	\$ 473,854,277	\$ 14,588,078	\$ (1,804,118)	\$ 49,627,825	\$ 785,876	\$ -	\$ 596,295,077	
Captures City & ITP only	-	9,417,782	-	-	784,480	810,684	-	11,012,945	
Captures County & GRCC only	-	1,287,990	-	-	-	-	-	1,287,990	
TOTAL	\$ 59,243,139	\$ 484,560,050	\$ 14,588,078	\$ (1,804,118)	\$ 50,412,305	\$ 1,596,560	\$ -	\$ 608,596,013	

ESTIMATED 2024 / FY2025 PROPERTY TAX INCREMENT REVENUES BASED ON 2023 MILLAGE RATES

Local Increment

City - General (2.5301 mills) & Promo (0.0074)	\$ 150,329	\$ 1,226,303	\$ 37,017	\$ (4,578)	\$ 127,921	\$ 2,026	\$ -	\$ 1,539,018
- Capital (1.2500 mills)	74,054	604,090	18,235	(2,255)	63,015	998	-	758,137
- Refuse (1.8000 mills)	106,638	869,890	26,259	(3,247)	90,742	1,437	-	1,091,718
- Library - Operating (1.9060 mills)	112,917	921,117	27,805	(3,439)	96,086	1,522	-	1,156,008
- Parks (1.1892 mills)	70,452	574,707	17,348	(2,145)	59,950	949	-	721,261
GR Community College (1.7085 mills)	101,217	811,781	24,924	(3,082)	84,789	671	-	1,020,299
Interurban Transit Partnership (1.4074 mills)	83,379	680,157	20,531	(2,539)	70,950	1,123	-	853,602
Kent Cnty (5.4356 mills) - No Z/M or Early Chdhd	322,022	2,582,683	79,295	(9,806)	269,757	2,136	-	3,246,087
ESTIMATED LOCAL INCREMENT REVENUES	\$ 1,021,008	\$ 8,270,727	\$ 251,414	\$ (31,093)	\$ 863,211	\$ 10,862	\$ -	\$ 10,386,130

**CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY**

**ESTIMATED TAX INCREMENT REVENUE CALCULATION - 2024 / FY2025 PROPOSED FIRST YEAR OF CAPTURE
DECEMBER 29, 2023**

Values include a 2.6% increase in 2023 MBOR assessed values

Estimated Captured Values By Category	AD VALOREM						IFT - NEW POST 1993		TOTALS
	REAL PRE/ HOMESTEAD	REAL NON-PRE	UTILITY	INDUSTRIAL	COMMERCIAL	Real	Personal		
Captures all eligible local mills	\$ 59,243,139	\$ 473,854,277	\$ 14,588,078	\$ (1,804,118)	\$ 49,627,825	\$ 785,876	\$ -	\$ 596,295,077	
Captures City & ITP only	-	9,417,782	-	-	784,480	810,684	-	11,012,945	
Captures County & GRCC only	-	1,287,990	-	-	-	-	-	1,287,990	
District Q & R - Proposed expansion	-	281,490	-	42,559	5,353	103,675	-	433,078	
TOTAL	\$ 59,243,139	\$ 484,560,050	\$ 14,588,078	\$ (1,804,118)	\$ 50,412,305	\$ 1,596,560	\$ -	\$ 608,596,013	

ESTIMATED 2024 / FY2025 PROPERTY TAX INCREMENT REVENUES BASED ON 2023 MILLAGE RATES

Local Increment

City - General (2.5301 mills) & Promo (0.0074)	\$ 150,329	\$ 1,227,017	\$ 37,017	\$ (4,470)	\$ 127,935	\$ 2,157	\$ -	\$ 1,539,986
- Capital (1.2500 mills)	74,054	604,442	18,235	(2,202)	63,022	1,063	-	758,614
- Refuse (1.8000 mills)	106,638	870,396	26,259	(3,171)	90,752	1,530	-	1,092,404
- Library - Operating (1.9060 mills)	112,917	921,653	27,805	(3,358)	96,096	1,620	-	1,156,734
- Parks (1.1892 mills)	70,452	575,042	17,348	(2,095)	59,957	1,011	-	721,715
GR Community College (1.7085 mills)	101,217	812,261	24,924	(3,010)	84,798	760	-	1,020,951
Interurban Transit Partnership (1.4074 mills)	83,379	680,553	20,531	(2,479)	70,958	1,196	-	854,138
Kent Cnty (5.4356 mills) - No Z/M or Early Chdhd	322,022	2,584,213	79,295	(9,575)	269,786	2,418	-	3,248,159
ESTIMATED LOCAL INCREMENT REVENUES	\$ 1,021,008	\$ 8,275,579	\$ 251,414	\$ (30,359)	\$ 863,304	\$ 11,755	\$ -	\$ 10,392,700

CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
DEBT OBLIGATIONS & PROJECTIONS AS OF DECEMBER 29, 2023

Fiscal Year	435 Ionia SW Street Improvements	City / County Joint Building Authority DeVos Place Series 2013B		Debt Service Lyon Square Capital Improve Bonds		Total		
	Brownfield Series 2012A	Principal	Interest	Principal	Interest	Principal	Interest	Combined
2024	\$ 75,000	\$ 310,000	\$ 6,200	\$ -	\$ 129,903	\$ 385,000	\$ 136,103	\$ 521,103
2025	75,000	-	-	220,000	357,020	295,000	357,020	652,020
2026	75,000	-	-	232,000	345,720	307,000	345,720	652,720
2027	75,000	-	-	244,000	333,820	319,000	333,820	652,820
2028	75,000	-	-	256,000	321,320	331,000	321,320	652,320
2029	75,000	-	-	268,000	309,560	343,000	309,560	652,560
2030	75,000	-	-	280,000	297,200	355,000	297,200	652,200
2031	75,000	-	-	292,000	282,900	367,000	282,900	649,900
2032	75,000	-	-	308,000	267,900	383,000	267,900	650,900
2033	-	-	-	324,000	252,100	324,000	252,100	576,100
2034	-	-	-	340,000	235,500	340,000	235,500	575,500
2035	-	-	-	360,000	218,000	360,000	218,000	578,000
2036	-	-	-	376,000	199,600	376,000	199,600	575,600
2037	-	-	-	396,000	180,300	396,000	180,300	576,300
2038	-	-	-	416,000	160,000	416,000	160,000	576,000
2039	-	-	-	440,000	138,600	440,000	138,600	578,600
2040	-	-	-	460,000	116,100	460,000	116,100	576,100
2041	-	-	-	484,000	92,500	484,000	92,500	576,500
2042	-	-	-	508,000	67,700	508,000	67,700	575,700
2043	-	-	-	536,000	41,600	536,000	41,600	577,600
2044	-	-	-	564,000	14,100	564,000	14,100	578,100
TOTAL	\$ 675,000	\$ 310,000	\$ 6,200	\$ 7,304,000	\$ 4,361,443	\$ 8,289,000	\$ 4,367,643	\$ 12,656,643

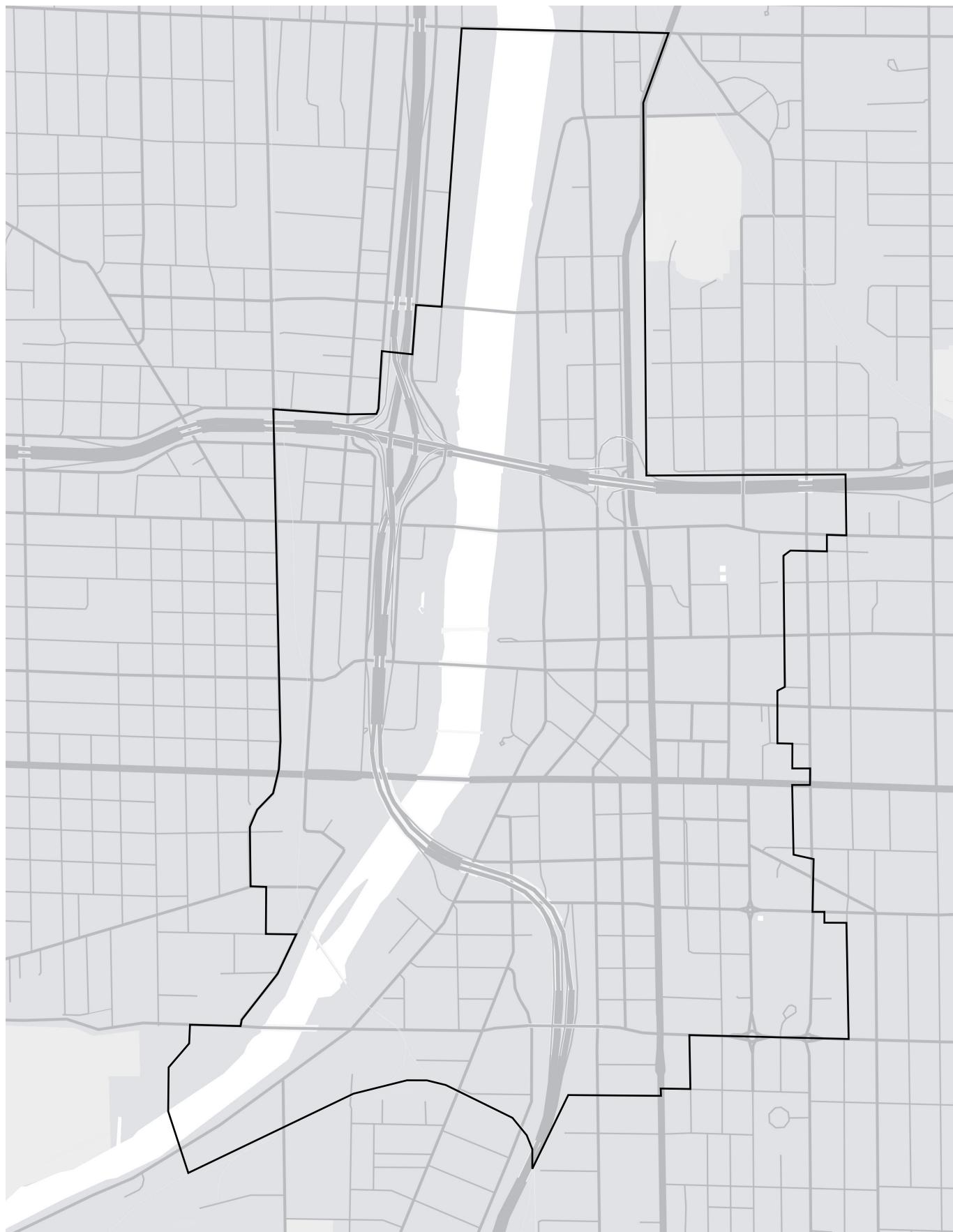
CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
ESTIMATES OF FUTURE TAX INCREMENT REVENUES, 30 YEAR PROJECTION
DECEMBER 29, 2023

Tax Year	Fiscal Year ¹	Estimated Local Tax Increment Revenue			Estimated Revenue Rebates to Taxing Units			Estimated Revenue			Estimated Debt Obligations	
		Boundries			Taxing Units			Revenue			Debt	
		Current	Expansion	Total								Obligations
2024	2025	\$ 10,386,130	\$ 6,570	\$ 10,392,700	\$ 1,558,905	\$ 8,833,795	\$ 652,020					
2025	2026 ²	10,593,853	6,702	10,600,554	1,590,083	9,010,471	652,720					
2026	2027	10,805,730	6,836	10,812,565	1,621,885	9,190,681	652,820					
2027	2028	11,021,844	6,973	11,028,817	2,205,763	8,823,053	652,320					
2028	2029	11,242,281	7,112	11,249,393	2,249,879	8,999,514	652,560					
2029	2030	11,467,127	7,254	11,474,381	2,294,876	9,179,505	652,200					
2030	2031	11,696,469	7,399	11,703,869	2,340,774	9,363,095	649,900					
2031	2032	11,930,399	7,547	11,937,946	2,387,589	9,550,357	650,900					
2032	2033	12,169,007	7,698	12,176,705	3,044,176	9,132,529	576,100					
2033	2034	12,412,387	7,852	12,420,239	3,105,060	9,315,179	575,500					
2034	2035	12,660,634	8,009	12,668,644	3,167,161	9,501,483	578,000					
2035	2036	12,913,847	8,169	12,922,017	3,230,504	9,691,512	575,600					
2036	2037	13,172,124	8,333	13,180,457	3,295,114	9,885,343	576,300					
2037	2038	13,435,567	8,499	13,444,066	3,361,017	10,083,050	576,000					
2038	2039	13,704,278	8,669	13,712,947	3,428,237	10,284,711	578,600					
2039	2040	13,978,363	8,843	13,987,206	3,496,802	10,490,405	576,100					
2040	2041	14,257,931	9,020	14,266,950	3,566,738	10,700,213	576,500					
2041	2042	14,543,089	9,200	14,552,289	3,638,072	10,914,217	575,700					
2042	2043	14,833,951	9,384	14,843,335	3,710,834	11,132,501	577,600					
2043	2044	15,130,630	9,572	15,140,202	3,785,050	11,355,151	578,100					
2044	2045	15,433,243	9,763	15,443,006	3,860,751	11,582,254	-					
2045	2046	15,741,908	9,958	15,751,866	3,937,967	11,813,900	-					
2046	2047	16,056,746	10,158	16,066,903	4,016,726	12,050,178	-					
2047	2048	16,377,881	10,361	16,388,242	4,097,060	12,291,181	-					
2048	2049	16,705,438	10,568	16,716,006	4,179,002	12,537,005	-					
2049	2050	17,039,547	10,779	17,050,326	4,262,582	12,787,745	-					
2050	2051	17,380,338	10,995	17,391,333	4,347,833	13,043,500	-					
2051	2052	17,727,945	11,215	17,739,160	4,434,790	13,304,370	-					
2052	2053	18,082,504	11,439	18,093,943	4,523,486	13,570,457	-					
2053	2054	18,444,154	11,668	18,455,822	4,613,955	13,841,866	-					
TOTAL		\$ 421,345,343	\$ 266,547	\$ 421,611,890	\$ 99,352,670	\$ 322,259,220	\$ 12,135,540					

Note 1: Estimated growth at 2% per year.

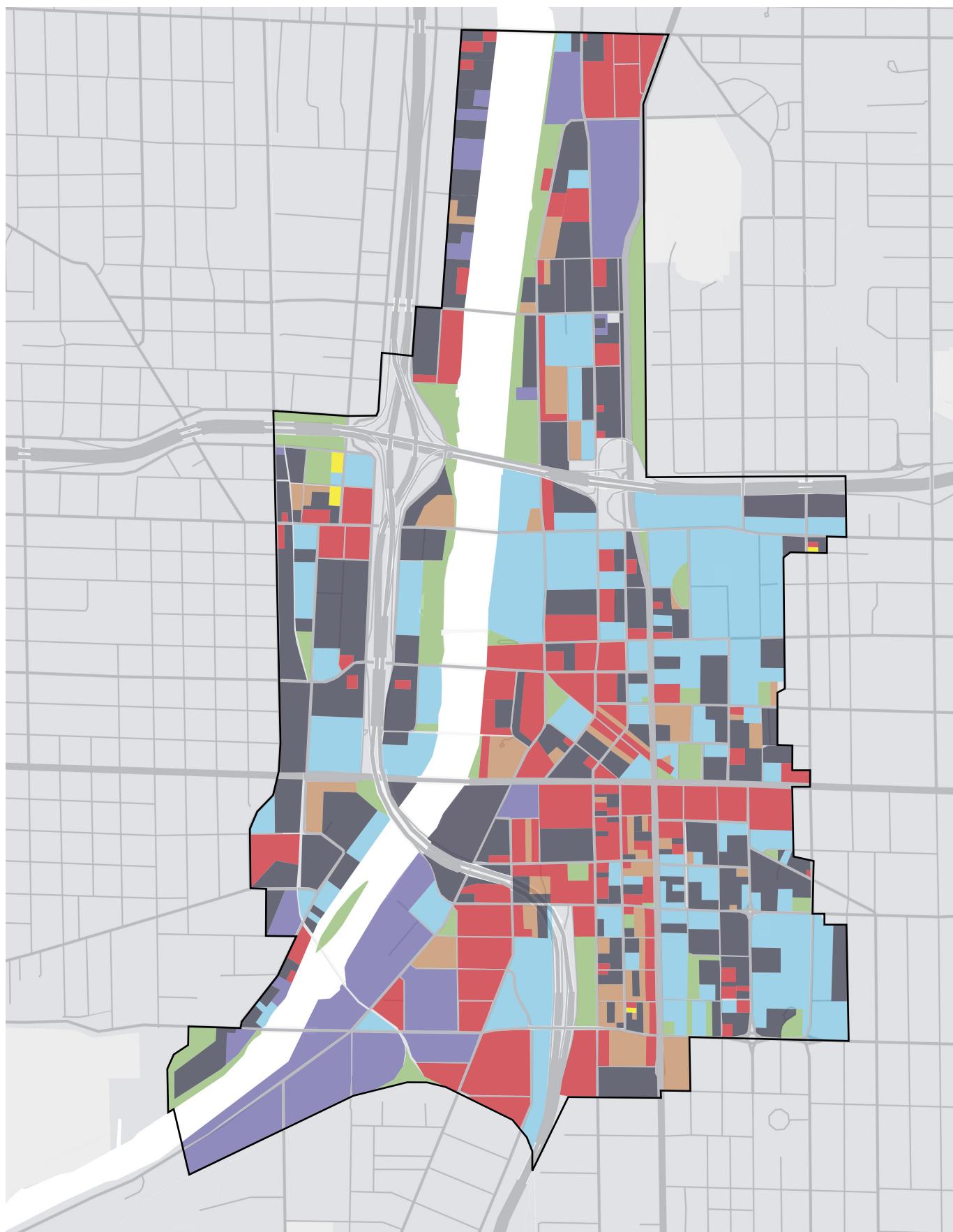
Note 2: DDA ceases capture of Kent County voted Mills - Senior Citizen Services, Veterans' Services and County Jail Bond Levies.

Grand Rapids Downtown Development Area No. 1 DDA Boundaries



Grand Rapids Downtown Development Area No. 1

Existing Land Uses



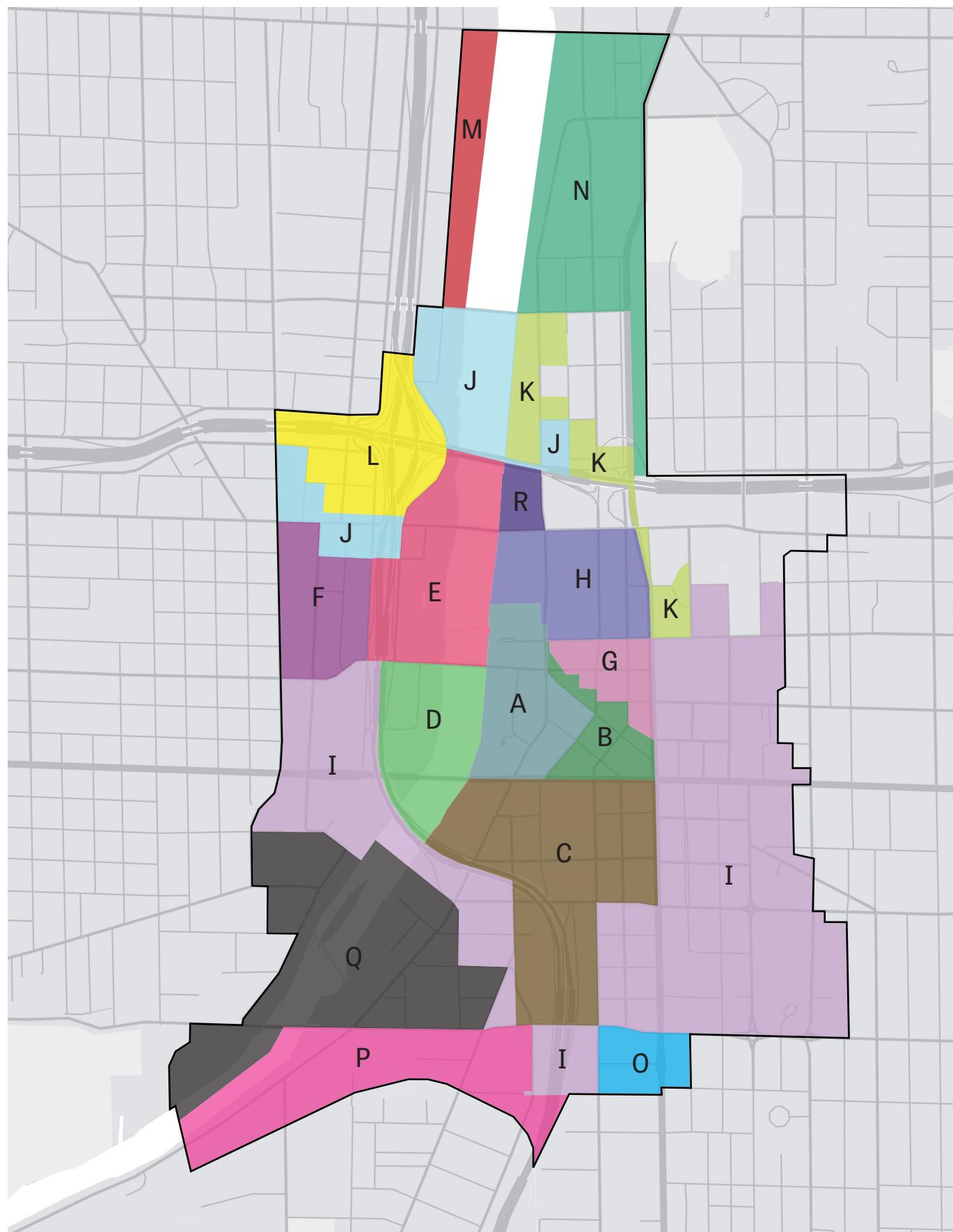
■ Institutional
■ Commercial
■ Multi-Family Housing

■ Industrial
■ Single Family Housing
■ Parks/Greenspace

■ Parking
■ Right of Way
■ Vacant/Other

Grand Rapids Downtown Development Area No. 1 Tax Increment Districts

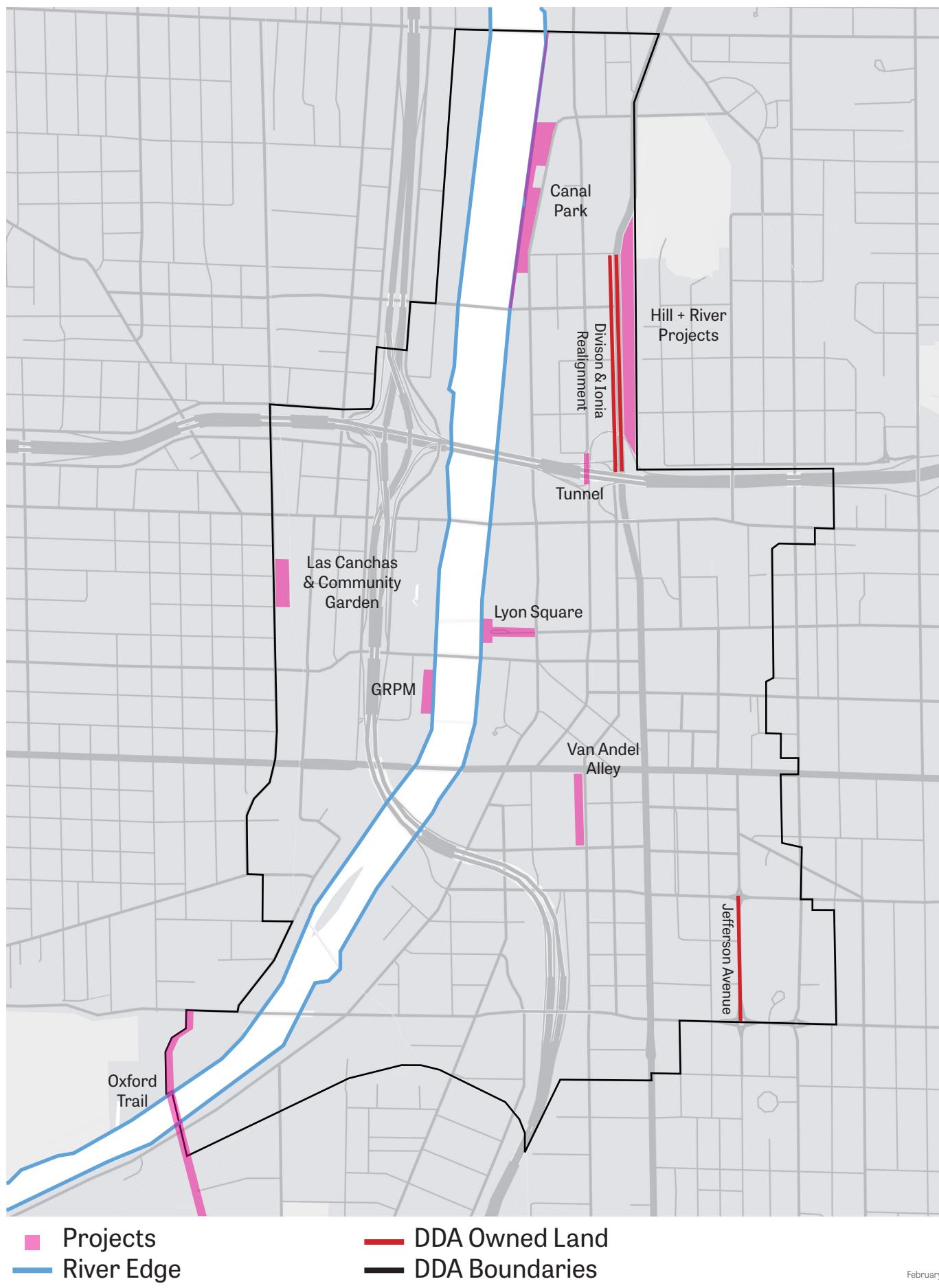
February 2024



A - 1980	B - 1981	C - 1983	D - 1984	E - 1990	F - 1995
G - 2002	H - 2002	I - 2007	J - 2007	K - 2007	L - 2016
M - 2016	N - 2016	O - 2016	P - 2016	Q - 2024	R - 2024

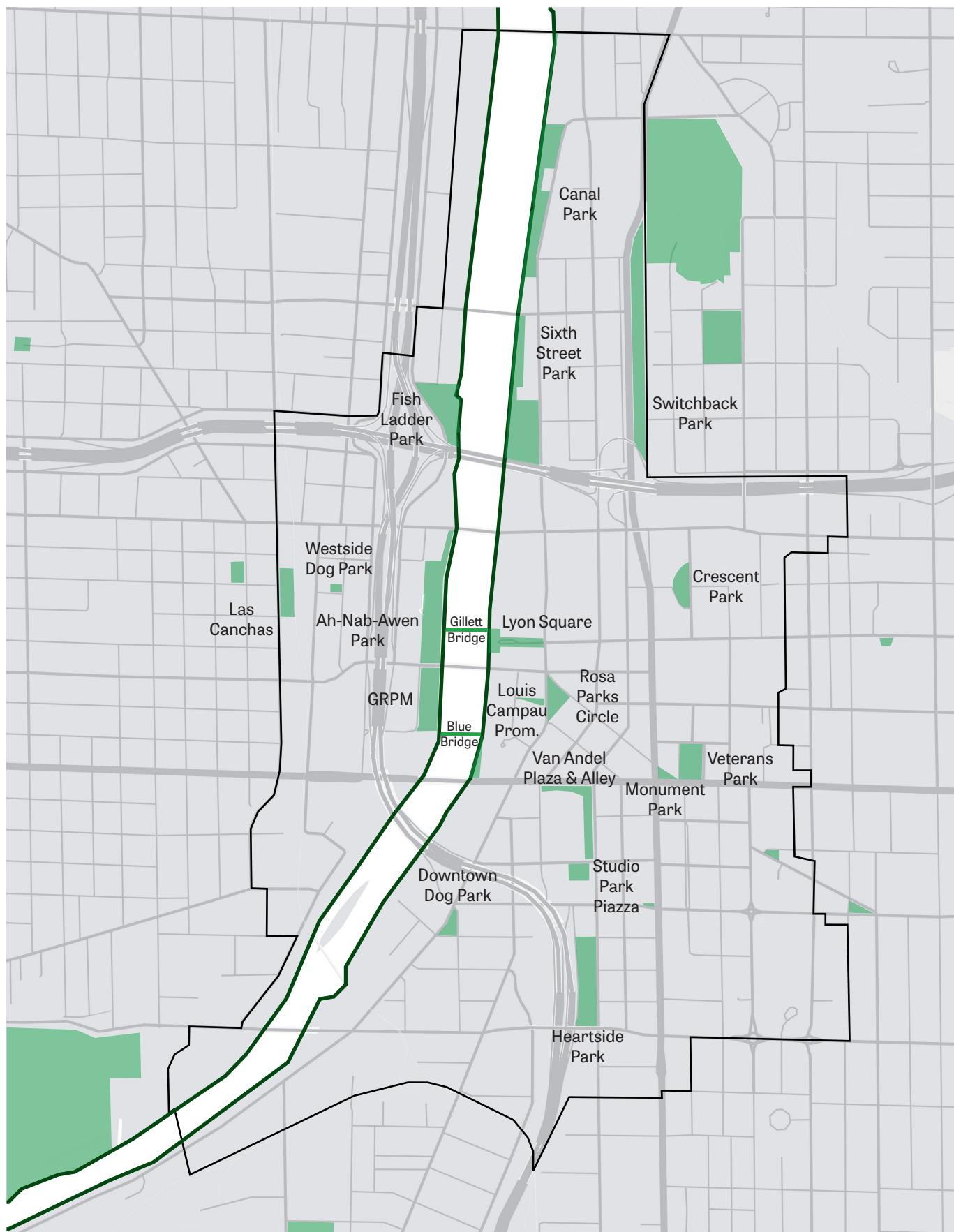
Grand Rapids Downtown Development Area No. 1

DDA Projects: Under Construction or In Development



Grand Rapids Downtown Development Area No. 1

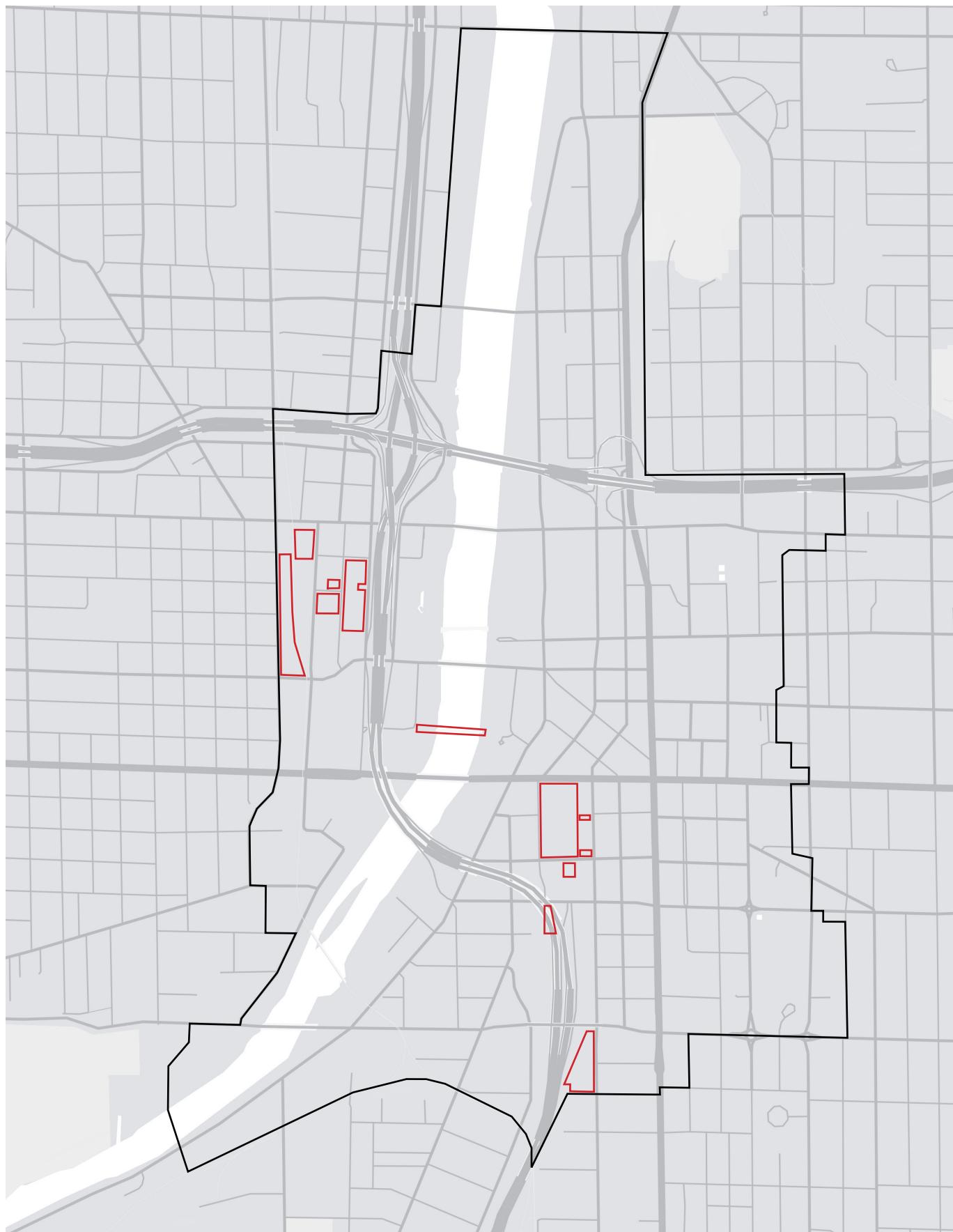
Parks & Public Greenspace



■ Parks & Public Greenspace
— River's Edge

— Pedestrian Bridge
— DDA Boundaries

Grand Rapids Downtown Development Area No. 1 DDA Owned Land



— DDA Owned Land
— DDA Boundaries