Dear Readers,

The momentum continues to build for Downtown Grand Rapids. The wave of confidence in Downtown’s future can be seen and felt across the district, as new housing, hotels, retail, institutional and commercial space expand our built capacity to help grow our base and strengthen our Downtown economy – which anchors one of the fastest growing regions in America.

As promised, Downtown Grand Rapids Inc. (DGRI) has pivoted from its role in setting the future vision and investment strategy for Downtown through the GR Forward master plan. Our organization now is squarely focused on implementation.

In addition to completing a number of objectives outlined in GR Forward during the past year, DGRI continues to track progress made across 12 key performance measures adopted by the DGRI Board of Advisors, a multidisciplinary leadership Board that sets the course for our work.

In this annual report, you’ll find both the results of our work to help implement GR Forward as well as the current status on these metrics that help define the state of Downtown.

Without a doubt, the process of implementing a plan as comprehensive as GR Forward requires close collaboration with, and leadership by, many types of organizations – public, private and philanthropic – as well as a resolved and unified focus on priorities. While this report highlights the progress made through DGRI’s investments and effort, you can find additional information on plan implementation and DGRI’s performance measures at www.downtowngr.org.

On behalf of the DGRI team, and the many volunteer civic leaders that comprise our various Boards and Alliances, we hope you value this rearview snapshot of FY 2017 and are as excited as we are about the year ahead.

Kristopher Larson, AICP
What is this Annual Report?

Downtown Grand Rapids Inc. works to continually elevate Downtown GR as the best-in-class heart of an American city. The organization is dedicated to:

- **ACHIEVING CLEAR CITY BUILDING GOALS DEFINED BY THE COMMUNITY.**
- **DEFINING AND EXECUTING AN ANNUAL AGENDA FOR ACTION TOWARDS OUR OBJECTIVES.**
- **MEASURING ORGANIZATIONAL PERFORMANCE AGAINST CLEARLY DEFINED SUCCESS FACTORS.**

DGRI also is committed to transparency and accountability. This report summarizes the results of our work in Fiscal Year 2017, from July 1, 2016 - June 30, 2017.

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Community Goals

Grand Rapids defined clear goals for the future of Downtown in GR Forward—the community plan and investment strategy unanimously approved by the Grand Rapids City Commission in December 2015.

**Community Goals**

- Reestablish the Grand River as the draw to the city and region
- Develop a true downtown neighborhood home to a diverse population
- Implement a 21st Century Mobility Strategy
- Establish an equity-driven growth model in downtown Grand Rapids
- Reinvest in public space, culture & inclusive programming
- Grow more & better jobs & ensure continued vitality of the local economy

**DGRI Action**

Downtown Grand Rapids Inc. works in close collaboration with numerous partners to advance on the community’s goals for Downtown. These are select highlights of our work during the past year to lead GR Forward.

**Accomplishments Fiscal Year 2017**

- Cut the ribbon on the Coldbrook Edge river trail connection to Leonard Street.
- Funded flood protection and trail improvements in Ah-Nab-Awen Park.
- Completed schematic designs for redevelopment of Lyon Square.
- Initiated engagement process to define the riverfront trail design and identity.
- Funded Pearl and Bridge Street retrofits to strengthen Westside connection to river.
- Enabled the DDA to support the development of affordable housing.
- Financially supported the construction and delivery of 450+ new housing units.
- Started up Downtown Residents Network.
- Advanced City zoning policy changes to increase affordable housing.
- Modified DGRI incentive programs to strengthen focus on public realm improvements.
- Enhanced 131 overpass lighting at Cherry, Pearl, and Bridge Streets.
- Supported robustness of BARRI service.
- Launched bike share feasibility analysis and business planning initiative.
- Supported Michigan Street redesign and reconstruction.
- Supported reconnection of a more pedestrian-friendly Bridge Street.
- Enabled the BBA to support minority and women-owned business development.
- Polled public opinion and established baseline measures of how people perceive Downtown as a welcoming and inclusive place.
- Further diversified DGRI citizen Leadership Network to better reflect community demographics.
- Trained 220+ event producers to help expand the diversity of Downtown events.
- Hosted city’s largest ever food truck rally.
- Achieved an 80% increase in non-white attendance at Movies in the Park.
- Attracted the Grand Rapids African-American Museum and Archives to Downtown.
- Approved $285k in development incentives leveraging $22 million in local business investment generating 310 jobs.
- Organized effort to adopt a Pilot Food Truck Ordinance and expand opportunities for culinary entrepreneurs.
- Approved financial support for the construction of 280 new hotel rooms.
- Approved $4.4 million in support for redevelopment of 150 Ottawa, which draws a new regional corporate headquarters to Downtown.

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WHY THIS MATTERS

The Downtown Improvement District (DID) is a tool DGRI administers to keep Downtown clean, attractive and eventful. The DID’s sole revenue source is a voluntary special assessment on real property supported by businesses and property owners within the district. As the steward of the DID’s financial resources, DGRI works to achieve efficient place management and maximize the value of the contribution property owners make to Downtown’s success.

KEY INSIGHT

DGRI’s administration of the DID in FY 2017 yielded an 87% return of DID revenues into direct services and improvements benefiting Downtown. The remaining 13% of the DID budget supported administration and overhead. That’s 50% less than the national average (27%) for administration and overhead in similar sized assessment districts.

Services Delivered to DID Rate Payers

Downtown Ambassadors watered 18,000+ planters and pulled 11,400+ weeds.

8

8

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WHY THIS MATTERS
Trees deliver tremendous bang for the buck. They produce oxygen, encourage walking, filter out air pollution, slow traffic, absorb rainwater and noise, improve property value and reduce people’s stress levels. A healthy urban forest is a remarkably valuable asset for the city and the Downtown neighborhood.

KEY INSIGHT
Tree canopy is defined as the proportion of land area covered by trees as viewed with satellite imagery. DGRI and partners in FY 2017 planted 378 trees and moved the Downtown tree canopy from 5% to 5.6%. Maintaining existing trees and planting 2,422 more is necessary to achieve the community goal of 10% tree canopy Downtown.
WHY THIS MATTERS

A robust online communications platform enables DGRI to affordably reach a diverse audience with relevant information, continually enhance organizational transparency and maintain a high level of customer service and community engagement.

KEY INSIGHT

DGRI in FY 2017 grew its Twitter audience (~10,000) by 24%, Facebook audience (~19,000) by 62% and Instagram audience (~4,300) by 97%.

Active Social Media Presence

Videos such as the Movies in the Park lineup release drive engagement and audience growth on DGRI’s social media platforms.
WHY THIS MATTERS

DGRI produces public events to achieve four key outcomes:
- Happy, healthy people.
- Dynamic public spaces.
- Attract new, diverse audiences.
- More economic activity.

KEY INSIGHT

DGRI in FY 2017 produced or supported more than 150 events in public places Downtown, including but not limited to the city’s largest ever food truck rally, free fitness classes and a lunch-time concert series. DGRI’s two signature events – Movies in the Park and Snow Days – generated an estimated $631,000 in economic return to Downtown businesses.
WHY THIS MATTERS
DGRI aligns its investment in public infrastructure to advance implementation of the community-defined priorities presented in the GR Forward plan of action. Where other funding sources are available, DGRI works to pursue and leverage outside contributions to deliver the best project possible for the Downtown community and maximize the value of every DGRI-managed dollar invested.

KEY INSIGHT
DGRI in FY 2017 invested more than $1.3 million in public space design, beautification and other infrastructure projects. DGRI’s investment leveraged more than $6.2 million of additional public funding to support these projects, achieving a return of $3.68 for every DGRI-managed dollar invested in public facilities.

Public Resources Leveraged

DGRI partnered in the reconstruction of a greener Michigan Street that is safer for motorists and pedestrians.
WHY THIS MATTERS

Grand Rapids lags comparison and competitor cities in the number of people living Downtown and in the median incomes of Downtown residents. The density and diversity of people living Downtown is directly related to the neighborhood’s ability to attract and support the mix of retail stores, restaurants and other services and amenities required to continue growing a strong urban core at the heart of the West Michigan region.

KEY INSIGHT

Developers added 457 units to Downtown in 2016. They also have 982 units in the development pipeline. This will bring the total number of Downtown households to 4,801. The goal is to reach 10,000 households – maintaining 30% of total supply for lower-wage earners – and achieve a “critical mass” of residents by 2025.
**Development Investment Leveraged**

**WHY THIS MATTERS**

Investment capital flows to places where risk is low and the potential for returns are favorable. DGRI works to position the Downtown Grand Rapids market in a way that attracts investment. This includes spearheading initiatives that ensure Downtown is clean, safe, beautiful, accessible, eventful and vibrant. It also includes gap finance tools to catalyze real property investments that otherwise would not happen. In other words, the amount of development investment leveraged is a leading indicator of DGRI’s progress toward fulfilling its organizational mission.

**KEY INSIGHT**

DGRI leveraged more than $26 in development investment for every DGRI-managed tax increment dollar invested. In FY 2017, DGRI pledged $5 million in support for real estate projects that amount to a total investment of nearly $138 million.
WHY THIS MATTERS

Tax increment finance is a market-driven financing mechanism used to clean up blighted property, support private investment and development, catalyze urban revitalization and elevate quality of life. Tax increment finance is the primary funding instrument of two tools managed by DGRI: the GR Downtown Development Authority and the Monroe North Tax Increment Finance Authority. Tax increment is produced when the tax value of properties within the GR DDA and MN TIFA districts increase through new investment and community improvement.

KEY INSIGHT

The taxable value of Downtown property is up 32% since FY 2013 when DGRI was established. For the GR DDA and MN TIFA combined, projected tax increment revenues were 10% higher in Fiscal Year 2018 ($6,543,477) vs. Fiscal Year 2017 ($5,927,709).

DGRI-supported projects such as New Holland Brewing’s Kitchener help improve the vitality of the community.
WHY THIS MATTERS
A clean and beautiful Downtown not only makes a great impression, it also reinforces feelings of safety and vibrancy, enhances quality of life and strengthens civic identity. Maintaining an attractive Downtown requires a dedicated team of dynamic and responsive professionals. DGRI’s specially-trained Ambassadors are on the job 7 days a week for an average of 16 1/2 hours per day.

KEY INSIGHT
Downtown Ambassadors in FY 2017 removed 312,575 pounds of trash, collected and recycled 173,000 cigarette butts, power washed 226 block faces and pulled more than 11,400 weeds. DGRI in FY 2018 will develop a qualitative tool to observe and report a standardized measure of sidewalk cleanliness.

Sidewalk Cleanliness
Speed of Project Implementation

**WHY THIS MATTERS**

GR Forward – developed through one of the most inclusive public engagement efforts in the city’s history – clearly defines the community’s priorities for the next generation of growth in Downtown. That means we’re well positioned to act with speed to implement the community vision. What’s more, organizations and cities capable of quickly advancing good ideas are figuratively one step ahead of the competition. Accelerated project delivery, particularly on public works projects, is also a proven way to keep costs down and make responsible use of taxpayer dollars.

**KEY INSIGHT**

DGRI successfully completed, in close collaboration with a variety of partners, 6 of the organization’s 7 key objectives for FY 2017. These projects include:

- Planting 200 trees.
- Completing the Coldbrook Edge.
- Redesigning Calder Plaza.
- Enhancing the condition of 131 overpasses.
- Rebooting the DASH system.
- Establishing the Downtown Residents Network.
- Completing a bike share system feasibility analysis and business plan. (in progress)
WHY THIS MATTERS

The presence of people walking, rolling, or otherwise moving on sidewalks is one of the strongest indicators of a street or neighborhood’s vitality and sustainability. People on Downtown sidewalks drive more sales opportunities for Downtown merchants and reinforce community safety – real and perceived – in public areas. A good understanding of people patterns also helps Downtown leaders understand the way people move through and use the public realm and, importantly, how changes in the public realm – such as more trees and shade, a special event or a new sidewalk cafe – affect how citizens interact with the city and where improvements might be made.

KEY INSIGHT

DGRI in FY 2017 deployed a series of strategically placed people counters and began gathering – for the first time – quantitative data and insights on people movements Downtown. Peak days of ArtPrize 2016, for example, drove a 308% increase in sidewalk traffic on select Downtown streets compared to a similar fall day. During DGRI’s Snow Days event the number of people on select streets Downtown increased 68% when compared to a typical February weekend.

Vibrancy of People on the Sidewalks
WHY THIS MATTERS

The demography of Grand Rapids continues to grow more racially and ethnically diverse. The Latino population in particular is projected to comprise 25 percent of the city’s total population by 2040. As the community grows increasingly diverse, Downtown must evolve to appeal to and serve a variety of diverse interests to continue strengthening its economy and culture.

KEY INSIGHT

DGRI in FY 2017 partnered with the Johnson Center’s Community Research Institute to poll public opinion and establish a baseline measure on this matter. 71% of citizens citywide feel “very welcome” or “somewhat welcome” in Downtown Grand Rapids, 19% were “neutral,” 5% feel “somewhat welcome” or “very unwelcome,” 4% were “unsure.” 1% of respondents had never been Downtown. The goal is 85% of Grand Rapidians regard Downtown as welcoming and inclusive by 2025.

Perception of Downtown as Welcoming & Inclusive
Agenda for Action Fiscal Year 2018

- Cut the ribbon on the renovated Veteran's Park.
- Design bike and pedestrian trail connecting Belknap Hill and Monroe North.
- Complete bike share business plan.
- Cut the ribbon on flood and public space improvements in Al-Nab-Awen Park.
- Plant 200 trees.
- Deploy bus shelters to enhance experience for people who ride the DASH.
- Evaluate economic impact of improving and expanding the riverfront trail.
- Develop riverfront trail identity and design guidelines.
- Complete audit of Downtown’s accessibility for people with differing abilities.
- Explore opportunities to beautify public plaza at Van Andel Arena.
- Expand winter recreational programming in Downtown parks.
- Continue turning up the volume on public art.
- Recruit car share service provider.
- Grow the Downtown Residents Network.
- Support the delivery of 350+ new housing units toward residential critical mass in Downtown.
- Support establishment of a fund for affordable housing.
- Pilot protected bicycle lanes.

DGRI Financials Fiscal Year 2018

**PROJECTED EXPENDITURES**

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<th>Amount</th>
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<td>Admin and Overhead</td>
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<td>Clean, Beautiful and Welcoming</td>
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**ANTICIPATED REVENUES**

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<td>Carry Forward</td>
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<tr>
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DOWNTOWN
GRAND RAPIDS INC.