



ANNUAL REPORT

FISCAL YEAR 2017



DOWNTOWN
GRAND RAPIDS INC.



Letter from the President

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:

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.

- » 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.

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Community Goals

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Grand Rapiadians 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.

»

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*.

- ✔ 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 design 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 reboot of DASH service.
- ✔ Launched bike share feasibility analysis and business planning initiative.
- ✔ Supported Michigan Street redesign and reconstruction.
- ✔ Supported reconstruction of a more pedestrian-friendly Bridge Street.

- ✔ Enabled the DDA to support minority and women-owned business development.
- ✔ Polled public opinion and established baseline measure of how people perceive Downtown as a welcoming and inclusive place.
- ✔ Further diversified DGRI citizen Leadership Network to better reflect community demographics.
- ✔ Partnered with Rose Center for Public Leadership to develop strategies for utilizing public land and finance incentives to achieve equity goals through new development projects.
- ✔ Attracted the Grand Rapids African-American Museum and Archives to Downtown.

- ✔ Enlivened the public realm with 34 DGRI-produced events attracting nearly 100,000 people.
- ✔ Deployed cigarette butt collection and recycling program.
- ✔ Developed conceptual master plan to guide redevelopment of Calder Plaza.
- ✔ Produced Downtown walking tour of African-American history.
- ✔ 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.
- ✔ Started renovation of Veteran’s Park.

- ✔ 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.



Services Delivered to DID Rate Payers

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 benefitting 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.



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

Percentage of Tree Canopy

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.





Active Social Media Presence

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%**.



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

ROI of DGRI Produced Events

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.





Public Resources Leveraged

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.



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

Affordability & Number of Households

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**.



DGRI's incentive programs supported 8 different development projects in FY 2017, including the renovation of Butcher's Union.

Tax Increment Value Creation

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).





Sidewalk Cleanliness

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.



DGRI's Downtown Ambassadors in FY 2018 will significantly expand cigarette butt collection efforts to help keep sidewalks clean.

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*)





Vibrancy of People on the Sidewalks

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.



Grand Rapids is well positioned to become one of the most walkable American cities its size.

Perception of Downtown as Welcoming & Inclusive

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 Rapidsians regard Downtown as welcoming and inclusive by 2025.



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 Ah-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 lane.

DGRI Financials Fiscal Year 2018

ANTICIPATED REVENUES

Tax Increment	\$6,606,575
Special Assessment	\$1,052,023
Property Sale	\$4,074,108
Parking Revenues	\$494,225
Sponsorships, Interest, Misc.	\$333,484
Carry Forward	\$1,624,201
Total	\$14,184,616

PROJECTED EXPENDITURES

Debt Service on Prior Investments	\$577,226
Admin and Overhead	\$1,414,441
Clean, Beautiful and Welcoming	\$1,145,226
Property Acquisition	\$2,265,448
GR Forward Implementation Soft Costs	\$1,333,775
GR Forward Implementation Hard Costs	\$7,448,500
Total	\$14,184,616

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



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