

MEMORANDUM

DOWNTOWN
DEVELOPMENT
AUTHORITY



DATE: April 15, 2024
TO: Downtown Development Authority
FROM: Tim Kelly, AICP
Executive Director

Agenda Item #06
April 15, 2025
DDA Meeting

SUBJECT: FY26 Budget and Priority Plan Recommendation

Each year the Downtown Development Authority (DDA) recommends an annual budget to the Grand Rapids City Commission. With the approval of GR Forward in December 2015, the DDA and DGRI have clearly defined objectives, and this proposed budget was built to reflect and implement the community priorities for Downtown.

For fiscal year 2026 (FY26), the DDA budgets consist of both new projects from GR Forward and carry forward priorities that span multiple fiscal years. The attached 5-year priority plans provide further details, and staff will be on hand to present additional information during the April 15 Board meeting.

Some highlights for the coming year are the continuing Grand River public space and access improvements, continued funding to support business support and attraction, and building on the tremendous success of events such as World of Winter and Re(turn) to the River. In addition, there is also funding allocated to help complete major capital improvements to Downtown public spaces such as Lyon Square and the Van Andel Arena alley. As well as funding to support the development of the Acrisure Amphitheater.

When examined by GR Forward goal the breakdown from the LTI and NTI budgets is as follows:

- Goal 1 (Restore the River as the Draw): \$1,225,000
- Goal 2 (Create a Downtown Neighborhood Home to a Diverse Population): \$1,385,646
- Goal 3 (21st Century Mobility Strategy): \$1,275,000
- Goal 4 (Ensure Job Opportunities and Ensure Vitality of the Local Economy) \$550,000
- Goal 5 (Reinvest in Public Space, Culture and Inclusive Programming): \$4,740,000

DOWNTOWN DEVELOPMENT AUTHORITY

As in previous years, the Downtown Grand Rapids Inc. Alliance and various project committees played helped review the FY26 budget. Following a recommendation from the DDA Board, DGRI staff will present the recommended budget to the City Commission in May 2025. The Board will then adopt their final annual budget and priority plan at the next scheduled meeting.

Recommendation: Recommend the FY2026 DDA Budget to the City Commission to request fund appropriation.

Downtown Development Authority

Local Tax Increment Only

Proposed FY2026 Revenue and Appropriation Request and FY2027 - 2030 Forecasts

	FY2025				FY2026 Request	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast	FY26-30 TOTAL	NOTES
	FY2024 Final	Budget	Actual as of 1/31/2025	Estimate							
Table 1 - Projected Revenue											
Local Tax Increment	\$ 10,117,406	\$ 10,629,081	\$ 11,101,542	\$ 11,101,542	\$ 11,434,588	\$ 11,707,875	\$ 12,009,938	\$ 12,296,976	\$ 12,557,671	\$ 60,007,048	FY2025 Estimate plus 1%-2.58% growth annually (based on City's calc: City, County, GRCC, & The Rapid rebates. (15% FY24-27, 20% FY28-30)
Gainsharing Property Tax Rebates @ 15% or 20%	(1,501,381)	(1,592,112)	-	(1,665,231)	(1,712,938)	(1,753,931)	(2,398,988)	(2,456,395)	(2,508,534)	(10,830,787)	
Prior Year Tax Increment Adjustments	10,422	(15,000)	-	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(75,000)	Reserve for reductions due to assessment appeals
Sub-Total Tax Increment Revenues - Net	\$ 8,626,447	\$ 9,021,969	\$ 11,101,542	\$ 9,421,311	\$ 9,706,650	\$ 9,938,944	\$ 9,595,950	\$ 9,825,580	\$ 10,034,137	\$ 49,101,262	
Interest on Investments	427,585	257,677	452,815	242,580	248,052	253,038	243,622	237,627	229,766	1,212,105	City Treasurer's estimates - Exhibit L
State & Federal Grants	-	700,000	-	1,280,778	800,000	399,531	-	-	-	1,199,531	Greenway Grant - DDA Admin Subrecipient
Lyon Square Partner Contributions	815,000	750,000	-	750,000	-	-	-	-	-	-	Partial support for reconstruction; offset by expenditures
Reimbursements & Fees - Miscellaneous	41,883	-	2,960	-	5,000	5,000	5,000	5,000	5,000	25,000	Bid packet fees, incentive applications, etc
TOTAL PROJECTED REVENUES	\$ 9,910,915	\$ 10,729,646	\$ 11,557,317	\$ 11,694,669	\$ 10,759,702	\$ 10,596,513	\$ 9,844,572	\$ 10,068,207	\$ 10,268,903	\$ 51,537,898	
Table 2 - Administration											
General Administration	2,675,226	2,000,000	1,921,823	2,300,000	2,350,000	2,397,000	2,468,910	2,542,977	2,619,267	12,378,154	Fixed costs, staff, supplies, tech, legal, A-87 costs, etc.
Sub-Total Administration	\$ 2,675,226	\$ 2,000,000	\$ 1,921,823	\$ 2,300,000	\$ 2,350,000	\$ 2,397,000	\$ 2,468,910	\$ 2,542,977	\$ 2,619,267	\$ 12,378,154	
Table 3 - Debt Service for Bond Issues											
Series 2003B/2013B CCBA Bonds - DeVos Place	316,200	-	-	-	-	-	-	-	-	-	Debt matures 12/01/2023. Final d/s pmt is in FY2024.
Series 2024 Bonds - Acrisure Amphitheater		1,500,000	279,049	1,450,674	1,452,500	1,453,750	1,453,500	1,451,750	1,453,500	7,265,000	
Series 2012A BRDA Bonds - Ionia South of Wealthy	75,000	75,000	-	75,000	75,000	75,000	75,000	75,000	75,000	375,000	Debt matures 06/01/2032. Final d/s pmt is in FY2032.
Series 2023 CIB Bonds - Lyon Square Improvements	129,903	577,020	401,260	557,020	577,720	577,820	577,320	577,560	577,200	2,887,620	
Paying Agent Fees - Lyon Sq & Amphitheater issues	-	500	-	500	1,000	1,000	1,000	1,000	1,000	5,000	Paying agent fees for Bonds
Sub-Total Debt Service	\$ 521,103	\$ 2,152,520	\$ 680,309	\$ 2,083,194	\$ 2,106,220	\$ 2,107,570	\$ 2,106,820	\$ 2,105,310	\$ 2,106,700	\$ 10,532,620	
Table 4 - Project Expenditures: Committed and Planned											
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor											
River Governance	\$ 210,089	\$ 150,000	\$ 115,358	\$ 150,000	\$ 225,000	\$ 200,000	\$ -	\$ -	\$ -	425,000	Planning to support Grand River Corridor and Greenway initiatives
Grand River Activation	-	-	-	-	-	500,000	1,000,000	-	-	1,500,000	
Lyon Square Improvements	309,851	750,000	-	750,000	-	-	-	-	-	-	Expenditures offset by partner contributions
River Edge Improvements	884,009	850,000	527,486	850,000	800,000	1,100,000	-	-	-	1,900,000	
Sub-Total	\$ 1,403,949	\$ 1,750,000	\$ 642,844	\$ 1,750,000	\$ 1,025,000	\$ 1,800,000	\$ 1,000,000	\$ -	\$ -	\$ 3,825,000	Greenway and River Edge Improvements
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population											
Development Project Guidance	31,164	25,000	11,000	25,000	25,000	25,000	25,000	25,000	25,000	125,000	Legal / staff-time expended on behalf of development projects
Development Project Tax Increment Reimbursements	1,946,969	1,885,269	1,913,890	2,207,073	1,245,646	1,211,913	1,240,878	1,267,060	965,461	5,930,958	
Downtown Enhancement Grants	49,778	50,000	358	150,000	50,000	35,000	35,000	35,000	35,000	190,000	Downtown Enhancement Grant funding
Sub-Total	\$ 2,027,911	\$ 1,960,269	\$ 1,925,248	\$ 2,382,073	\$ 1,320,646	\$ 1,271,913	\$ 1,300,878	\$ 1,327,060	\$ 1,025,461	\$ 6,245,958	
Goal #3: Implement a 21st Century Mobility Strategy											
Accessibility and Mobility Repairs	110,254	75,000	35,100	75,000	50,000	50,000	50,000	50,000	50,000	250,000	Inclusive design implementation; collective impact plan
DASH North Shuttles Services	300,000	400,000	175,000	300,000	300,000	-	-	-	-	300,000	
Streetscape Improvements	1,156,062	800,000	170,679	200,000	750,000	100,000	-	-	-	850,000	Funding for State/Jefferson, Division Ave, etc.
Wayfinding System Improvements	501,057	350,000	123,176	300,000	125,000	-	-	-	-	125,000	
Sub-Total	\$ 2,067,373	\$ 1,625,000	\$ 503,955	\$ 875,000	\$ 1,225,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,525,000	Installation of new Downtown wayfinding system
Goal #4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy											
Economic Development and Innovation	631,539	550,000	374,135	500,000	500,000	400,000	400,000	400,000	400,000	2,100,000	Retail innovation, dntn biz support/recruitment/research
Sub-Total	\$ 631,539	\$ 550,000	\$ 374,135	\$ 500,000	\$ 500,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,100,000	
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming											
Downtown Marketing and Sponsorships	474,413	340,000	176,542	295,000	450,000	475,000	475,000	475,000	475,000	2,350,000	Marketing initiatives and sponsorships
Downtown Marketing - Sponsorships	-	80,000	62,149	116,000	-	-	-	-	-	-	
Downtown Tree Plantings	184,534	100,000	95,072	100,000	75,000	75,000	75,000	75,000	75,000	375,000	Investments in urban tree canopy
Events and Activation	-	1,100,000	237,371	1,100,000	1,100,000	200,000	-	-	-	1,300,000	
Public Realm Improvements	1,390,603	2,000,000	304,050	500,000	2,000,000	1,500,000	2,000,000	2,000,000	2,000,000	9,500,000	Van Andel Arena alley, Calder Plaza, Hill + River, etc.

Urban Recreation Improvements and Maintenance	79,482	45,000	28,010	45,000	45,000	45,000	45,000	45,000	45,000	225,000	Pop Up Parks and Maintenance
Sub-Total	\$ 2,129,032	\$ 3,665,000	\$ 903,194	\$ 2,156,000	\$ 3,670,000	\$ 2,295,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 13,750,000	
Total Project Expenditures	\$ 8,259,804	\$ 9,550,269	\$ 4,349,376	\$ 7,663,073	\$ 7,740,646	\$ 5,916,913	\$ 5,345,878	\$ 4,372,060	\$ 4,070,461	\$ 27,445,958	
Total Expenditures	\$ 11,456,133	\$ 13,702,789	\$ 6,951,508	\$ 12,046,267	\$ 12,196,866	\$ 10,421,483	\$ 9,921,608	\$ 9,020,347	\$ 8,796,428	\$ 50,356,732	
Table 4 - Excess / (Deficit) of Revenues Over Expenses											
Fund Balance - Beginning	\$ 5,175,444	\$ 3,630,226	\$ 3,630,226	\$ 3,630,226	\$ 3,278,628	\$ 1,841,464	\$ 2,016,493	\$ 1,939,458	\$ 2,987,318	\$ 3,278,628	
Plus: Projected Revenue	9,910,915	10,729,646	11,557,317	11,694,669	10,759,702	10,596,513	9,844,572	10,068,207	10,268,903	51,537,898	
Less: Administration and Debt Service	(3,196,329)	(4,152,520)	(2,602,132)	(4,383,194)	(4,456,220)	(4,504,570)	(4,575,730)	(4,648,287)	(4,725,967)	(22,910,774)	
Less: Project Expenditures	(8,259,804)	(9,550,269)	(4,349,376)	(7,663,073)	(7,740,646)	(5,916,913)	(5,345,878)	(4,372,060)	(4,070,461)	(27,445,958)	
Fund Balance - Ending	\$ 3,630,226	\$ 657,083	\$ 8,236,035	\$ 3,278,628	\$ 1,841,464	\$ 2,016,493	\$ 1,939,458	\$ 2,987,318	\$ 4,459,794	\$ 4,459,794	
15% of Expenditures					\$ 1,829,530	\$ 1,563,222	\$ 1,488,241	\$ 1,353,052	\$ 1,319,464		

Downtown Development Authority

Non-Tax Fund Only

Proposed FY2026 Revenue and Appropriation Request and FY2027 - 2030 Forecasts

Preliminary Plan - Draft 2/13/2025

	FY2025											
	FY2024 Final	Budget	Actual as of 1/31/2025	Estimate	FY2026 Request	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast	FY2026-30 TOTAL	NOTES	
Table 1 - Projected Revenue												
Property Rental - DASH Lot Parking Revenue	\$ 691,428	\$ 694,617	\$ 331,406	694,617	\$ 419,098	\$ 423,289	\$ 427,522	\$ 431,797	\$ 436,115	\$ 2,137,821	FY25 Estimate plus 1% increase per year	
Property Rental - YMCA Parking Lot	72,000	72,000	42,000	72,000	12,000	-	-	-	-	12,000	YMCA lease of DDA owned lot	
Property Rental / Disposition - Soccer Stadium					326,700	283,500	500,000	500,000	500,000		GA 2.0 contributions for land	
Interest on Investments	219,297	99,589	138,202	70,733	72,329	73,783	71,037	69,289	66,997	353,435	City Treasurer's estimates - Exhibit L	
Event Sponsorships & Fees	90,000	71,500	24,500	24,500	71,500	75,075	78,829	82,770	86,909	395,083	Sponsorships and fees from events	
Valent-ICE Sculpture Reimbursements	18,400	15,000	-	-	15,000	15,000	15,000	15,000	15,000	75,000	Offset costs of sponsor sculptures	
Miscellaneous	3,518	2,000	25,985	25,985	2,000	2,000	2,000	2,000	2,000	10,000	Fees, write-offs, reimbursements, etc.	
TOTAL PROJECTED REVENUE	\$ 1,094,643	\$ 954,706	\$ 562,093	\$ 887,835	\$ 918,627	\$ 872,647	\$ 1,094,388	\$ 1,100,856	\$ 1,107,021	\$ 2,983,339		
Table 2 - Committed and Planned Expenditures												
Goal #1: Restore the River as the Draw and Create a Connected and Equitable River Corridor												
Downtown Planning and Speaker Series	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 500,000	Planning and engagement for master plan update	
River Economic Opportunity Initiative	82,847	-	4,090	-	-	-	-	-	-	-	rec'd \$196,225 FY22-25 Spent \$102,472.45 as of Jan 202	
Sub-Total	\$ 82,847	\$ -	\$ 4,090	\$ -	\$ 200,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 500,000		
Goal #2: Create a True Downtown Neighborhood Which is Home to a Diverse Population												
Heartside Quality of Life Implementation	15,200	50,000	-	25,000	25,000	25,000	25,000	25,000	25,000	125,000	Implementation of QOL recommendations	
Neighborhood Engagement Programs	84,136	70,000	22,781	50,000	40,000	50,000	50,000	50,000	50,000	240,000	Resident and merchant engagement programs	
Sub-Total	99,336	120,000	22,781	75,000	65,000	75,000	75,000	75,000	75,000	365,000		
Goal #4: Expand Job Opportunities and Ensure Continued Vitality of the Local Economy												
Downtown Workforce Program	60,330	50,000	19,678	50,000	50,000	35,000	35,000	35,000	35,000	190,000	Events & programs geared to engaging dntn workforce	
	60,330	50,000	19,678	50,000	50,000	35,000	35,000	35,000	35,000	190,000		
Goal #5: Reinvest in Public Space, Culture, and Inclusive Programming												
Event Production and Support	826,911	400,000	237,689	400,000	-	-	-	-	-	-	Combined with Public Space Activation for FY26	
Downtown Ambassadors	403,174	400,000	400,048	400,048	400,000	-	-	-	-	400,000	Hospitality and safety program	
Project and Fixed Asset Maintenance	49,618	50,000	2,788	50,000	50,000	50,000	50,000	50,000	50,000	250,000	Asset maintenance, bridge lighting operations, etc.	
Public Space Activation	1,055,099	300,000	245,223	300,000	500,000	300,000	300,000	650,000	700,000	2,450,000	Public art, River activation, holiday décor, etc.	
Rosa Parks Circle Ice Skating Support	35,000	35,000	-	35,000	40,000	40,000	40,000	40,000	40,000	200,000	Skate rink operations	
Special Events - Office of	75,000	75,000	25,000	75,000	75,000	75,000	75,000	75,000	-	300,000	Partial support for Special Events Management staff	
Winter Avenue Building	1,888	5,000	1,004	5,000	5,000	5,000	5,000	5,000	5,000	25,000	Utilities, maintenance and repairs	
Sub-Total	2,446,690	1,265,000	911,752	1,265,048	1,070,000	470,000	470,000	820,000	795,000	3,625,000		
TOTAL PROJECTED EXPENDITURES	\$ 2,689,203	\$ 1,435,000	\$ 958,301	\$ 1,390,048	\$ 1,385,000	\$ 880,000	\$ 580,000	\$ 930,000	\$ 905,000	\$ 4,680,000		
Table 3 - Excess / (Deficit) of Revenues Over Expenses												
Fund Balance - Beginning	\$ 3,619,572	\$ 2,025,012	\$ 2,025,012	\$ 2,025,012	\$ 1,522,799	\$ 1,056,426	\$ 1,049,073	\$ 1,563,461	\$ 1,734,317	\$ 1,734,317		
Plus: Projected Revenue	1,094,643	954,706	562,093	887,835	918,627	872,647	1,094,388	1,100,856	1,107,021	2,983,339		
Less: Committed & Planned Expenditures	(2,689,203)	(1,435,000)	(958,301)	(1,390,048)	(1,385,000)	(880,000)	(580,000)	(930,000)	(905,000)	(4,680,000)		
Ending Fund Balance - Before Reserve	\$ 2,025,012	\$ 1,544,718	\$ 1,628,804	\$ 1,522,799	\$ 1,056,426	\$ 1,049,073	\$ 1,563,461	\$ 1,734,317	\$ 1,936,338	\$ 37,656		
Reserve for Brownfield 2012A Bonds	(530,781)	(530,187)	(530,187)	(530,187)	(529,299)	(530,316)	(531,671)	(533,761)	(532,500)	(532,500)	Per Ionia Ave Improvements Repayment Agreement	
Ending Fund Balance - With Reserve	\$ 1,494,231	\$ 1,014,531	\$ 1,098,617	\$ 992,612	\$ 527,127	\$ 518,757	\$ 1,031,790	\$ 1,200,556	\$ 1,403,838	\$ (494,844)		
15% of Exepnditures					\$ 207,750	\$ 132,000	\$ 87,000	\$ 139,500	\$ 135,750			

FY 2026 Budget Recommendation

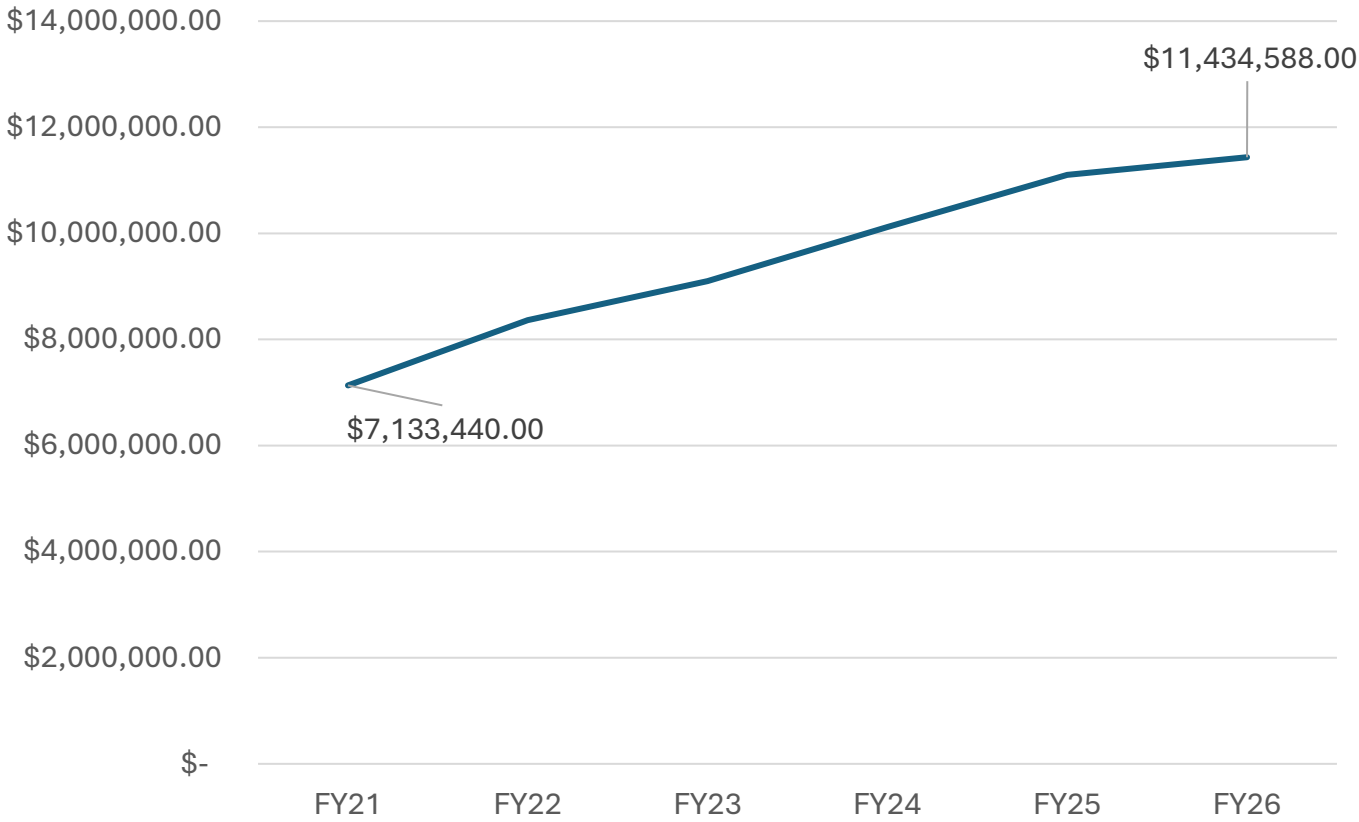


DGRI FY26 Budget Schedule

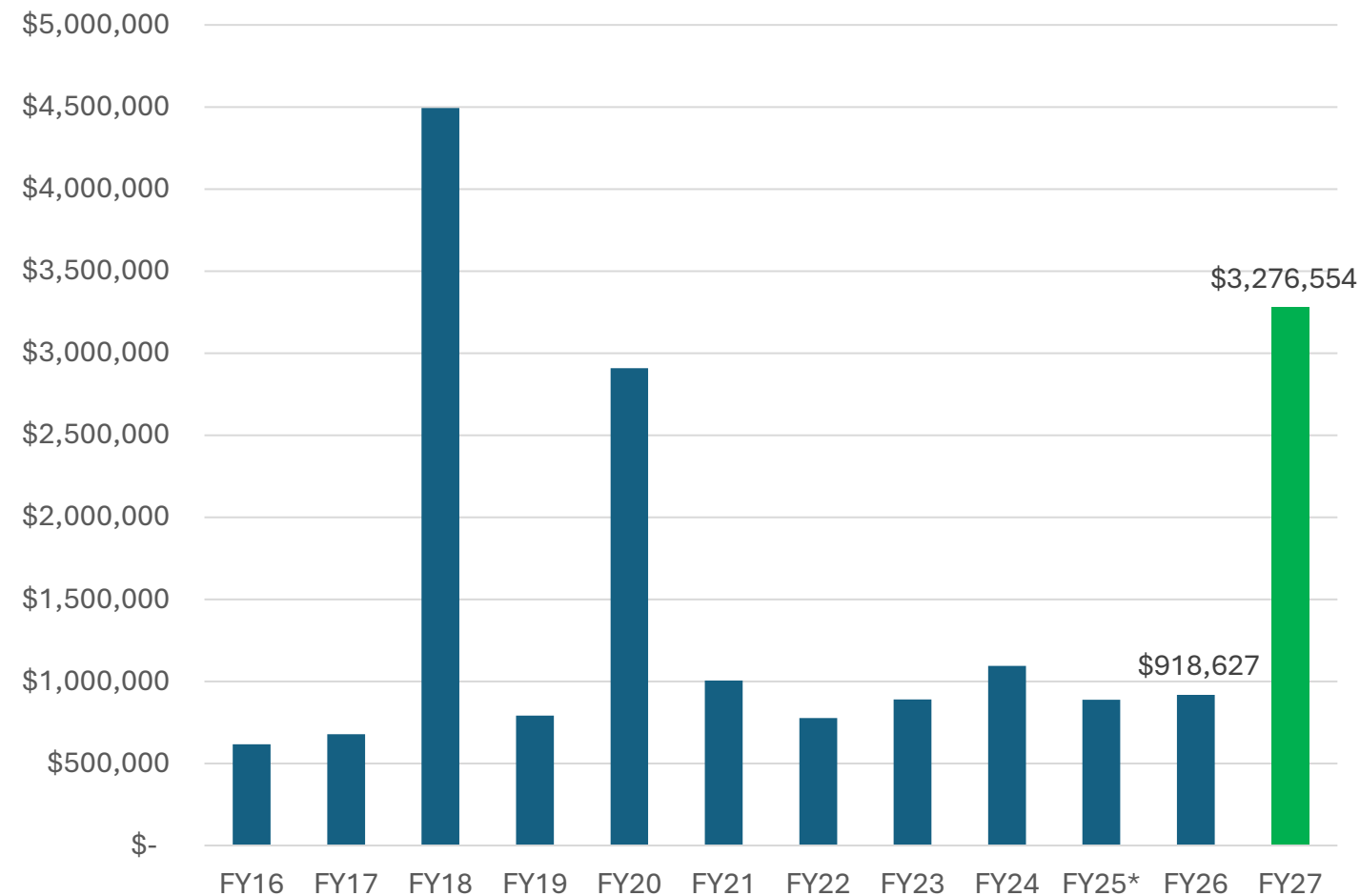
- January – March
 - Internal organization and stakeholder engagement (Alliance + Committees)
 - Focus areas and project prioritization
 - Cost estimation
 - Budget recommendation
- April 1
 - Citizen Alliance Meeting
- April 15
 - DDA considers recommendation to City Commission
- May (TBD)
 - City Commission considers recommended budgets for authorization along with other Authorities
- May or June (TBD)
 - Board adoption



5 Year Gross LTI Actuals - 3% Growth for FY26



10 Year NTI Actuals – FY27 Land Payment



FY26 Revenue Summary

- Local Tax Increment
 - Projected Tax Increment Revenue: \$11,434,588
 - Reimbursements: \$805,000
 - Interest: \$248,052
 - Fund Balance: \$1,437,164
- Non-Tax Increment
 - Projected Revenue: \$757,798
 - Interest: \$72,739
 - Sponsorship + Fees: \$71,500
 - Reimbursements / MISC: \$17,000
 - Fund Balance: \$466,373
- Total: \$13,581,866

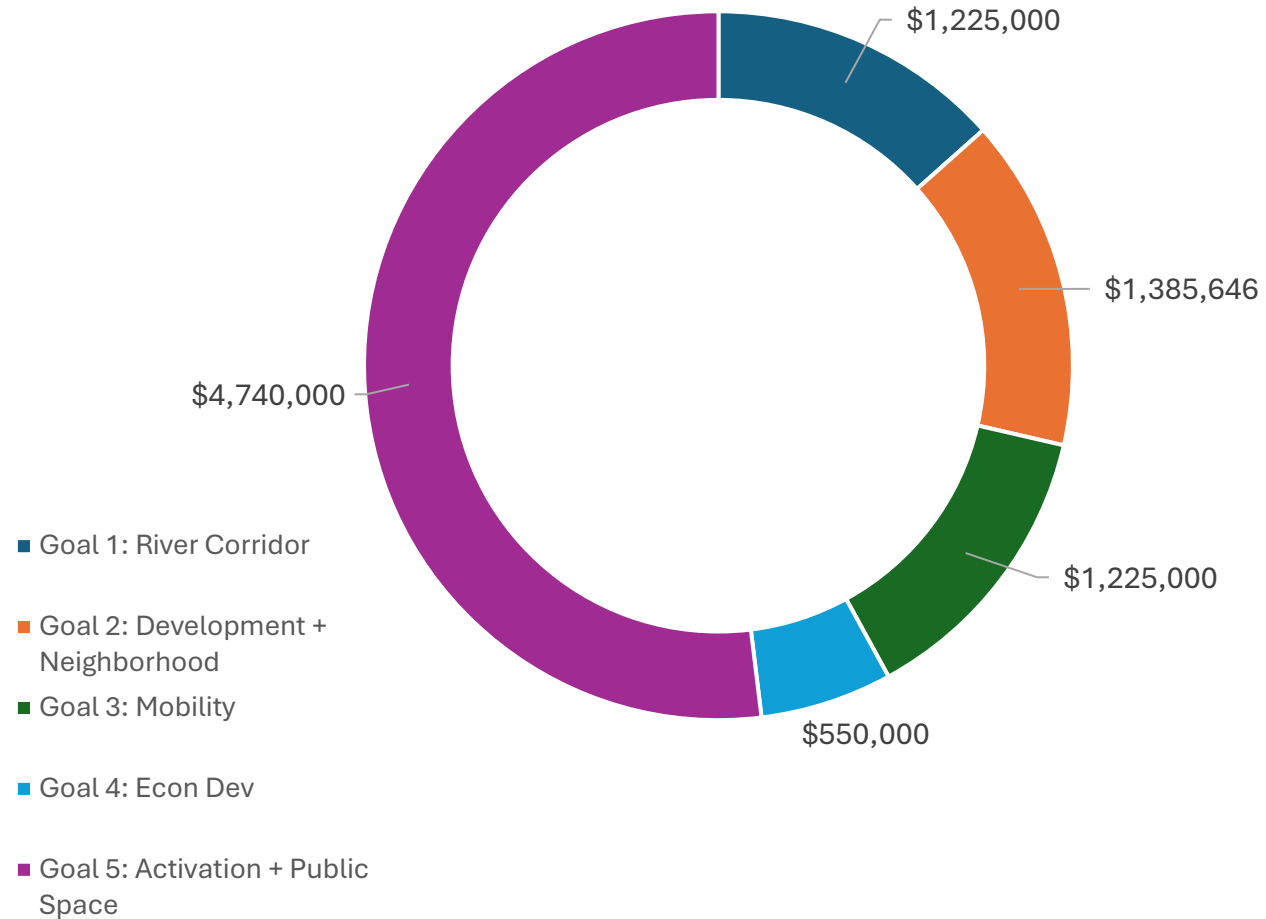


Committed Obligations FY26

- Gainsharing (15%): \$1,679,634
 - Step up to 20% (FY2028) and 25% (FY2033) over the term of the TIF Plan which ends in 2054.
- TIF Reimbursements: \$1,245,646
 - FY27: \$1,211,913
 - FY28: \$1,240,878
- Debt Service Obligations: \$2,106,220
 - Ionia South of Wealthy: \$75,000 (Final Payment FY2032)
 - Lyon Square: \$577,720
 - Acrisure Amphitheater: \$1,452,500



FY26 Expenditure Summary by GR Forward Goal



FORWARD DOWNTOWN & RIVER ACTION PLAN >>

WORKING VISION / GOALS:

Downtown Grand Rapids is the region's downtown and the civic heart of West Michigan. Together with the Grand River, these assets will provide a singular experience and strengthen the City's identity as progressive, healthy and vibrant. GR Forward envisions a future where strategic action will promote job growth, stimulate private investment and provide a city center welcoming to *all* downtown residents, nearby neighbors and visitors. A reinvigorated Downtown and Grand River must be authentic to Grand Rapids and attainable by developing strategies unique to the needs of Grand Rapidsians. To accomplish this, we will:

GOAL 1

Restore the River as *the* Draw &
Create a Connected and Equitable
River Corridor.

GOAL 3

Implement a 21st Century
Mobility Strategy.

GOAL 5

Reinvest in Public Space, Culture
& Inclusive Programming.

GOAL 2

Create a True Downtown
Neighborhood as Home to a Diverse
Population.

GOAL 4

Expand Job Opportunities &
Ensure Continued Vitality
of the Local Economy.

GOAL 6

Retain and Attract Families,
Talent, and Job Providers with
High Quality Public Schools