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# Grand Rapids Downtown Development Authority

(a component unit of the City of Grand Rapids, Michigan)

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**Financial Report  
with Supplemental Information  
June 30, 2020**

# Grand Rapids Downtown Development Authority

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## Contents

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<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-6
<b>Basic Financial Statements</b>	
Fund Financial Statements:	
Statement of Net Position/Governmental Fund Balance Sheet	7
Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance	8
Notes to Financial Statements	9-16
<b>Other Supplemental Information</b>	17
Schedule of Current and Ongoing Projects (Unaudited)	18-24

## Independent Auditor's Report

To the Board Members  
Grand Rapids Downtown Development Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the governmental fund of the Grand Rapids Downtown Development Authority (the "Authority"), a component unit of City of Grand Rapids, Michigan, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Grand Rapids Downtown Development Authority's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the governmental fund of the Grand Rapids Downtown Development Authority as of June 30, 2020 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board Members  
Grand Rapids Downtown Development Authority

**Other Matters**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of current and ongoing projects is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of current and ongoing projects has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

**Report on Summarized Comparative Information**

We have previously audited the Grand Rapids Downtown Development Authority's June 30, 2019 financial statements and expressed an unmodified audit opinion on those basic financial statements in our report dated November 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Plante & Moran, PLLC*

November 20, 2020

# Grand Rapids Downtown Development Authority

## Management's Discussion and Analysis

This section of the Grand Rapids Downtown Development Authority's (the "Authority") financial report presents a discussion and analysis of the Authority's financial performance for the fiscal year ended June 30, 2020. This discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. This discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts.

### **Using This Annual Report**

This financial report consists of financial statements that focus on the financial condition of the unit of government and the results of its operations as a whole. One of the most important questions asked about governmental finances is whether the unit of government as a whole is better off or worse off as a result of the year's activities. The keys to answering this question are the statement of net position and the statement of activities.

The statement of net position includes the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Deferred outflows of resources are the consumption of net position by the Authority that is applicable to a future reporting period. The statement of net position is prepared using the accrual basis of accounting, whereby revenue and assets are recognized when levied or the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The Authority's net position is one indicator of the Authority's financial health. Over time, increases or decreases in net position indicate the improvement or erosion of the Authority's financial health.

### **Condensed Statement of Net Position**

	Governmental Activities		
	2020	2019	Percent Change
<b>Assets</b>			
Current and other assets	\$ 18,416,263	\$ 14,026,267	31.3
Capital assets	26,981,153	30,494,473	(11.5)
Total assets	45,397,416	44,520,740	2.0
<b>Deferred Outflows of Resources</b>	1,130,564	1,697,194	(33.4)
<b>Liabilities</b>			
Current liabilities	5,146,746	3,460,118	48.7
Noncurrent liabilities:			
Due within one year	6,364,404	6,295,900	1.1
Due in more than one year	7,534,889	14,415,958	(47.7)
<b>Net Position</b>			
Net investment in capital assets	14,220,145	11,489,809	23.8
Restricted	13,261,796	10,556,149	25.6
Total net position	<u>\$ 27,481,941</u>	<u>\$ 22,045,958</u>	24.7

### **Current Assets**

#### *Equity in Pooled Cash and Investments*

The City of Grand Rapids, Michigan maintains an investment pool for most city funds and component units. The Authority's \$17.9 million portion of the investment pool is displayed on the statement of net position as equity in pooled cash and investments. Investments are a diversified mixture of U.S. government agency and U.S. Treasury securities, money market mutual funds, and commercial paper rated by at least two rating organizations at their highest rating. In fiscal year 2020, cash increased by \$4.4 million from fiscal year 2019. The difference is the result of a similar increase of revenue for fiscal year 2020 compared to fiscal year 2019.

## **Grand Rapids Downtown Development Authority**

### **Management's Discussion and Analysis (Continued)**

#### *Receivables*

The Authority's net receivables for fiscal year 2020 and 2019 of \$78,567 and \$52,043 respectively, are composed of interest receivable.

#### **Noncurrent Assets**

##### *Long-term Loan Receivable*

In May 2008, the Authority loaned \$898,848 to a local developer that used the funds to purchase vacant city property at the southwest corner of Fulton Street and Division Avenue. The terms of the repayment agreement include simple interest to be charged at 4.5 percent per year. Repayment of principal began in 2015; however, no principal payment was made in fiscal year 2020. Debt service is scheduled to be completed in 2023 due to prepayment of principal in September 2015.

##### *Prepaid Expenses*

In January 2006, the Authority entered into a 15-year maintenance agreement for repairs and improvements to be made by the current owner of the Plaza Towers property for the Authority's Riverwalk and Singer Sculpture between the Plaza Towers property and the Grand River.

##### *Capital Assets - Net of Depreciation*

Net capital assets of \$27.0 million include the historical construction and acquisition costs of infrastructure, land, land improvements, buildings and structures, machinery and equipment, and office equipment and furniture, less \$60.0 million for accumulated depreciation. Detailed information regarding capital asset additions and deletions is available in Note 4.

#### **Deferred Outflows of Resources**

##### *Deferred Outflows on Refunding of Bonds*

The decrease in the amount deferred on the refunding of bonds consists of the scheduled current year amortization.

#### **Current Liabilities**

##### *Accounts Payable*

As of June 30, 2020, accounts payable of \$5.0 million include amounts owed to vendors for goods and services received in fiscal year 2020 but paid for in fiscal year 2021, as well as \$4.2 million for excess tax increment captures owed to Grand Rapids Public Schools, Kent Intermediate School District, and the State of Michigan. The accounts payable balance as of June 30, 2020 is \$1.7 million higher than the balance on June 30, 2019.

#### **Noncurrent Liabilities**

##### *Noncurrent Liabilities, Due within One Year*

Noncurrent liabilities, due within one year, of \$6.4 million represent the amount of the Authority's debt service payments due within 12 months after June 30, 2020, plus compensated absences expected to be paid within the same time frame. The increase is due to scheduled principal payments. See Note 5 for additional information.

##### *Noncurrent Liabilities, Due in More Than One Year*

Noncurrent liabilities of \$7.5 million represent bond principal payments scheduled to be paid after June 30, 2020. The decrease in the amounts outstanding on June 30, 2020 and 2019 is due to scheduled payments of principal and interest on the bonds. See Note 5 for additional information.

#### **Net Position**

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Total net position at June 30, 2020 was about \$27.5 million, a 24.7 percent increase compared to total net position at June 30, 2019.

## Grand Rapids Downtown Development Authority

### Management's Discussion and Analysis (Continued)

#### Net Investment in Capital Assets

Net investment in capital assets of \$14.2 million includes the historical construction and acquisition costs of infrastructure, land, land improvements, buildings and structures, machinery and equipment, office equipment and furniture net of accumulated depreciation, and related bond principal outstanding. The 23.8 percent, or \$2.7 million, increase between fiscal years 2020 and 2019 is roughly equal to the \$3.5 million decrease in net capital assets, plus the \$6.8 million decrease in long-term liabilities, less the \$567,000 change in the deferrals on the refunding bonds. Detailed information regarding capital assets and acquisition-related debt obligations is in Notes 4 and 5.

#### Restricted for Authorized Projects

The Authority's net position is restricted by the requirements of Michigan Public Act 57 of 2018, as amended, as well as Michigan Public Act 197 of 1975, as amended, which limits expenditures to those that further the Authority's approved development plan. The \$2.7 million increase in restricted net position in fiscal year 2020 is primarily due to the \$0.9 million increase in property taxes along with other increased revenue.

#### The Authority's Changes in Net Position

	Governmental Activities		
	2020	2019	Percent Change
<b>Revenue</b>			
Property taxes	\$ 13,494,078	\$ 12,591,462	7.2
Contributions	-	254,607	(100.0)
Charges for services	1,089,194	556,332	95.8
Investment earnings	1,073,783	615,753	74.4
Other revenue	902,621	-	-
Total revenue	16,559,676	14,018,154	18.1
<b>Expenses</b>			
Urban development	10,173,125	9,362,464	8.7
Interest and paying agent fees	950,568	1,394,024	(31.8)
Total expenses	11,123,693	10,756,488	3.4
<b>Net Change in Net Position</b>	5,435,983	3,261,666	66.7
<b>Net Position - Beginning of year</b>	22,045,958	18,784,292	17.4
<b>Net Position - End of year</b>	<u>\$ 27,481,941</u>	<u>\$ 22,045,958</u>	24.7

#### Revenue

##### Property Taxes

The Authority's revenue is generated primarily through the use of property tax increment financing in which the Authority captures property tax revenue attributable to increases in the value of real and personal property within the district boundaries. Property tax increment revenue related to the State Education Tax, the Kent Intermediate School District, and the Grand Rapids Public Schools levies are retained only in an amount sufficient to support the annual debt service for eligible debt obligations outstanding when Proposal A took effect on January 1, 1995 or for debt obligations that refunded those pre-1995 eligible obligations.

Property tax increment revenue related to the City of Grand Rapids, Michigan; County of Kent, Michigan; Grand Rapids Community College; and the Interurban Transit Partnership are used to support the Authority's cash and debt-financed development projects. Property tax increment revenue for the year ended June 30, 2020 includes property taxes levied on July 1, 2019 and on December 1, 2019.

Property tax revenue between fiscal years 2020 and 2019 increased by 7.2 percent because the Authority captured only 90 percent of eligible school tax increments in fiscal year 2019.

# Grand Rapids Downtown Development Authority

## Management's Discussion and Analysis (Continued)

### *Investment Earnings*

This is interest revenue earned when authority funds are invested by the city treasurer, interest related to a loan to a downtown developer, and gains or losses on investments as they are brought to market value on June 30, 2020 and 2019. There was an increase of 74.4 percent in investment earnings between fiscal years 2020 and 2019. The large increase is due to improved investment yields resulting in increased interest rates during fiscal year 2019.

### *Charges for Services*

In fiscal year 2020, charges for services increased by 95.8 percent, or approximately \$533,000, mainly due to a reimbursement from the Grand Rapids-Kent County Convention/Arena Authority for Van Andel Arena Plaza improvement expenditures in fiscal year 2020.

### **Expenses**

#### *Urban Development*

In the fiscal year ended June 30, 2020, the Authority expended \$10.2 million for urban development work related to the Authority's development plan compared to \$9.4 million in the prior year. There were five projects in fiscal year 2020 for which expenditures were much larger than all the other projects. Below are those five projects and the amounts expended for them in fiscal year 2020:

Public facility developer reimbursements - HP3 LLC-J.W. Marriott, Owen-Ames-Kimball, 38 Commerce LLC, Two West Fulton, DBD Properties LLC, Health Park Central LLC, 68 Commerce LLC, 35 Oakes Associates, 100 Commerce Development LLC, Arena Place Development LLC, 55 Ionia Partners LLC, Harris Lofts LLC, CWD 50 Louis LLC, Waters Building LLC, 20 Monroe Building Co LLC, and Venue Towers LLC	\$ 1,123,296
Arena Plaza Improvements	771,837
Streetscape Improvements	494,622
Economic development and innovation	420,589
Downtown marketing and inclusion programs	420,283

The five largest projects in terms of expenditures for fiscal year 2019 are below:

Public facility developer reimbursements - HP3 LLC-J.W. Marriott, Owen-Ames-Kimball, Hopson Flats, 38 Commerce LLC, Two West Fulton, DBD Properties LLC, Health Park Central LLC, 68 Commerce LLC, 35 Oakes Associates, 100 Commerce Development LLC, Arena Place Development LLC, 55 Ionia Partners LLC, Harris Lofts LLC, CWD 50 Louis LLC, Waters Building LLC, 20 Monroe Building Co LLC, and Venue Towers LLC	\$ 1,004,600
Sheldon Boulevard reconstruction - Weston Street to Cherry Street	559,945
Downtown enhancement grants	411,162
Downtown events productions	300,105
Downtown marketing and inclusion	295,708

### *Interest and Paying Agent Fees*

At various times, the Authority has issued bonds and other long-term obligations for the purpose of supporting development projects within district boundaries. Current debt service supports the following financed projects: partial support of the DeVos Place Convention Center construction, Van Andel Arena construction, and improvements to floodwalls and embankments along the Grand River (see Note 5).

### ***Overall Financial Position***

Management believes the Authority is in good condition financially. Current tax increment revenue is adequate to cover ongoing debt service requirements and current project commitments.

### ***Requests for Further Information***

This financial report is intended to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Grand Rapids, Michigan comptroller's department at 300 Monroe Avenue NW, Grand Rapids, MI 49503.



# Grand Rapids Downtown Development Authority

## Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2020 and 2019

	2020		2019	
	Governmental Fund	Adjustments (Note 3)	Statement of Net Position	Statement of Net Position
<b>Assets</b>				
Cash and cash equivalents	\$ 17,909,405	\$ -	\$ 17,909,405	\$ 13,506,496
Receivables:				
Interest	78,567	-	78,567	52,043
Long-term loan receivable	388,848	-	388,848	388,848
Prepaid expenses	-	39,443	39,443	78,880
Capital assets: (Note 4)				
Assets not subject to depreciation	-	11,117,417	11,117,417	12,099,929
Assets subject to depreciation - Net	-	15,863,736	15,863,736	18,394,544
Total assets	18,376,820	27,020,596	45,397,416	44,520,740
<b>Deferred Outflows of Resources - Deferred on refunding of bonds</b>	-	1,130,564	1,130,564	1,697,194
Total assets and deferred outflows of resources	<u>\$ 18,376,820</u>	28,151,160	46,527,980	46,217,934
<b>Liabilities</b>				
Accounts payable	\$ 5,038,685	-	5,038,685	3,299,660
Accrued interest payable	-	107,061	107,061	159,458
Customer deposits	1,000	-	1,000	1,000
Noncurrent liabilities: (Note 5)				
Due within one year	-	6,364,404	6,364,404	6,295,900
Due in more than one year	-	7,534,889	7,534,889	14,415,958
Total liabilities	5,039,685	14,006,354	19,046,039	24,171,976
<b>Deferred Inflows of Resources - Unavailable revenue</b>	388,848	(388,848)	-	-
Total liabilities and deferred inflows of resources	5,428,533	13,617,506	19,046,039	24,171,976
<b>Equity</b>				
Fund balance:				
Restricted	6,388,597	(6,388,597)	-	-
Assigned	6,559,690	(6,559,690)	-	-
Total fund balance	12,948,287	(12,948,287)	-	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 18,376,820</u>			
Net position:				
Net investment in capital assets		14,220,145	14,220,145	11,489,809
Restricted		13,261,796	13,261,796	10,556,149
Total net position		<u>\$ 27,481,941</u>	<u>\$ 27,481,941</u>	<u>\$ 22,045,958</u>

## Grand Rapids Downtown Development Authority

### Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance

	Years Ended June 30, 2020 and 2019			
	2020		2019	
	Governmental Fund	Adjustments (Note 3)	Statement of Activities	Statement of Activities
<b>Revenue</b>				
Property taxes	\$ 13,494,078	\$ -	\$ 13,494,078	\$ 12,591,462
Contributions	-	-	-	254,607
Charges for services	1,089,194	-	1,089,194	556,332
Investment earnings	1,073,783	-	1,073,783	615,753
Other revenue - Gain on sale of asset	-	902,621	902,621	-
Total revenue	15,657,055	902,621	16,559,676	14,018,154
<b>Expenditures</b>				
Urban development	7,714,571	2,458,554	10,173,125	9,362,464
Principal payments	6,289,750	(6,289,750)	-	-
Interest and paying agent fees	956,871	(6,303)	950,568	1,394,024
Total expenditures	14,961,192	(3,837,499)	11,123,693	10,756,488
<b>Excess of Revenue Over Expenditures</b>	695,863	4,740,120	5,435,983	3,261,666
<b>Other Financing Sources - Sale of capital assets</b>	1,994,545	(1,994,545)	-	-
<b>Net Change in Fund Balances/Net Position</b>	2,690,408	2,745,575	5,435,983	3,261,666
<b>Fund Balance/Net Position - Beginning of year</b>	10,257,879	11,788,079	22,045,958	18,784,292
<b>Fund Balance/Net Position - End of year</b>	<u>\$ 12,948,287</u>	<u>\$ 14,533,654</u>	<u>\$ 27,481,941</u>	<u>\$ 22,045,958</u>

June 30, 2020

### Note 1 - Reporting Entity

The Grand Rapids Downtown Development Authority (the "Authority" or the "DDA"), a component unit of the City of Grand Rapids, Michigan (the "City"), was created in 1979 by the City under the provisions of the State of Michigan Public Act 197 of 1979, as amended. The Authority is also guided by Public Act 57 of 2018, which was enacted effective January 1, 2019. Public Act 57 recodifies several tax increment financing (TIF) statuses, including the Authority's enabling statute, while allowing the Authority to continue to capture property tax increment revenue. Public Act 57 establishes reporting requirements and penalties for noncompliance with these reporting requirements. It requires the Authority to hold informational meetings twice a year. In addition, Public Act 57 provides for the continuation of a liability or obligation of an authority under a statute that the bill repeals. The purpose of the Authority is to correct and prevent deterioration in business districts, encourage historic preservation, authorize the acquisition and disposal of interests in real and personal property, authorize the creation and implementation of development plans in the districts, promote the economic growth of the districts, authorize the levy and collection of taxes, authorize the issuance of bonds and other evidences of indebtedness, and authorize the use of tax increment financing.

Until 2007, the district was bounded roughly by Interstate 196 on the north, Division Avenue on the east, Cherry and Wealthy Streets on the south, and Seward Street on the west. In November 2007, the Authority approved a plan amendment that nearly doubled the Authority's development area but did not double the tax increment revenue, since much of the property in the expansion districts is exempt from paying property taxes. The new boundaries were bounded roughly by Newberry Street on the north, west of Lafayette Avenue or Prospect Avenue on the east, north of Logan Street or Wealthy Street on the south, and east of Lexington Avenue or Seward Avenue on the west. The initial property tax increment revenue capture for the expansion section was in fiscal year 2009.

In December 2016, the Authority approved a plan amendment that increased its development area but did not significantly increase tax increment revenue due to the overlapping of existing tax increment districts and the inclusion of tax-exempt properties. These newest boundaries are adjacent to the Authority's northernmost and southernmost boundaries described in the previous paragraph. Specifically, the expansion boundaries are primarily north of Newberry Street, south of Wealthy Street, and north of Bridge Street.

### Note 2 - Significant Accounting Policies

#### *Accounting and Reporting Principles*

The Authority follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Authority:

#### *Basis of Accounting*

The governmental fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Authority has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Employee benefit costs that will be funded in the future (such as compensated absences) are not counted until they come due for payment.

**Note 2 - Significant Accounting Policies (Continued)**

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Authority considers amounts collected within 60 days of year end to be available for recognition; however, property tax increment revenue is recognized as revenue in the fiscal year for which it was levied.

The Authority uses the economic resources measurement focus and the full accrual basis of accounting to prepare the statement of net position and statement of activities. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Budget***

The Grand Rapids City Commission annually approves the Authority's budget after the authority board members have reviewed and recommended it. After the City Commission approves the budget, the authority board members adopt it. The budget for the Authority is a project budget rather than an annual budget. Therefore, budget to actual information has not been reflected in the financial statements.

***Specific Balances and Transactions***

**Cash and Investments**

The City maintains an investment pool for most city funds, including component units, such as the Authority. The Authority's portion of the investment pool is displayed on the balance sheet as cash and cash equivalents. The Authority's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty.

The investment policy adopted by the City Commission is governed by the provisions of Michigan Public Act 20 of 1943, as amended. The policy is designed to prioritize the preservation of principal, while also providing an investment return. Details on the investment policy and the categorization of cash and investments are included in the Comprehensive Annual Financial Report of the City of Grand Rapids, Michigan to give an indication of the level of risk assumed by the City at year end. It is not feasible to allocate the level of risk to the various component units of the City because of the commingling of assets in the pool. Interest income and investment losses from the cash and investment pooling is distributed by the city treasurer to the appropriate funds based on the fund's weighted-average share of the investment pool.

Deposits are less than 10 percent of the total portfolio. They consist of bank money market funds, demand deposit accounts, and certificates of deposit with original maturities greater than three months at the date of purchase. Michigan statutes require that deposits be maintained in financial institutions with offices located in Michigan. Most deposits are uninsured and uncollateralized.

Investments are a diversified mixture of U.S. government agency and U.S. Treasury securities, money market mutual funds that maintain a \$1 value per share, obligations of the State of Michigan or its subdivisions with a rating of A or higher, and commercial paper rated by at least two rating organizations at their highest rating. All investments are reported at fair value.

**Capital Assets**

Capital assets, which include land, infrastructure, land improvements, buildings and structures, machinery and equipment, and furniture, are reported on the statement of net position. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**Note 2 - Significant Accounting Policies (Continued)**

Capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Depreciable Life - Years</u>
Land improvements	20
Buildings, structures, and improvements	20 - 30
Furniture and furnishings	3 - 30
Machinery and equipment	3 - 30

**Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the governmental fund financial statements, bond issuances and premiums are recognized as other financing sources and bond discounts as other financing uses.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has only one type of item that qualifies for reporting in this category. The amount deferred on refunding of bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category, deferred resources due to time restrictions related to a long-term loan receivable.

**Net Position**

Net position of the Authority is classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or other external restrictions.

**Net Position Flow Assumption**

The Authority will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Note 2 - Significant Accounting Policies (Continued)**

**Fund Balance**

Fund balance in the Authority's governmental fund column is reported in different categories based on the nature of any limitations regarding the use of resources for specific purposes. Amounts reported as restricted fund balance are the result of external restrictions, including Internal Revenue Service restrictions on the use of bond proceeds and, primarily, the Authority's enabling statute. Amounts reported as assigned are funded through the Authority's non-tax increment funds.

**Property Tax Revenue**

The majority of the Authority's revenue is generated through property tax increment financing. Summer taxes are levied by the City on July 1 and attach as an enforceable lien at that time. Summer taxes are due without penalty on or before July 31. Winter taxes are levied on December 1 and attach as an enforceable lien at that time. Winter taxes are due without penalty on or before February 14.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Comparative Data**

The data for the prior year has been presented only for the statement of net position and statement of activities and has been presented only for informational purposes. These statements do not include the governmental fund balance sheet and the statement of revenue, expenditures, and changes in fund balance for the year ended June 30, 2019, which are necessary for a complete presentation in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Upcoming Accounting Pronouncement**

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2022.

# Grand Rapids Downtown Development Authority

## Notes to Financial Statements

June 30, 2020

### Note 3 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the governmental funds column because of the different measurement focus and basis of accounting, as discussed in Note 2. Below is a reconciliation of the differences:

<b>Fund Balance Reported in Governmental Fund</b>	<b>\$ 12,948,287</b>
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the fund:	
Cost of capital assets	86,964,022
Accumulated depreciation	<u>(59,982,869)</u>
Net capital assets	26,981,153
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund	388,848
Prepaid maintenance agreements do not represent current financial resources and are not reported in the fund	39,443
Bonds payable, contracts payable, bond premium, and capital lease obligations are not due and payable in the current period and are not reported in the fund	(12,761,008)
Accrued interest is not due and payable in the current period and is not reported in the fund	(107,061)
Compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(7,721)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 27,481,941</u></b>

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the governmental fund column because of the different measurements focus and basis of accounting, as discussed in Note 2. Below is a reconciliation of the differences:

<b>Net Change in Fund Balance Reported in Governmental Fund</b>	<b>\$ 2,690,408</b>
Amounts reported in the statement of revenue, expenditures, and changes in fund balance are different because:	
Governmental fund reports capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation - Depreciation expense	(3,513,320)
Repayment of principal on bonds and contracts is an expenditure in the governmental fund but not in the statement of activities (where it reduces long-term debt)	6,289,750
Some expenses (accrued interest, compensated absences, amortization of maintenance agreement, and bond amortizations) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:	
Accrued interest	52,397
Compensated absences	2,279
Amortization on maintenance agreement	(39,437)
Bond amortizations	<u>(46,094)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 5,435,983</u></b>

# Grand Rapids Downtown Development Authority

## Notes to Financial Statements

June 30, 2020

### Note 4 - Capital Assets

The following table summarizes, by major class of asset, the Authority's capital asset activity:

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 12,099,929	\$ -	\$ (1,091,924)	\$ 11,008,005
Construction in progress	-	109,412	-	109,412
Subtotal	12,099,929	109,412	(1,091,924)	11,117,417
Capital assets being depreciated:				
Infrastructure	267,779	-	-	267,779
Land improvements	6,708,245	-	-	6,708,245
Buildings and structures	59,919,979	-	-	59,919,979
Machinery and equipment	6,123,062	-	-	6,123,062
Office equipment and furniture	2,827,540	-	-	2,827,540
Subtotal	75,846,605	-	-	75,846,605
Accumulated depreciation:				
Infrastructure	190,417	5,958	-	196,375
Land improvements	5,589,656	199,348	-	5,789,004
Buildings and structures	44,915,218	1,998,650	-	46,913,868
Machinery and equipment	4,612,735	232,517	-	4,845,252
Office equipment and furnishings	2,144,035	94,335	-	2,238,370
Subtotal	57,452,061	2,530,808	-	59,982,869
Net capital assets being depreciated	18,394,544	(2,530,808)	-	15,863,736
Net capital assets	<u>\$ 30,494,473</u>	<u>\$ (2,421,396)</u>	<u>\$ (1,091,924)</u>	<u>\$ 26,981,153</u>

### Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2020 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings - Contract payable	\$ 30,250	\$ -	\$ (14,750)	\$ 15,500	\$ 15,500
Other debt - Bonds payable	19,110,000	-	(6,275,000)	12,835,000	6,345,000
Unamortized bond premiums	1,561,608	-	(520,536)	1,041,072	-
Total bonds and contracts payable	20,701,858	-	(6,810,286)	13,891,572	6,360,500
Compensated absences	10,000	3,871	(6,150)	7,721	3,904
Total long-term debt	<u>\$ 20,711,858</u>	<u>\$ 3,871</u>	<u>\$ (6,816,436)</u>	<u>\$ 13,899,293</u>	<u>\$ 6,364,404</u>



**Note 5 - Long-term Debt (Continued)**

Long-term bonds and contracts consist of the following:

- 2008 Kent County Drain Commission contract payable, interest rates ranging from 4.00 to 4.25 percent, with various amounts maturing through 2021 and a balance of \$15,500 at June 30, 2020.
- 2017 Downtown Development Authority Tax Increment Revenue Improvement and Refunding Bonds, interest rates ranging from 4.00 to 5.00 percent, with various amounts maturing through 2022 and a balance of \$12,835,000 at June 30, 2020.

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings		Other Debt		Total
	Principal	Interest	Principal	Interest	
2021	\$ 15,500	\$ 310	\$ 6,345,000	\$ 641,750	\$ 7,002,560
2022	-	-	6,490,000	324,500	6,814,500
<b>Total</b>	<b>\$ 15,500</b>	<b>\$ 310</b>	<b>\$ 12,835,000</b>	<b>\$ 966,250</b>	<b>\$ 13,817,060</b>

**Note 6 - Lease Commitments**

In 2003, the City County Joint Building Authority (CCJBA) concurrently issued \$5,000,000 Series 2003A and \$5,000,000 Series 2003B bonds for the purpose of defraying, in part, the cost of constructing the DeVos Place Convention Center facility on Monroe Avenue. In 2013, the CCJBA refunded the two issues with Series 2013A and 2013B refunding bonds. Debt service for the Series 2013A bonds is supported by the County of Kent, Michigan's semiannual rental payments and will be completed in December 2023. Debt service for the Series 2013B bonds is supported by the Authority's semiannual lease payments and will also be completed in December 2023. The Authority's \$5,000,000 debt-financed project contribution on behalf of the DeVos Place project was supplemented by an additional \$5,000,000 cash contribution early in fiscal year 2004.

The amount of Series 2013B principal outstanding for which the Authority is responsible as of June 30, 2020 is \$1,175,000. Future lease payments, including interest expense, are as follows:

Years Ending	Amount
2021	\$ 321,400
2022	315,100
2023	318,400
2024	316,200
<b>Total</b>	<b>\$ 1,271,100</b>

**June 30, 2020**

**Note 7 - Contingencies**

The City is regularly involved in various property tax appeals. For the Authority, as of June 30, 2020, funds have been accrued for estimated property tax increment revenue losses plus estimated interest that would be owed to the property owner. The outcomes of the individual appeals are not predictable with reasonable assurance, and it is reasonably probable that some of these matters may be decided unfavorably for the City and the Authority.

The Authority is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the financial position of the Authority.

**Note 8 - COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As of the date of issuance of the financial statements, the Authority's operations have not been significantly impacted, but the Authority continues to monitor the situation. No impairments were recorded as of the statement of net position/balance sheet date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Authority's results of operations and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

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## Other Supplemental Information

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# Grand Rapids Downtown Development Authority

## Schedule of Current and Ongoing Projects (Unaudited)

June 30, 2020

The Authority captures property tax increment revenue from two sources: local tax increments and school tax increments. Local tax increment (LTI) revenue is derived from millages assessed by the City of Grand Rapids, Michigan, the County of Kent, Michigan, the Interurban Transportation Partnership, and the Grand Rapids Community College. School tax increment (STI) revenue is related to the State Education Tax millage; the Grand Rapids Public Schools operating, sinking fund, and debt millages; and the Kent Intermediate School District millages. State law restricts the Authority's use of STI revenue for payment of debt service and other eligible obligations in existence prior to January 1, 1995 and for debt obligations that refunded those pre-1995 eligible obligations. Nontax revenue includes interest on investments and rental and parking revenue generated by facilities owned by the Authority.

In December 2015, the Authority approved GR Forward, which established a vision and strategies for the future of downtown Grand Rapids. Drawing on input from the community, GR Forward prioritizes ideas and projects that align with and enhance the collective vision; and began building leadership around the following five goals:

Goal 1: Restore the Grand River as the Draw and Create a Connected and Equitable River Corridor.

Goal 2: Establish a True Downtown Neighborhood That is Home to a Diverse Population.

Goal 3: Implement a 21st Century Mobility Strategy.

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

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

GR Forward established an implementation schedule and is the basis for the Authority's fiscal years 2016 to 2025 priority planning process and beyond. Projects and initiatives have been prioritized to ensure the Authority's investments provide strategic support to projects and initiatives meeting the criteria established by GR Forward.

Funds are allocated annually to enable the Authority to assist with private and public projects that fall within the public purpose criteria of state law and would help to accomplish the developmental objectives of the Authority. As recommended by GR Forward, development projects have been subdivided into the five goals, each with an alliance that advises on projects and implementation activities.

The Authority's development projects described below are funded with LTI or non-tax increment revenue.

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

#### **River Governance Incubation (LTI)**

Support to advance on recommendations flowing from the work begun in FY 2020 to define a long-term organizational and funding strategy for Grand River corridor revitalization. In addition to continued project management support, this includes investment to develop three key organizing tools:

- An equity framework plan that presents a shared definition around equity grounded in common goals, measurable outcomes, and tactics
- A corridor framework plan that maps the strategic assets, identifies opportunities for broader collaboration, and defines key projects to support river corridor revitalization from Riverside Park to Millennium Park
- River-specific engagement and activation that help reconnect Grand Rapidians to the Grand River socially, psychologically, and recreationally. These efforts, organized in close collaboration with community partners, will support more informed and robust community participation in ongoing river planning and activation conversations. This item also includes support for implementation of the recommendations that flow from the FY 2020 DDA-funded community engagement process with WMCAT/Public Agency to solicit river programming and activation ideas.

## **Grand Rapids Downtown Development Authority**

### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

**June 30, 2020**

#### **Downtown Plan (LTI)**

Planning initiatives to further the goals of GR Forward. Proposed initiatives in FY 2020 include:

- Area 7, 8, and 9 visioning

#### **River Edge Improvement (LTI)**

Funds to support rehabilitation of the existing trail along the east riverbank and infrastructure improvements to support increased recreational access and safety. More specifically:

- Stabilization and concrete repair of the existing trail from Louis Street to the Blue Bridge
- Conditions analysis of the existing boardwalk from Michigan Street to Louis Street
- Access and safety improvements at Fish Ladder Park
- Access and safety improvements on city-owned property at Market and Wealthy streets
- Coldbrook Edge opportunity site implementation

#### **Parks Design (LTI)**

Completion of design for Downtown parks. In FY 2020, funds will be used to complete the design of Lyon Square (Phase II known as Lyon Plaza), Calder Plaza, and Ah Nab Awen Park. In addition, funding is allocated to complete preliminary designs and cost estimates for the connection from Belknap to Monroe North.

#### **Downtown Speaker Series (NTI)**

Funding to bring thought leaders in city building to Grand Rapids and advance key organization goals.

#### **Riverwalk Assessment (NTI)**

Funding to evaluate and recommend improvements to the existing Riverwalk.

#### **Goal #2: Establish a True Downtown Neighborhood That is Home to a Diverse Population**

#### **Development Project Guidance (LTI)**

Funding for legal and staff time expended on behalf of facilitating development projects.

#### **Development Project Tax Increment Reimbursements (LTI)**

Continued funding for the existing Development Support Program. Program funds will be used to further promote economic growth and development downtown by funding approved eligible expenses in new construction projects over \$5 million in new investment and in rehabilitation projects featuring over \$1 million in new investment. Proposed funding is to cover existing obligations, and to capitalize on new opportunities.

#### **Downtown Enhancement Grant (LTI)**

Funding for the Downtown Enhancement Grant Program. Funds will be used cover existing obligations and to continue to assist property and business owners in the rehabilitation of the downtown public realm. Funds are utilized to reimburse eligible activities, including installation of street furniture, snowmelt, and other public realm improvements.

#### **Heartside Quality of Life Plan Implementation (NTI)**

Funding to implement recommendations from the Heartside neighbors and businesses during the Quality of Life process. Specific activities will be developed in collaboration with the Goal 2 Alliance and will align with recommendations from GR Forward.

## **Grand Rapids Downtown Development Authority**

### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

**June 30, 2020**

#### **Stakeholder Engagement - Downtown Neighbor Network (NTI)**

Second year of a two-year pilot program to support downtown and downtown-adjacent neighbors that are connected, informed, and empowered to improve downtown living. Activities may include:

- Communications and marketing of the Downtown Neighbor Network
- Regular events to connect stakeholders and bring together downtown residents
- Downtown resident survey and leadership training

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

#### **Inclusive Design Prototypes and Collective Impact Strategic Plan (LTI)**

Funding for two distinct initiatives in collaboration with Disability Advocates of Kent County and Common Notice to continue the inclusive and equity work initiated last year with the inclusive design charrettes.

Inclusive Design 2021: Move from prototype to programming for the top two prototypes established during the initial work and continue inclusive design charrettes to bring three additional prototypes to the point of implementation.

Collective Impact Strategic Plan: Work across five agencies to determine a shared set of values, design principles, and strategic objectives that will further the accessibility of Grand Rapids. This plan is proposed to continue with funding in FY 2022 to measure the social impact and the plan's successes and improvements.

#### **Bike Friendly Improvements (LTI)**

Funding to continue the implementation of bike parking infrastructure, Division Avenue Bikeway improvements, and enhanced network connections throughout downtown in partnership with Mobile GR.

#### **Streetscape Improvements: Pedestrian Improvements to Monroe Center Alley (LTI)**

Funding for professional fees and construction costs to implement the stakeholder-driven design created for the Monroe Center alley (between Division and Ionia) last year. Alley improvements will include new permeable paving, green infrastructure, landscape, pedestrian lighting, festoon lighting, seating, and sculptural entry archways.

#### **Streetscape Improvements: Division and Wealthy TOD Pilot and Improvements (LTI)**

Funding to pilot implementation of The Rapid's currently underway TOD (Transit Oriented Development) project that includes median work, pop-ups in the ICCF lot, art at the platforms, and activation/façade enhancements of the mixed-use buildings on the west side of Division. This project is in collaboration with The Rapid and students from U-Prep Academy.

#### **Streetscape Improvements: Furnishings (LTI)**

Pedestrian and human-scaled enhancements along key downtown corridors. Enhancements will include seating and other furnishings, lighting, trees, planters, and pedestrian safety elements to improve street crossings. Proposed projects for FY 2021 include:

- Grandville Ave (Weston to Bartlett)
- Ottawa Ave
- Pearl Street (Division to Monroe Ave)
- Ionia (Michigan to Cherry)
- Monroe Center (Monroe to Ottawa)
- Bridge Street (Monroe to Seward)
- Campau Promenade

#### **Streetscape Improvements: Ottawa Avenue from Michigan to Fulton (LTI)**

DDA share of funding to complete the resurfacing of Ottawa Avenue.

## **Grand Rapids Downtown Development Authority**

### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

**June 30, 2020**

#### **Streetscape Improvements: Pedestrian Crossing Enhancements (LTI)**

Pedestrian safety enhancements at crosswalks and street crossings in collaboration with Mobile GR.

- River trail crossing at Fulton Street
- Rapid flashing beacons at Monroe/Campau and Ottawa adjacent to Calder Plaza
- Conversion of pedestrian signal head to countdown signal head
- Market and Weston safety improvements, including median refuge and rapid flashing beacons

#### **Wayfinding System Implementation (LTI)**

Funding to implement modernization of the downtown wayfinding system.

#### **DASH North Shuttle Lease (LTI)**

Funding to help support the continued operation of DASH North and West, including maintaining weekend and evening service.

#### **DASH North Shuttle Lease (NTI)**

Funding to help support the continued operation of DASH North and West, including maintaining weekend and evening service.

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

##### **Retail Attraction and Incubation RFP (LTI)**

Expand funds available to attract underserved and unavailable retail options downtown. The overarching goal is to build a unique retail market and experience that expands opportunities for all, including attracting and serving an increasingly diverse population. This is done through gap support for individual businesses and supporting space activation activities, such as pop-up shops and incubations spaces geared towards retailers interested in doing business downtown.

##### **Business Resource Fair/Expo (LTI)**

A half-day event featuring as many small business resource providers as possible, from technical assistance providers to alternative financing. A place where those who are looking to do business downtown are able to explore the landscape of small business and entrepreneurship resources. This event will also be an opportunity for entrepreneurial support organizations to market their programs and resources directly including promotion for DGRI business programs and events like the Doing Business Downtown Seminar Series.

##### **Doing Business Downtown Seminar Series (LTI)**

A more focused series of panels, talks, and discussions on what it takes to do business downtown and some of the unique challenges that downtown businesses face, such as dealing with social service needs or managing downtown events. This will be a quarterly series that will leverage relationships in the small business ecosystem, with topics ranging from general business resources to contracting with DGRI or the City.

##### **Downtown Business Association Support (LTI)**

This funding will be used explicitly to support the Business Association's organizational support. What this means depends on the association, but it will include events, marketing, and work that the business associations are doing themselves. Much will tie into the overall business development efforts, such as the expo and seminar series.

##### **Downtown Business/Retail Marketing (LTI)**

Developing a branding/marketing strategy for downtown retail. A study on what is "Brand Rapids" would help inform market gaps and opportunity better informing where efforts should be focused. It would additionally allow for a more aggressive approach to promoting downtown as a retail destination for both businesses and shoppers.

## **Grand Rapids Downtown Development Authority**

### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

**June 30, 2020**

#### **Research (LTI)**

A study of current retail conditions by looking at vacancy rates/locations and leakage/gap analysis in order to set a baseline within the context of local regional and national conditions. This also would increase the internal capacity to maintain the relevancy and accuracy of the data in order to measure and track the impact of DGRI efforts and programs. Ongoing efforts would include a map/listing of retail opportunities, maintaining a directory of downtown retailers and economic statistics that impact general business decisions.

#### **Downtown Workforce Program (NTI)**

Events and programs to engage the downtown workforce.

#### **Economic Recovery Funding (LTI/NTI)**

Funding to support the economic recovery associated with the COVID-19 pandemic.

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

#### **Arena Plaza Improvements (LTI/NTI)**

Funding to complete the reconstruction of the plaza in front of Van Andel Arena.

#### **Downtown Marketing and Inclusion Efforts (LTI)**

The DDA's contribution to downtown marketing helps support communications that promote downtown events and programming initiatives to downtown stakeholders, residents, businesses, and customer audiences. This includes but is not limited to paid advertising, the production of marketing collateral, and ongoing maintenance and enhancements of a digital media platform that serves more than 85,000 users and reaches thousands more.

#### **Downtown Tree Plantings (LTI)**

Investments in the urban tree canopy to achieve the canopy goals for downtown.

#### **Heartside Public Restroom Facility Construction (LTI)**

Funding to complete the installation of the Portland Loo on Division Avenue.

#### **Public Realm Improvements (LTI)**

DDA share of the reconstruction of Ecliptic at Rosa Parks Circle expected to begin in spring 2021.

#### **State of the Downtown Event/Annual Report (LTI)**

DDA contribution to the State of the Downtown Event/Annual Report helps to support the programming activities and production for the annual event and the costs to support the marketing medium for DGRI's annual report.

#### **Urban Rec Improvements (LTI)**

Funding for place management programs will include support for the pop-up dog park, parklet, dog waste and cigarette urn bins, trash receptacles, beautification, Calder Plaza, and equipment storage.

#### **Bridge Lighting Operations (NTI)**

DDA contribution to Bridge Lighting Operations helps to support electricity and maintenance for lighting on the Indiana Railroad Bridge (Blue Bridge) and the Gillett Bridge.

#### **DGRI Event Production (NTI)**

DDA contribution to DGRI Event Production contributes to the support of World of Winter, which contributes to a month of various programming and events. This will also cover the support of a new fall event and a minimum of three bike, skate, and scoot events at the new bike and skate park.



## **Grand Rapids Downtown Development Authority**

### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

**June 30, 2020**

#### **Diversity and Inclusion Programming (NTI)**

The DDA's contribution to community relations and engagement helps support efforts to create a more welcoming and inclusive downtown, attract and serve more multicultural audiences, and strengthen community ties in and to the downtown neighborhood. This work includes but is not limited to event support and production, program sponsorship, and partnership building to advance the collective vision of downtown for the benefit of the entire community.

#### **Downtown Ambassador Program (NTI)**

Funding to extend the hospitality contract with Block by Block and continue deployment of the Downtown Ambassadors.

#### **Experience Miscellaneous (NTI)**

Funds not currently associated with projects but that provide the opportunity to take advantage of unforeseen projects, partnerships, or initiatives that arise during the fiscal year.

#### **Holiday Décor Program (NTI)**

DDA contribution to Holiday Décor Program helps to support the DDA's investment towards lighting and decorating the downtown during the winter and holiday season. This continued support will allow DGRI to continue to decorate the downtown with the replacement of existing decoration investments. This will also include the expansion into the Bridge St. business district, continue the new additions on South Division, update a cohesive design on Monroe North, add new elements to Rosa Parks Circle, and add year-round lighting on the trees of Monroe Ctr.

#### **Major Event Sponsorship (NTI)**

DDA contribution to major event sponsorship helps to support downtown signature events like ArtPrize and LaughFest.

#### **Police Foot Patrols (NTI)**

DDA contribution to providing added public safety via additional police foot patrol services along key entertainment corridors throughout the summer months.

#### **Public Space Activation (NTI)**

DDA contribution to Public Space Activation helps to continue and expand upon the Pop-Up Performer Program, public games, winter programming, public artwork programs, murals, Activate This Place placemaking grant program, alley activation, food truck initiatives, parks and river-related programming, and other enlivening interventions that help create an ambiance at atmosphere within the downtown.

#### **Rosa Parks Circle Ice Skating (NTI)**

DDA contribution to Rosa Parks Circle Ice Skating helps to support skate rink operations, including operations of the Zamboni, maintenance, and upkeep of the rink.

#### **Special Events Grants - Seasonal Event and Programming Sponsorship Program (NTI)**

DDA contribution to the Special Events Event Sponsorship Support Program will help to support events and programming happening within the downtown that are seeking event support and that align with the community goals that were voiced through the Special Events Optimization process finalized in FY 2015. This program will help us to offer events that are free and open to the public between October and April to help encourage the GR Forward goal of creating a four-season city.

## **Grand Rapids Downtown Development Authority**

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### **Schedule of Current and Ongoing Projects (Unaudited) (Continued)**

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**June 30, 2020**

#### **City of Grand Rapids Office of Special Events Support (NTI)**

DDA contribution for The City of Grand Rapids Office of Special Events (OSE) support financially helps maintain and run the office's management in order to schedule, process, and permit events looking to host within the City of Grand Rapids.

#### **Special Events Training Program (NTI)**

DDA contribution to the Special Events Management Training Program will help to support four educational workshops for events training in order to help assist event planners and producers to successfully plan and manage an event within the downtown and the City of Grand Rapids.

#### **Winter Avenue Building (NTI)**

Funding for annual maintenance needs at the DDA-owned building on Winter Avenue.