

December 12, 2024

To the Board Members  
Grand Rapids Downtown Development Authority

We have audited the financial statements of the Grand Rapids Downtown Development Authority (the "Authority") as of and for the year ended June 30, 2024 and have issued our report thereon dated December 10, 2024. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated July 31, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 18, 2024.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in performing and completing our audit.

***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 12, 2024.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board Members  
Grand Rapids Downtown Development Authority

December 12, 2024

This information is intended solely for the use of the Grand Rapids Downtown Development Authority board members and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Plante & Moran, PLLC**

A handwritten signature in black ink, appearing to read "Will Brickey", with a stylized, flowing script.

William Brickey

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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 Supplementary Information**  
**June 30, 2024**

|   |       |
|---|-------|
| <b>Independent Auditor's Report</b>   | 1-2   |
| <b>Management's Discussion and Analysis</b>   | 3-6   |
| <b>Basic Financial Statements</b>   |       |
| 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   | 9-15  |
| <b>Supplementary Information</b>  | 16    |
| Schedule of Current and Ongoing Projects (Unaudited)                                    | 17-21 |

## Independent Auditor's Report

To the Board of Directors  
Grand Rapids Downtown Development Authority

### **Opinions**

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 the City of Grand Rapids, Michigan, as of and for the year ended June 30, 2024 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the governmental fund of the Authority as of June 30, 2024 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Grand Rapids Downtown Development Authority

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary 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 is the responsibility of management and, 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 supplementary 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.

***Additional Information***

Management is responsible for the accompanying schedule of current and ongoing projects, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

*Plante & Moreau, PLLC*

December 12, 2024

# 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, 2024. 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 |                      |                |
|----------------------------------|-------------------------|----------------------|----------------|
|                                  | 2024                    | 2023                 | Percent Change |
| <b>Assets</b>                    |                         |                      |                |
| Current and other assets         | \$ 7,360,755            | \$ 9,293,365         | (20.8)         |
| Capital assets                   | 17,963,400              | 20,330,001           | (11.6)         |
| Total assets                     | 25,324,155              | 29,623,366           | (14.5)         |
| <b>Liabilities</b>               |                         |                      |                |
| Current liabilities              | 764,208                 | 489,384              | 56.2           |
| Noncurrent liabilities:          |                         |                      |                |
| Due within one year              | 121,206                 | 96,538               | 25.6           |
| Due in more than one year        | 234,411                 | 102,871              | 127.9          |
| Total liabilities                | 1,119,825               | 688,793              | 62.6           |
| <b>Net Position</b>              |                         |                      |                |
| Net investment in capital assets | 17,679,734              | 20,139,556           | (12.2)         |
| Restricted                       | 6,524,596               | 8,795,017            | (25.8)         |
| Total net position               | <u>\$ 24,204,330</u>    | <u>\$ 28,934,573</u> | (16.3)         |

### **Current Assets**

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

The City of Grand Rapids, Michigan (the "City") maintains an investment pool for most city funds and component units. The Authority's \$6.4 million portion of the investment pool is displayed on the statement of net position as cash and cash equivalents. 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 2024, cash decreased by \$2.8 million from fiscal year 2023. The difference is due to excess of expenses over revenue in fiscal year 2024.



# Grand Rapids Downtown Development Authority

## Management's Discussion and Analysis (Continued)

### **Receivables**

The Authority's net receivables for fiscal years 2024 and 2023 of \$914,126 and \$50,738, respectively, are composed of interest receivable in both years as well as \$875,361 in 2024 related to grant activity.

### **Noncurrent Assets**

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

Net capital assets of \$18.0 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 \$70.2 million for accumulated depreciation. Detailed information regarding capital asset additions and deletions is available in Note 4.

### **Current Liabilities**

#### *Accounts Payable*

As of June 30, 2024, accounts payable of approximately \$477,000 include amounts owed to vendors for goods and services received in fiscal year 2024 but paid in fiscal year 2025. In 2023, this amount was approximately \$488,000.

### **Noncurrent Liabilities**

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

Noncurrent liabilities, due within one year, of \$121,206 represent the amount of the Authority's lease payments due within 12 months after June 30, 2024, plus compensated absences expected to be paid within the same time frame. See Note 5 for additional information.

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

Noncurrent liabilities of \$234,411 represent lease payments scheduled to be made, as well as compensated absences not due within 12 months. The increase in the amounts outstanding on June 30, 2024 is due to a new lease entered into during the year. 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, 2024 was about \$24.2 million, a 16.3 percent decrease compared to total net position at June 30, 2023.

#### *Net Investment in Capital Assets*

Net investment in capital assets of \$17.7 million includes the historical construction and acquisition costs of infrastructure, land, land improvements, buildings and structures, machinery and equipment, and office equipment and furniture, net of accumulated depreciation, as well as related lease principal outstanding. The 12.2 percent, or \$2.5 million, decrease between fiscal years 2024 and 2023 is primarily related to the \$2.4 million decrease in net capital assets. 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 \$2.3 million decrease in restricted net position in fiscal year 2024 is a function of the total \$4.7 million in excess of expenditures over revenue less the \$2.5 million decrease in net investment in capital assets.

## Grand Rapids Downtown Development Authority

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

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

|   | Governmental Activities |                      |                |
|---|-------------------------|----------------------|----------------|
|   | 2024                    | 2023                 | Percent Change |
| <b>Revenue</b>                          |                         |                      |                |
| Property taxes                          | \$ 8,626,448            | \$ 7,693,976         | 12.1           |
| Federal grants                          | 869,361                 | -                    | -              |
| Charges for services                    | 1,707,229               | 1,408,456            | 21.2           |
| Investment earnings                     | 646,882                 | 527,352              | 22.7           |
| Contributions                           | 25,000                  | -                    | -              |
| Total revenue                           | 11,874,920              | 9,629,784            | 23.3           |
| <b>Expenditures</b> - Urban development | 16,605,163              | 12,321,335           | 34.8           |
| <b>Change in Net Position</b>           | (4,730,243)             | (2,691,551)          | 75.7           |
| <b>Net Position</b> - Beginning of year | 28,934,573              | 31,626,124           | (8.5)          |
| <b>Net Position</b> - End of year       | <u>\$ 24,204,330</u>    | <u>\$ 28,934,573</u> | (16.3)         |

#### **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. In fiscal year 2022, property tax increment revenue related to the State Education Tax, the Kent Intermediate School District, and the Grand Rapids Public Schools levies were 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. The final payment on this eligible debt was paid in fiscal year 2022.

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, 2024 includes property taxes levied on July 1, 2023 and on December 1, 2023.

Property tax revenue between fiscal years 2024 and 2023 increased by 12.1 percent.

##### *Federal Grants*

In fiscal year 2024, the Authority earned federal grant revenue as it paid for administrative costs associated with the Greenway Grant.

##### *Investment Earnings*

Investment earnings revenue consists of interest 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, 2024 and 2023. There was an increase of 22.7 percent in investment earnings between fiscal years 2024 and 2023. The large increase is due to improving fluctuations in the market.

##### *Charges for Services*

In fiscal year 2024, charges for services increased by 21.2 percent, or approximately \$299,000, mainly due to rate increases for parking.

Grand Rapids Downtown Development Authority

Management's Discussion and Analysis (Continued)

Expenses

Urban Development

In the fiscal year ended June 30, 2024, the Authority expended \$16.6 million for urban development work related to the Authority's development plan compared to \$12.3 million in the prior year. There were five projects in fiscal year 2024 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 2024:

|  |    |           |
|--|----|-----------|
| Public facility developer reimbursements - Arena Place Development LLC, 55 Ionia Partners LLC, CWD 50 Monroe LLC, Waters Building LLC, 20 Monroe Building Co LLC, Venue Towers LLC, Jackson Entertainment, CWD Vandenberg Center LLC, 150 Ottawa Development LLC, and 10 Ionia LLC | \$ | 1,946,969 |
| Public realm improvements  |    | 1,390,603 |
| Streetscape improvements   |    | 1,156,062 |
| Public space activation  |    | 1,055,099 |
| River edge improvements  |    | 884,009   |
| Total  | \$ | 6,432,742 |

The largest projects in terms of expenditures for fiscal year 2023 are below:

|   |    |           |
|---|----|-----------|
| Public facility developer reimbursements - Owen-Ames-Kimball, 38 Commerce LLC, Two West Fulton, DBD Properties 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, Venue Towers LLC, and Jackson Entertainment | \$ | 1,527,664 |
| Streetscape improvements  |    | 982,237   |
| Public space activation   |    | 855,168   |
| Public realm improvements   |    | 767,010   |
| Event production  |    | 629,666   |
| Total   | \$ | 4,761,745 |

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, 2024

|   | Governmental<br>Fund       | Adjustments<br>(Note 3)     | Statement of<br>Net Position |
|---|----------------------------|-----------------------------|------------------------------|
| <b>Assets</b>   |                            |                             |                              |
| Cash and cash equivalents   | \$ 6,423,519               | \$ -                        | \$ 6,423,519                 |
| Receivables:  |                            |                             |                              |
| Interest  | 38,765                     | -                           | 38,765                       |
| Other receivables   | 875,361                    | -                           | 875,361                      |
| Prepaid expenses  | 23,110                     | -                           | 23,110                       |
| Capital assets: (Note 4)  |                            |                             |                              |
| Assets not subject to depreciation                                    | -                          | 11,313,680                  | 11,313,680                   |
| Assets subject to depreciation - Net                                  | -                          | 6,649,720                   | 6,649,720                    |
| Total assets  | <u><u>\$ 7,360,755</u></u> | 17,963,400                  | 25,324,155                   |
| <b>Liabilities</b>  |                            |                             |                              |
| Accounts payable  | \$ 476,925                 | -                           | 476,925                      |
| Due to primary government   | 286,283                    | -                           | 286,283                      |
| Customer deposits   | 1,000                      | -                           | 1,000                        |
| Noncurrent liabilities: (Note 5)                                      |                            |                             |                              |
| Due within one year   | -                          | 121,206                     | 121,206                      |
| Due in more than one year   | -                          | 234,411                     | 234,411                      |
| Total liabilities   | 764,208                    | 355,617                     | 1,119,825                    |
| <b>Deferred Inflows of Resources</b> - Unavailable revenue            | 869,361                    | (869,361)                   | -                            |
| Total liabilities and deferred inflows of resources                   | 1,633,569                  | (513,744)                   | 1,119,825                    |
| <b>Equity</b>   |                            |                             |                              |
| Fund balance:   |                            |                             |                              |
| Restricted  | 3,702,175                  | (3,702,175)                 | -                            |
| Assigned  | 2,025,011                  | (2,025,011)                 | -                            |
| Total fund balance  | 5,727,186                  | (5,727,186)                 | -                            |
| Total liabilities, deferred inflows of resources,<br>and fund balance | <u><u>\$ 7,360,755</u></u> |                             |                              |
| Net position:   |                            |                             |                              |
| Net investment in capital assets                                      |                            | 17,679,734                  | 17,679,734                   |
| Restricted  |                            | 6,524,596                   | 6,524,596                    |
| Total net position  |                            | <u><u>\$ 24,204,330</u></u> | <u><u>\$ 24,204,330</u></u>  |

## Grand Rapids Downtown Development Authority

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

|  | Year Ended June 30, 2024 |                      |                         |
|--|--------------------------|----------------------|-------------------------|
|  | Governmental Fund        | Adjustments (Note 3) | Statement of Activities |
| <b>Revenue</b>                                       |                          |                      |                         |
| Property taxes                                       | \$ 8,626,448             | \$ -                 | \$ 8,626,448            |
| Federal grants                                       | -                        | 869,361              | 869,361                 |
| Charges for services                                 | 1,707,229                | -                    | 1,707,229               |
| Investment earnings:                                 |                          |                      |                         |
| Unrealized gain on investments                       | 342,292                  | -                    | 342,292                 |
| Interest income                                      | 304,590                  | -                    | 304,590                 |
| Contributions  | 25,000                   | -                    | 25,000                  |
| Total revenue  | 11,005,559               | 869,361              | 11,874,920              |
| <b>Expenditures</b> - Urban development              | 14,265,213               | 2,339,950            | 16,605,163              |
| <b>Excess of Expenditures Over Revenue</b>           | (3,259,654)              | (1,470,589)          | (4,730,243)             |
| <b>Other Financing Sources</b> - Leases entered into | 182,859                  | (182,859)            | -                       |
| <b>Net Change in Fund Balance/Net Position</b>       | (3,076,795)              | (1,653,448)          | (4,730,243)             |
| <b>Fund Balance/Net Position</b> - Beginning of year | 8,803,981                | 20,130,592           | 28,934,573              |
| <b>Fund Balance/Net Position</b> - End of year       | <u>\$ 5,727,186</u>      | <u>\$ 18,477,144</u> | <u>\$ 24,204,330</u>    |

### 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.

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.

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

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 Annual Comprehensive 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.

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

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

June 30, 2024

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

#### **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 bond 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 assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify for reporting in this category.

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 assets 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, grant receivables not received within the period of availability.

#### **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.

#### **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 nontax 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.



June 30, 2024

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

#### 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.

#### Leases

The Authority is a lessee for noncancelable leases of a building. The Authority recognizes a lease liability and an intangible right-to-use lease asset governmental activities.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with noncurrent liabilities in the governmental activities column.

**June 30, 2024**

**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 individual fund columns 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>\$ 5,727,186</b>         |
| Amounts reported for governmental activities in the statement of net position are different because:   |                             |
| Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds:   |                             |
| Cost of capital assets   | 88,203,992                  |
| Accumulated depreciation   | <u>(70,240,592)</u>         |
| Net capital assets and lease assets used in governmental activities  | 17,963,400                  |
| 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 funds | 869,361                     |
| Lease liabilities are not due and payable in the current period and are not reported in the funds  | (283,667)                   |
| 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>(71,950)</u>             |
| <b>Net Position of Governmental Activities</b>   | <b><u>\$ 24,204,330</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 individual fund columns 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>\$ (3,076,795)</b>        |
| Amounts reported for governmental activities in the statement of activities are different because:   |                              |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation: |                              |
| Depreciation expense   | (2,602,926)                  |
| Capital outlay   | 236,325                      |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available                           | 869,361                      |
| Leases provide current financial resources to governmental funds but increase long-term liabilities in the statement of net position   | (182,859)                    |
| Repayment of lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces lease liabilities)                           | 89,637                       |
| Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds                            | <u>(62,986)</u>              |
| <b>Change in Net Position of Governmental Activities</b>   | <b><u>\$ (4,730,243)</u></b> |

# Grand Rapids Downtown Development Authority

## Notes to Financial Statements

June 30, 2024

### Note 4 - Capital Assets

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

|                                       | Balance<br>July 1, 2023 | Reclassifications | Additions      | Disposals and<br>Adjustments | Balance<br>June 30, 2024 |
|---------------------------------------|-------------------------|-------------------|----------------|------------------------------|--------------------------|
| Capital assets not being depreciated: |                         |                   |                |                              |                          |
| Land                                  | \$ 11,008,005           | \$ -              | \$ -           | \$ -                         | \$ 11,008,005            |
| Construction in progress              | 266,133                 | (13,924)          | 53,466         | -                            | 305,675                  |
| Subtotal                              | 11,274,138              | (13,924)          | 53,466         | -                            | 11,313,680               |
| Capital assets being depreciated:     |                         |                   |                |                              |                          |
| Infrastructure                        | 267,779                 | -                 | -              | -                            | 267,779                  |
| Land improvements                     | 7,046,193               | -                 | -              | -                            | 7,046,193                |
| Buildings and structures              | 60,161,125              | -                 | -              | -                            | 60,161,125               |
| Machinery and equipment               | 6,044,760               | 13,924            | -              | -                            | 6,058,684                |
| Vehicles                              | 15,000                  | -                 | -              | -                            | 15,000                   |
| Office equipment and furniture        | 2,842,539               | -                 | -              | -                            | 2,842,539                |
| Lease asset                           | 316,133                 | -                 | 182,859        | -                            | 498,992                  |
| Subtotal                              | 76,693,529              | 13,924            | 182,859        | -                            | 76,890,312               |
| Accumulated depreciation:             |                         |                   |                |                              |                          |
| Infrastructure                        | 214,216                 | -                 | 5,958          | -                            | 220,174                  |
| Land improvements                     | 6,373,443               | -                 | 161,908        | -                            | 6,535,351                |
| Buildings and structures              | 52,933,922              | -                 | 2,010,724      | -                            | 54,944,646               |
| Machinery and equipment               | 5,463,222               | -                 | 230,351        | -                            | 5,693,573                |
| Vehicles                              | 2,301                   | -                 | 5,007          | -                            | 7,308                    |
| Office equipment and furnishings      | 2,525,474               | -                 | 99,341         | -                            | 2,624,815                |
| Lease asset                           | 125,088                 | -                 | 89,637         | -                            | 214,725                  |
| Subtotal                              | 67,637,666              | -                 | 2,602,926      | -                            | 70,240,592               |
| Net capital assets being depreciated  | 9,055,863               | 13,924            | (2,420,067)    | -                            | 6,649,720                |
| Net capital assets                    | \$ 20,330,001           | \$ -              | \$ (2,366,601) | \$ -                         | \$ 17,963,400            |

### Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

|                      | Beginning<br>Balance | Additions  | Reductions  | Ending Balance | Due within<br>One Year |
|----------------------|----------------------|------------|-------------|----------------|------------------------|
| Leases               | \$ 190,445           | \$ 182,859 | \$ (89,637) | \$ 283,667     | \$ 89,297              |
| Compensated absences | 8,964                | 66,047     | (3,061)     | 71,950         | 31,909                 |
| Total long-term debt | \$ 199,409           | \$ 248,906 | \$ (92,698) | \$ 355,617     | \$ 121,206             |

### Note 6 - Contingencies

The City is regularly involved in various property tax appeals. For the Authority, funds have been accrued for estimated property tax increment revenue losses plus estimated interest that would be owed to the property owner. As of June 30, 2024, that amount was determined to be zero. 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.

**June 30, 2024****Note 6 - Contingencies (Continued)**

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 7 - Commitments**

The Authority has memorandums of understanding with the City of Grand Rapids to support the debt service for two of the City's bond issues. For the Limited Tax General Obligation Bonds, Series 2023 (\$9,130,000 for reconstruction of Lyon Square), the Authority has committed to paying 80 percent of the debt service payments. The final maturity is due on October 1, 2043. For the Limited Tax General Obligation Bonds, Series 2024 (\$72,770,000, of which \$18,265,000 was issued to support the construction of the Acrisure Amphitheater), the Authority has committed to paying the portion of the debt service related to the Amphitheater. The final maturity is due on April 1, 2044.

At June 30, 2024, the outstanding principal balances that the Authority is responsible for were \$7,304,000 and \$18,265,000 for the Series 2023 and Series 2024, respectively.

**Note 8 - Leases**

The Authority leases a building from a third party. Payments are generally fixed monthly.

Lease asset activity of the Authority is included in Note 4.

Future principal payment requirements related to the Authority's lease liability at June 30, 2024 are as follows:

| Years Ending | Principal         | Interest         | Total             |
|--------------|-------------------|------------------|-------------------|
| 2025         | \$ 89,297         | \$ 6,803         | \$ 96,100         |
| 2026         | 88,615            | 4,652            | 93,267            |
| 2027         | 89,458            | 1,900            | 91,358            |
| 2028         | 16,297            | 83               | 16,380            |
| Total        | <u>\$ 283,667</u> | <u>\$ 13,438</u> | <u>\$ 297,105</u> |

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## Supplementary Information

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# Grand Rapids Downtown Development Authority

## Schedule of Current and Ongoing Projects (Unaudited)

June 30, 2024

The Authority captures local property tax increment revenue (LTI) 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. 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 nontax increment (NTI) revenue.

### ***Goal 1: 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 proposed investment to develop or support the following:

- A business plan, board development, and other startup organizing efforts to establish the new river-focused entity
- A community engagement program to support continued governance incubation. This investment proposes to build on the community engagement work with the Community Catalysts/WMCAT.
- An equity framework plan that presents a shared definition around "equity" grounded in common goals, measurable outcomes, and tactics
- An impact analysis of the potential increased visitation/tourism benefits associated with a revitalized river corridor. Project partners will include Experience GR, Grand Rapids Public Museum, and other corridor stakeholders.
- Research and fundraising services to help identify and strategize around capital and infrastructure funding opportunities
- A Corridor Connections 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

## **Grand Rapids Downtown Development Authority**

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

**June 30, 2024**

- River-specific engagement and activation that help reconnect Grand Rapidsians 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. More specifically, efforts could include Kayak Crawls, River Walks, and other activities that intentionally strive to invite people outdoors and around the river.

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

Funds to support rehabilitation, improvement, and expansion of the Grand River edge trail, more specifically:

- Repair the existing concrete trail section from Louis Street to the Blue Bridge
- Stabilization, access, and safety improvements at Fish Ladder Park
- Access and safety improvements on city-owned property at Market Street and Wealthy Street
- Extend river trail north of Coldbrook, including safety improvements across Leonard Street
- Design support for trail/edge improvements at Grand Rapids Public Museum and GVSU Seidman College

#### **Lyon Square Improvements (LTI)**

Funds to reconstruct and significantly enhance the public park and alleyway

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

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

#### ***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 to 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.

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

Support for downtown and downtown-adjacent neighbors that are connected, informed, and empowered to improve downtown living. Activities include the following:

- Communications and marketing of the DNN
- Regular events to connect stakeholders and bring together downtown residents
- Continuing education and leadership trainings
- Advocacy around active and vital streets improvements with the Citizen Alliance

# Grand Rapids Downtown Development Authority

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

June 30, 2024

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

#### **Accessibility and Mobility Repairs (LTI)**

Ongoing collaboration with Disability Advocates of Kent County for improving access for all

#### **Streetscape Improvements: DNN Active and Vibrant Street Demonstration Projects (LTI)**

Funding to support tactical and temporary installations to test pedestrian safety priority projects, as outlined by the Downtown Neighbor Network's Safer Streets Agenda

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

Pedestrian-safety improvements, including rapid flashing beacons, in collaboration with Mobile GR at the following locations:

- Ottawa/Fulton redesign
- Jefferson Avenue (Cherry - Wealthy) reconstruction
- Winter Avenue improvements

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

Funding for pedestrian and human-scaled enhancements along key downtown corridors. Ongoing enhancements will include seating, trash cans, banners, lighting, trees, and planters.

#### **Streetscape Improvements: Ped Counters and Placer.ai Data (LTI)**

Ongoing support of existing pedestrian counters and the use of Placer.ai data gathering to more accurately understand how people are using downtown. This Placer.ai data is finer-grained and more accurate than the physical pedestrian counters and will work in tandem with them. This may also help downtown businesses to better understand their patrons.

#### **Streetscape Improvements: Monroe North Spectrum ROW Improvements (LTI)**

Funding to support street and right-of-way improvements related to Spectrum investments in Monroe North

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

Funding to implement deployment of the downtown wayfinding system

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

Funding to help support the continued operation of the DASH bus

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

#### **Economic Development and Innovation: 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, as well as supporting space activation activities, such as pop-up shops and incubation spaces geared toward retailers interested in doing business downtown.

#### **Economic Development and Innovation: Doing Business Downtown: Business Education (LTI)**

A program to provide support for continued education for downtown businesses. Educational opportunities will focus on challenges that downtown businesses face, such as dealing with social service needs, managing downtown events, or contracting with DGRI or the City.



## **Grand Rapids Downtown Development Authority**

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

**June 30, 2024**

#### **Economic Development and Innovation: Downtown Business Association Support (LTI)**

This funding will be used explicitly to support the business associations' organizational support. What this means depends on the association, but will be for 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.

#### **Economic Development and Innovation: 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.

#### **Economic Development and Innovation: 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 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.

#### **Economic Development and Innovation: Downtown Workforce Program (NTI)**

Events and programs to engage the downtown workforce

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

##### **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

##### **Public Realm Improvements: Van Andel Arena Alley Design and Construction (LTI)**

Funding to complete professional services for the design and construction documentation of the Van Andel Arena alley from Fulton to Oakes. This is phase 2 of the plaza design and reconstruction. The budget also includes funding for early construction efforts.

##### **Public Realm Improvements: Hill and River Network Planning (LTI)**

Funding to provide a comprehensive plan for the design of connections to and from Belknap Hill, the Grand River, Monroe North, and downtown

##### **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

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

DDA contribution to DGRI Event Production contributes to the support of World of Winter, which contributes to a two-month festival with various programming and events. This will also cover efforts for alley activation events and programming, Return to the River, Chalk It Up, Silent Disco, and scavenger hunts.

## **Grand Rapids Downtown Development Authority**

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

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**June 30, 2024**

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

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

#### **Project and Fixed Asset Maintenance (NTI)**

Funding for ongoing maintenance of DDA-owned infrastructure

#### **Public Space Activation (LTI & 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, projection mapping installations, parks and river-related programming, and other enlivening interventions that help create an ambiance and 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

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

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

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

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