

# DDA DEVELOPMENT AND TIF PLANS



# Outline

1. August work session check-in
2. DDA State Statute
3. How does A2 compare to other DDA's?
4. Coordinating planning efforts
5. Next Steps



An aerial, high-angle photograph of a city street intersection, overlaid with a semi-transparent blue filter. The street is labeled 'N. University' at the top. On the right side, there are buildings with storefronts for 'BIVOLAC' and 'THE ANN ARBOR COFFEE ROASTING CO.'. A 'VAN BOVEN' sign is visible above a doorway. The street features crosswalks, traffic lights, and several cars and pedestrians. The overall scene is a busy urban environment.

# PLAN REQUIREMENTS

State Statute

# DDA Development Plan Requirements

Michigan ACT 57 of 2018 requires all DDA's to create a Development Plan and TIF Plan. The Development Plan establishes the boundary, and identifies the activities and projects the DDA will participate in.

The Development Plan shall include:

1. Boundaries of the Downtown Development Area
2. Location, Character, Extent of Existing Streets, Public Facilities, and Land uses.
3. Location, Character, and Extent, and Estimated Cost of Proposed Improvements
4. Location, Character, and Extent of Existing Public and Private Land Uses
5. Planned Construction and Estimated Construction Timeline
6. Existing and Planned Open Space Areas
7. Description of Existing Zoning and Proposed Changes
8. Street Changes
9. Development Cost Estimates and Financing
10. Identification of Private Development Entities to Which Acquired Properties Have Been or Will Be Sold or Leased
11. Land Disposition Terms
12. Estimates of the Number of Persons Residing in the Development Area

# Grand Rapids Development Plan Sample Pages

## I. INTRODUCTION

### A. Purpose of the Downtown Development Authority Act

Downtown Grand Rapids is of great importance to the City of Grand Rapids (the “City”) and to the West Michigan Region. The economic vitality and stability of the Region would be threatened if vacancy, blight, deterioration and obsolescence were allowed to persist within the urban core. The City and the City of Grand Rapids Downtown Development Authority (the “Authority” or “DDA”) have recognized the need for a vigorous, well-coordinated program to secure Downtown Grand Rapids (Downtown) as the business, educational, medical, governmental and cultural heart of our community. These Plans provide a comprehensive framework to support the necessary development and redevelopment those goals.

Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), commonly referred to as the Downtown Development Authority Act, was created to: correct and prevent deterioration of the business districts; promote economic growth and revitalization; encourage historic preservation; authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the district; and authorize the levy and collection of taxes, the issuance of bonds, and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally adopted development plans for central business districts of Michigan cities.

Act 197 seeks to reverse historical trends that have led to loss of population, jobs, businesses, and the quality of life in our cities by attacking the problems of urban decline where they are most apparent, in the downtown districts of communities.

### B. Creation of the City of Grand Rapids Downtown Development Authority and the City of Grand Rapids Downtown District

On October 16, 1979, the City Commission of the City adopted Ordinance No. 79-69, which created the Authority. The DDA was given all of the powers and duties prescribed for a downtown development authority, pursuant to Act 197, except that of taxation. On November 27, 1979, the City Commission approved the appointment of nine individuals to serve on the DDA’s Board of Directors (the “Board”).

The City Commission, in Ordinance No. 79-69, also designated the initial boundaries of the downtown district within which the DDA may carry out development plans. (These boundaries, as amended, are shown on Map 1, and a legal description can be found in Attachment 1.)

### C. Creation of the Grand Rapids Development Area No. 1

In December, 1980, the City Commission approved the initial [Tax Increment and Development Plan](#) for the Grand Rapids Development Area No. 1. The Grand Rapids Development Area No. 1 is

TABLE 1A.

Summary of Ongoing Expenditures,  
Proposed Improvements and Estimated Costs

Local Increment – Ongoing Expenditures, Proposed Improvements and Estimated Costs						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL (Including Future Expenditures)
Ongoing Expenditures	\$1,223,922	\$1,720,499	\$1,754,100	\$1,786,215	\$1,817,242	\$19,538,000
Development Support	\$1,225,000	\$1,234,000	\$1,225,000	\$1,273,000	\$1,320,000	\$70,000,000
Parks, Open Space & Culture	\$1,500,000	\$5,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$25,000,000
Streetscape	\$3,089,000	\$1,536,000	\$1,300,000	\$1,300,000	\$1,300,000	\$120,000,000
Infrastructure	\$250,000	\$250,000	\$200,000	\$200,000	\$250,000	\$33,330,000
Van Andel Arena Bonds (Series 1994 and 2009)	\$5,811,325	\$5,811,663	\$5,811,163	\$5,807,013	\$5,808,263	\$10,139,017
Ionia Avenue Improvement Bonds (BRA 2012A)	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$750,000
Devos Place Convention Center Refunding Bonds (Series 2013B)	\$328,550	\$327,100	\$324,225	\$326,125	\$321,400	\$949,700
Kent County Drain Commission Floodwall Refunding (Series 2008 Bonds)	\$51,187	\$51,287	\$15,782	\$15,683	\$15,810	-
					Total Expenditures for Duration of the Plan	\$279,706,717

# Tax Increment Finance Plan

The TIF Plan establishes procedures, requirements, and methods for the collection and use of tax increment revenues, in order to carry out the activities of the DDA.

The TIF Plan shall include:

1. A detailed explanation of the tax increment procedure
2. Identification of the maximum amount of bonded indebtedness to be incurred over the life of the Plan
3. Statement on the duration of the program
4. A statement on the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located.



# Grand Rapids TIF Plan Sample Pages

## III. TAX INCREMENT FINANCING PLAN FOR GRAND RAPIDS DOWNTOWN DEVELOPMENT AREA NO. 1, AS AMENDED

This Tax Increment Financing Plan sets forth the procedures, requirements, amounts, and methods by which costs associated with the initiation and completion of project activities and improvements described in the Development Plan for Development Area No. 1, as amended, shall be financed.

### A. Tax Increment Financing Procedure

The tax increment financing procedure, as outlined in Act 197, requires the adoption by the City, by ordinance, of a Development Plan and a Tax Increment Financing Plan. Following the adoption of that ordinance, the City Treasurer transmits to the DDA that portion of the tax levy of taxing bodies paid each year on the "Captured Assessed Value" of real and personal property located in the Development Area No. 1 as provided for in this Tax Increment Financing Plan.

Presented in Tables B and C are schedules of the estimated captured, assessed value (taxable value) of real and personal property in Development Area No. 1, as amended. Also included are assessment values on properties for which an industrial facilities exemption certificate has been issued and were in effect pursuant to Act 198 of the Public Acts of 1974, as amended ("Act 198").

The Tax Increment Financing Plan for District A was approved in 1980. The most recent assessment of all taxable property in District A, at the time of the Plan approval in 1980, occurred on December 31, 1979, for tax year 1980. The Tax Increment Financing Plan for District B was approved in 1981. The most recent assessment of all taxable property in District B, at the time of the Plan approval in 1981, occurred on December 31, 1980, for tax year 1981. The Tax Increment Financing Plan for District C was approved in 1983. The most recent assessment of all taxable property in District C, at the time of Plan approval in 1983, occurred on December 31, 1982, for the tax year 1983. The Tax Increment Financing Plan for District D was approved in 1984. The most recent assessment of all taxable property in District D, at the time of Plan approval in 1984, occurred on December 31, 1983 for the tax year 1984. The Tax Increment Financing Plan for District E was approved in 1990. The most recent assessment of all taxable property in District E, at the time of Plan approval in 1990, occurred on December 31, 1989, for the tax year 1990. The most recent assessment of all taxable properties in District F occurred on December 31, 1996, for the tax year 1997. The Tax Increment Plan for Districts G and H were approved on May 7, 2002. The most recent assessment of all taxable properties in District G and District H, at the time this Plan takes effect in 2002, occurred on December 31, 2000 for the tax year 2001. The Tax Increment Plan for Districts I, J, and K were approved in 2007. The Tax Increment Plan for Districts L, M, N, O and P were approved in 2016. The most recent assessment of all taxable properties occurred on December 31, 2016 for the tax year 2017.

To provide for an accounting of assessed values on personal property in all sixteen districts of the Grand Rapids Development Area No. 1 (Development Area No. 1), the City has established a tax report filing system, requiring owners to file an annual report with the City Assessor. The report contains, among

Table 2  
CITY OF GRAND RAPIDS, MICHIGAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
SUMMARY OF ESTIMATED 2017 CAPTURED ASSESSED VALUES AVAILABLE FOR CAPTURE  
NOVEMBER 10, 2016

DISTRICT	AD VALOREM					IFT NEW Post-1993		2017/FY2018 ESTIMATED CAPTURED VALUE BY DISTRICT
	REAL PRE / HOMESTEAD	REAL NON-PRE NON-HOMESTEAD	PERSONAL PROPERTY			Real	Personal	
			Utility	Industrial	Commercial			
A	\$ 9,481,048	\$ 112,916,332	\$ (26,754)	\$ (47,922)	\$ 18,476,178	\$ -	\$ -	\$ 140,798,882
B	5,320,229	32,814,886	609,756	-	1,926,882	-	-	40,671,753
C	721,229	64,164,685	3,100,494	(437,276)	8,397,048	-	-	75,946,180
D	-	3,971,512	1,040,094	(35,280)	283,152	-	-	5,259,478
E	21,050,649	23,797,013	1,236,036	-	3,615,900	-	-	49,699,598
F	(23,165)	129,064	96,084	(49,000)	(155,526)	175,249	-	172,706
G	-	6,807,391	-	-	(1,750,966)	-	-	5,056,425
H	-	-	-	-	-	-	-	-
I	(124,793)	5,706,424	-	484,704	(183,260)	705,534	493,578	7,082,186
J	-	(1,401,027)	-	-	102,000	-	-	(1,299,027)
K	-	-	-	-	-	-	-	-
New District L	3,291	14,448	-	-	522	-	-	18,261
New District M	-	-	-	-	-	-	-	-
New District N	-	80	-	-	136	-	-	216
New District O	-	10,818	-	7,092	-	-	-	17,910
New District P	-	127,160	-	3,136	62,940	-	-	193,236
<b>TOTAL</b>	<b>\$ 36,428,487</b>	<b>\$ 249,058,786</b>	<b>\$ 6,055,710</b>	<b>\$ (74,546)</b>	<b>\$ 30,775,006</b>	<b>\$ 880,783</b>	<b>\$ 493,578</b>	<b>\$ 323,617,804</b>
<b>Totals by Capture Category</b>								
<b>A - G</b>	\$ 36,549,989	\$ 244,600,882	\$ 6,055,710	\$ (569,478)	\$ 30,792,668	\$ 175,249	\$ -	\$ 317,605,021
<b>A - G minus F</b>	36,573,155	244,471,819	5,959,626	(520,478)	30,948,194	-	-	317,432,316
<b>District F only</b>	(23,165)	129,064	96,084	(49,000)	(155,526)	175,249	-	172,706
<b>Dists I and J only</b>	(124,793)	4,305,397	-	484,704	(81,260)	705,534	493,578	5,783,160
<b>L, N, O, and P</b>	3,291	152,506	-	10,228	63,598	-	-	229,623

Note 1: Non-overlapping areas of this district may capture all school and local mills to the extent allowed by the DDA Act.  
 Note 2: Kent County opted out of this district so the DDA may only capture City of Grand Rapids, Interurban Transit Partnership, & Grand Rapids Community College mills.  
 Note 3: This district overlaps the SmartZone LDFA which captures all local mills and 50% of school mills. Since the DDA isn't capturing City and County mills here, it may also not capture any school mills.  
 Note 4: Kent County and GR Community College opted out of this district so the DDA may only capture City of Grand Rapids and Interurban Transit Partnership mills.  
 Note 5: Although District K may legally capture City of Grand Rapids and Interurban Transit Partnership mills for this District, the SmartZone LDFA existed prior to the DDA in this district, so the SmartZone captures those tax increment revenues rather than the DDA.  
 Note 6: This district overlaps the WestSide CID which captures all local mills. Since the DDA isn't capturing City and County mills here, it may also not capture school mills.  
 ddaplannment2016.xls jmw 10/10/2016

A blue-tinted photograph of a city street at night. The scene is illuminated by strings of warm white lights hanging across the street. In the foreground, several people are sitting on modern, curved concrete benches. A bicycle is parked on the left. In the middle ground, a group of people is walking across the street. In the background, there are streetlights, traffic signals, and signs, including one that says "P. LAWYER". The overall atmosphere is vibrant and urban.

# PLAN UPDATES

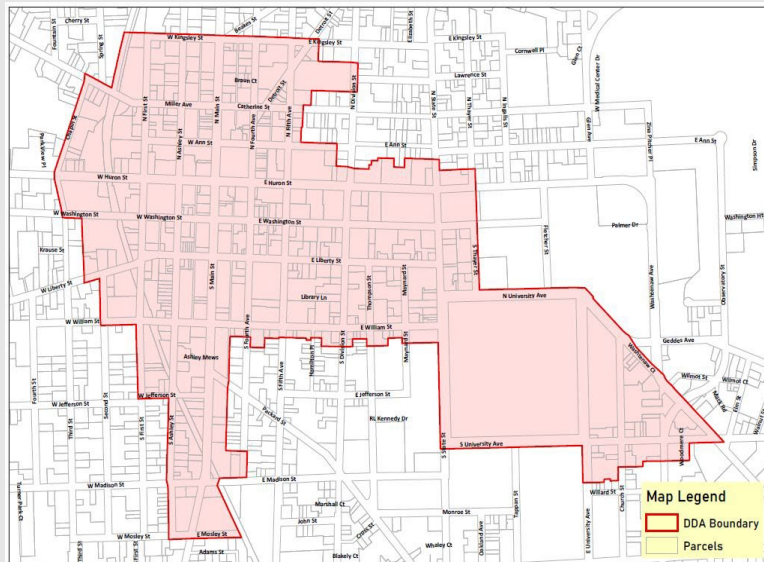
GRAND RAPIDS & TRAVERSE CITY



# Overview

## Ann Arbor DDA

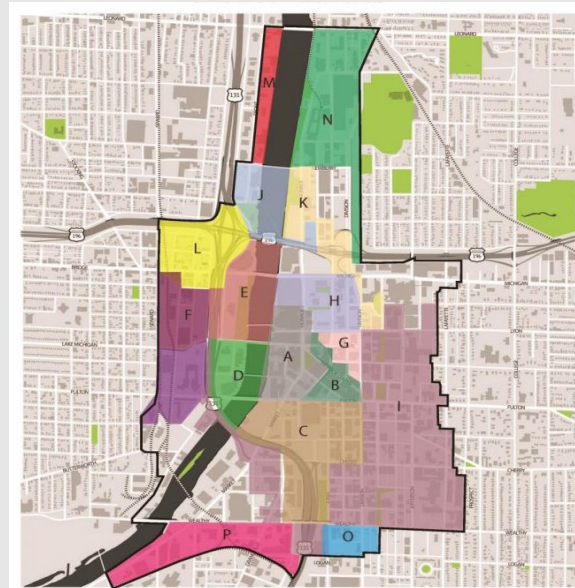
- 1 TIF District; 271 acres
- 8 employees, 12 board members
- Total TIF Revenue: \$8.4M



Ann Arbor DDA

## Downtown Grand Rapids Inc.

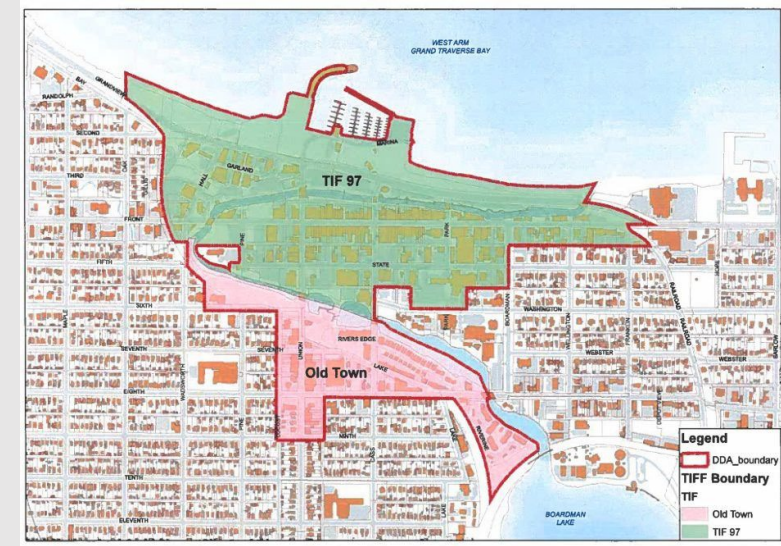
- 16 TIF Districts; 873 acres total
- 18 employees, 9 board members
- Total revenue: \$11.4M



Downtown Grand Rapids Inc.

## Traverse City DDA

- 2 TIF Districts; 193 acres total
- 8 employees, 12 board members
- Total revenue: \$7.13M



Downtown Traverse City

# Development and TIF Plan Latest Update and Process

Ann Arbor	Grand Rapids	Traverse City
Development Plan: 2003	Development Plan: 2016	Development Plan: 2016
TIF Plan: 2003	TIF Plans: 2016	TIF plans: 2011 & 2016
	Update underway	Update underway
	2016 update - informed by a community-driven Downtown Plan	Current update - informed by community-driven downtown vision

# Plan Efforts

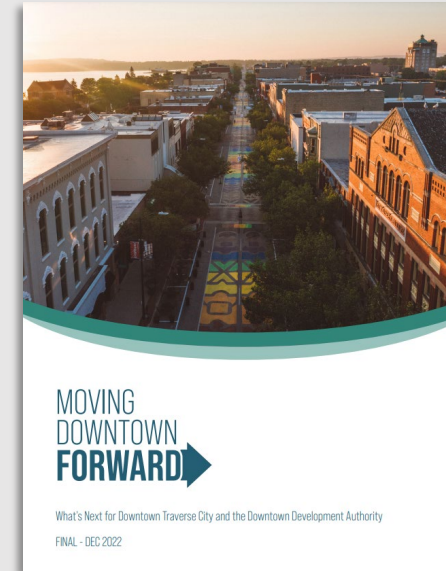


## GRAND RAPIDS

~22 Month process

City/DDA collaboration. Consultant effort included:

- Public engagement to inform a downtown vision & guide investment.
- Equity-driven economic growth recommendations.
- Detailed downtown analysis –physical features, trends, and demographics.



## TRAVERSE CITY

~20 Month process

Consultant effort included:

- Public engagement to inform a downtown vision & TIF Plan.
- Revenue sharing models and funding sources.
- Detailed market assessment and emerging trends and best-practices.



An aerial, high-angle photograph of a city street intersection, overlaid with a semi-transparent blue filter. The street is labeled 'N. University' at the top. On the right side, there are buildings with storefronts for 'BIVOLAC' and 'THE ANN ARBOR COFFEE ROASTING CO.'. A 'VAN BOVEN' sign is visible above a doorway. The street has crosswalks, traffic lights, and several cars and pedestrians. The text 'DOWNTOWN A2 COORDINATING EFFORTS' is prominently displayed in the center in a bold, white, sans-serif font.

# DOWNTOWN A2 COORDINATING EFFORTS

# DDA TIF Workplan + Coordination **Downtown Planning Efforts**

## **City Comprehensive Plan** (Planning Department led, DDA involvement)

- Guide the City's physical development, policymaking, and programming over the next 25 years +, including a new downtown plan.
- Provide a framework for achieving the City's desired goals, ensuring its diversity, supporting investment and promoting desired change.

## **Downtown Circulation Study** (DDA-led, with Transportation Department cost share)

- Study how street changes can meet a range of community goals and create an implementation strategy. This includes the remaining bike connections into and through downtown, transit priority streets, an event street evaluation, and a 5<sup>th</sup> & Division two-way traffic feasibility study.

## **MDOT Jurisdictional Transfer Study** (Transportation Department led, DDA involvement)

- Identify the cost and benefits of City ownership of the trunklines to inform a discussion about future ownership of these corridors.

## **Downtown Energy Utility Study** (DDA/OSI co-led)

- Assess solar and geothermal opportunities downtown to support the creation of a Public Energy Utility.

## **Ongoing Data Collection & Analysis**

- Pandemic Recovery Report
- State of Downtown Report
- Project outcome tracking

**The updated Downtown Plan will refine a downtown vision; these efforts collectively will identify downtown needs.**

# Why create a new A2 DDA Plan?

## Alignment & Stewardship

The current A2 DDA plan was created in 2003. A new plan will:

- Reflect updated City goals and ongoing efforts.
- Address new opportunities and needs in pandemic recovery and beyond.
- Ensure the highest level of transparency & stewardship.
- Better align with updated State Statute.



# DDA TIF Workplan + Coordination

## Downtown Planning Efforts

PLANNING EFFORTS	2023				2024				2025				2026			
	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win
Downtown Circulation Study		█	█	█	█	█										
City Comp Plan - Downtown Plan		█	█	█	█	█	█	█								
MDOT jurisdictional transfer study	█	█	█	█												
Downtown Energy Utility Study			█	█	█	█										
City CIP			█	█			█	█			█	█			█	█

# DDA TIF Workplan

## Programs and Policy

PLANNING EFFORTS	2023				2024				2025				2026			
	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win
Program and Policy Research – Other DDA’s																
Maintenance & Service																
Baseline Maintenance & Service Coordination w/ City Public Services																
DDA storage space consolidation & relocation																
Wayfinding system evaluation & maintenance																
Data Collection & Analysis	---Ongoing---															
Public Restroom Location Assessment & Pilot																
Public Art Program Creation																

An aerial, blue-tinted photograph of a city street intersection. The street is labeled 'N. University' at the top. On the right side, there are buildings with storefronts for 'BIVOLAC' and 'THE ANN ARBOR COFFEE ROASTING CO.'. A 'VAN BOVEN' sign is visible above a doorway. The street has crosswalks, traffic lights, and several cars and pedestrians. The text 'NEXT STEPS' is overlaid in large, white, bold letters in the center-left area.

# NEXT STEPS