City of Grand Rapids
Economic Development
Current State

February 6, 2018
City of Grand Rapids Economic Development Department
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This Strategy Plan draws heavily from the work of many plans and initiatives that preceded. In establishing the City of Grand Rapids Economic Development Strategy, we begin with the City’s Master Plan which records the community consensus on a vision for Grand Rapids. Since 2002 when the Master Plan was adopted by the City Commission, it has been amended and supplemented with various plans that are more focused on a singular aspect or geographic area and provide more detail about what the community desires. Most notable and relevant of these amendments are:

- **Green Grand Rapids** (2011) – focus on the importance of Green Infrastructure, sustainability and quality of life.
- **GR Forward** (2016) – The updated Master Plan for the downtown area, completed by DGRI.
- Various Area Specific Plans (ASPs) including:
  - Heritage Hill Master Plan Update (2005)
  - Belknap Neighborhood ASP (2010)
  - Boston Square ASP (2010)
  - State Street Corridor Plan (2013)
  - Michigan Street Corridor Plan (2015)
  - Briyaaat Development Plan (2007)
  - Monroe North ASP (2010)
  - U to the Zoo Plan (2012)
  - WestSide ASP (2014)
  - Grandville Avenue ASP (2017)

In addition to the Master Plan and its supplements, other planning and community engagement efforts have resulted in documents and strategies that support the community’s vision for its future. Each of these plans were developed through community engagement and public processes, and have been endorsed by the City Commission. This Economic Development Strategy draws from and is informed by the priorities developed in each of these plans, and we owe a debt of gratitude to those who prepared and contributed to the plans. These include:

- **Transformation Plan** (2010) – The Transformation Plan is a continually updated document that was originally developed to provide a path forward for the City out of the budget deficits of mid-to-late 2000’s. The Transformation Plan lays out strategies for investing in cost-saving initiatives that improve services to residents. The Transformation Plan provided the pathway to financial sustainability. Now in its third phase, the plan now focuses on sustainability and efficiency to maintain a high level of service to residents while remaining fiscally sound.

- **Sustainability Plan** (2010) – Another plan that is regularly updated, the Sustainability Plan defines the City’s approach to an economic, social and environmentally sustainable future. The most recent update of the Sustainability Plan added a fourth aspect of “Governance” and is intended to keep the City on its path of high quality service in a financially sound manner.

- **Great Housing Strategies** (2015) – In response to the current housing market, the City engaged its citizens and stakeholders to develop strategies aimed at ensuring all Grand Rapidians have a place to live in our community. Great Housing Strategies defines short, medium and long-term goals that involve policy and legislative reforms and new partnerships that are needed to meet these goals.

Finally, there are many City departments that support the work of Economic Development, and the outcomes that have been able to be achieved would not be possible without these internal partners. Most notable among these are the Executive Office, Treasurer’s Office, Assessor’s Office, Fiscal Services Department, Planning Department, Development Center, Mobile GR and Parking Services and Engineering Department. These departments work tirelessly behind the scenes to support the projects and programs of the Economic Development Department, and we are grateful for their efforts.
B. BACKGROUND AND COMMUNITY OVERVIEW

All data below come from the 2016 American Community Survey 1-year estimates, unless otherwise noted.

Demographics

- Population: 196,458
- Hispanic: 15%
- Black: 18%
- White: 59%
- Asian: 2%
- 2+ Races: 5%
- Other: 1%

Economics

- Average commute: 19.1 Minutes
- Per capita income: $23,173
- 68.8% labor force participation
- 4.5% Unemployment (12/2017)**
- Median Household Income: $45,795

Largest employment sectors*:  
- Healthcare
- Manufacturing
- Retail*

Employment Migration:
- Live and Employed in GR: 28,830
- Live in GR, Employed Outside pf GR: 52,807
- Live outside GR, Employed in GR: 92,854

Housing

- 73,880 Households
- Average household size: 2.6 persons
- Median Home Value: $134,500
- Median Contract Rent: $848/month
- 93% of housing is occupied
- 54% is owner-occupied

Education

- Largest Educational Institutions:***
  - Grand Valley State University
  - Grand Rapids Community College
  - Calvin College
  - Cornerstone University

- Most common degrees:***
  - Liberal Arts and Sciences (29.7%)
  - General Business and Management (2.85%)
  - Registered Nursing (2.09%)

All data from the American Community Survey (ACS) 2016 one-year estimate, except:

* ACS 2011-2015 5-year estimates
** Michigan Dept. of Technology, Management and Budget
*** National Center for Education Statistics
C. CURRENT STATE OF ECONOMIC DEVELOPMENT IN GRAND RAPIDS

**Mission:** Our mission is to retain and foster employment opportunities by improving our business environment and encouraging sustainable business development. Our economic development effort is aimed at facilitating greater levels of economic prosperity through innovation, collaboration and the linking and leveraging of resources.

This work is accomplished with overarching goals that are achieved by work in four focus areas.

<table>
<thead>
<tr>
<th>Real Estate Development</th>
<th>Business Development</th>
<th>Neighborhood Economic Development</th>
<th>Entrepreneurship and Innovation</th>
</tr>
</thead>
</table>

**Grand Rapids Economic Development**

Thriving and diverse economy, strong employment and job growth, access to economic opportunity.

Programs – Partnerships – Contracts

Continuous improvement through innovation and collaboration

The goals of the department are derived from the community and City Commission endorsed plans that are detailed above. The priorities for Economic Development that are found as common themes within these various plans include:

- Reuse of Brownfield property
- Predictability for the development and investor community
- Sustainable development
- Job creation
- Public-private partnerships
- Mobility – coordinate job centers with transit
- Broaden access to economic opportunity for all citizens
- Quality of development
- Diverse economic base
D. PROGRAMS AND IMPLEMENTATION

Within each of the focus areas listed in Section B, there is work that is accomplished by City staff, but also work that is accomplished by leveraging partnerships with other public and private partners in the community, taking advantage of those partners’ strengths and resources. The City also contracts for services where the work of other organizations can assist the City in achieving its goals. Following is an overview of the focus areas, including the specific programs and partnerships within each focus area, and the goals we aim to achieve.

**REAL ESTATE DEVELOPMENT**

*Boards: Brownfield Redevelopment Authority, Economic Development Corporation*

**GOALS**
- Reutilization of vacant and/or obsolete property
- Mixed-use development
- New private investment
- New job creation
- New housing units created

**PROGRAMS**
- Brownfield Redevelopment Program
- Obsolete Property Rehabilitation Program
- Neighborhood Enterprise Zone Program
- Grants and Loans as available

**PARTNERS**
- Michigan Economic Development Corporation
- Michigan Department of Environmental Quality
- United States Environmental Protection Agency

**BUSINESS DEVELOPMENT (RETENTION AND EXPANSION)**

*Boards: Economic Development Corporation*

**GOALS**
- Retain existing businesses in Grand Rapids
- Assist businesses with expansion
- Connect businesses to available resources to facilitate growth
- Attract new businesses to Grand Rapids

**PROGRAMS**
- Industrial Facilities Exemption
- Personal Property Exemption
- Obsolete Property Rehabilitation Exemption
- Commercial Rehabilitation Exemption
- Business Retention Visits

**PARTNERS**
- The Right Place, Inc.
- Michigan Economic Development Corporation
- West Michigan Works!
- Michigan Manufacturing Technology Council
- Grand Rapids Area Chamber of Commerce

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MEDC
MDEQ
U.S. EPA
IFT
328
OPRA
210
RPI
MEDC
WMWorks!
MMTC
GRACC
### NEIGHBORHOOD ECONOMIC DEVELOPMENT

**Boards:** Corridor Improvement District Authorities (5), Business Improvement District Authority, Economic Development Corporation

| GOALS | Strong and unique neighborhood business districts  
Organized leadership in neighborhood business association  
Small Business Development  |
|-------|---------------------------------------------------|
| PROGRAMS | Corridor Improvement Districts  
Business Improvement Districts  
Capacity building in Neighborhood Business Districts  |
| PARTNERS | Business Associations  
Neighborhood Associations  
Neighborhood Business Alliance  
Grand Rapids Area Black Businesses  
West Michigan Hispanic Chamber of Commerce  |

### ENTREPRENEURSHIP AND INNOVATION

**Boards:** SmartZone℠ Local Development Finance Authority, Economic Development Corporation

| GOALS | Positive environment for new business development in high tech and medical industries  
Support multi-cultural entrepreneurship and innovation in diverse neighborhood business districts  |
|-------|---------------------------------------------------|
| PROGRAMS | SmartZone℠ Local Development Finance Authority  
Economic Development Corporation  
MedioDia  
Grand Rapids Area Black Businesses 5  
Latino Entrepreneurship Initiative  |
| PARTNERS | West Michigan Hispanic Chamber of Commerce  
Grand Rapids Area Black Businesses  
Ferris State University Latino Business & Economic Development Center  
Start Garden  
The Right Place, Inc.  
Lakeshore Advantage  |

Economic Development also assists other City departments when the need arises and our expertise contributes to projects that support our intended outcomes. Many of the projects detailed in Section G below are cross-departmental collaborations that lay the foundation for the work we do.
E. **BOARDS AND COMMISSIONS**

The Economic Development Department serves as staff and administration for nine boards. In all, up to 74 individuals from the community are participating in an official capacity to inform and direct the strategy of their respective board and are critical to achieving the outcomes of the department. Beyond those serving officially, numerous committees have been established that allow for additional community stakeholders to be involved at various levels of commitment.

The nine boards, membership information and general responsibilities are listed below.

<table>
<thead>
<tr>
<th>BOARD</th>
<th>MEMBERSHIP</th>
<th>GENERAL RESPONSIBILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brownfield Redevelopment Authority / Economic Development Corp.</td>
<td>Nine (9) members Mayoral Appointment Six (6) year terms</td>
<td>Review redevelopment and business expansion projects Make recommendation to City Commission on use of the various programs Review staff recommendations on projects</td>
</tr>
<tr>
<td>SmartZone℠ Local Development Finance Authority</td>
<td>Eleven (11) members &amp; up to three (3) ex-officio members Seven (7) Mayoral appointments, one (1) Kent County Commission appointment, one (1) Grand Rapids Community College appointment, &amp; two (2) Grand Rapids Public Schools appointment Four (4) year terms</td>
<td>Support projects and programs benefitting high technology entrepreneurs and businesses via investment such as services and infrastructure. Determine new ways to foster and engage with the changing entrepreneurial ecosystem in Grand Rapids and West Michigan.</td>
</tr>
<tr>
<td>Corridor Improvement Authorities</td>
<td>Nine (9) members per board Mayoral appointment Four (4) year terms</td>
<td>Manages the use of tax increment financing to make capital improvements within an established commercial district by assisting economic development and redevelopment. Specific goals include: (a) Encourage the recruitment and retention of businesses and employment (b) Provide direction for desired land use and development within the district (c) Improve the overall business climate of the district and deter economic decline (d) Expand the tax base for the district and for the city (e) Enhance the visual aspects of the district while preserving its unique qualities</td>
</tr>
<tr>
<td><strong>Uptown Business Improvement Authority</strong></td>
<td>Nine (9) members Mayoral appointment Four (4) year</td>
<td>To promote and encourage community and economic vitality and growth of a neighborhood business district through marketing, development and the provision of enhanced services to the district. Specific tasks include: (a) Creating a consistent and reliable funding resource that proportionally shares the cost of maintenance and improvements among all Uptown business property owners who receive benefit from the services provided. (b) Establishing a representative body of stakeholders that directly make decisions for expending funds in the district and ensures that the work plan is implemented. (c) Providing complimenting support of the investment of the Uptown CID to continue building stronger, viable, and vibrant business corridors that create jobs, bringing new commercial investment, and attracting new residents.</td>
</tr>
</tbody>
</table>

In the coming year, it is anticipated that the establishment of an additional CID will be considered by the City Commission, which is related to the Equitable Development Plan detailed in Section F below. The feasibility study for the proposed Burton/Grandville/South Division CID has been completed and is being circulated for review by stakeholders. This will bring the number of boards administered by the department to a total of 10, with up to 83 individuals serving in advisory capacity to inform the work of the department.
F. OUTCOMES

The Economic Development Department measures outcomes that are important in determining the effectiveness of its programs and the benefit and value that the department’s efforts deliver to the City and its residents. The outcome tracked and reported on are defined in various plans approved by the City. The primary outcomes that are reported are included in the visual below, which details the projects approved by the City Commission from 2003 through 2017.

### Investment & Job Creation

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
<th>Private Investment</th>
<th>New Jobs</th>
<th>Total New Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>37</td>
<td>$131,254,836</td>
<td>1,126</td>
<td>$337,800</td>
</tr>
<tr>
<td>2004</td>
<td>25</td>
<td>$145,758,237</td>
<td>1,362</td>
<td>$464,858</td>
</tr>
<tr>
<td>2005</td>
<td>29</td>
<td>$345,971,715</td>
<td>3,127</td>
<td>$1,374,523</td>
</tr>
<tr>
<td>2006</td>
<td>42</td>
<td>$159,026,023</td>
<td>1,147</td>
<td>$613,079</td>
</tr>
<tr>
<td>2007</td>
<td>64</td>
<td>$372,592,650</td>
<td>2,610</td>
<td>$1,685,884</td>
</tr>
<tr>
<td>2008</td>
<td>34</td>
<td>$259,641,697</td>
<td>1,178</td>
<td>$866,546</td>
</tr>
<tr>
<td>2009</td>
<td>24</td>
<td>$142,619,927</td>
<td>480</td>
<td>$432,738</td>
</tr>
<tr>
<td>2010</td>
<td>52</td>
<td>$273,416,486</td>
<td>1,996</td>
<td>$1,745,997</td>
</tr>
<tr>
<td>2011</td>
<td>50</td>
<td>$130,406,410</td>
<td>552</td>
<td>$496,437</td>
</tr>
<tr>
<td>2012</td>
<td>49</td>
<td>$81,735,312</td>
<td>710</td>
<td>$496,847</td>
</tr>
<tr>
<td>2013</td>
<td>33</td>
<td>$155,414,242</td>
<td>709</td>
<td>$612,577</td>
</tr>
<tr>
<td>2014</td>
<td>30</td>
<td>$145,153,987</td>
<td>534</td>
<td>$577,702</td>
</tr>
<tr>
<td>2015</td>
<td>49</td>
<td>$436,485,040</td>
<td>917</td>
<td>$944,192</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
<td>$565,692,839</td>
<td>2,467</td>
<td>$2,197,229</td>
</tr>
<tr>
<td>2017*</td>
<td>12</td>
<td>$172,728,806</td>
<td>835</td>
<td>$839,435</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>568</td>
<td><strong>$3,517,898,207</strong></td>
<td><strong>19,750</strong></td>
<td><strong>$13,685,844</strong></td>
</tr>
</tbody>
</table>

*As of 1/4/2018
In addition to the metrics shown above, the Economic Development Department tracks and reports on the value streams and targets associated with the Transformation Plan and the Sustainability Plan.

### Transformation Plan Value Streams and status as of October, 2017:

<table>
<thead>
<tr>
<th>No.</th>
<th>Value Stream</th>
<th>Status as of October, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-01</td>
<td>Review and amend tax increment finance plan, including boundaries of Grand Rapids SmartZone</td>
<td>Completed</td>
</tr>
<tr>
<td>10-02</td>
<td>Facilitate development of MSU Research Facility on former Grand Rapids Press Property</td>
<td>Completed</td>
</tr>
<tr>
<td>10-03</td>
<td>Improve outcomes generated by Start Garden and The Right Place each fiscal year</td>
<td>Implementing</td>
</tr>
<tr>
<td>10-05</td>
<td>Leverage Bus Rapid Transit operations to improve investments in neighborhood business districts along the Division Corridor (Burton/Division) and incorporate TOD within Southtown CID and Grandville CID</td>
<td>Key decision in 90-160 days</td>
</tr>
<tr>
<td>10-06</td>
<td>Support innovation and entrepreneurship at the neighborhood level through investment in direct services</td>
<td>Implementing</td>
</tr>
<tr>
<td>10-07</td>
<td>Match public investment and incentives to private and other investments to encourage improvements of business districts. Create measurables and collect data from CIDs</td>
<td>Implementing</td>
</tr>
<tr>
<td>10-09</td>
<td>Consider and develop new financial incentive models with community partners</td>
<td>Key decision in 90-160 days</td>
</tr>
<tr>
<td>10-10</td>
<td>Proceed with financial and logistical planning required to relocate facilities deployed on the 201 Market Property and the marketing of the site for redevelopment</td>
<td>Key decision in 30-90 days</td>
</tr>
<tr>
<td>10-12</td>
<td>Partner with DGRI based on GR Forward Plan to increase level of innovation and entrepreneurship employment within the DDA and SmartZone</td>
<td>No key decision in 160 days</td>
</tr>
<tr>
<td>10-16</td>
<td>Develop and implement a Strategic Plan for attraction of blue economy, water-based, business development opportunities</td>
<td>No key decision in 160 days</td>
</tr>
<tr>
<td>11-07</td>
<td>Increase the use of Brownfield incentives to improve vital neighborhood infrastructure</td>
<td>Implementing</td>
</tr>
<tr>
<td>11-08</td>
<td>Further develop the service delivery neighborhood econ gardening in city</td>
<td>Implementing</td>
</tr>
<tr>
<td>11-13</td>
<td>Establish best practices and coordinate programs to make mixed income housing projects more achievable</td>
<td>Key decision in 30-90 days</td>
</tr>
<tr>
<td>11-17</td>
<td>Create a voluntary “Housing Opportunity Certification” program to provide independent, third-party ratings for quality, sustainable, mixed-income housing</td>
<td>Not Pursuing</td>
</tr>
<tr>
<td>11-18</td>
<td>Engage the community in an Area Specific Plan for the Division Corridor (Wealthy/28th, Grandville CID)</td>
<td>Key decision in 90-160 days</td>
</tr>
<tr>
<td>No.</td>
<td>Target</td>
<td>Status as of October, 2017</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>1.1.1.1</td>
<td>Ensure that SmartZone continues to cultivate innovation and entrepreneurship progress in bio-tech, health services, and other knowledge-based industries through contracts with Start Garden and other service providers by June 30, 2021</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.1.2.1</td>
<td>Encourage institutions to expand curriculum within education programs that anticipate the workforce needs, including biotechnology, health services, and other sectors by June 30, 2021</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.2.1.1</td>
<td>Increase the number of new businesses located in Grand Rapids by 35 by June 20, 2021</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.2.1.2</td>
<td>Increase collaboration with Entrepreneurial Support Organization Partners by referring at least 25 businesses and providing subsequent assistance annually</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.2.1.3</td>
<td>Support $500 million in private investment by June 30, 2021 ($100 million per year)</td>
<td>Completed</td>
</tr>
<tr>
<td>1.2.1.4</td>
<td>Increase the diversity of business types in the downtown area by 10% by June 30, 2021</td>
<td>Key decision in 30-90 days</td>
</tr>
<tr>
<td>1.3.1.1</td>
<td>Ensure that 80% of jobs created or retained with incentives will be permanent, full-time employment with benefits annually</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.3.1.2</td>
<td>At least 22 projects will utilize incentives designed to assist with projects that redevelop or reuse blighted contaminated, functionally obsolete, and vacant properties by June 30, 2017</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.3.1.4</td>
<td>Assist with projects that create or retain at least 4,500 jobs by June 30, 2021</td>
<td>Implementing</td>
</tr>
<tr>
<td>1.3.1.6</td>
<td>Create incentives for development of socially responsible B-Corporations by June 30, 2021</td>
<td>No key decision in 160 days</td>
</tr>
<tr>
<td>2.1.1.1</td>
<td>Reevaluate economic development incentives to promote quality design and construction, green buildings, and to promote use of transit by June 30, 2021</td>
<td>Key decision in 90-160 days</td>
</tr>
<tr>
<td>2.1.1.2</td>
<td>Decrease or repurpose the number of vacant lots or brownfields by 10 to 20% while increasing the number of completed lots that preserve historic buildings by 30% by June 30, 2021</td>
<td>Not Pursuing</td>
</tr>
<tr>
<td>2.3.1.1</td>
<td>Increase the diversity of neighborhood business districts by ensuring 20 new businesses are established in neighborhood business districts annually by minority populations by June 30, 2021</td>
<td>Implementing</td>
</tr>
</tbody>
</table>
G. CURRENT MAJOR PROJECT IMPLEMENTATION

There are several significant projects in which Economic Development staff are engaged. These are generally projects that are highly collaborative in nature, and are often accomplished through public-private partnerships. Details of the major projects currently in implementation or recently completed are found below.

201 Market
The City is considering the sale of a major piece of downtown real estate, and the Economic Development Department is playing a key role in the process. The sale is intended to activate 17 acres of property located directly on the Grand River on the south side of downtown. In the process, the City will have to relocate its public works and various other facilities to make the site available for redevelopment. As of November 2017, the City has completed its due diligence on the feasibility, issued a Request for Qualifications (RFQ) and Request for Proposals (RFP), and is received three proposals. The City’s review team has prioritized one proposal for further consideration, with two other submissions still active, and is working through a due diligence phase. Work on this project will continue throughout the next year.

Brownfield Local Revolving Fund
The Brownfield Redevelopment Authority established the Local Site Remediation Revolving Fund (LSRRF) as authorized under Section 8 of the Act 381 of the Public Acts of Michigan of 1996, as amended (the “Act”). The LSRRF is primarily funded by tax increment revenues generated from completed Brownfield projects in Grand Rapids, and is able to provide grants and loans (up to $50,000) to new Brownfield projects in the City to fund eligible activities as described in the Act. The program intends to identify, and assist with the elimination of brownfield conditions in the City.

Under the current policy, established in 2015, projects may be considered for LSRRF funding and must meet some or all of the following: 1) demonstrated financial need, 2) alleviation of contaminants and/or blight, 3) implementation of green design elements, 4) leveraging of private investment, 5) creation of jobs or residential dwellings, and 6) furthering the City’s Master Plan, including Area Specific Plans. It is anticipated use that the LSRRF will be prioritized for projects that do not generate tax revenue, such as non-profit initiatives like affordable housing, and infrastructure for use by the public.

Comprehensive Economic Development Strategy (CEDS)
Each year, Economic Development staff assists the West Michigan Regional Planning Commission (WMRPC) in updating the annual CEDS report for Region 8. This document is submitted to the U.S. Economic Development Administration (USEDA) by the WMRPC, and includes projects for potential funding by the USEDA in a seven-county area in West Michigan. The City of Grand Rapids submits approximately ten projects each year, with a primary focus on significant infrastructure improvement projects.

Housing
The Mayor established a Housing Advisory Committee which met throughout 2016 and submitted recommendations to the City Commission. The City Commission has discussed twelve recommendations
in working session, and staff is currently evaluating the Commissions’ desired next steps. Economic Development is leading this evaluation for two of the recommendations and this work will conclude in the coming year.

Racial Equity Evaluations

In early 2017, Economic Development staff began the process of evaluating its programs, policies and procedures through an equity lens. Initial outcomes of the evaluation indicate that there are opportunities to advance equity through strategic alignment of EDO programming and the Micro-Local Business Enterprise program administered by the Office of Diversity and Inclusion, as well as implanting new and innovative strategies to promote women and minority owned-business enterprise through good-faith efforts and business development support.

The goal is to utilize the tools we have available, and the influence the City can exert, to work towards a community that is economically resilient due to the shared prosperity of all of its residents by creating equitable access to the economic opportunities generated with support of the City’s investments.

Redevelopment Ready Communities

As part of its partnership with the Michigan Economic Development Corporation, the City is actively engaged in the process of becoming a Redevelopment Ready Certified Community. This certification involves a thorough evaluation of many City departments and their business processes and makes recommendations on how the City can be more redevelopment ready. Once the recommendations are implemented, the City will become certified which indicates that it has approved plans outlining a vision for the community and has predictable and effective processes in place for when an investment is proposed.

SmartZone® Holland Regional Partnership

On October 28, 2015, the Michigan Economic Development Corporation and the State of Michigan Treasurer approved an application submitted by the Grand Rapids SmartZone to establish a Holland Satellite SmartZone District in the City of Holland and in Holland Township in Ottawa County. The addition of the Holland Satellite added value and economy to the Authority by (a) enabling joint marketing of the West Michigan region as a destination for entrepreneurship and innovation; (b) providing access to the services, facilities, and resources offered by the Holland Satellite and its partner Lakeshore Advantage and/or within the Holland Satellite District including the Michigan State University Bioeconomy Institute; and (c) encouraging and promoting regional collaboration of high technology activity within west Michigan. In return, the Holland Satellite benefits from a collaborative partnership with the Grand Rapids SmartZone’s incubator and business development services.

SmartZone® RFP

The SmartZone® Local Development Finance Authority (LDFA) Board issued a RFP to identify opportunities to invest in activities that support high-technology businesses and entrepreneurs by furthering the Smartzone® LDFA’s mission and strategic priorities, as outlined in their 2016 Amended Development Plan and Tax Increment Financing Plan. The strategic priorities of the Smartzone® LDFA include: 1) Inspiration, Mentoring, and Access to Resources; 2) Infrastructure and Physical Resource; 3) Connection and
Awareness; and 4) Talent. As of October, 2017, proposals have been received and are under evaluation by the Board. The applicants selected by the Board will be contracted to carry out their proposed project or service over the next few years.

Southtown Area Specific Plan

Economic Development and Planning are working with the Southtown Corridor Improvement Authority board on the development of an Area Specific Plan for five of its business districts (Franklin & Eastern, Madison Square, Boston Square, Seymour Square, and Alger Heights). This is an effort to set district and community priorities in terms of redevelopment, land use and over all community concerns from a planning perspective. The CID board is currently finalizing its selection of a consultant and will shortly begin outlining its community engagement strategy.

West Michigan Economic Partnership (WMEP) Restructuring

The Intergovernmental Agreement forming the WMEP expires in 2017. The WMEP is an intergovernmental collaborative that consists of seven municipalities: Cascade Township, City of Grand Rapids, City of Kentwood, City of Muskegon, City of Wyoming, Kent County, and Muskegon County. The WMEP’s focus has been on marketing strategic properties throughout the municipalities. However, the development incentives have expired, and as a result, the reason for the WMEP to exist has significantly diminished. The WMEP has recommended to allow a legal and formal lapse of the Intergovernmental Agreement and replace the WMEP with an advisory committee to The Right Place and Muskegon Area First called West Michigan Logistics Improvement Committee (WMLIC). WMLIC will allow for collaboration to continue with a focus on freight logistics. It will also allow the partnership to expand by adding more communities, such as the City of Walker and Ottawa County.
H. PLAN FOR STRATEGY REVIEW AND REVISION

This Economic Development Strategy is intended to be a document that is reviewed and revised as the community progresses toward its goals, and the economy changes over time. The Economic Development department operates with a continuous improvement mindset, and adheres to the Plan, Do, Check, Act mentality which leads to ongoing review and revision in order to achieve intended outcomes.

Beginning in 2018, the Economic Development Department intends to engage in a comprehensive strategic planning process, have third party review of its programming and outcomes, and collaborate with stakeholders to develop an in-depth strategy to guide the operations of the department over the next several years.

Further, as Grand Rapids experiences continued rapid growth, it is clear that the benefits of that growth are not being experienced by all of the City’s residents; in fact, the effects of this growth may be exacerbating already disparate outcomes and impacting historically marginalized communities most disproportionately. This applies especially to people of color. In order to address these outcomes, targeted approaches will be necessary. Such approaches must be informed through authentic engagement with communities most impacted. This will be a consideration in the strategic planning for the future.
City of Grand Rapids
Economic Development Project Projections

2017

835 JOBS
average wage of $24.12 per hour

200 jobs retained

12 PROJECTS
Real Estate Development: 8
New/Expanding Businesses: 4

$839 THOUSAND
New annual city taxes
Income Taxes: $462,000
Property Taxes: $377,000

189 NEW HOUSING UNITS

First Place recognitions of Grand Rapids

- Fastest Growing Large Metro Economy 2016 - Headlight Data, 7/2017
- Fastest Growing Economy Among Big Cities - Forbes, 8/2017
- #1 City for Millennial Home Buying 2018 - Business Insider, 12/2017

$173,000,000
Private investment
Real Property = $170 M / Personal Property = $3 M
The project involves the redevelopment of 2.8 acres of property for a mixed-use, mixed-income project. All the previously existing industrial buildings on site were demolished and environmental concerns addressed. The project includes 2 new mixed-use multi-story buildings that will contain a combined total of nearly 28,000 square feet of ground floor commercial space, 160 residential apartments, community space, and a multi-story parking structure. This project will help create 60 new FTE jobs with an average wage of $12.00 per hour, and create a more walkable Michigan Street.
NxGen MDx LLC is a leading clinical molecular diagnostics laboratory that offers genetic molecular screening to help guide family planning decisions. The company, which began at the Grand Rapids SmartZone life science incubator, moved to their current location in the American Seating Office Park in 2014. In 2016 NxGen planned an expansion that would increase the laboratory’s testing capacity. They were approved for a $250,000 Michigan Business Development Program performance-based grant through the State and a 5-year PA 328 Property Tax Abatement through the City. This project will bring 37 new high-tech, life science jobs with average wages of $24.85/hr, and $2.8 million in new investment over the following three years.

<table>
<thead>
<tr>
<th>Private Investment</th>
<th>Personal Property Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.2 Million</td>
<td>$2.9 Million</td>
</tr>
<tr>
<td>PA 328 Exemption</td>
<td>Real Property Investments</td>
</tr>
<tr>
<td>$193,390</td>
<td>$250,000</td>
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<tr>
<td>BPD Grant</td>
<td>New Annual City Taxes</td>
</tr>
<tr>
<td>$250,000</td>
<td>$20,244</td>
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</tbody>
</table>
Green Cane Property
1059 Wealthy St SE

Before

After

- 55 Parking Spaces
- 44 Residential Units
- 15 New FTE Jobs
- 16,500 Sq. Ft. Commercial

The project involves the redevelopment of 1.26 acres of property in the Uptown Corridor Improvement District, and Wealthy Theater Historic District. The previously existing 9,900 square foot single-story strip mall was demolished, and environmental concerns were addressed. The project plan includes 6 new multi-story buildings. The buildings will range from 2.5 to 3 stories, and will include 8,360 square feet of ground-floor retail space and 8,270 square feet of office space. Spread throughout the buildings will be 44 residential units comprised of studios, one and two bedrooms. The project will help create 15 new FTE jobs with an average wage of $15.00 per hour.

<table>
<thead>
<tr>
<th>Project Costs</th>
<th>Taxable Value Before</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.8 Million</td>
<td>$309,700</td>
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<tr>
<td>Brownfield TIF</td>
<td>$2.6 Million</td>
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<tr>
<td>$828,377</td>
<td>$14,923 Income Tax</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>New Uptown CID Taxes</td>
</tr>
<tr>
<td>$312,800</td>
<td>$27,000</td>
</tr>
</tbody>
</table>
City of Grand Rapids
Economic Development Projects
Survey Results - Projects 2010-2016

NEW INVESTMENT

$257,185,136  $321,405,266
Expected new investment per applications  Actual private investment reported

74.13 PERCENT
Calculated return on investment

JOB CREATION

1,755 1,536
Expected new jobs per applications  Actual new jobs reported

JOBS RETAINED

2,441 2,441
Expected jobs retained per applications  Actual jobs retained reported

$23.43
Expected average wage per applications

$32.17
Actual average wage reported

296
HOUSING UNITS CREATED or UNDER CONSTRUCTION

27
Projects completed

Projects in progress

$921,956
Estimated annual taxes abated

$1,605,429
Estimated annual new taxes generated


2Return on investment is the percent of new taxes generated exceeding taxes abated in one year, calculated by Economic Development staff using company survey reports of investment and job creation.