

CITY OF GRAND RAPIDS, MICHIGAN
SMARTZONE LOCAL DEVELOPMENT FINANCE AUTHORITY
FY2023 - FY2027 PRIORITY PLAN
Prepared April 5, 2022

	FY2021 Final	FY2022			FY2023 Request	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast	FY2023-27 TOTAL	NOTES AND COMMENTS
		Adopted Budget	Year-To-Date as of 1/31/22	Year-End Estimate							
Table 1 - Projected Revenue											
Tax Increment - Certified Tech Parks	\$ 1,217,607	\$ 1,250,000	\$ 1,173,130	\$ 1,173,130	\$ 1,056,354	\$ 1,061,636	\$ 1,066,944	\$ 1,066,944	\$ 1,072,279	\$ 5,324,156	Staff estimate including 2022 property removals, 0.5% escalations
Michigan Small Taxpayer Exemption Loss Reimbursement	312,020	200,000	352,209	352,209	200,000	200,000	200,000	200,000	200,000	1,000,000	LCSA reimbursements from State of Michigan
Prior Year Tax Increment Adjustments	976	(50,000)	242	(20,000)	(50,000)	(50,000)	(30,000)	(30,000)	(30,000)	(190,000)	Staff estimate
Interest on Investments	28,352	52,685	(75,302)	52,685	36,710	48,125	66,388	75,519	86,934	313,676	Estimates from City Treasurer
MSF Business Incubator "Gateway" Grant (BAF)	55,000	55,000	79,000	79,000	55,000	-	-	-	-	55,000	Approved by MSF 2/26/2019; Amended 2/23/2021
Xcelerator Notes	-	5,600	-	-	-	-	-	-	-	-	Staff Recommendation to not pursue future collections
Total Revenue	\$ 1,613,955	\$ 1,513,285	\$ 1,529,279	\$ 1,637,023	\$ 1,298,064	\$ 1,259,760	\$ 1,303,332	\$ 1,312,463	\$ 1,329,213	\$ 6,502,832	
Table 2 - Ongoing Expenditures											
Annual Audit	\$ 6,365	\$ 6,556	\$ 6,580	\$ 6,580	\$ 6,777	\$ 6,981	\$ 7,190	\$ 7,406	\$ 7,628	\$ 35,982	FY2022: per contract. FY2023-2027: 3% annual increases
Contractual Services - Legal Fees External	22,159	20,000	17,802	25,000	20,000	20,000	20,000	20,000	20,000	100,000	Staff estimate
Contractual Services	6,250	12,500	13,006	18,668	12,500	12,500	12,500	12,500	12,500	62,500	Share of dept communications + L. Fowler Facilitation (\$6168)
Internet Services - Software Solution (Salesforce)	2,419	3,000	37	3,000	3,000	3,060	3,121	3,184	3,247	15,612	Staff estimate, 2% escalation
Parking and Mileage - Staff and Board Members	3,001	2,932	1,373	2,932	3,300	3,350	3,400	3,450	3,500	13,500	Includes parking cards, parking validations and mileage
Facilities - Office Space and Maintenance	9,021	8,804	5,333	8,804	9,065	9,330	9,638	10,028	10,567	48,628	Per City of GR FY2023-2027 Budget Instructions
Insurance - General Liability	5,263	5,399	3,599	5,399	3,957	4,036	4,137	4,261	4,410	20,801	Per City of GR FY2023-2027 Budget Instructions
Professional Development and Memberships	525	3,500	283	525	3,500	3,500	3,500	3,500	3,500	17,500	Staff estimate
Staff	200,591	224,526	128,641	215,000	221,592	231,536	240,458	248,987	254,092	1,196,665	Includes 1.40 FTE & phone reimb
Supplies and Copier	1,395	2,500	1,959	2,500	4,500	4,500	4,500	4,500	4,500	22,500	Staff estimate
Support Services Allocation - A-87	28,053	20,511	13,674	20,511	30,524	31,134	31,757	32,392	33,040	158,847	Per City of GR FY2023-2027 Budget Instructions
Technical and VOIP Services	6,828	7,283	4,856	7,283	5,831	6,086	6,298	6,562	6,877	24,777	Per City of GR FY2023-2027 Budget Instructions
Total Ongoing Expenditures	\$ 291,870	\$ 317,511	\$ 197,144	\$ 316,202	\$ 324,546	\$ 336,013	\$ 346,499	\$ 356,769	\$ 363,861	\$ 1,717,312	
Table 3 - 2016 Amended TIF & Development Plan Initiatives ¹											
Inspiration, Mentoring, and Access to Resources											
Business Accelerator Fund - Gateway Representative	\$ 91,301	\$ 125,289	\$ -	\$ 168,906	\$ 205,000			\$ -	\$ -	\$ 205,000	Approved 5/17/2019; Amended 3/10/21. MSF grant incld
SmartZone Operations - Contracted	687,730	2,500,000	463,115	2,278,365	1,500,000	1,500,000	500,000	500,000	500,000	4,500,000	Approved 9/2021, MSU/SG Contract FY22-24
GVSU aMDI - Medical Device Business Incubator	362,947	-	-	-	-	-	-	-	-	-	Contract Ended 6/30/21
Spectrum, GVSU, & KCAD - Medical Device Biz Incubator	228,173	-	-	-	-	-	-	-	-	-	Contract Ended 6/30/21
Sub-Total Inspiration/Mentoring/Access to Resources	\$ 1,370,151	\$ 2,625,289	\$ 463,115	\$ 2,447,271	\$ 1,705,000	\$ 1,500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,705,000	
Infrastructure and Physical Resources											
Michigan Street Bridge - Debt Service	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	25,000	25,000	25,000	25,000	25,000	\$ 125,000	Approved 7/18/2008. CIB 2007 debt share thru 9/1/2027
Sub-Total Infrastructure and Physical Resources	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	
Connection and Awareness											
Tradeshows and Marketing	\$ 10,750	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Tech Related Tradeshow and Conference attendance.
SXSW Michigan House	20,000	50,000	50,000	50,000	-	-	-	-	-	-	Approved October 18, 2019.
Sub-Total Connection and Awareness	\$ 30,750	\$ 50,000	\$ 50,000	\$ 50,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	
Talent											
Talent Initiatives											
Innovation Central High School Modern Engineering Lab	\$ 137,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Contract Ended 6/30/21
Grand Circus - Basic and Advanced Coding Classes	2,532	-	-	-	-	-	-	-	-	-	Contract Ended 6/30/21
WMCAT - West Michigan Cyber Security Consortium	96,749	-	-	-	-	-	-	-	-	-	Contract Ended 6/30/21
Sub-Total Talent	\$ 237,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contingent for Strategic Priority Initiatives											
Conquer Accelerator CADE Program	\$ 120,000	\$ 300,000	\$ -	\$ 160,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Reserved for non-budgeted strategic priorities
Confluence Festival	-	-	18,895	18,895	-	-	-	-	-	-	Conquer Approved 6/9/21
Sub-Total Contingent	\$ 120,000	\$ 300,000	\$ 18,895	\$ 178,895	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	
Total Initiatives Expenditures	\$ 1,783,143	\$ 3,000,289	\$ 532,010	\$ 2,701,166	\$ 2,050,000	\$ 1,825,000	\$ 825,000	\$ 825,000	\$ 825,000	\$ 6,350,000	
Total Expenditures	\$ 2,075,013	\$ 3,317,800	\$ 729,154	\$ 3,017,368	\$ 2,374,546	\$ 2,161,013	\$ 1,171,499	\$ 1,181,769	\$ 1,188,861	\$ 8,067,312	
Excess / (Deficit) of Revenues Over Expenditures	\$ (461,058)	\$ (1,804,515)	\$ 800,125	\$ (1,380,344)	\$ (1,076,482)	\$ (901,252)	\$ 131,832	\$ 130,694	\$ 140,351	\$ (1,564,480)	
Table 4 - Fund Balance											
Fund Balance, Beginning of Year	\$ 4,104,007	\$ 3,642,949	\$ 3,642,949	\$ 3,642,949	\$ 2,262,605	\$ 1,186,122	\$ 284,870	\$ 416,703	\$ 547,397		
Plus: Projected Revenue	1,613,955	1,513,285	1,529,279	1,637,023	1,298,064	1,259,760	1,303,332	1,312,463	1,329,213	6,502,832	
Less: Ongoing Expenditures	(291,870)	(317,511)	(197,144)	(316,202)	(324,546)	(336,013)	(346,499)	(356,769)	(363,861)	(1,727,689)	
Less: Initiatives Expenditures	(1,783,143)	(3,317,800)	(532,010)	(2,701,166)	(2,050,000)	(1,825,000)	(825,000)	(825,000)	(825,000)	(6,350,000)	
Fund Balance, End of Year	\$ 3,642,949	\$ 1,520,923	\$ 4,443,074	\$ 2,262,605	\$ 1,186,122	\$ 284,870	\$ 416,703	\$ 547,397	\$ 687,748		

Note 1: For Table 3, for FY23-27 the boxed in expenditures indicate contractual agreements exist. For FY23-27, the non-boxed in expenditures are included for planning purposes.