



Item Number: 7



# CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

**DATE:** December 3, 2024

**TO:** Mark Washington, City Manager

**COMMITTEE:** Committee of the Whole

**LIAISON:** Mark Washington, City Manager

**FROM:** Sarah Rainero, Economic Development Director  
Economic Development

**SUBJECT:** **Resolution approving a Brownfield Plan Amendment for a redevelopment project located at 975 Ottawa Avenue NW (Units 1-4)**

Attached is a resolution approving a Brownfield Plan Amendment (the “Amendment”) filed by MWS Ottawa, LLC (the “Developer”) for a redevelopment project located at 975 Ottawa Avenue NW (the “Property”). The Property qualifies for the Brownfield program because it has been determined to be a “facility” under Part 201 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended. A public hearing on the Amendment was held on October 22, 2024.

The Developer owns the Property and proposes to rehabilitate the existing 45,000 square foot, two-story building, into a full-service entertainment facility, which will be named Silva. When completed, it is anticipated the project will include a restaurant, large event space, and recreation area. The southern end of the building will include two floors, the lower of which will be converted to in an indoor parking garage for 28 vehicles, and the second floor will be converted into an exhibition space. The northern portion of the building will include two kitchens, restaurant, small gaming area, outdoor seating, and a Bocce Center with five (5) bocce ball courts. Total project costs are estimated at \$16.5 million with total construction costs of approximately \$15 million.

The Developer is requesting reimbursement from the Brownfield Redevelopment Authority (the “Authority”) of up to \$1,029,821 for brownfield eligible activities including department specific activities, demolition, lead and asbestos abatement, site preparation, and public infrastructure improvements. Reimbursement is expected to occur over a 24-year period, with an additional five years of capture for the Local Brownfield Revolving Fund.

The Developer is working towards the following subcontractor participation goals in connection with the project for Micro-Local Business Enterprises (MLBEs), Women-Owned Business Enterprises (WBE), and Minority-Owned Business Enterprises (MBE)

during construction: 5% MBE, 9% WBE, and 1% MLBE, which amounts to an overall participation of 14% or \$2,119,832 of the \$15 million in construction costs. Sixty (60) fulltime equivalent (FTE) jobs are anticipated to be created as a direct result of the project with average wages between \$20-\$30 per hour.

The project also meets multiple objectives and strategies outlined in the City's Strategic Plan and Equitable Economic Development and Mobility Strategic Plan, including:

- Prioritization of MBE, WBE, and MLBE businesses and subcontractors for projects supported by City incentives,
- Support development and placemaking efforts that contribute to making Grand Rapids a destination city, and
- Support the creation, retention, and growth of businesses.

There are no known environmental concerns at the Property that will not be addressed during project development, and the Developer is current on its tax liabilities to the City. The Developer received approval by the Planning Commission at its meeting on September 12, 2024, to use the building for an event venue with alcohol service, live entertainment, and an outdoor deck; a restaurant with alcohol service, indoor bocce courts and outdoor seating; and a parking deck. The Developer has been engaged with the Neighbors of Belknap Lookout and the Monroe North Business Association, both of which provided letters of support for the project. The Authority approved the Amendment at its meeting on September 25, 2024.

The Developer is also seeking a 12-year Obsolete Property Rehabilitation Act (OPRA) exemption certificate. The subsequent item contains information related specifically to the OPRA certificate.

<b>Project Projections – 975 Ottawa Avenue NW</b>		
	<b>Total Amount</b>	<b>City of Grand Rapids Portion</b>
Construction Costs	\$15 million	
New Jobs (FTE)	60	
Average Hourly Wage	\$25.00	
Total New Taxes Generated (1 year)	\$256,704	\$44,166
Taxes Paid (1 year) <sup>1</sup>	\$60,000	-
Taxes Abated (1 year) <sup>2</sup>	\$196,704	\$44,166
New City Income Taxes (1 year)	-	\$31,200

<sup>1</sup>Assumes 12 mills of State Education and School Operating taxes paid during the first six years of the OPRA term

<sup>2</sup>Taxes abated on all local millages due to the OPRA exemption

Attachment

SLR/js

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution approving a Brownfield Plan Amendment for a redevelopment project located at 975 Ottawa Avenue NW (Units 1-4).

WHEREAS:

1. The City Commission approved a Brownfield Plan (the "Plan") for the City of Grand Rapids Brownfield Redevelopment Authority (the "Authority") on December 22, 1998, pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended, MCL 125.2651 et seq. ("Act 381"); and
2. The Board of the Authority has recommended an amendment to the Plan for the 975 Ottawa Avenue redevelopment project located at 975 Ottawa Avenue NW (Units 1-4) (the "Project") described therein (the "Amendment"); and
3. The City Commission held a public hearing on October 22, 2024, for the Amendment after notice in accordance with the requirements of Act 381; therefore,

RESOLVED:

1. That the Amendment constitutes a public purpose under Act 381; and
2. That the Amendment meets all the requirements of Section 13(1) of Act 381; and
3. That the proposed method of financing the costs of the eligible activities, as identified in the Amendment and defined in Act 381, is feasible and the Authority has the authority to arrange the financing; and
4. That the costs of the eligible activities proposed in the Amendment are reasonable and necessary to carry out the purposes of Act 381; and
5. That the amount of captured taxable value estimated to result from the adoption of the Amendment is reasonable; and
6. That the Amendment in the form presented is approved; and
7. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.