



Item Number: 2

# CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

**DATE:** February 25, 2025

**TO:** Mark Washington, City Manager

**COMMITTEE:** Committee of the Whole

**LIAISON:** Kate Berens, Deputy City Manager

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

**SUBJECT:** **Resolution approving a Second Amendment to the Act 381  
Combined Brownfield Plan Amendment – RDG-Walker, LLC for  
the Walkerview Development Project**

Attached is a resolution approving a Second Amendment to the Act 381 Combined Brownfield Plan Amendment (the “Combined Plan Second Amendment”) for RDG-Walker, LLC (the “Developer”) for the Walkerview development project (the “Project”). The amendments are being considered pursuant to a request from the City of Walker (“Walker”) and the Developer. A public hearing was held on the Combined Plan Second Amendment on February 11, 2025.

On November 12, 2024, the City Commission approved a Second Amendment to the Grand Rapids-Walker Development Cooperation Agreement (the “PA 425 Agreement”) with Walker under Public Act 425 of 1984 (“PA 425”) related to the Project. PA 425 permits two municipalities to contract for the conditional transfer of property from one community to the other for economic development purposes. The Project is comprised of approximately 200 acres of land located in Walker east of Walker Avenue, south of Four Mile Road, west of Bristol Avenue and north of Interstate Highway I-96 (the “Property”) and is being developed and occupied for industrial uses.

In 2016, to facilitate the Project, Walker entered into the PA 425 Agreement with Grand Rapids to allow the Developer, an entity affiliated with the Rockford Development Group, to take advantage of certain funding opportunities offered by the City of Grand Rapids Brownfield Redevelopment Authority (the “GRBRA”). The PA 425 Agreement allows Walker to retain most local government services but transferred the Property to Grand Rapids for property and income tax purposes, including tax incentives available through the GRBRA. Grand Rapids reimburses Walker for the property and income taxes which Walker is no longer collecting.

Under the PA 425 Agreement, the GRBRA received authority to enter into a Brownfield reimbursement agreement with the Developer for the Property. Accordingly, to facilitate

the Project, the GRBRA adopted an amendment to its Brownfield Plan and entered into a Brownfield reimbursement agreement with the Developer. Under the terms of the initial Brownfield agreement, the Developer is entitled to be reimbursed \$6.2 million for eligible public infrastructure costs incurred in the industrial park. Following full reimbursement to the Developer, the GRBRA will continue tax increment capture for an additional five years to capitalize its Local Brownfield Revolving Fund (the "LBRF"), similar to other Brownfield projects in Grand Rapids.

As originally approved in 2016, the PA 425 Agreement was to terminate in 2031 and, upon termination, the Property for all purposes (including property and income tax collection) would return to Walker's jurisdiction. In 2018, Grand Rapids and Walker entered into a First Amendment to the PA 425 Agreement, to extend the initial term to 2039, allowing for additional time for reimbursement of the \$6.2 million in public infrastructure expenses. To facilitate this extension in 2018, the GRBRA approved a First Amendment to the Act 381 Combined Plan Amendment and First Amendment to the Development and Reimbursement Agreement with the Developer.

Since 2018, Walker has approved the installation of numerous private developments as part of the Project and required, as a condition of those approvals, that the Developer agree to make additional public infrastructure improvements benefiting the project on Walker Avenue, south of Four Mile Road. The Developer agreed to pay for these improvements, but in turn requested the PA 425 Agreement, the Act 381 Combined Plan Amendment and the Development and Reimbursement Agreement be modified again via Second Amendments to: 1) allow for reimbursement of the additional infrastructure expenses in the amount of \$290,400, 2) extend the tax increment capture and reimbursement to the Developer to 2037, and 3) extend the tax increment capture for deposit into the LBRF to 2042. Except for the extended term and additional reimbursement to the Developer, no substantive changes are otherwise being proposed.

The GRBRA approved and recommended the Combined Plan Second Amendment to the City Commission on December 4, 2024.

SR/cb

Attachment

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution approving a Second Amendment to the Act 381 Combined Brownfield Plan Amendment – RDG-Walker, LLC for the Walkerview Development Project.

WHEREAS:

1. The City Commission previously approved the Brownfield Plan (the "Plan") of 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.; and
2. The City Commission also previously approved the Act 381 Combined Brownfield Plan (the "Combined Plan") on June 14, 2016, and a First Amendment to the Combined Plan on January 8, 2019, for the Walkerview Project; and
3. The Authority has, pursuant to Act 381, approved and recommended a Second Amendment to the Combined Plan (the "Second Amendment") for the Walkerview Project; and
4. The City Commission held a public hearing on February 11, 2025, on the Second Amendment after notice in accordance with the requirements of Act 381; therefore

RESOLVED:

1. That the Second Amendment constitutes a public purpose under Act 381; and
2. That the Second 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 Second 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 Second 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 Second Amendment is reasonable; and
6. That the Second Amendment is approved; and
7. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

**CORRECT IN FORM**



**DEPARTMENT OF LAW**