2023
FINANCIAL OVERVIEW
Kent County, Michigan

Al Vanderberg
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April 1, 2023

The Honorable Board of Commissioners
Kent County Administration Building
300 Monroe Avenue NW
Grand Rapids, MI 49503-2221

RE: 2023 Kent County Financial Overview

The following document presents a "Financial Overview" for Kent County. The information contained herein summarizes significant economic, demographic and financial information. It will provide the reader with a comprehensive report demonstrating the financial strength and sustainability of Kent County's governmental organization.

The document is intended to serve the information needs of individuals and organizations with a financial interest in Kent County including:

Retail Bond Holders/Institutional Investors/Rating Agencies;
County Elected Officials;
The Citizens of Kent County; and
Businesses doing business or considering locating new business in Kent County.

This is an annual publication, the preparation of which is a cooperative effort of the County Treasurer, Human Resources and Fiscal Services staff. This document continues to demonstrate the County's adherence to conservative fiscal principles and strong management oversight.

Respectfully submitted,

Alan G. Vanderberg
County Administrator/Controller

County Administration Building/Calder Plaza

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Tom Antor
District 2

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District 14

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District 15

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District 16

Tony Baker
District 17

Stephen Wooden
Minority Party Vice-Chair
District 18

Kris Pachla
District 19

Ivan Diaz
District 20

Walter Bujak
District 21

Elected Officers

Lisa Posthumus Lyons
Clerk/Register of Deeds

Ken Yonker
Drain Commissioner

Chris Becker
Prosecuting Attorney

Peter MacGregor
Treasurer

Michelle LaJoye-Young
Sheriff

Executive Staff

Al Vanderberg
Administrator/Controller

Jeff Dood
Fiscal Services Director

Marvin Van Nortwick
Deputy Fiscal Services Director

Linda Howell
Corporate Counsel

Professional Services

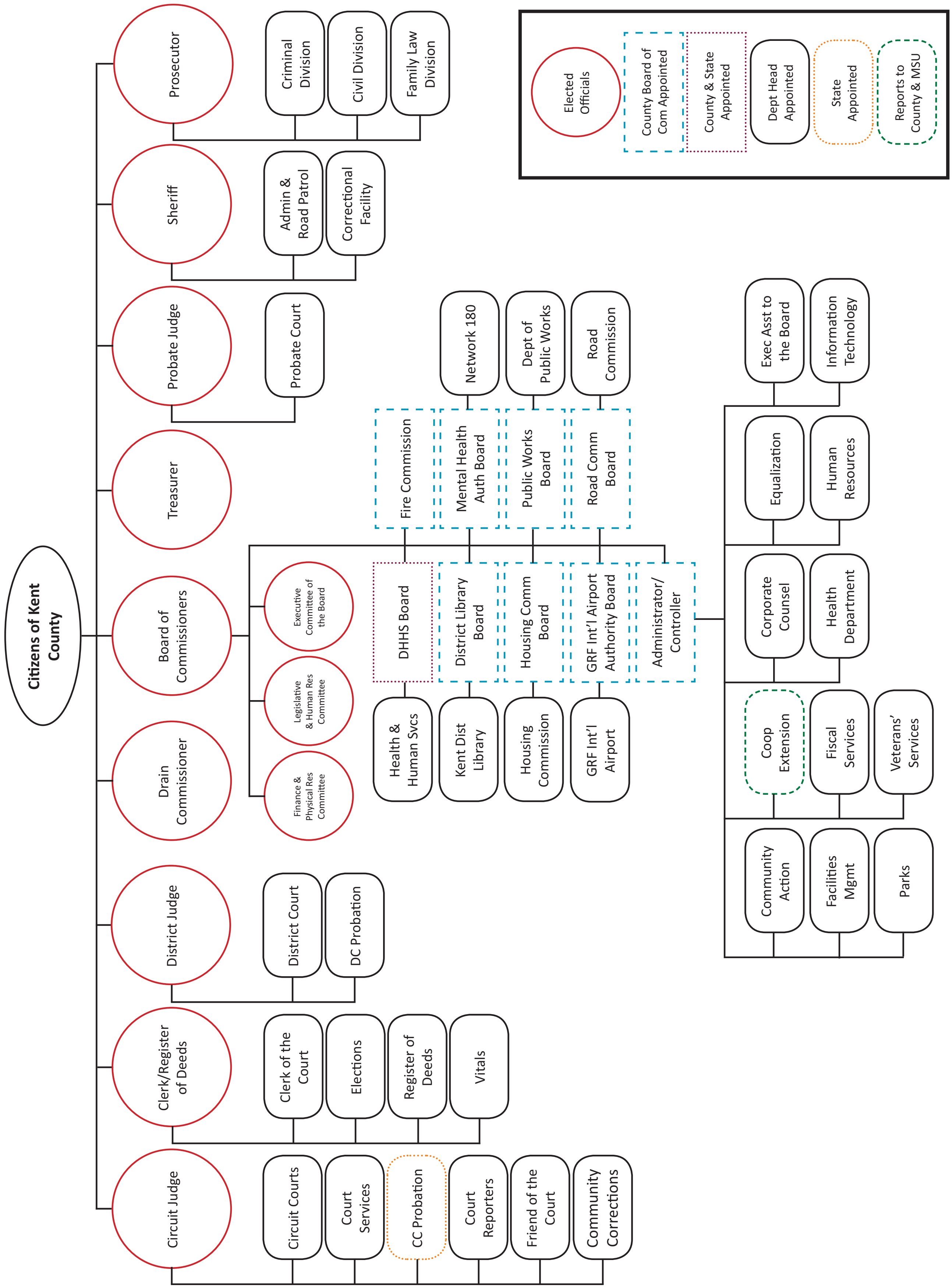
Auditor:

Rehmann Robson & Company
Grand Rapids, Michigan

Note Counsel:

Dickinson Wright PLLC
Detroit and Grand Rapids, Michigan

Organization Chart



GOVERNMENT

Commercial/Industrial Base

The Grand Rapids-Wyoming Metropolitan Statistical Area (MSA), of which Kent County is the hub, has been one of the fastest growing regions of the United States. Numerous expansions, renovations, constructions, modernizations and developments have been completed, are in the process of being completed or are in the planning stages. Among the factors which have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and, possibly the most important, quality of life.

Convention Facilities

The Grand Rapids-Kent County Convention/Arena Authority owns and operates the DeVos Place Convention Center and the Van Andel Arena. The Convention Center features a 162,000 sqft exhibit hall, 40,000 sqft ballroom and 26 individual meeting rooms. In addition, DeVos Place features a 2,543 seat performing theater, home to the Grand Rapids Symphony, Grand Rapids Ballet Company, Opera Grand Rapids and Broadway Grand Rapids. DeVos Place is part of a vibrant downtown entertainment district featuring over 50 dining establishments, nightclubs, museums and the 12,000 seat Van Andel Arena, all within walking distance.

Regional Government Coordination

The Grand Valley Metropolitan Council is a Council of Governments dedicated to the advancing the current and future well-being of our metropolitan area by bringing together public and private sectors to cooperatively advocate, plan for, and coordinate the provision of services and investments which have environmental, economic and social impact. It is understood that the well-being of the metropolitan community relies on good government and springs from a shared vision that encompasses many elements, including, but not limited to, the following: preparing now for the challenges of the future; planning for orderly growth and development; preserving and enhancing the natural, social, and physical environments; promoting economic vitality and employment opportunities; equitably sharing responsibility for community needs; recognizing the strengths and benefits of diversity; promoting quality lifelong educational opportunities; promoting quality cultural and recreational institutions and facilities; effectively utilizing and enhancing existing infrastructure; eliminating unnecessary duplication of services; and promoting a high quality of life now and for future generations.

Medical Services

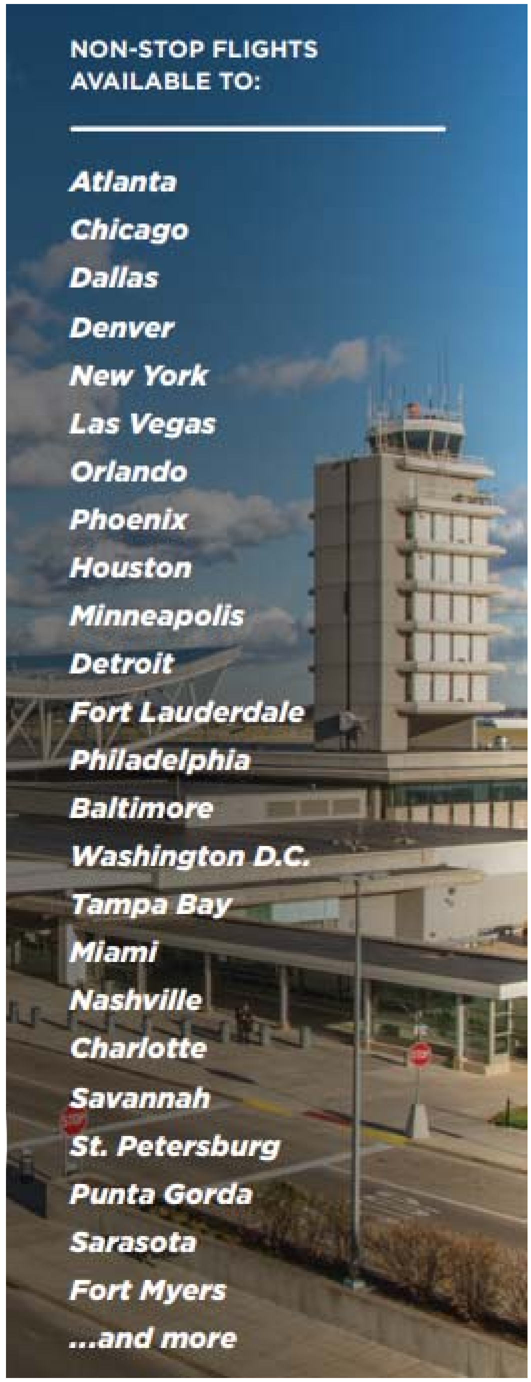
The residents of the County are served by a number of hospitals. This is a great place to be a patient (if you must). That's because clinical care is a top priority in West Michigan, one of the nation's top-ranked medical centers of excellence. With three fast-growing major hospitals and hundreds of physicians in every specialty imaginable, employers and employees alike can count on accessible, high-quality patient care and wellness programs. The public and nonprofit hospitals in the County have approximately 2,200 licensed beds.

In 2000, the Van Andel Institute (VAI) opened, with the stated mission ". . . to become one of the world's preeminent private medical research institutions within the next decade" which has become a reality. The Van Andel Institute has three component parts: the Van Andel Research Institute (VARI), the Van Andel Education Institute (VAEI) and the Van Andel Institute (VAI). The VARI is an independent medical research organization dedicated to preserving, enhancing and expanding the frontiers of medical science. The VAEI is an independent education institute whose mission is to conduct the Van Andel Educational Technology School, and to achieve excellence by embracing and strengthening the fundamental issues of education. The research being conducted at the VARI has served as a growth pole, anchoring and propelling growth of a newly developing bioscience industry cluster. This has and will draw outside business and related sectors into the region to take advantage of economic opportunities created by the Institute. VARI has constructed a 240,000 square foot eight story building expansion that opened in December 2009. This expansion nearly triples the Institute's laboratory space, allowing for growth of current laboratories and expanded research into neurological diseases.

Transportation Infrastructure

Air Travel

Air service at Gerald R. Ford International Airport is provided by six airlines serving 31 major market destinations with 140 daily nonstop flights. It has current international connections through Detroit, Chicago, and other US destinations. A US Customs federal inspection station (FIS) terminal is currently under construction and will soon allow for processing of international flights and passengers.



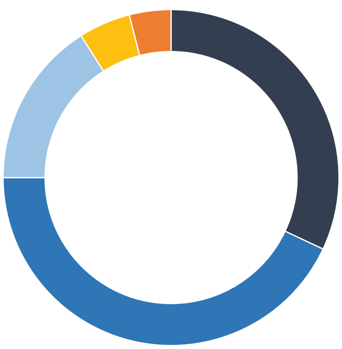
RAILROADS

As the country's 12th largest rail system, Michigan is well served by regional hubs in Grand Rapids. Current Class 1 railroads include:

- *Canadian National/Grand Elk Railroad*
- *Norfolk Southern Railway*
- *CSX Transportation*
- *Canadian Pacific Railway/Soo Line*

Travel Time To Work

The mean travel time to work is 22.3 minutes.



32%	Less than 15 minutes
43%	15-29 minutes
16%	30-44 minutes
5%	45-59 minutes
4%	60 minutes or more

Data Source: The Right Place, Inc.

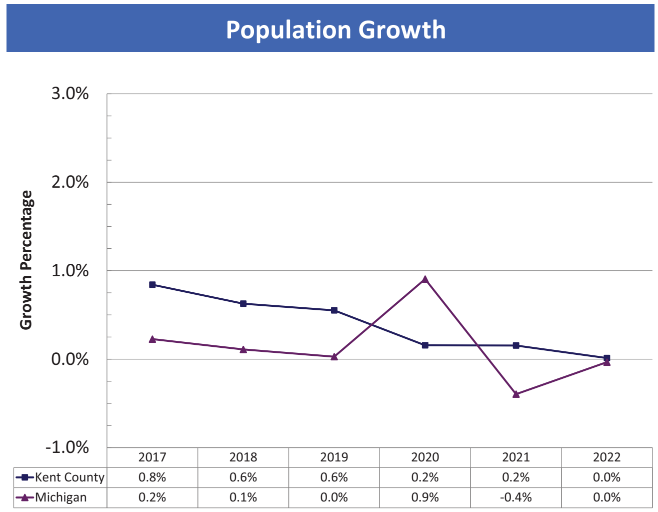
Population Statistics

In terms of population, Kent County is the fourth largest county in the State of Michigan, and growing. According to the 2022 Census estimate, the County grew by 1.5% over the five years. The growth for the State of Michigan over the same period was 0.6%. The combination of diverse employment opportunities, cost of living, and a high quality of life has Kent County growing at a faster rate.

Per the 2021 U.S. Census, the County population was spread out with 6.2% under the age of 5, 13.4% from 5 to 14, 13.3% from 15 to 24, 15.6% from 25 to 34, 13.4% from 35 to 44, 11.4% from 45 to 54, 12.2% from 55 to 64, and 14.5% were 65 years of age or older. The median age was 36.0 years.

Year	Kent County	State of Michigan
1990	500,631	9,295,287
2000	574,335	9,938,444
2010	602,622	9,883,640
2017	649,278	9,973,114
2018	653,350	9,984,072
2019	656,955	9,986,857
2020	657,984	10,077,325
2021	659,000	10,037,504
2022	659,083	10,034,113

Source: U.S. Census



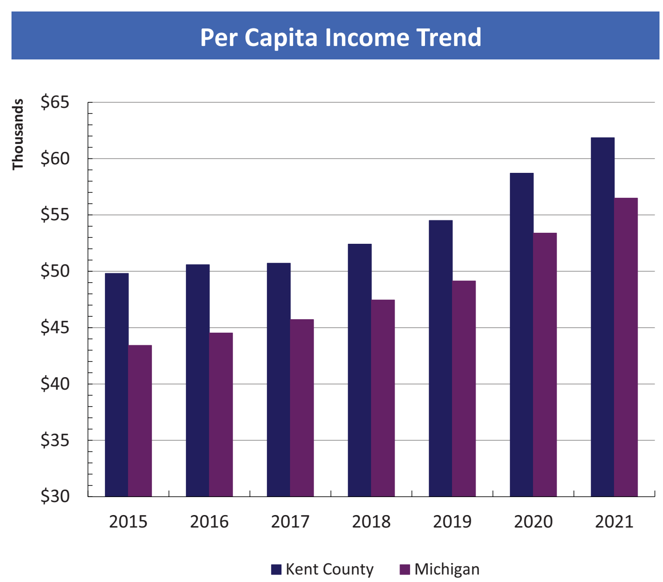
	2017	2018	2019	2020	2021	2022
Kent County	0.8%	0.6%	0.6%	0.2%	0.2%	0.0%
Michigan	0.2%	0.1%	0.0%	0.9%	-0.4%	0.0%

Per Capita Income Growth

Kent County's Per Capita Income grew 94.5% from 2000 to 2021 to $61,852. The growth for the State of Michigan over the same period was 86.2% to $56,494.

Year	Kent County	State of Michigan
2000	$ 31,803	$ 30,344
2015	49,814	43,425
2016	50,581	44,527
2017	50,715	45,716
2018	52,409	47,457
2019	54,507	49,142
2020	58,706	53,388
2021	61,852	56,494
Change 2000-21	94.5%	86.2%

Source: Bureau of Economic Analysis

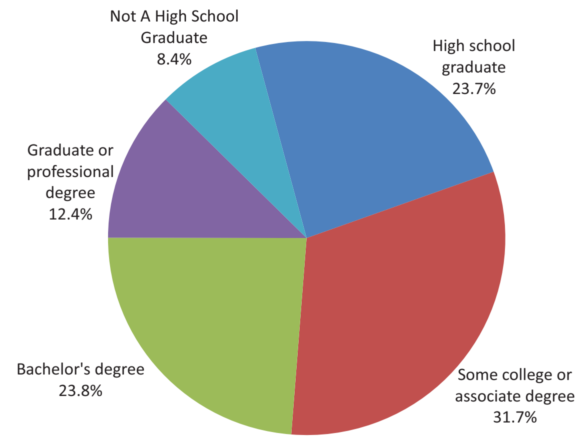


Education

There are 26 school districts and five intermediate school districts located, in whole or in part, in the County. There are numerous non-public schools serving diversified religious denominations and 17 charter schools in the County. Aquinas College, Calvin College, Central Michigan University, Cooley Law School, Cornerstone University, Davenport University, Ferris State University, Grace Bible College, Grand Valley State University, Grand Rapids Community College, Kuyper College, Michigan State University College of Human Medicine, Kendall College of Art and Design, the University of Phoenix and Western Michigan University have campuses located within the County. The main campuses of Ferris State University, Grand Valley State University, Hope College, Michigan State University, and Western Michigan University are located within commuting distance of the County.

- 91.6% of people 25 years and over had at least graduated from high school.
- 36.2% of Kent County residents, 25 years and over, had a bachelor's degree or higher.
- Among people 25 years and over, 8.4% were not high school graduates.

Educational Attainment Persons 25 years & Over

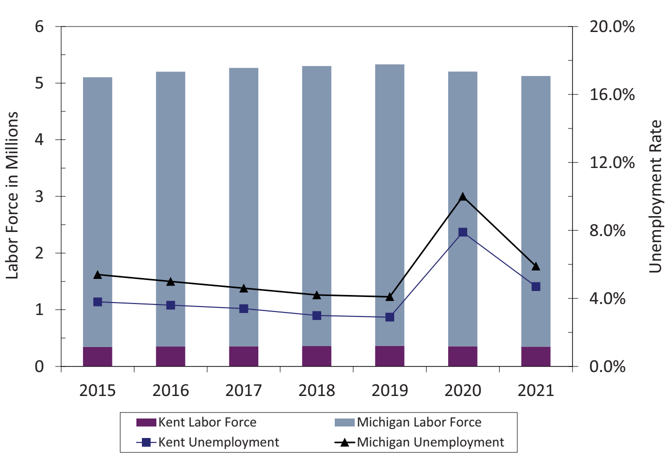


Source: U.S. Census Bureau, American Community Survey

Employment

Major industries that are located within the boundaries of Kent County, or in close proximity, include manufacturers of office equipment and furniture, heating controls, automotive parts, financial institutions, education, health care, retail food/merchandise and leisure and hospitality. This diversified employment base adds to the strength of the local economy. The unemployment rate in Kent County has ranged from 2.1% in April 1998 to 21.3%, as a result of the pandemic, in April 2020. The 2021 annual unemployment rate, for Kent County, was 4.7% and is expected to remain stable.

Unemployment 2015-2021



Source: Michigan Department of Energy, Labor & Economic Growth

Labor Force Distribution - By Industry

The following table provides a comparative analysis of the Grand Rapids-Wyoming MSA workforce distribution based on average employment in calendar years 2017-2021. Examination of the statistics highlight the stable job market in West Michigan, the labor force is down 1.5% since 2017 due to the pandemic in 2020. Jobs in manufacturing; professional & business services, and leisure & hospitality have seen the biggest decline, while mining, logging, & construction and trade, transportation & utilities have continued to grow. Much of the decline in 2020 was temporary and began to recover in 2021.

						2017-21 Change	
Industry	**2017**	**2018**	**2019**	**2020**	**2021**	**#**	**%**
Manufacturing	116,200	119,200	118,800	109,300	110,600	(5,600)	-4.8%
Trade, Transportation & Utilities	97,800	99,500	100,700	100,200	101,500	3,700	3.8%
Educational & Health Services	94,000	94,400	95,500	93,100	94,400	400	0.4%
Professional & Business Services	79,400	79,700	77,700	71,400	74,200	(5,200)	-6.5%
Leisure & Hospitality	48,200	48,900	49,200	28,200	44,400	(3,800)	-7.9%
Government	48,800	49,400	50,400	46,800	48,000	(800)	-1.6%
Financial Activities	26,200	26,600	27,400	26,600	27,000	800	3.1%
Natural Res, Mining, & Construction	23,400	24,800	25,500	25,400	25,900	2,500	10.7%
Other Services	22,300	22,500	23,000	20,100	22,000	(300)	-1.3%
Information	6,400	6,700	6,700	5,400	6,300	(100)	-1.6%
Total Nonfarm Employment	562,700	571,700	574,900	526,500	554,300	(8,400)	-1.5%

Source: MI DTMB LMISI Current Employment Statistics

Largest Employers

The diversity of the largest Kent County employers is highlighted below by industry and the approximate number of employees.

Top Kent County Employers		
Spectrum Health	General Medical and Surgical Hospitals	25,000
Meijer	Supermarket Retail & Distribution	10,340
Mercy Health	General Medical and Surgical Hospitals	8,500
Gordon Food Service	Grocery and Related Products Merchant Wholesalers	5,000
Amway Corporation	Health, Beauty, Home Product Manufacturing	3,791
Steelcase Inc.	Office Furniture Manufacturing	3,500
Farmers Insurance Group	Direct Property and Casualty Insurance Carrier	3,500
Lacks Enterprises	Plastic Manufacturing for Automobile Industry	3,000
Grand Rapids Public Schools	Elementary and Secondary Schools	2,800
Hope Network	Healthcare	2,162
Metro Health Hospital	General Medical and Surgical Hospitals	2,100
Roskam Baking Company	Food Manufacturing	2,090
Fifth Third Bank	Commercial Banking	2,062
Spartan Nash	Supermarket Retail & Distribution	2,000
Challenge Manufacturing	Fabricated Metal Manufacturing	1,700
Wolverine Worldwide	Leather Manufacturing	1,500

Source: The Right Place Inc - Top Employers (2020)

Property Tax Rates

Prior to 1982 the County's tax rate was determined by a County-wide Allocation Board. In 1982, the County electorate voted a fixed millage allocation of 15 mills for operating purposes of the County and certain other taxing units within the County, as authorized by the State Constitution. Prior to 1995 the millage allocation was equal to $15.00 per $1,000 of the State Equalized Valuation ("SEV") of taxable property in the County and since 1995 has been equal to $15.00 per $1,000 of Taxable Value (defined below). The 15 mills allocation was voted for an indefinite period of time, although State statute permits a maximum levy of 18 mills. Of the 15 voted mills, 4.8 mills were authorized as the maximum levy for the County's operating purposes, including the payment of debt service. The remaining 10.2 mills were allocated among the other taxing units within the County. The allocation of the millage is fixed until such time as the electorate votes to change the allocation or the total authorized millage. The County electorate must approve additional millages of any amount for any general or specific purpose within statutory and constitutional limitations. In addition, the electorate may, at any time in the future, vote to (i) increase the 15 mills limit to 18 mills or (ii) re-establish the Allocation Board, and the County allocation of the total authorized 15 mills tax levy would thereafter be determined by the Allocation Board. The County's operating and additional voted millage for the past five years is shown in the following table. Tax levies are as of December 1st and July 1st of each year shown, are levied against each $1,000 of Taxable Value and exclude taxes levied by underlying taxing units.

Millage Rates

	2018		2019		2020		2021		2022	
Millages	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**
County Operating	4.2803	-	4.2571	-	4.2243	-	4.1850	-	4.1310	-
Correction Facility *	-	0.7828	-	0.7777	-	0.7717	-	0.7645	-	0.7546
Senior Services *	-	0.4958	-	0.4926	-	0.4888	-	0.4842	-	0.5000
Veterans Services *	-	0.0495	-	0.0491	-	0.0487	-	0.0482	-	0.0500
Zoo & Museum *	-	0.4363	-	0.4335	-	0.4301	-	0.4261	-	0.4206
Ready by Five *	-	0.2500	-	0.2484	-	0.2464	-	0.2441	-	0.2409
Total Levy	**4.2803**	**2.0144**	**4.2571**	**2.0013**	**4.2243**	**1.9857**	**4.1850**	**1.9671**	**4.1310**	**1.9661**

** Voter approved millage*

Property Tax Rate History

In addition to the County taxes, property owners in the County are required to pay ad valorem taxes to other taxing units such as cities, townships, school districts, community colleges, and other units within the County. The total tax rate per $1,000 of Taxable Value varies widely depending upon which municipality and school district the property is located. The highest tax rate on property within the County for 2022 was 68.4566 mills (50.4566 mills on homestead property) per $1,000 of Taxable Value for the residents of the City of Wyoming in the Godfrey-Lee School District; the lowest tax rate was 38.1791 mills (20.2804 mills on homestead property) for the residents of Solon Township in the Grant School District.

In addition to the allocated millage, the County electorate from time to time may approve additional millages of any amount for any general or specific purpose within State constitutional and statutory limitations.

Property Tax Rate Limitations

In 1978, the electorate of the State passed an amendment to the State Constitution (the "Amendment") which placed certain limitations on increases of taxes by the State and political subdivisions from currently authorized levels of taxation. The Amendment and the enabling legislation, Act 35, Public Acts of Michigan, 1979, as amended, may have the effect of reducing the maximum authorized tax rate which may be levied by a local taxing unit. Under the Amendment's millage reduction provisions, should the value of taxable property, exclusive of new construction, increase at a percentage greater than the percentage increase in the Consumer

Price Index, as published by the United States Department of Labor, then the maximum authorized tax rate would be reduced by a factor which would result in the same maximum potential tax revenues to the local taxing unit as if the valuation of taxable property (less new construction) had grown only at the national inflation rate instead of the higher actual growth rate. Thus, should taxable property values rise faster than consumer prices, the maximum authorized tax rate would be reduced accordingly. However, should consumer prices subsequently rise faster than taxable property values, the maximum authorized tax rate would not increase over the prior year tax rate, but remain the same. The Amendment does not limit taxes for the payment of principal and interest on bonds or other evidences of indebtedness outstanding at the time the Amendment became effective or which have been approved by the electors of the local taxing unit.

Taxable Valuation of Property

Article IX, Section 3, of the State Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true market value. The State Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The State Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

In 1994, the electors of the State approved an amendment to the State Constitution (the "1994 Amendment") permitting the State Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing the 1994 Amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations – State Equalized Value ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate, or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

The 1994 Amendment and the implementing legislation based the Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995, an increase, if any, in Taxable Value of existing property is limited to the lesser of 5% or the inflation rate. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, to the local board of review and, ultimately, to the State Tax Tribunal.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the local assessor. Assessments are then equalized to the 50% levels as determined by the County's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits. Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198, Public Acts of Michigan 1974, as amended ("Act 198") and Act 146, Public Acts of Michigan 2000, as amended ("Act 146"). Property granted tax abatements under Act 198 and Act 146, is recorded on separate tax rolls while subject to tax abatement.

Property taxpayers may appeal their assessments to the State Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. County taxpayers have a number of tax appeals pending before the Tax Tribunal, none of which will have a significant impact on the County's SEV, Taxable Value or the resulting taxes.

State Equalized and Taxable Valuation

The County's total SEV has increased $11,390,694,260 or 43.96% between 2017 and 2022 and the Taxable Value has increased $6,580,438,561 or 30.13% between 2017 and 2022. Per capita 2022 SEV is $56,602 and the per capita 2022 TV is $43,119, both of which are based on the 2022 estimated Census population of 659,083.

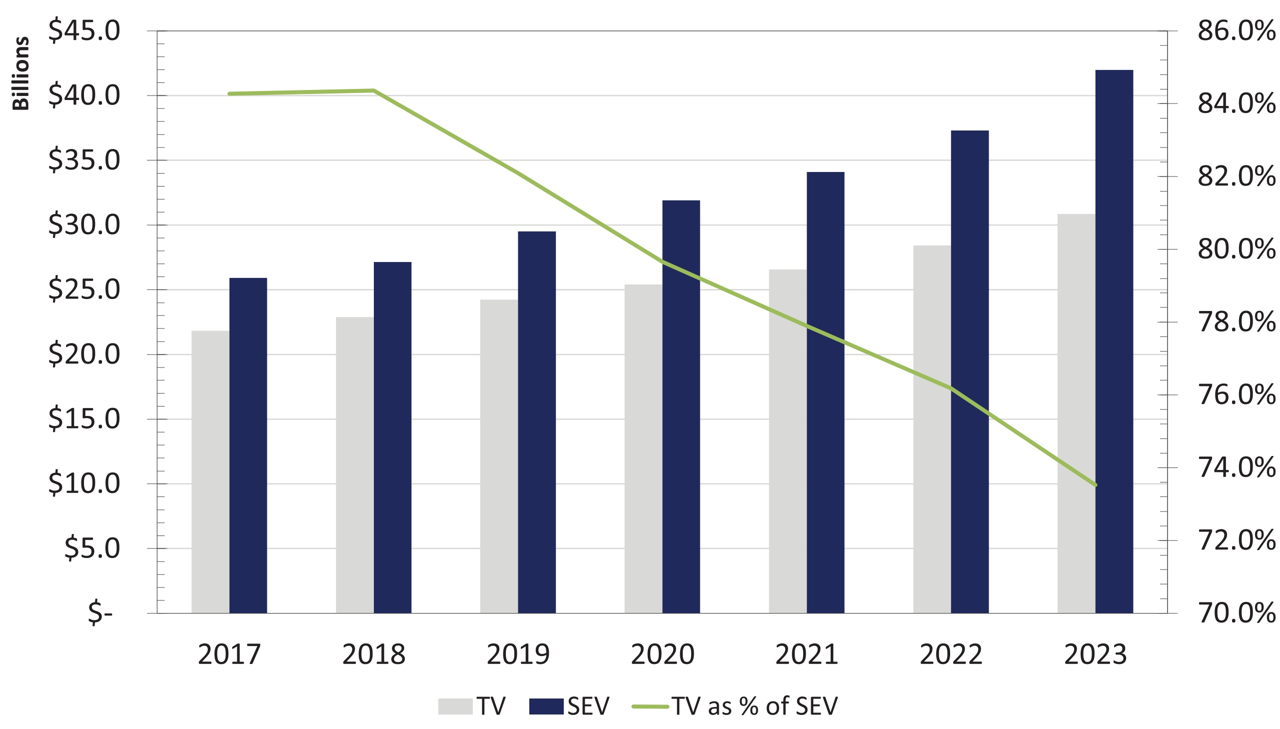
Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198 or Act 146. The taxable value of the abatements granted under Act 198 and Act 146 for 2022 is estimated at $421.2 million. (See "County Taxation and Limitations -- Property Tax Abatement" herein).

SEV and Taxable Value History

Year of Valuation	State Equalized Valuation	Taxable Valuation	SEV Change from Prior Year	TV Change from Prior Year
2017	25,914,411,675	21,838,346,564	7.4%	3.4%
2018	27,131,963,621	22,889,416,524	4.7%	4.8%
2019	29,502,080,572	24,219,497,487	8.7%	5.8%
2020	31,909,061,889	25,416,817,753	8.2%	4.9%
2021	34,093,610,850	26,557,114,520	6.8%	4.5%
2022	37,305,105,935	28,418,785,125	9.4%	7.0%
2023*	41,978,923,177	30,864,710,022	12.5%	8.6%

** Pending State Equalization.*

SEV and Taxable Value History



TAXATION

Current Equalized Taxable Valuation Components

By Use:		By Class:		By Municipality:	
Residential	67.3%	Real Property	94.0%	Cities	51.0%
Commercial	23.9%	Personal Property	6.0%	Townships	49.0%
Industrial	5.6%				
Utility	2.2%				
Agricultural	0.9%				
Total	100.0%		100.0%		100.0%

Property Tax Abatement

The SEV and Taxable Values do not include valuation of certain facilities which have temporarily been removed from the ad valorem tax roll pursuant to Act 198. Act 198 was designed to provide a stimulus in the form of significant tax incentives to industrial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of Act 198, a local governmental unit (i.e., a city, village or township) may establish plant rehabilitation districts and industrial development districts and offer industrial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area.

An industrial facilities exemption certificate granted under Act 198 entitles an eligible facility to exemption from ad valorem taxes for a period of up to 12 years. In lieu of ad valorem taxes, the eligible facility will pay an industrial facilities tax (the "IFT Tax"). For properties granted tax abatement under Act 198, there exists a separate tax roll referred to as the industrial facilities tax roll (the "IFT Tax Roll"). The IFT Tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem tax; the important difference being that the value of the property remains at the Taxable Value level prior to the improvements even though the restoration or replacement substantially increases the value of the facility. For a new facility, the IFT Tax is also determined the same as the ad valorem tax but instead of using the total mills levied as ad valorem taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals 1/2 of all tax rates levied by other than the State and local school district for operating purposes plus 1/2 of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1993, this millage rate equals 1/2 of all tax rates levied by other than the State plus 0%, 50% or 100% of the State Education Tax (as determined by the State Treasurer).

The County's ad valorem Taxable Value also does not include the value of certain facilities which have been temporarily removed from the ad valorem tax roll pursuant to Act 146. Act 146 was designed to provide a stimulus in the form of significant tax incentives to renovate certain blighted, environmentally contaminated or functionally obsolete commercial property or commercial housing property ("OPRA Properties"). Except as indicated below, under the provisions of Act 146, a local governmental unit (i.e. a city, village or township) may establish obsolete property rehabilitation districts and offer tax incentives or abatements to encourage rehabilitation of OPRA Properties.

An obsolete property rehabilitation certificate granted under Act 146 entitles an eligible facility to an exemption from ad valorem taxes on the building only for a period of up to 12 years. A separate tax roll exists for OPRA Properties abated under Act 146 called the "Obsolete Properties Tax Roll." An "Obsolete Properties Tax" is calculated using current year ad valorem millages times the taxable value of the obsolete building for the tax year immediately prior to the effective date of the obsolete property rehabilitation certificate except for the annual school operating and State Education Tax millages which are charged at the ad valorem tax rate on the current taxable value of the building.

The local units in the County have established goals, objectives and procedures to provide the opportunity for industrial and commercial development and expansion. Since 1974, local units in the County have approved a number of applications for local property tax relief for industrial firms. The SEV of properties have been granted tax abatement under Act 198 and Act 146, removed from the ad valorem tax roll and placed on the IFT Tax Roll. Upon expiration of the industrial facilities exemption and obsolete property rehabilitation certificates, the current equalized valuation of the abated properties will return to the ad valorem tax roll as Taxable Value.

As an additional measure to stimulate private investment, several local units in the County also created Renaissance Zones (the "Zones") pursuant to the provisions of Act 376 of the Public Acts of Michigan of 1996, as amended ("Act 376"). Under Act 376 individuals living in and local businesses that conduct business and own qualified property located within the Zones are entitled to, among other things, an exemption from ad valorem taxes on the qualified property. For the fiscal year ended December 31, 2022, the Taxable Value of property qualified for the benefits of the Zone program totaled $79.2 million.

Largest Businesses Based On Tax Roll Valuation

Top County Taxpayers	Parcels	Taxable Value
Consumers Energy	576	429,449,360
Amway Corp/Alticor	48	158,331,121
DTE Energy	83	176,748,380
Meijer / Goodwill	69	134,715,783
PR Woodland	8	78,033,120
Holland Home	26	56,529,483
TEG	16	54,771,758
Steelcase, Inc.	17	48,364,294
Rivertown Crossings	4	45,447,400
Comcast	68	40,026,782
Ramblewood	22	36,812,316
Centerpoint Owner LLC	6	32,957,440
Total Top Taxpayers	**943**	**1,292,187,237**
Total County		28,418,785,125
Top Taxpayers/County		4.55%

Source: County of Kent - 2022 Apportionment Report

Tax Increment Authorities. Act 450 of the Public Acts of Michigan of 1980, as amended (the "TIFA Act"), Act 197 of the Public Acts of Michigan of 1975, as amended (the "DDA Act"), Act 281 of the Public Acts of Michigan of 1986, as amended (the "LDFA Act"), Act 530 of the Public Acts of Michigan of 2004, as amended (The "Historic Neighborhood Act"), Act 280 of the Public Acts of Michigan of 2005, as amended (The "CIA Act") Act 61 of the Public Acts of Michigan 2007, as amended and Act 381 of the Public Acts of Michigan of 1996, as amended (the "Brownfield Act") (together the "TIF Acts") authorize the designation of specific districts known as Tax Increment Finance Authority ("TIFA) Districts, Downtown Development Authority ("DDA") Districts, Local Development Finance Authority ("LDFA") Districts, Historic Neighborhood Finance Authority ("HNFA") Districts, Corridor Improvement Authority ("CIA") Districts, Neighborhood Improvement Authority ("NIA") Districts or Brownfield Redevelopment Authority ("BRDA") Districts, authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization, historic preservation and environmental cleanup within the districts.

Tax increment financing permits the TIFA, DDA, LDFA, HNFA, CIA, NIA or BRDA to capture tax revenues attributable to increases in value ("TIF Captured Value") of real and personal property located within an approved development area while any tax increment financing plans by an established district are in place. These captured revenues are used by the tax increment finance authorities and are not passed on to the local taxing jurisdictions.

Personal Property Tax Exemptions and Property Tax Proposals. Act 328, Public Acts of Michigan 1998, as amended, allows certain eligible communities to designate specific existing areas as "eligible distressed areas" in which "new personal property" of "eligible businesses" would be exempt from ad valorem property taxation. The eligible communities could, with the approval of the State Tax Commission, designate one or more areas as eligible distressed areas.

Property Tax Collections

The County's fiscal year is the calendar year. County taxes were historically due and payable on December 1 of each prior year, at which time a lien on taxable property is created. Beginning in 2005 the County, as required by the State, began a shift of its operating millage from December 1 to July 1. Currently all of the operating millage is now billed on July 1. Property taxes billed on December 1 are payable without penalty until February 14. Property taxes billed on July 1 are payable without penalty on various dates, based on the billing cycles of city and township treasurers, but not later than September 14. Unpaid real property taxes become delinquent on the following March 1 and are thereafter collected by the County Treasurer with penalties and interest. Real property returned to the County Treasurer for delinquent taxes is subject to forfeiture, foreclosure and sale as provided in Act 206, Public Acts of Michigan 1893, as amended. In recent years, the County has paid to the respective municipalities within the County, including the County, from the Delinquent Tax Revolving Fund (the "Fund"), the delinquent real property taxes of such municipalities; collections of delinquent real property taxes otherwise would be paid to such municipalities by the County Treasurer on a monthly basis following collection. Funding by the County of delinquent real property taxes is dependent upon the ability of the County, annually, to sell its notes for that purpose. There is no assurance the Fund will be continued in future years. Delinquent personal property taxes are less than 1% of the County's total levy. Suit may be brought to collect personal property taxes or personal property may be seized and sold to satisfy the tax lien thereon.

Property Tax Collection History

Year of Levy	Levy as of December 1 (1)	Collections to March 1 of the Year Following Levy		Collections to March 1, 2022	
2016	127,153,181	118,842,367	93.46%	127,152,776	100.00%
2017	131,664,667	123,510,169	93.81%	131,663,526	100.00%
2018	143,744,229	134,267,071	93.41%	143,742,263	100.00%
2019	150,915,274	140,644,952	93.19%	150,912,532	100.00%
2020	156,505,188	145,555,517	93.00%	156,444,583	99.96%
2021	162,803,831	151,340,957	92.96%	162,481,754	99.80%
2022	172,932,520	160,627,921	92.88%	160,627,921	92.88%

(1) The County's fiscal year begins January 1st. Taxes are billed on July 1st and December 1st and recorded as delinquent the following March 1st.

TAXATION

State Revenue Sharing

The County receives revenue sharing payments from the State of Michigan under the State Revenue Sharing Act of 1971, as amended (the "Revenue Sharing Act"). Under the Revenue Sharing Act the County receives its pro rata share of State revenue sharing distributions on a per capita basis. The County's receipts could vary depending on the population of the County compared to the population of the State as a whole. In addition to payments of revenue sharing moneys, the State pays the County to support judges' salaries, as well as other miscellaneous State grants.

Michigan State Capitol

The State continues the distribution of 80% of county revenue sharing payments pursuant to the Revenue Sharing Act, but distributes 20% of county revenue sharing payments through an incentive-based program. The program is known as the County Incentive Program ("CIP"), under which eligible counties must meet all of the requirements of Accountability and Transparency in order to receive the full CIP payment. For purposes of accountability and transparency, each eligible county shall certify by December 1, or the first day of a payment month, that it has produced a citizen's guide of its most recent local finances, including a recognition of its unfunded liabilities; a performance dashboard; a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts until maturity; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections.

The County has met the requirements for all clauses in the past and anticipates meeting the requirements going forward.

General Fund Revenue from the State of Michigan

					December 31,
Category	**2019**	**2020**	**2021**	**2022 (1)**	**2023 (2)**
State Revenue Sharing (3)	$12,419,280	$ 9,649,403	$12,673,201	$13,129,911	$ 9,745,850
Local Community Stabilization Share	3,167,879	3,246,923	3,503,967	3,820,910	2,000,000
Court Equity Funding	2,895,442	2,568,734	2,583,671	2,501,159	1,529,250
Liquor Tax	3,461,891	3,494,675	3,559,297	4,231,368	3,854,742
Grants and Other	1,469,703	1,446,791	1,664,069	1,766,514	1,487,638
Total	**$23,414,195**	**$20,406,526**	**$23,984,205**	**$25,449,862**	**$18,617,480**

(1) Preliminary, subject to audit

(2) Nine-month budget as adopted by the County Board of Commissioners

(3) 2020 was reduced by the State and offset by a replacement revenue outside the General Fund.

Constitutional Debt Limitation

Article VII, Section 6 of the State Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond 10%, of its assessed valuation." The Notes pending are not included within this debt limitation.

Statement of Legal Debt

2022 State Equalized Value (SEV)	$ 37,305,105,935
Legal Debt Limit (10% of SEV)	3,730,510,594
Debt Outstanding	361,833,589
Margin of Additional Debt That Can Be Legally Incurred	$ 3,368,677,005
Debt Outstanding as a percentage of SEV	0.97%

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2022. Bonds or notes designated LTGO, are limited tax pledge bonds or notes.

Debt Type	Gross	Self-supporting or Portion Paid Directly By Benefited Municipalities	Net	Net Debt Per Capita [1]	Net Debt % of SEV [2]
Direct Debt					
General Obligation Limited Tax Notes	$ 17,200,000	$ 17,200,000	$ -		
Airport Bonds (L.T.G.O.)	206,785,000	206,785,000	-		
County Building Authority (L.T.G.O.)	15,200,000	-	15,200,000		
County/City Building Authority Bonds (L.T.G.O.)	21,339,325	-	21,339,325		
Capital Improvement Bonds (L.T.G.O.)	64,910,000	27,384,370	37,525,630		
Capital Leases/Contracts Payable	2,381,264	-	2,381,264		
Road Commission MTF Bonds (L.T.G.O.)	16,720,000	16,720,000	-		
Refuse and Solid Waste Bonds (L.T.G.O.)	4,915,000	4,915,000	-		
Drain Bonds (L.T.G.O.)	12,383,000	12,383,000	-		
Total Direct Debt	**$ 361,833,589**	**$ 285,387,370**	**$ 76,446,219**	**$ 115.99**	**0.2%**
Overlapping Debt [3]					
Cities, Villages and Townships			$ 235,824,708		
School Districts			1,631,020,609		
Community Colleges and Intermediate School Districts			23,541,076		
Total Overlapping Debt			**$ 1,890,386,393**	**2,868.21**	**5.1%**
Total Direct and Overlapping			**$ 1,966,832,612**	**$ 2,984.20**	**5.3%**

(1) Based on 2022 US Census population estimate of 659,083.

(2) Based on 2022 State Equalized Value (SEV) of $37,305,105,935 pending State Equalization.

(3) Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the Direct Debt of the County.

Source: Municipal Advisory Council of Michigan and County of Kent

Debt Amortization Schedule as of December 31, 2022

Year	Tax Notes [1][2]	Refuse & Solid Waste Bonds	Airport Bonds	Road Commission MTF Bonds	Drain Bonds	City/County Building Authority Bonds	County Building Authority Bonds	Capital Improvement Bonds	Capital Leases	Total
2023	13,000,000	610,000	9,295,000	1,540,000	720,000	3,101,469	3,500,000	5,680,000	1,082,612	38,529,081
2024	4,200,000	635,000	9,635,000	1,615,000	740,000	2,433,499	3,700,000	5,935,000	1,099,119	29,992,618
2025	-	670,000	9,980,000	1,695,000	760,000	2,385,378	3,900,000	5,660,000	62,874	25,113,252
2026	-	700,000	9,175,000	1,780,000	785,000	2,344,096	4,100,000	5,925,000	64,760	24,873,856
2027	-	735,000	9,510,000	1,870,000	809,000	2,298,194	-	6,195,000	66,703	21,483,897
2028	-	765,000	9,870,000	1,905,000	840,000	2,257,832	-	6,500,000	5,196	22,143,028
2029	-	800,000	7,430,000	2,000,000	865,000	2,211,380	-	5,945,000	-	19,251,380
2030	-	-	7,800,000	2,105,000	899,000	2,172,718	-	4,455,000	-	17,431,718
2031	-	-	8,185,000	2,210,000	935,000	2,134,758	-	2,500,000	-	15,964,758
2032	-	-	8,580,000	-	970,000	-	-	2,630,000	-	12,180,000
2033	-	-	8,935,000	-	1,000,000	-	-	2,760,000	-	12,695,000
2034	-	-	9,305,000	-	1,040,000	-	-	2,890,000	-	13,235,000
2035	-	-	9,710,000	-	770,000	-	-	3,020,000	-	13,500,000
2036	-	-	8,970,000	-	800,000	-	-	3,165,000	-	12,935,000
2037	-	-	9,420,000	-	90,000	-	-	1,650,000	-	11,160,000
2038	-	-	3,620,000	-	90,000	-	-	-	-	3,710,000
2039	-	-	3,800,000	-	90,000	-	-	-	-	3,890,000
2040	-	-	3,995,000	-	90,000	-	-	-	-	4,085,000
2041	-	-	4,195,000	-	90,000	-	-	-	-	4,285,000
2042	-	-	4,405,000	-	-	-	-	-	-	4,405,000
2043	-	-	4,625,000	-	-	-	-	-	-	4,625,000
2044	-	-	4,855,000	-	-	-	-	-	-	4,855,000
2045	-	-	5,095,000	-	-	-	-	-	-	5,095,000
2046	-	-	5,350,000	-	-	-	-	-	-	5,350,000
2047	-	-	5,620,000	-	-	-	-	-	-	5,620,000
2048	-	-	5,900,000	-	-	-	-	-	-	5,900,000
2049	-	-	6,195,000	-	-	-	-	-	-	6,195,000
2050	-	-	6,505,000	-	-	-	-	-	-	6,505,000
2051	-	-	6,825,000	-	-	-	-	-	-	6,825,000
Total	$17,200,000	$4,915,000	$ 206,785,000	$ 16,720,000	$12,383,000	$21,339,325	$15,200,000	$64,910,000	$2,381,264	$361,833,589

(1) Does not include pending notes to be issued in April 2023.

(2) $13,000,000 principal payment made on April 1, 2023.

Debt History
There is no record of default on any obligation of the County.

Short-Term Financing
The County does not issue short-term obligations for cash flow purposes. The County has in the years 1974 through 2022 issued short-term notes in order to establish a Delinquent Tax Revolving Fund. Notes issued in each of these years have been in a face amount, which has been less than the actual real property tax delinquency. The primary security for these notes is the collection of the delinquent taxes pledged to the payment of principal of and interest on the notes issued. The County has pledged its full faith and credit and limited taxing power to the payment of the principal and interest on notes issued. The County may or may not issue notes to fund the Delinquent Tax Revolving Fund in future years. The amount of notes issued in 2014 through 2022 and their outstanding balance as of December 31, 2022, are as follows:

Outstanding Notes

Tax Year	Year Issued	Notes Issued	Amount Outstanding (1)
2014	2015	19,200,000	-
2015	2016	18,100,000	-
2016	2017	17,100,000	-
2017	2018	15,800,000	-
2018	2019	16,200,000	-
2019	2020	16,200,000	-
2020	2021	15,800,000	4,500,000 (2)
2021	2022	12,700,000	8,500,000 (3)

(1) *Does not include the pending notes.*

(2) *$4,500,000 principal payment made on April 1, 2023.*

(3) *$8,500,000 principal payment made on April 1, 2023.*

Future Financing
Kent County is considering building a new facility on the Fuller Campus to house most of the administrative offices that currently reside at 300 Monroe Ave. The 300 Monroe avenue facility would be retrofitted to allow Prosecutor use, along with an updated Board of Commissioner chambers and hoteling space. The current Prosecutor offices would be sold. Construction estimates at this time are approximately $60 million, however funding will be a mix of bonds and cash on hand.

The Department of Public Works is exploring a few projects that they may need to issue revenue bonds for over the next 12 to 48 months. Projects under consideration include the development of a Sustainable Business Park, improvements at the North Kent Transfer Station, and possibly adding a third combustion train to the Waste to Energy facility. Specific amounts and the exact timing are yet to be determined.

The Kent County Drain Commission is considering issuing approximately $6.0 million in Knapps Corner Drainage Distract Bonds to finance drain improvements. The principal and interest on the bonds will be payable primarily from the City of Grand Rapids and from collections on special assessments assessed against public corporations and property in the Drainage District.

Vacation and Sick Leave Liabilities
As of December 31, 2022, the County had an unfunded vacation liability of $3,175,597 and no unfunded sick leave liabilities.

Pension Benefits

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a single employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission and Airport Authority. The Plan was established by the Kent County Board of Commissioners and is administered by a seven member Board called the Kent County Employees' Retirement Plan Pension Board (referred to herein as the "Board of Trustees"). The Board is comprised of the Chairperson of the Finance Committee of the Commissioners, one other Commissioner appointed by the Board of Commissioners, three employees covered by the Plan, and two residents of the County that are independent of the County and the Plan. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Kent County Board of Commissioners. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Human Resources Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2222.

Plan members hired through December 31, 2010 are eligible to receive pension benefits upon retirement at age 60 with 5 years of service or at any age with 25 years of service. Members hired on or after January 1, 2011 (January 1, 2012 for the Teamsters-Parks, Circuit Court Referees, and Teamsters-Public Health Nurses) are eligible at age 62 with 5 years of service or at age 60 (55 for captains and lieutenants) with 25 years of service. Members of the KCDSA bargaining unit hired on or after January 1, 2013 are eligible to receive this benefit at age 60 with 5 years of service or age 50 with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service. Members of the FOP bargaining unit hired on or after January 1, 2015 are eligible to receive this benefit at age 60 with 5 or more years of service or age 50 with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service.

Cost-of-living adjustments (COLAs) vary based on bargaining unit and hire date and range from 1%-3%.

Benefits Provided. Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service.

Employees Covered by Benefit Terms. At December 31, 2021, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	1,612
Terminated employees entitled to but not yet receiving benefits	236
Vested and non-vested active participants	1,545
Total membership	**3,393**

Contributions. The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, collective bargaining agreements, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. The variable rate was 8.73% for the year ended December 31, 2021. The additional amounts paid for COLAs by the members of the three unions covering public safety officers are a fixed amount added to the variable rate and ranged from 1.75%-3.50%. The County is required to contribute at actuarially determined rates that are expressed as a percentage of covered payroll and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2021 was 10.31% of projected valuation payroll. The normal cost and amortization payment were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period of 19 years.

Investment Policy. The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is detailed below.

Rate of Return. For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2021 is disclosed in Note 3 to the separately issued financial statements.

Net Pension Liability (Asset). The components of the net pension asset of the Plan at December 31, 2021, were as follows:

Total pension liability	$ 1,049,564,821
Plan fiduciary net position	1,137,038,674
County's net pension liability (asset)	$ (87,473,853)
Plan fiduciary net position as percentage of total pension liability	108.33%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2020 (rolled forward to December 31, 2021), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% (price inflation of 2.5%)
Salary increases	3.5%-10.5%, including inflation
Investment rate of return	6.5%

Mortality rates were based on the RP-2014 Combined Healthy Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study dated November 8, 2018.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 (see the discussion of the pension plan's investment policy in Note 2) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-weighted Rate of Return
Core bonds	18.00%	2.58%	0.46%
Multi-sector fixed income	10.00%	3.53%	0.35%
Absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.13%	2.14%
U.S. small cap equity	10.00%	8.53%	0.85%
International developed equity	15.00%	7.99%	1.20%
Emerging market equity	5.00%	9.23%	0.46%
Core real estate	5.00%	6.60%	0.33%
Infrastructure	2.00%	9.60%	0.19%
	100.00%		6.14%
Inflation			2.78%
Risk adjustment			-2.39%
Investment rate of return			**6.50%**

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset). The components of the change in the net pension liability (asset) are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2020	**$ 974,453,867**	**$1,031,217,515**	**$ (56,763,648)**
Changes for the year:			
Service cost	19,898,177	-	19,898,177
Interest on total pension liability	64,813,988	-	64,813,988
Differences between expected and actual experience	6,465,409	-	6,465,409
Assumption changes	32,324,836	-	32,324,836
Employer contributions	-	11,204,271	(11,204,271)
Employee contributions	-	10,908,085	(10,908,085)
Net investment income	-	132,822,471	(132,822,471)
Benefit payments	(47,728,332)	(47,728,332)	-
Administrative expenses	-	(722,212)	722,212
Refunds of contributions	(663,124)	(663,124)	-
Net changes	**75,110,954**	**105,821,159**	**(30,710,205)**
Balances at December 31, 2021	**$1,049,564,821**	**$1,137,038,674**	**$ (87,473,853)**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	One Percent Decrease (5.50%)	Current Discount Rate (6.50%)	One Percent Increase (7.50%)
County's net pension liability (asset)	$ 60,258,920	$ (87,473,853)	$ (204,710,516)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of the 2021 Annual Comprehensive Financial Report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2021, the County recognized pension expense of $(18,491,043). The pension liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2021, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 8,059,093	$ 1,807,335	$ 6,251,758
Changes in assumptions	25,626,430	-	25,626,430
Net difference between projected and actual earnings on pension plan investments	-	92,967,665	(92,967,665)
Changes in proportion and share of contributions	398,294	398,294	-
Total	**$ 34,083,817**	**$ 95,173,294**	**$ (61,089,477)**

Amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2022	$ (9,052,162)
2023	(32,560,780)
2024	(13,202,901)
2025	(6,273,634)
Total	**$ (61,089,477)**

Payable to the Pension Plan. At December 31, 2021, the County reported a payable of $615,946 to the pension plan.

Other Post-retirement Employee Benefits (OPEB)

Plan Description. The County administers a single-employer defined benefit healthcare plan (the "Plan") accounted for in the VEBA Trust Fund. In addition to the retirement benefits described in Note 13, the Plan provides health benefits to certain retirees, which are advance funded on an actuarial basis. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Fiscal Services Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2221.

Benefits Provided. The County provides a fixed monthly dollar subsidy of up to $400 ($350 for retirees before December 31, 2018) to be used by retirees toward health insurance premiums in a County-sponsored insurance plan. In addition, the County provides an implicit subsidy due to having one premium based on a blended rate that treats current employees, retirees, eligible beneficiaries and dependents as one homogeneous group. The implicit subsidy is factored into the actuarial computation of the OPEB liability. Effective 2016, the Collective Bargaining groups have begun to place retirees into separate groups for premium rating purposes for employees who were hired on or after January 1, 2016 (January 1, 2015 for Circuit Court Referees, FOP and Teamsters Parks; and July 1, 2016 for TPOAM and KCDSA).

Membership of the Plan consisted of the following at December 31, 2021:

Retirees and beneficiaries receiving benefits	746
Active plan members	1,546
Total membership	**2,292**

Contributions. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, collective bargaining agreements, and Plan provisions. The Plan covers the Management Pay Plan, both exempt and non-exempt, elected officials, and ten collective bargaining units. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they are receiving a pension from the Kent County Employees' Retirement Plan. The County's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, and are designed to accumulate sufficient assets to pay benefits when due. The County's required cash contribution rate for the year ended December 31, 2021 was 1.86% of projected valuation payroll. For the year ended December 31, 2021, the County contributed $5,434,401, including cash contributions of $4,013,451 and an implicit rate subsidy (which did not require cash) of $1,420,950. Cash payments included $1,840,704 for current premiums and an additional $2,172,747 to prefund benefits.

Retirees are responsible for reimbursing the County for the cost of premiums for the selected level of coverage in excess of the subsidy. The retiree's share of premiums can be deducted automatically from their monthly pension distribution, or paid directly to the County Treasurer. Since retirees must participate in one of the County's health insurance plans in order to receive the benefit, the entire cost of retiree health care premiums is accounted for in the County's health insurance internal service fund. Retiree reimbursements are reported as operating revenue in the internal service fund. On a quarterly basis, the total amount of retiree subsidies for the previous period is billed to the VEBA. This portion of premium costs, which includes the County subsidy only, comprises the entire amount of benefit payments in the Statement of Changes in Fiduciary Net Position.

Investment Policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is detailed below.

Rate of Return. For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 11.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2021 is disclosed in Note 3 to the separately issued financial statements.

Net OPEB Liability. The components of the net OPEB liability of the Plan at December 31, 2021, were as follows:

Total OPEB liability	$ 67,997,078
Plan fiduciary net position	48,174,698
County's net OPEB liability	19,822,380
Plan fiduciary net position as percentage of total OPEB liability	70.85%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	21 years
Asset valuation method	Market value of assets
Price inflation	2.50%
Salary increases	3.5% to 10.5%, including inflation
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to the January 1, 2013 – December 31, 2017 Experience Study for the Retirement Plan and Trust.
Mortality	The RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales. These tables were first used for the December 31, 2018 valuation.
Health care trend rates	Non-Medicare trend starting at 8.25% gradually decreasing to an ultimate trend rate of 4.5%. Medicare trend starting at 6.5% gradually decreasing to an ultimate trend rate of 4.5%.
Aging factors	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.

Long-term Expected Rate of Return. The long-term expected rate of return on VEBA plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of VEBA plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the VEBA plan's target asset allocation as of December 31, 2021 (see the discussion of the VEBA plan's investment policy in Note 2) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-weighted Rate of Return
Core bonds	15.00%	2.58%	0.39%
Multi-sector fixed income	15.00%	3.53%	0.53%
Liquid absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.13%	2.14%
U.S. small cap equity	10.00%	8.53%	0.85%
Non U.S. equity	20.00%	8.55%	1.64%
Core real estate	5.00%	6.60%	0.33%
	100.00%		6.04%
Inflation			2.50%
Risk adjustment			-2.04%
Investment rate of return			**6.50%**

Discount Rate. The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the VEBA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on VEBA plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability. The components of the change in the net OPEB liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2020	**$ 61,571,283**	**$ 41,296,891**	**$ 20,274,392**
Changes for the year:			
Service cost	1,445,063	-	1,445,063
Interest on total pension liability	4,094,752	-	4,094,752
Differences between expected and actual experience	2,532,526	-	2,532,526
Changes of assumptions	1,615,108	-	1,615,108
Employer contributions	-	5,434,401	(5,434,401)
Net investment income	-	4,759,318	(4,759,318)
Benefit payments, including refunds	(3,261,654)	(3,261,654)	-
Administrative expenses	-	(60,554)	60,554
Other	-	6,296	(6,296)
Net changes	**6,425,795**	**6,877,807**	**(452,012)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 6.50%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current rate:

	One Percent Decrease (5.50%)	Current Discount Rate (6.50%)	One Percent Increase (7.50%)
County's net pension liability (asset)	$ 27,058,620	$ 19,822,380	$ 13,593,771

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.25% decreasing to 3.50%) or 1% higher (9.25% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.25% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.25% decreasing to 4.50%)	1% Increase (9.25% decreasing to 5.50%)
County's net pension liability (asset)	$ 16,539,357	$ 19,822,380	$ 23,624,709

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of the 2021 Annual Comprehensive Financial Report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefit Obligations. For the year ended December 31, 2021, the County recognized OPEB expense of $1,638,766. The OPEB liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2021, the County reported OPEB-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 3,221,246	$ 3,538,952	$ (317,706)
Changes in assumptions	2,334,651	-	2,334,651
Net difference between projected and actual earnings on pension plan investments	-	3,921,011	(3,921,011)
Changes in proportion and share of contributions	1,525,479	1,525,479	-
Total	**$ 7,081,376**	**$ 8,985,442**	**$ (1,904,066)**

Amounts reported as OPEB-related deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2022	$ (701,984)
2023	(1,556,639)
2024	(846,097)
2025	215,296
2026	341,976
Thereafter	643,382
Total	**$ (1,904,066)**

Payable to the OPEB Plan. At December 31, 2021, the County reported a payable of $252,519 to the VEBA plan.

Cash Balances and Net Change in Balances

Fund		2021	2022	December 31, Net Change Inc/(Dec)
101	County General	$ 99,719,615	$ 99,570,609	$ (149,006)
201	County Roads	42,899,227	22,326,507	(20,572,720)
215	Friend of the Court	(923,849)	2,351	926,200
221	Public Health	3,086,415	5,948,861	2,862,446
229	Hotel/Motel Tax	6,761,289	8,671,626	1,910,337
253	Early Childhood Millage	9,448,833	7,998,218	(1,450,614)
254	Correction and Detention Facility	11,675,639	8,706,949	(2,968,690)
256	Register of Deeds	787,703	534,161	(253,542)
257	Zoo and Museum Millage	914,712	664,145	(250,567)
259	Senior Millage	3,746,254	2,997,149	(749,105)
274	Coronavirus Relief Fund	67,075,759	123,465,760	56,390,000
445	Public Improvement	45,926,976	52,972,237	7,045,262
516	100% Tax Payment Funds	23,086,446	22,952,761	(133,686)
517	DPW Waste-to-Energy	23,080,487	19,543,420	(3,537,067)
677	Risk Management	12,584,838	11,183,076	(1,401,763)
751	Convention & Arena Auth	24,460,734	21,349,384	(3,111,350)
751	Other Trust and Agency	50,386,280	50,296,024	(90,257)
800	Drains and Lake Level	8,891,388	8,154,428	(736,960)
	Various Other Funds	17,266,120	13,399,200	(3,866,920)
Total		**$ 521,782,003**	**$ 560,067,246**	**$ 38,285,244**

CASH MANAGEMENT

Cash Activity Summary and Analysis

Cash Equity

	December 31, 2021	2022
Cash balance - January 1	$ 416,871,399	$ 521,782,003
Receipts	2,484,184,478	1,377,454,206
Less: Disbursements	2,379,273,874	1,339,168,963
Cash balance - December 31	**$ 521,782,003**	**$ 560,067,246**

Analysis of Cash Balances

	December 31, 2021	2022
Pooled investments	$ 513,893,641	$ 539,739,191
Demand deposits	1,832,451	2,600,800
Imprest cash	8,678,965	19,434,039
Accrued interest on pooled investments	60,155	59,655
Less: Outstanding disbursement checks	2,683,209	1,766,438
Cash balance - December 31	**$ 521,782,003**	**$ 560,067,246**

Pooled Investments Summary of Investments

December 31, 2022

Broker Name	Money Market / GIC	Government Agency	US Treasury	Certificates of Deposit	Total
Brokered Securities:					
UBS Paine Webber	$ -	$ 26,221,214	45,615,262	$ -	$ 71,836,477
Robert W Baird	-	17,669,449	1,988,095	-	19,657,544
Wells Fargo	-	41,001,562	35,832,617	-	76,834,180
Suntrust	-	3,500,040	-	-	3,500,040
Cantella Co	-	20,099,746	19,864,558	-	39,964,304
Truist Secruities	-	12,496,684	-	-	12,496,684
U.S. Treasury Strips Subtotal	**-**	**120,988,696**	**103,300,532**	**-**	**224,289,228**
Certificates of Deposit (CD):					
Huntington Bank	143,882	11,937,660	25,690,594	-	37,772,136
Macatawa Bank	12,575,675	-	-	6,200,154	18,775,830
MBIA Class	22,077,511	-	-	-	22,077,511
Michigan Liquid Asset Fund (MILAF)	5,037,767	-	-	-	5,037,767
Bank of America	25,519	1,987,292	19,885,525	38,000,000	59,898,335
Canadian Imperial Bank of Commerce	-	-	-	32,383,999	32,383,999
Chase Bank	-	-	-	4,000,000	4,000,000
Choice One Bank	-	-	-	12,142,223	12,142,223
Consumers Credit Union	-	-	-	539,283	539,283
Commerce Bank	-	-	-	19,076,006	19,076,006
Fifth Third Bank	-	-	-	5,218,976	5,218,976
First Merchants Bank	-	-	-	5,385,282	5,385,282
First National Bank of Michigan	-	-	-	1,663,979	1,663,979
Flagstar Bank	-	-	-	30,988,605	30,988,605
Grand River Bank	-	-	-	514,296	514,296
Horizon Bank	-	-	-	11,715,163	11,715,163
Level One Bank	-	-	-	1,000,000	1,000,000
Mercantile Bank of W MI	-	-	-	16,376,292	16,376,292
Old National Bank	-	-	-	17,578,029	17,578,029
TCF Bank	-	-	-	6,593,437	6,593,437
United Bank of Michigan	-	-	-	3,529,724	3,529,724
West Michigan Comm Bank	-	-	-	3,183,088	3,183,088
CD Subtotal	**39,860,354**	**13,924,951**	**45,576,119**	**216,088,538**	**315,449,963**
Total	**$ 39,860,354**	**$ 134,913,647**	**$ 148,876,651**	**$ 216,088,538**	**$ 539,739,191**

Pooled Investment Fund [1]

Investments By Type	Par Value	Book Value	Percent
		December 31, 2022	
Certificates of Deposit	$ 216,088,538	$ 216,088,538	40.0%
Passbook & Money Market	39,860,354	39,860,354	7.4%
Federal Home Loan Banks	85,440,000	85,408,259	15.8%
Federal National Mortgage Assoc.	2,000,000	2,050,738	0.4%
Federal Home Loan Mortgage Cor.	20,000,000	19,997,171	3.7%
Federal Farm Credit Bank	27,500,000	27,457,480	5.1%
US Treasury	150,000,000	148,876,651	27.6%
Total	**$ 540,888,893**	**$ 539,739,191**	**100.0%**

Investment Yield	Book Value	Percent
	December 31, 2022	
0.00% to 0.25%	$ 88,920,241	16.5%
0.25% to 0.50%	83,401,846	15.5%
0.50% to 0.75%	31,769,280	5.9%
0.75% to 1.00%	30,378,195	5.6%
1.00% to 1.25%	12,431,814	2.3%
1.25% to 1.50%	13,102,078	2.4%
1.50% to 1.75%	31,581,333	5.9%
1.75% to 2.00%	27,926,456	5.2%
2.00% to 2.50%	51,660,543	9.6%
2.50% to 3.00%	68,238,173	12.6%
3.00% to 3.50%	36,763,232	6.8%
3.50% to 4.00%	59,777,718	11.1%
4.00% to 4.50%	3,788,283	0.7%
Total	**$ 539,739,191**	**100.0%**

Investment Maturity	Date Range	Book Value	Percent
		December 31, 2022	
0 to 1 Month	01/01/23 - 01/31/23	$ 66,259,750	12.3%
1 to 2 Months	02/01/23 - 02/28/23	14,686,629	2.7%
2 to 3 Months	03/01/23 - 03/31/23	24,002,466	4.4%
3 to 6 Months	04/01/23 - 06/30/23	74,519,172	13.8%
6 to 12 Months	07/01/23- 12/31/23	110,812,742	20.5%
12 to 18 Months	01/01/24 - 06/30/24	97,154,591	18.0%
18 to 24 Months	07/01/24 - 12/31/24	60,277,548	11.2%
24 to 36 Months	01/01/25 - 12/31/25	32,633,565	6.0%
36 to 48 Months	01/01/26 - 12/31/26	49,516,892	9.2%
48 to 60 Months	01/01/27 - 12/31/27	9,875,837	1.8%
Total		**$ 539,739,191**	**100.0%**

Pooled Investments Earnings Performance

	December 31,					
	2021			2022		
Month	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield
Jan	$ 407,374,828	$ 258,879	0.738	$ 513,289,630	$ 76,149	0.380
Feb	405,374,641	194,737	0.618	512,073,734	124,089	0.460
Mar	406,932,142	189,170	0.540	515,862,770	197,259	0.480
Apr	389,824,907	171,842	0.529	488,807,551	210,777	0.540
May	407,305,774	135,140	0.479	490,705,601	227,163	0.700
Jun	458,682,659	628,237	0.450	517,389,017	349,294	0.900
Jul	439,560,883	156,783	0.470	527,810,373	383,566	1.100
Aug	459,800,108	306,345	0.720	551,111,887	326,488	1.380
Sep	503,309,038	167,872	0.720	596,222,135	471,880	1.630
Oct	547,943,821	216,708	0.650	631,450,649	420,337	1.860
Nov	536,993,671	168,767	0.580	583,467,207	597,946	1.850
Dec	516,497,687	109,628	0.360	550,755,110	550,597	1.750
Annual	**$ 456,633,347**	**$ 2,704,109**		**$ 539,912,139**	**$ 3,935,547**	

Investment Fund Balance - 1/1/22	*$*	*513,893,641*
Investment Fund Balance - 12/31/22	*$*	*539,739,191*

The following table illustrates the various labor organizations that represent the County of Kent's employees, the number of members and the expiration dates of the present contracts. The County considers its relations with its employees to be excellent and there are no labor problems at the present time and anticipates no strikes or work stoppages.

		March 1, 2023
Bargaining Unit	**Number of Positions [1]**	**Contract Expiration Date**
United Auto Workers (General)	422	12/31/2023
Technical, Professional & Office Workers of Michigan -- TPOAM	377	12/31/2023
Kent County Deputy Sheriff's Association	246	12/31/2023
Kent County Law Enforcement Association -- FOP	271	12/31/2023
Lieutenants-Captains – POLC	26	12/31/2023
Prosecuting Attorneys Assoc.	36	12/31/2027
Circuit Court Referee Assoc.	8	12/31/2027
Teamsters (Public Health)	59	12/31/2023
Teamsters (Parks Employees)	17	12/31/2027
Elected Officials	5	NA
Judges	18	NA
Board of Commissioners	21	NA
Management Pay Plan Group	310	NA
Total	**1,816**	

(1) Includes vacant positions - does not include employees on extended leave or temporary employees.

LABOR CONTRACTS

Statement of Revenues, Expenditures and Changes in Fund Balance

	2021	2022		2023
	Actual	Budget	Actual (1)	Budget (2)
				Year ended December 31,
Revenues:				
Taxes	$ 108,400,810	$ 112,301,010	$ 113,842,405	$ 119,298,360
Intergovernmental	25,728,709	26,646,689	27,236,027	19,921,130
Charges for services	30,119,814	27,966,281	30,407,084	22,199,296
Investments, Rents & Royalties	3,435,468	4,153,380	995,007	3,365,400
Other Revenue	6,987,076	10,186,215	9,757,414	4,799,380
Transfers In	18,450,000	22,487,300	18,787,300	14,618,494
Total Revenues	**193,121,878**	**203,740,875**	**201,025,236**	**184,202,060**
Expenditures:				
Sheriff	61,287,494	73,750,026	72,217,241	59,403,376
Circuit Court	14,681,500	16,792,738	15,170,119	13,132,386
Facilities Management	12,936,747	14,036,429	13,756,026	12,170,210
Prosecuting Attorney	5,200,845	5,510,340	5,259,585	4,419,388
Information Technology	6,989,597	7,748,957	6,848,958	6,316,382
Policy/Administration	3,522,277	4,505,814	4,180,775	4,114,107
Parks Department	6,127,544	6,438,598	6,408,718	5,203,551
Zoo	33,353	33,006	33,006	36,063
Fiscal Services	4,055,497	4,562,297	4,287,249	3,644,210
Clerk/Register of Deeds	3,472,993	4,054,988	3,539,062	3,074,775
District Court	2,893,279	3,149,203	2,946,867	2,474,839
Human Resources	1,996,135	2,061,387	1,998,581	1,827,484
Bureau of Equalization	1,627,014	1,581,667	1,544,997	1,221,834
Treasurer's Office	1,396,278	1,454,763	1,386,441	1,082,200
Drain Commission	730,592	763,224	713,190	624,784
Other Social Services	1,437,000	1,455,000	1,455,000	1,091,250
Other	8,134,458	9,278,173	8,844,371	7,643,979
Transfers Out-Childcare	12,107,954	15,051,828	12,999,282	11,350,323
Transfers Out-Health	4,578,184	10,873,611	8,011,472	7,457,316
Transfers Out-CIP	25,605,034	12,228,447	13,817,705	10,926,476
Transfers Out-FOC	2,038,323	2,057,943	2,044,372	1,942,644
Transfers Out-Debt Svc	3,440,906	3,445,467	3,443,944	2,683,092
Transfers Out-Special Proj	3,674,175	4,965,870	4,667,234	3,809,700
Transfers Out-Other	2,999,434	3,779,732	3,228,268	3,430,769
Appropriation lapse	-	(6,500,000)	-	(4,875,000)
Total Expenditures	**190,966,614**	**203,079,508**	**198,802,463**	**164,206,138**
Net Revenues/(Expenditures)	**2,155,263**	**661,367**	**2,222,773**	**19,995,922**
Fund Balance, beginning of year	82,532,291	84,687,555	84,687,555	86,910,328
Fund Balance, end of year	**$ 84,687,555**	**$ 85,348,921**	**$ 86,910,328**	**$ 106,906,250**

(1) Pending audit adjustments
(2) 9-month budget as adopted

Components of Fund Balance

	Year ended December 31,	
	2021 Actual	2022 [1] Actual
Inventory	$ 124,700	$ 84,369
Prepaids	967,042	1,525,094
Long-term advances	618,096	1,036,839
Total Nonspendable	**1,709,838**	**2,646,302**
Economic stabilization [2]	31,004,887	27,162,243
Total Committed	**31,004,887**	**27,162,243**
Cash flow [3]	44,920,404	47,719,344
Encumbrances	25,329	232,182
Total Assigned	**44,945,733**	**47,951,526**
Unassigned [4]	**7,027,097**	**9,150,257**
Total Fund Balance [5]	**$ 84,687,555**	**$ 86,910,328**

(1) Preliminary, subject to audit.

(2) 10% of the subsequent year's adopted General Fund and subsidized governmental fund budgets

(3) 40% of the subsequent year's budget estimate for property tax revenue

(4) Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund

(5) The County will maintain a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out

Debt Service As a Percentage of General Fund Expenditures [1]

	2021	2022	2023 [2]
Debt Outstanding			
Series 2005 - Courthouse	$ 18,610,000	$ 15,200,000	$ 11,700,000
Series 2010 - Sheriff Administration	-	-	-
Series 2014A - 82 Ionia/Courthouse Land	1,510,000	1,025,000	1,025,000
Series 2017B - Fuller Complex|Dist Ct|DHHS	16,560,000	14,715,000	12,785,000
Total Debt Outstanding	**$ 36,680,000**	**$ 30,940,000**	**$ 25,510,000**
Debt Service [1]			
Series 2005 - Courthouse	$ 4,337,238	$ 4,339,775	$ 3,918,000
Series 2010 - Sheriff Administration	770,100	-	-
Series 2014A - 82 Ionia/Courthouse Land	538,800	545,400	20,500
Series 2017B - Fuller Complex|Dist Ct|DHHS	2,633,400	2,626,875	2,297,875
Total Debt Service	**$ 8,279,538**	**$ 7,512,050**	**$ 6,236,375**
General Fund Expenditures/Transfers [2]	**$ 190,966,614**	**$ 198,802,463**	**$ 164,206,138**
Debt Services as a % of General Fund Expenditures	**4.3%**	**3.8%**	**3.8%**

(1) Does not include capital leases.
(2) 2023 9-month budget as adopted to facilitate year-end change from December 31 to September 30.

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2021	2022 (1)
Operating Revenues:		
Charges for services	$ 440,309	$ 393,196
Interest and penalties	1,714,792	1,504,279
Collection fees	644,543	620,316
Auction proceeds, net	527,421	74,319
Other	38,976	29,039
Total Operating Revenues	**3,366,041**	**2,621,149**
Operating Expenses:		
Contractual services	343,732	359,240
Other expense	1,276,717	296,168
Total Operating Expenses	**1,620,449**	**655,408**
Operating Income (Loss)	**1,745,592**	**1,965,740**
Non-Operating Revenues (Expenses)		
Investment earnings	26,911	(124,204)
Interest expense	(276,425)	(89,270)
Total Non-Operating Revenues (Expenses)	**(249,514)**	**(213,475)**
Income (Loss) Before Contributions and Transfers	1,496,078	1,752,266
Transfers out	-	-
Change in Net Assets	**1,496,078**	**1,752,266**
Net Assets, Beginning of Year	8,099,144	9,595,222
Net Assets, End of Year	**$ 9,595,222**	**$ 11,347,487**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2021	**2022** (1)
Revenues:		
Intergovernmental	$ 3,830,376	$ 254,445
Contributions and reimbursements	809,000	16,952
Other	-	-
Total Revenues	**4,639,376**	**271,397**
Expenditures:		
Capital outlay	13,088,838	17,103,143
Total Expenses	**13,088,838**	**17,103,143**
Deficiency of revenues over expenditures	**(8,449,462)**	**(16,831,746)**
Other Financing Sources (Uses)		
Transfers in	25,605,034	12,067,705
Transfers out	(826,650)	(825,375)
Total Other Financing Sources (Uses)	**24,778,384**	**11,242,330**
Net change in fund balance	**16,328,922**	**(5,589,416)**
Fund Balance, beginning of year	39,280,699	55,609,621
Fund Balance, end of year	**$ 55,609,621**	**$ 50,020,205**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	2021	2022 (1)
Operating Revenues:		
Charges for Services	$ 50,308,206	$ 61,088,496
Total Operating Revenues	**50,308,206**	**61,088,496**
Operating Expenses:		
Personnel Service	11,275,778	14,402,810
Materials and Supplies	1,655,930	2,060,889
Other	16,431,046	21,464,948
Total Operating Expenses	**29,362,754**	**37,928,647**
Operating Income (Loss)	**20,945,452**	**23,159,849**
Non-Operating Revenues (Expenses):		
Investment Earnings	86,596	959,444
Passenger Facilities Charges	6,242,500	7,068,550
Gain (Loss) on Sale of Fixed Assets	87,393	99,715
Customer Facility Charges	1,771,993	3,738,951
Depreciation	(23,288,558)	(23,532,135)
Interest Expense and Charges	(5,556,018)	(8,961,695)
Total Non-Operating Revenues (Expenses)	**(20,656,094)**	**(20,627,170)**
Income (Loss) Before Contributions	289,358	2,532,679
Capital Contributions	17,881,177	13,870,788
Change in Net Assets	**18,170,535**	**16,403,467**
Net Assets, Beginning of Year	295,135,568	313,306,103
Net Assets, End of Year	**$ 313,306,103**	**$ 329,709,570**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2021	2022 [1]
Operating Revenues	$ 50,308,206	$ 61,088,496
Investment Earnings	86,896	959,444
Customer Facility Charges	1,771,993	3,738,951
Gain (Loss) on Sale of Fixed Assets	87,393	99,715
Operating Expenses	(29,362,754)	(37,928,647)
Net Revenues (as defined in the resolution)	**22,891,734**	**27,957,959**
Total Debt Service Requirements	14,129,839	13,919,178
Debt Service Paid by PFCs	(2,527,500)	(2,523,500)
Debt Service Paid by CARES	(1,984,905)	-
Net Debt Service Requirements	**$ 9,617,434**	**$ 11,395,678**
Debt Service Coverage	**2.38x**	**2.45x**

(1) Pending audit adjustments

Gerald R. Ford International Airport

Statement of Revenues, Expenditures and Changes in Fund Balance

	2021	2022 (1)
Operating Revenues:		
Charges for Services	$ 47,168,183	$ 53,470,451
Total Operating Revenues	**47,168,183**	**53,470,451**
Operating Expenses:		
Personnel, Materials, Contractual, Other	34,461,980	40,541,243
Depreciation and Amortization	6,017,337	6,847,443
Total Operating Expenses	**40,479,317**	**47,388,686**
Operating Income (Loss)	**6,688,866**	**6,081,765**
Non-Operating Revenues (Expenses)		
Investment Earnings	219,709	(449,100)
Interest Expense and Charges	(216,812)	(196,198)
Gain (Loss) on Capital Assets	195,918	(87,333)
Total Non-Operating Revenues (Expenses)	**198,815**	**(732,631)**
Capital Contributions	**71,803**	**181,868**
Change in Net Assets	**6,959,484**	**5,531,002**
Net Assets, Beginning of Year	105,096,583	112,056,067
Net Assets, End of Year	**$ 112,056,067**	**$ 117,587,069**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2021	**2022 (1)**
Operating Revenues	$ 47,168,183	$ 53,470,451
Non-Operating Revenues (Expenses)	198,815	(732,631)
Operating Expenses Before Depreciation	(34,461,980)	(40,541,243)
Net Revenues	**$ 12,905,018**	**$ 12,196,577**
Debt Service Requirements	**$ 836,550**	**$ 839,150**
Debt Service Coverage	**15.43x**	**14.53x**

(1) Pending audit adjustments

PUBLIC WORKS FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2021	2022 (1)
Revenues:		
Taxes	$ 18,975,817	$ 19,643,541
Intergovernmental	291,252	306,485
Investment Earnings	81,663	50,828
Total Revenues	**19,348,732**	**20,000,854**
Operating Transfers:		
Facility Operations	18,450,000	18,787,300
Debt Service	3,820,575	3,818,950
Total Operating Transfers	**22,270,575**	**22,606,250**
Net Change in Fund Balance	**(2,921,843)**	**(2,605,396)**
Fund Balance, Beginning of Year	13,222,561	10,300,718
Fund Balance, End of Year	**$ 10,300,718**	**$ 7,695,323**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2021	2022 (1)
Property Tax Revenues	$ 18,975,817	$ 19,643,541
Debt Service/Building Rent Requirements	3,820,575	3,818,950
Debt Service Coverage	**4.97x**	**5.14x**

(1) Pending audit adjustments

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2021	2022 [1]
Revenues:		
Hotel/Motel Taxes	$ 8,968,752	$ 12,489,808
Investment Earnings	33,269	(12,290)
Fines and Forfeitures	10,725	12,550
Total Revenues	**9,012,746**	**12,490,068**
Expenditures:		
Administration	128,238	136,159
Experience Grand Rapids CVB	1,591,954	2,248,166
Arts Festival	10,000	10,000
DeVos Place Debt Service	7,981,750	8,280,350
Total Expenditures	**9,711,942**	**10,674,675**
Net Change in Fund Balance	**(699,196)**	**1,815,394**
Fund Balance, Beginning of Year	7,893,175	7,193,979
Fund Balance, End of Year	**$ 7,193,979**	**$ 9,009,373**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2021	2022 [1]
Hotel/Motel Tax Revenues	$ 8,968,752	$ 12,489,808
Debt Service Requirements	7,981,750	8,280,350
Debt Service Coverage	**1.12x**	**1.51x**

(1) Pending audit adjustments

DeVos Place Convention Center

County of Kent
FISCAL POLICY - DEBT

I. POLICY

1. **Policy:** Kent County shall endeavor to maintain the highest possible credit ratings so borrowing costs are minimized and access to credit is preserved.

2. **Financial Planning and Overview:** Kent County shall demonstrate to rating agencies, investment bankers, creditors, and taxpayers that a prescribed financial plan is being followed. As part of this commitment, the Fiscal Services Department will annually prepare an overview of the County's General Fund financial condition for distribution to rating agencies and other interested parties.

II. PRINCIPLES

1. **Statutory References:** The Kent County Board of Commissioners may establish rules and regulations in reference to managing the interests and business of the County under of Public Act 156 of 1851 [MCLA 46.11(m)].

   1.a. Financing: Various statutes, including but not limited to Public Act 34 of 2001, (The Revised Municipal Finance Act) [MCLA 141.2101 to 141.2821], as amended, Public Act 327 of 1945 (The Aeronautics Code) [MCLA 259 et seq.], as amended, and Public Act 94 of 1933 (The Revenue Bond Act) [MCLA 141.101-138], as amended, and PA 185 of 1957 [MCLA 123.731-786], as amended, enable the County to issue bonds, notes, and other certificates of indebtedness for specific purposes.

   1.b. Debt Limit: Section 6 of Article 7 of the Michigan Constitution of 1963 states "No County shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed value."

   1.c. Disclosures: Effective July 3, 1995, the Securities and Exchange Commission (SEC) enacted amendments to Rule 15c2-12 requiring underwriters of municipal bonds to obtain certain representations from municipal bond issuers regarding disclosure of information after the issuance of bonds. The Rule also contains requirements for immediate disclosure of certain events by borrowers.

2. **County Legislative or Historical References:** Resolution 6-26-97-89, adopted by the Board of Commissioners on June 26, 1997, established rules and guidelines for managing the financial interests of the County. Such a resolution has been adopted annually since 1987.

   2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the Resolution 6-26-97-89. This Policy and the procedures promulgated under it supersede all previous regulations regarding County debt practices.

3. **Operational Guidelines -** Short-term borrowing to finance operating needs will not be used. Interim financing in anticipation of a definite, fixed source of revenue, such as property taxes, an authorized but unsold bond issue, or an awarded grant, is acceptable. Such tax, bond, or grant anticipation notes should not have maturities greater than three years.

4. **Operational Guidelines - Additional:** The County Administrator/Controller shall evaluate each proposed financing package and its impact on the County's credit worthiness, and report the evaluation to the Finance and Physical Resources Committee.

   4.a. Evaluation Requirements: As part of the review process, the Finance and Physical Resources Committee shall review all aspects of the project and recommend to the Board of Commissioners the most appropriate structure of the debt. Options available include notes, installment contracts, industrial development bonds, general obligation bonds, limited tax general obligation bonds, and revenue bonds.

5. **Exceptions:** The Board of Commissioners, upon recommendation of the Finance and Physical Resources Committee, may consider requests to waive any requirement or guideline contained in this policy.

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 05-14-09-50
Name and Revision Number: Debt Policy, Revision 4
Date of Last Review: 04/08/2020
Related Policies: Fiscal Policy on Accounting and Auditing
Approved as to form: Not applicable

County of Kent
FISCAL POLICY - FUND BALANCE/FUND EQUITY

I. POLICY

1. **Policy:** The Board of Commissioners, by adoption of an annual budget, shall maintain adequate General Fund equity (classifications) to provide for contingent liabilities not covered by the County's insurance programs and to provide reasonable coverage for long-term Limited Tax General Obligation debt service.

II. PRINCIPLES

1. **Statutory References:** The Kent County Board of Commissioners may establish rules and regulations in reference to managing the interests and business of the County under Public Act 156 of 1851 [MCLA 46.11(m)].

2. **County Legislative or Historical References:** 3-27-11-18, adopted by the Board of Commissioners on March 27, 2011, established rules and guidelines for managing the financial interests of the County.

   2.a. Lodging Excise (Hotel/Motel) Tax: Resolution 9-11-97-118 approved the use of the Lodging Excise (Hotel/Motel) tax proceeds and established levels of project funding.

   2.b. Governmental Accounting Standards Board (GASB): This document clarifies and expands on pronouncements of the GASB as applicable to local governmental entities and the fund balance for Kent County.

   2.c. Conflicts: This document restates, clarifies, expands or alters the rules set forth in resolutions 6-26-97-89 and 9-11-97-118. This Policy and the procedures promulgated under it supersede all previous regulations regarding the County's fund balance and reserve policies.

3. **Operational Guidelines – General:** Classification and use of fund balance amounts.

   3.a. Classifying Fund Balance Amounts – Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The General Fund may also include an unassigned amount.

   3.a.1. Encumbrance Reporting – – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in Statement No. 54 of the GASB.

   3.a.2. Prioritization of Fund Balance Use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of Kent County to consider restricted amounts to have been reduced first.

   3.a.2.a. When an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, it shall be the policy of Kent County that committed amounts would be reduced first,followed by assigned amounts and then unassigned amounts.

4. **Operational Guidelines – Additional:** The County will establish "commitments" for the purpose of maintaining constraints regarding the utilization of fund balance noting the Board of Commissioner's intent regarding the utilization of spendable fund balance.

4.a. Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. These amounts will be determined before all other classifications.

4.a.1. Long Term Advances – The County will maintain a fund balance equal to the balance of any long-term outstanding balances due from other County funds which exist at year-end.

4.a.2. Inventory/Prepaids/Other – The County will maintain a provision of fund balance equal to the value of inventory balances and prepaid expenses.

4.a.3. Corpus of a Permanent Fund – The County will maintain a provision equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact.

4.b. Restricted – Fund balance will be reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

4.c. Committed – This classification can only be used for specific purposes pursuant to formal action of the Board of Commissioners. A majority vote of the members elect is required to approve a commitment and a two-thirds majority vote of the members elect is required to remove a commitment.

4.c.1. Budget Stabilization – Kent County commits General Fund fund balance in an amount equal to 10% of the subsequent year's adopted General Fund and subsidized governmental fund budgets to insulate County programs and current service levels from large ($1 million or more) and unanticipated one-time General Fund expenditure requirements, reductions in budgeted General Fund revenues due to a change in state or federal requirements, adverse litigation, catastrophic loss, or any similar swift unforeseen event. This commitment may be used if one of the qualifying events listed below occurs, and the County Administrator/Controller estimates the qualifying event will cost $1 million or more and the Board of Commissioners by majority vote of the members present affirms the qualifying event.

4.c.1.a. Qualifying Events

- A flood, tornado or other catastrophic event that results in a declared state of emergency by an appropriate authority, which would require cash up front for response and/or match for disaster relief funds for such an event.
- Loss of an individual revenue source, such as state revenue sharing, for which official notification was not received until after the budget for the affected year was adopted.
- Unanticipated public health or public safety events such as a pandemic or civil unrest requiring cash flow until and if sustaining, replacement, or reimbursement funding is available.
- A Self-Insured Retention (SIR) for an insured claim for which the loss fund has an inadequate reserve.

4.d. Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This would include all remaining amounts (except negative balances) reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The Board of Commissioners delegates to the County Administrator/Controller or his/her designee the authority to assign amounts to be used for other specific purposes.

4.e. **Unassigned –** Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance can never be negative.

4.f. **Minimum Fund Balance –** The County will maintain a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out, to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. Cash flow shortfalls are related to property tax revenues, in anticipation of a July 1 (Mid Year) property tax billing.

4.f.1. **Replenishing deficiencies** – When fund balance falls below the minimum 40% range, the County will replenish shortages or deficiencies using the budget strategies and timeframes delineated below.

4.f.1.a. The following budgetary strategies shall be utilized by the County to replenish funding deficiencies:

- The County will reduce recurring expenditures to eliminate any structural deficit: or,
- The County will increase taxes, fees for services or pursue other funding sources, or
- Some combination of the two options above.

4.f.1.b. Minimum fund balance deficiencies shall be replenished within the following time periods:

- Deficiency resulting in a minimum fund balance between 39% and 40% shall be replenished over a period not to exceed one year.
- Deficiency resulting in a minimum fund balance between 37% and 39% shall be replenished over a period not to exceed three years.
- Deficiency resulting in a minimum fund balance of less than 37% shall be replenished over a period not to exceed five years.

5. **Exceptions:** None.

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 03-24-11-18
Name and Revision Number: Fund Balance/Fund Equity Policy, Revision 7
Date of Last Review: 04/08/2020
Related Policies: None
Approved as to form: Not applicable

County of Kent
FISCAL POLICY - CAPITAL IMPROVEMENT PROGRAM

I. POLICY

1. **Policy:** The Kent County Board of Commissioners requires all County capital improvement/replacement projects to be evaluated for funding within a framework of priorities and the financial capabilities of the County, and as part of a comprehensive budget process.

2. **Capital Improvement Program:** The Capital Improvement Program (CIP) is a primary tool for evaluating the physical improvement, tangible personal property or real property improvements to successfully implement the County budget process. The CIP outlines the schedule of County needs over a five-year period, and contains funding recommendations on an annual basis.

II. PRINCIPLES

1. **Statutory References:** Public Act 2 of 1968 as amended (The Uniform Budget and Accounting Act) [MCLA 141.435] sets forth the minimum requirements for items to be contained in the proposed budget submitted to the Board by the County Administrator/Controller, including the amount of proposed capital outlay expenditures, the estimated total cost and proposed method of financing each capital project.

2. **County Legislative or Historical References:** Resolution 3-28-96-38, adopted by the Board of Commissioners on March 28, 1996, established policies and set forth procedures for project submittal and evaluation for the Capital Improvement Program.

   2.a. Conflicts: This document codifies and amends the policies and procedures set forth in the Resolution 3-28-96-38. Any previous policies or procedures, insofar as they conflict with this policy, are hereby repealed.

3. **Operational Guidelines - General:** The County will establish and maintain a Capital Improvement Fund to account for the acquisition or construction of major capital items not otherwise provided for in enterprise or trust funds. The County will annually deposit, to this fund, a not-less-than sum of monies equivalent to the revenues to be generated from 0.2 mills of the general property tax levy.

   3.a. Project Initiation: Each department, office and agency of the County will annually submit a proposed list of its capital improvement needs for the next five fiscal years to the County Administrator/Controller's Office, according to a format and schedule developed by the County Administrator/Controller.

   3.b. CIP Inclusion Required: Any physical improvement or tangible personal and/or real property costing $25,000 or more and having expected useful life of three years or greater must be included in the CIP in order to be considered for funding.

4. **Operational Guidelines - Additional:** Items submitted for consideration will be evaluated by a Capital Improvement Review Team which shall include, at a minimum, representatives of the Administrator's Office, Fiscal Services, Purchasing, Information Technology and Facilities Management.

   4.a. Evaluation: Items submitted for consideration will be rated according to established criteria. Items rated by the Review Team will be included in the proposed capital budget submitted to the Finance and Physical Resources Committee.

   4.b. Annual Programming: It is recognized that the County has limited resources and only a certain number of projects can be funded in any given year. Those projects that are not funded for a fiscal year, as determined by the Board of Commissioners, may be resubmitted for consideration in future years' CIP process.

4.c. **Purchasing Procedures:** Projects included in the CIP must be acquired through the Purchasing Division and follow established County purchasing procedures.

4.d. **Project Extension and Carry Forward of Funding:** The County Administrator/ Controller may approve the carry forward of unspent funds from one budget year to a subsequent year.

4.e. **Approval of Transfers Between and Substitutions of Projects:** The Controller/Administrator can transfer up to and including $25,000 from any one project to another with the approval of the affected department(s). Transfers of more than $25,000 must be approved by the Finance and Physical Resources Committee.

5. **Exceptions:** The Board of Commissioners, upon recommendation of the Finance and Physical Resources Committee, may consider requests to waive any requirement or guideline contained in this policy that is not in conflict with state law.

5.a. **Project Substitution:** Recognizing that some projects may be tied to grant funding or needs may arise due to emergency situations, a department director or a member of the judiciary may submit a written request to substitute a project for an approved project of equal or greater cost. The County Administrator/Controller shall be responsible for approving the substitute project.

5.b. **Emergent Projects:** Recognizing that some projects may arise, due to emergencies or other unforeseen events, between the annual CIP budget cycles, the Board of Commissioners may, by two-thirds majority of the members elect, consider adding and funding projects, including those necessary to implement a decision or priority of the Board. Any project presented for consideration must include information delineating the reason(s) why the project cannot wait until the next CIP budget cycle.

6. **Implementation Authority:** Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. **Periodic Review:** The County Administrator/Controller will review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 07-24-03-92
Name and Revision Number: Capital Improvement Program Policy, Revision 4
Date of Last Review: 04/08/2020
Related Policies: None.
Approved as to form: Not applicable

County of Kent

FISCAL POLICY – ECONOMIC DEVELOPMENT PARTICIPATION

I. **POLICY -** To correct and prevent deterioration in neighborhood and business districts within the local units of the County, the County may participate with the local units of government in the establishment of tax abatement or capture programs as authorized by State enabling legislation.

II. **PRINCIPLES**

1. **Statutory References:**

Tax Capture
Public Act 197 of 1975 – Downtown Development Authority Act
Public Act 281 of 1986 – Local Development Financing Act
Public Act 530 if 2004 – Historic Neighborhood Tax Increment Finance Authority Act
Public Act 280 of 2005 – Corridor Improvement Authority Act
Public Act 450 of 1980 – Tax Increment Finance Authority Act
Public Act 381 of 1996 – Brownfield Redevelopment Financing Act
Public Act 101 of 2005 – Brownfield Redevelop. Fin. Act – Infrastructure Improvements
Public Act 61 of 2007 – Neighborhood Improvement Authority Act
Public Act 94 of 2008 – Water Improvement Authority Act
Public Act 481 of 2008 – Nonprofit Street Railway Act
Public Act 250 of 2010 – Private Investment Infrastructure Funding Act

Tax Abatement
Public Act 198 of 1974 – Industrial Facilities Property Tax Abatement Act
Public Act 147 of 1992 – Neighborhood Enterprise Zone Act
Public Act 376 of 1996 – Renaissance Zone Act
Public Act 328 of 1998 – Personal Property Tax Abatement Act
Public Act 146 of 2000 – Obsolete Property Rehabilitation Act
Public Act 210 of 2005 – Commercial Rehabilitation Act
Public Act 255 of 1978 – Commercial Redevelopment Act

Tax Capture/Abatement
Public Act 275 of 2010 – Next Michigan Development Act

Economic Development Tax Exemption
Public Act 274 of 2014 – General Property Tax act

2. **County Legislative or Historical References:** None

3. **Operational Guidelines - General:**

3.a. The County pledges up to 7 percent of its general operating property tax levy in support of economic development activities undertaken by local governmental units through local tax abatement/capture programs as authorized by State enabling legislation.

3.b. Participation is contingent upon exclusion of capture or abatement of “dedicated” millage levies (e.g. Correctional and Senior Services). To the extent that these dedicated millages are already captured or abated by a local governmental unit under an existing program, the County will not voluntarily participate in any new or expanded districts.

4. **Operational Guidelines - Additional:**

4.a. As allowed by law, the County may “opt out” of participation in any new or expanded district, and enter into a contractual agreement with the sponsoring local units according to the following general terms and conditions:

4.a.1. Participation in any capture or abatement district will be limited to 10-year renewable terms. Twenty-year terms may be considered if specific project requests would require debt financing.

4.a.2. Local government unit will pledge 100% of its own operating tax levy for capture or abatement.

4.a.3. County participation in tax capture districts will be on a "match" basis. The County will pledge $1 of its operating tax levy to match $1 of city/township tax levy generated for deposit to the Tax Increment Authority.

4.b. County participation will be suspended for any calendar year, if the total County General Revenues and Transfers-In do not increase by at least 3 percent over the prior year's General Revenues/Transfers In.

4.c. County participation will be suspended if the local governmental unit's total of all tax abatements' or captures' taxable values exceed 10 percent of the combined equivalent taxable value of the local unit.

5. Exceptions:

5.a. County participation with individual local government units will be limited to the capture/exemption of tax levy on up to 10 percent of the combined equivalent taxable value in any individual local governmental unit. (See Attachment A).

5.b. In the event that the total of all tax abatement/captures taxable values exceed 10 percent of the combined equivalent taxable value in a specified local government unit, the County will decline participation in the program. In the case of existing programs, County participation will be suspended in the calendar year following determination of the capture/abatement reaching the limit.

5.c. In the event the local governmental unit tax abatement/tax capture exceeds 10 percent of the combined equivalent taxable value, but the local governmental unit enters into an agreement with the County to reimburse lost annual property tax revenues until such time as the percentage of capture is determined to fall below the 10 percent cap, then the County may consent (renaissance zone extension application) to the approval of additional tax abatements.

5.d. Notwithstanding Section 4 above, in the event that a tax capture district provides for "gainsharing" of tax increment proceeds of at least 10 percent, the County may determine if it is in its best interest to not "opt out" of any existing, new, or expanded district to participate in "gainsharing" of tax increment proceeds.

6. Implementation Authority: Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. Periodic Review: The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 1-26-17-6
Name and Revision Number: Economic Development Participation Policy, Revision 1
Date of Last Review: 03/30/2021
Related Policies: Fiscal Policy – Economic Development Participation
Approved as to form: Not applicable

County of Kent
FISCAL POLICY - INVESTMENTS

I. POLICY

1. **Policy:** Kent County will invest funds in a manner which will ensure the preservation of capital while providing the highest investment return with maximum security, meeting the daily cash flow demands of the County and conforming to all state statutes governing the investment of public funds.

II. PRINCIPLES

1. **Statutory References:** Public Act 20 of 1943 [MCLA 129.91], as amended, requires the County to have a written investment policy which, at a minimum, includes the purpose, scope and objectives of the policy, including safety, diversification and return on investment; a delegation of authority to make investments; a list of authorized investment instruments; and statements addressing safekeeping, custody and prudence.

2. **County Legislative or Historical References:** This policy was reviewed and adopted by the Board of Commissioners in 2015 and confirmed rules and guidelines for managing the financial interests of the County.

   2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the 2015 Resolution. This Policy and the procedures promulgated under it supersede all previous regulations regarding County investments.

3. **Scope:** This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

   3.a. **Pooling of Funds:** Except for cash in certain restricted and special funds, the County will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

4. **General Objectives:** The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

   4.a. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

   4.a.1 **Credit Risk:** The County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

   4.a.1.a. Limiting investments to the types of securities authorized by PA 20 of 1943 (MC: 129.91), as amended, except commercial paper investments must have a rating of not less than P1 from Moody's or A1 from Standard & Poor's and mutual fund investments must have a par share value intended to maintain a net asset value of at least $1.00 per share. For purposes of this policy, such investments are referred to as securities.

   4.a.1.b. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. With the exception of U.S. Treasury Securities and authorized pools, no more than 25 percent of the total investment portfolio will be invested in a single security type or with a single financial institution.

4.a.2. **Interest Rate Risk:** The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

4.a.2.a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

4.a.2.b. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

4.a.2.c. The County stratifies its pooled investments by maturity (less than one year, 1-2 years, 2-3 years and 3-5 years). Investments maturing in less than one year shall represent at least 40% of the total value of the portfolio. No other maturity band may represent more than 30% of the portfolio and the total of all investments greater than one year shall represent no more than 60 percent of the total portfolio.

4.b. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. To that end, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

4.c. Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

4.c.1. A security with declining credit may be sold early to minimize loss of principal.
4.c.2. A security swap would improve the quality, yield, or target duration in the portfolio.
4.c.3. Liquidity needs of the portfolio require that the security be sold.

5. Standards of Care:

5.a. Prudence: The standard of prudence to be used by the Treasurer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

5.b. Ethics and Conflicts of Interest: The Treasurer and other employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

6. Safekeeping and Custody

6.a. Delivery vs. Payment: All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

6.b. Safekeeping: Marketable securities will be held by an independent third-party custodian selected by the Treasurer as evidenced by safekeeping receipts in the County's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

6.c. Internal Controls: The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

7. Reporting Methods: The Treasurer shall prepare quarterly investment reports, including a certification regarding compliance with all applicable laws and policies. These reports shall be filed with the Board of Commissioners not later than sixty days following the end of each calendar quarter.

8. Implementation Authority: Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners delegates to the County Treasurer the management responsibility for the investment program as required by state statute.

9. Periodic Review: The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

Board of Commissioners Resolution No. 05-14-09-50
Name and Revision Number: Investments Policy, Revision 7
Date of Last Review: 04/08/2020
Related Policies: None
Approved as to form: Not applicable

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February 13, 2023

Grand Rapids highlights last year's economic impact

By Kayleigh Van Wyk

Spectrum Health's $100 million Center for Innovation and Transformation will be located in the Monroe North neighborhood on the edge of downtown. ***Courtesy Rockford Construction***

Grand Rapids in 2022 saw an increase in project investments and its third largest year for construction since 2001, according to a recent economic impact report.

Jeremiah Gracia, the city's economic development director, presented the department's annual report during a recent committee of the whole meeting.

"2022 was a great year for the Grand Rapids Economic Development Office," Gracia said. "We've seen great impact across the city — not only in downtown, but in every single Ward and also in our neighborhoods of focus."

In 2022, the city saw $245,090,504 in private investment — an overall increase of 35% compared to 2021. These investments supported 17 projects, nine of which occurred in the city's neighborhoods of focus.

Last year also had $44.9 million in construction value, making it the third highest year for construction in Grand Rapids since 2001.

"There's a lot of momentum and a lot of important people behind these projects," Gracia said during his presentation.

A video created to accompany the 2022 report highlighted three projects: the $25 million Lofts on Grove development featuring 110 units, the 900 Cesar E. Chavez Ave. SW supermarket and bakery site renovation project and a $3.8 million development bringing apartments to the intersection of Burton Street and Eastern Avenue.

Gracia said several projects in 2022 are due to the success of the city's inclusion plan, which contributed over $28 million in commitments to minority business enterprise (MBE), woman business enterprise (WBE) or micro local business enterprise (MLBE) contractors. By comparison, $13.2 million was committed in 2021.

In terms of jobs, 401 jobs were impacted in 2022, according to the report. Of those, 342 new jobs were committed and 59 were retained, while the average wage for new jobs was $23.28 per hour.

This was a sharp decrease from 2021, which saw 2,425 jobs impacted, though Gracia pointed out Corewell Health's planned Center for Transformation and Innovation clearing a development hurdle in 2021 impacted those numbers.

"That was 1,800 jobs, so a significant investment and significant commitment," Gracia said of the project.

The report also highlighted business neighborhood investments of $990,364 in 2022 as an overall increase of 40% from 2021. The total investments were made up of support from Façade Grants, public art support and streetscape enhancement projects.

The city's Local Brownfield Revolving Fund (LBRF) and Brownfield Redevelopment Authority remains the largest economic development program, according to Gracia. In 2022, over $2.6 million in development grants and loans was supported.

Along with the development grants were environmental site assessment (ESA) grants, which amounted to $173,740 last year.

"The success of our Brownfield Redevelopment Authority provides these additional funds to utilize these other programs, like environmental site assessment grants," Gracia said. "Based on when those projects complete full reimbursement or the term is up, we collect for five more years on those projects and then we're able to reinvest."

He also explained the impact for the city's neighborhoods of focus, which saw 87% of the city's ESA investments in 2022.

"The environmental site assessment grants are really important for anyone seeking to buy their own property," Gracia said. "We recommend the environmental site assessment be complete, and this program specifically is tailored to offsetting those costs. When you do that in a neighborhood of focus, it's 100% of reimbursement."

The report also featured the city's new taxes for 2022, which amounted to $510,507 from $179,893 in property taxes and $330,634 in income taxes.

Overall, the Economic Development Office highlighted 114% of commitments were fulfilled for completed projects and new investments in 2022. Gracia said he looks forward to the city's continued growth in economic development this year.

"We look forward to having a very strong 2023," he said.

2022 Impact Report

CITY OF GRAND RAPIDS | Economic Development Department

Private Investment

$245,090,504

	Ward 1	Ward 2	Ward 3	Neighborhoods of Focus (NOF)
Projects	7 Projects	5 Projects	5 Projects	9 Projects
Investment	$89,713,835	$83,707,346	$71,669,323	$95,380,345

17 Projects Supported

Inclusion Plan

$28.8M

in commitments to MBE, WBE, MLBE contractors

New Housing

762

New Housing Units

366 New Housing Units at 80% Median Income or Below

Jobs Impacted

401

- New Jobs Committed: 342
- Jobs Retained: 59

$23.28
Average Wage for New Jobs

Local Brownfield Revolving Fund

$2,659,956
Development Grants and Loans

$173,740
Environmental Site Assessment Grants

New City Taxes Total

$510,507

$179,893
Property Taxes

$330,634
Income Taxes

Neighborhood Investments

79 Projects Total

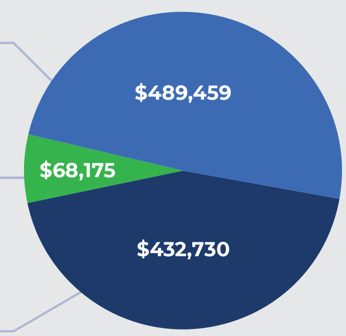
$990,364

Façade Grants
41 Façade Projects Approved

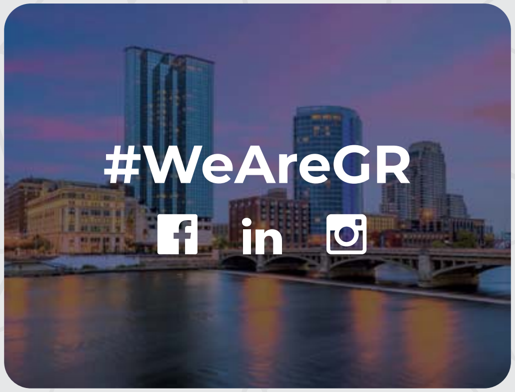
Public Art Support
12 Murals Supported

Streetscape Enhancements
26 Projects Completed

Total Investments



Corridor Improvement Authority (CIA) and Business Improvement District (BID) Investments



CITY OF GRAND RAPIDS | Economic Development Department

Economic Development Matters

Economic development in Grand Rapids continues to thrive! The Economic Development Department is your investment partner with tailored resources and programs that support business investment and job growth. The economic impact is clear. **We believe in Grand Rapids, and so do the businesses making the commitments below. Come be a part of it!**

www.GrowGR.org

2017 - 2021 Incentivized Project Outcomes

57 PROJECTS INCENTIVIZED

43 PROJECTS COMPLETED

$236M PROJECTS UNDER CONSTRUCTION

Job Creation + Retention

113%+ Actual Jobs Retained + Created

1,947 Actual New Jobs Reported

1,044 Expected Jobs Retained Per Apps

1,722 Committed New Jobs Per Apps

Completed Projects + New Investment

$672,450,462 Private Investment Reported

$589,228,817 Private Investment Committed

114% Commitments Fulfilled

Project Development Breakdown

34 Real Estate Developments

9 Businesses Retained, Expanded or Attracted

14 Additional Projects Under Development

Housing Units

768 Total Housing Units Created

184 Of These Units Are Affordable Units at 80% of AMI or below

RECENT NEWS

Axis Automation to invest nearly $6M in West Michigan growth

By Kyle Fongers

An automation solutions provider in Walker plans to expand its team and operations in the region.

Axis Automation on Wednesday, Dec. 7, announced plans to invest $5.7 million for a business expansion project in collaboration with The Right Place and the Michigan Economic Development Corporation (MEDC).

According to the company, the project will grow the team and create up to 50 jobs for the region as supported by a $500,000 Jobs Ready Michigan program grant.

“Continuing our growth in Michigan enables us to confidently invest in our team and facilities, which, at the end of the day, support our customers and mission,” said Ryan Ruster, lead project manager at Axis. “The MEDC and The Right Place have both been very supportive of Axis, and we are grateful for the partnership.”

Axis Automation was established in Walker in 2015 and works to integrate custom factory automation equipment for various industries, including automotive, medical, food and beverage, consumer goods and aerospace. The company opted to expand in Michigan instead of at a competing job site in Illinois.

Jennifer Wangler, vice president of technology at The Right Place and project lead, said her team is excited to see Axis continue to grow its presence in Michigan.

“Axis Automation is an incredibly experienced team of manufacturing and technology integration professionals,” Wangler said. “Their decision to stay in the area helps us continue our work of advancing manufacturers through technology integration and establishing our region as the next tech hub of the Midwest.”

Various public leaders have voiced their support for the project. Walker Mayor Gary Carey Jr. pointed to Axis’ strong history of innovation and productivity here in the region.

“Axis Automation is adding to a growing list of diverse manufacturing and service businesses that call our Northridge industrial park home,” Carey said. “These new jobs and capital investment in our city provide the fuel that drives the thriving Walker economy.”

Rep. Carol Glanville said Axis’ expansion represents a strong comeback for Michigan, a state that “has historically been the heart and soul of manufacturing in the U.S.” Sen. Mark Huizenga also said the project will enhance Michigan’s leadership in automation and manufacturing.

The project will contribute to the MEDC’s goal of growing advanced manufacturing and technology solutions in the state. The corporation launched an Industry 4.0 initiative in 2020 to ensure half of Michigan’s small and midsized manufacturers are prepared to adopt the 4.0 technologies by 2025.

In addition, Axis Automation’s project reflects the MEDC and state of Michigan’s goal to provide more opportunities for STEM training and workforce capabilities.

“This is welcome news for Walker — and all of Michigan — because it speaks to our state’s increasing momentum as a leader in innovative manufacturing,” Glanville said.

December 7, 2022

240-unit apartment development coming to Grand Rapids

By Brian McVicar | bmcvicar@mlive.com

Magnus Capital Partners is slated to break ground this month on HoM Flats at Maynard, a 240-unit apartment development near the corner of Lake Michigan Drive NW and Maynard Avenue NW. (Rendering provided by Magnus Capital Partners)

GRAND RAPIDS, MI — Site work is expected to begin Dec. 19 on a 240-unit workforce housing development near the corner of Lake Michigan Drive NW and Maynard Avenue NW.

The project, known as HoM Flats at Maynard, is being developed by Wyoming-based Magnus Capital Partners. It will consist of seven buildings containing a mix of one-bedroom, two-bedroom and three-bedroom units.

Financed through the state's low-income housing tax credit program, the units will be restricted to households earning up to 80% of Kent County's area median income. For a two-person household, that's an annual income of $57,280, according to figures from the Michigan State Housing Development Authority.

RECENT NEWS

Birmingham developer buys vacant lot that has long eluded builders in Grand Rapids

By Rachel Watson

Developer Ryan Talbot plans to build a four-story mixed-use housing project at this vacant lot at 220 Quimby St. NE in Grand Rapids. Courtesy Rachel Watson

A metro Detroit real estate investor is planning an apartment project in Grand Rapids at a site repeatedly targeted for housing developments that never panned out.

Ryan Talbot, owner of Birmingham-based Talbot Development, on Monday signed closing documents to acquire the vacant lot at 220 Quimby St. NE in the Creston neighborhood from Isaac Oswalt, doing business as North End Lofts LLC, for an undisclosed sum.

Talbot plans to spend about $15 million to build a four-story, 45,000-square-foot mixed-use development at the site called Hillcrest Apartments, according to documents filed with the Grand Rapids City Planning Commission. It will include 72 market-rate studio, one- and two-bedroom apartments and about 1,000 square feet of retail space where Talbot hopes to sign a coffee shop as a tenant.

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November 29, 2022

2 mixed-use developments would bring 154 new apartments to Grand Rapids

By Rachel Watson

The city of Grand Rapids last week approved incentives for this planned four-story development in Grand Rapids' Creston neighborhood. It will have 3,275 square feet of ground-floor retail space and 110 market-rate apartments. Courtesy Lott3Metz Architecture

GRAND RAPIDS — The city of Grand Rapids approved tax incentives for a pair of planned developments that would increase the city's attainable housing stock.

The Grand Rapids City Commission on Nov. 15 approved Neighborhood Enterprise Zone designations for the Lofts on Grove — a project led by First Companies CEO Jeff Baker in the city's Creston neighborhood — and for the 280 Ann LLC project by developer Jack Hoedeman, a partner with Victory Development Group, on the West Side.

The Lofts on Grove project would include ground-floor retail and 110 housing units deemed attainable to those making 80 to 100 percent of area median income, or AMI, with rents ranging from $1,175 for a studio to $1,850 for a two-bedroom. The 280 Ann project would include first-floor commercial space and 44 apartments affordable to those making 60 to 80 percent of AMI, with rents ranging from $950 for a studio to $1,300 for a one-bedroom.

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November 14, 2022

Autocam Medical makes $2M investment in solar energy

By Kayleigh Fongers

A manufacturer made a clean energy investment totaling nearly $2 million at its new global headquarters in Kentwood.

Courtesy Autocam Medical

Autocam Medical, a global contract manufacturer of precision surgical and medical components and devices, has installed roof-mounted solar power systems and a 1.5-acre solar farm at its new headquarters and manufacturing facility at Broadmoor and 36th streets.

The solar technology will generate over 1 megawatt of power at the 120,000-square-foot facility and will help the company with its goal of having zero impact on the environment by conserving, reusing and recycling all materials.

“Although the goal of zero environmental impact is not new, looking at how to minimize the amount of electricity and using solar for generating energy is the next step forward for our company,” said John Kennedy, founder and owner of Autocam Medical.

Other clean energy initiatives with the new facility include state-of-the-art cooling systems to capture manufacturing process heat and redirect it into climate control systems, further reducing power consumption.

Kennedy said most people would be shocked if they knew how much the company spent on air conditioning in the plants.

“It costs us lots of energy to get rid of the processed heat. The reclamation of heat alone will reduce our energy consumption by over 16%,” he said.

The company also said it is investigating retrofitting its existing Kentwood manufacturing facility with the same energy efficiency strategies.

The newly constructed facility is equipped to accommodate Autocam’s growing portfolio of medical manufacturing clients. The company plans to continue expanding its workforce and hire over 250 additional employees at the new site.

Blue Cross Blue Shield signs lease renewal

By Abby Poirer

A major West Michigan employer plans to stay in downtown Grand Rapids.

Health insurance provider Blue Cross Blue Shield of Michigan (BCBSM) on Thursday, Nov. 10, signed a seven-year lease to remain at the historic Steketee's building at 86 Monroe Center St. NW.

BCBSM was joined by Grand Rapids Mayor Rosalynn Bliss, Grand Rapids City Manager Mark Washington and Rockford Construction leaders, on behalf of the building's owner, for a ceremonial lease signing as BCBSM outlined its continued support of the downtown area.

The company first moved into the Steketee's building on Monroe Center almost 20 years ago.

The historic building was built in 1916 and was originally the home of Paul Steketee & Sons department store. After sitting empty, Rockford Construction partnered with BCBSM to bring new life to the building, putting a recognized name brand on the downtown skyline.

"Having a presence in downtown Grand Rapids, in such a vibrant area, has many benefits to our organization, our employees and the community," said Jeff Connolly, BCBSM senior vice president and president, West Michigan and Upper Peninsula. "Our employees enjoy being downtown at the heart of Grand Rapids, nearby where so many of our health partners work.

"They also appreciate being able to contribute to the community, as they do by supporting surrounding local businesses, taking part in city volunteer efforts and supporting local events, ranging from the Grand Rapids Turkey Trot to ArtPrize and many more. We hope today's announcement motivates others to return to downtown to help our city continue its role as one of the best places to live, work and play."

Around 250 BCBSM employees work in the Steketee's building, filling a variety of roles such as sales, account servicing, analysts, provider servicing and customer service.

"Blue Cross Blue Shield of Michigan's original decision to relocate downtown was a game changer," Bliss said. "This renewed commitment symbolizes what is needed to ensure Grand Rapids continues to grow and thrive as a community."

BCBSM's lease renewal comes at the end of a banner year for the organization.

The company ranked No. 1 in Michigan in the J.D. Power 2022 U.S. Commercial Member Health Plan study, which took a look at customer satisfaction with state insurance provider services. BCBSM received 748 points out of 1,000, beating out Health Alliance Plan of Michigan (HAP) and Priority Health as the highest rated insurance provider in the state.

This year, BCBSM also expanded member access to offer a wider range of virtual options, including mental health care services. The organization also unveiled a new virtual primary care plan for members, to be implemented in 2023.

November 9, 2022

Grand Rapids hotels beat pre-pandemic revenues in 2022 tourism season

By Rachel Watson

The Amway Grand Plaza Hotel and the JW Marriott are shown reflected in the Grand River in downtown Grand Rapids. According to STR, the city's hotel revenues have made a complete recovery following the pandemic. Courtesy AHC Hospitality

GRAND RAPIDS — Hotels in Kent County blew past their 2019 summer revenue levels by almost $15 million during 2022's peak tourism season.

In June, July and August 2022, Kent County hotels generated about $83.3 million in total revenue, up from $68.3 million during the same period in 2019, according to STR Inc. reports that Experience Grand Rapids shared with Crain's on Nov. 7.

Average hotel occupancy rates in the county were about 68.6 percent during that period compared with 71.5 percent in the summer of 2019.

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November 7, 2022

RECENT NEWS

Much of Michigan is in a population decline. Why is Grand Rapids booming?

By Rachel Watson

Downtown Grand Rapids' skyline is shown. The Grand Rapids Combined Statistical Area that includes Kent, Ottawa, Muskegon and Allegan counties (KOMA) grew by about 100,000 residents between 2010 and 2020, an increase of about 8 percent. ***Courtesy Experience Grand Rapids***

GRAND RAPIDS — As many parts of Michigan saw declining populations between 2010 and 2020, people flocked to greater Grand Rapids for health care, construction and manufacturing jobs. Recent transplants to the west side say the region's intentional planning and "special" culture is what keeps them around.

According to U.S. Census Bureau data, Kent County — home of Corewell Health, Meijer, Steelcase and Amway — saw a 9.2 percent population increase from 2010 to 2020. That's an increase of over 55,000 people in 10 years and far outstripped statewide population growth of 2 percent.

Grand Rapids gained about 11,000 of those residents, a growth rate of about 5.8 percent. Meanwhile, every major Kent County suburb grew by at least 3 percent (Sparta) to up to 28 percent (Caledonia).

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October 20, 2022

Studio Park building out fifth-tallest tower in city

By Pat Evans

Rendering courtesy Studio C

Once the residential tower expansion of Studio Park is completed, J.D. Loeks just might find himself living in the "world-class" units.

Construction is well underway on the residential tower phase of the Studio Park development at 123 Ionia Ave. SW, which is a $62 million, 16-floor residential tower with apartments and condominiums. Once completed, likely in late 2024, the catalytic downtown project will be well north of $200 million in investments, said Loeks, partner in Olsen Loeks Development and president of Studio C, owner of project.

The first $130 million phase opened in 2019 and includes a nine-screen movie theater, outdoor piazza, 200-seat concert venue and multiple dining and retail options, as well as a 900-space parking garage. Phase 2 opened in 2020, including a seven-story, 100,000-square-foot office building that brought Acrisure downtown and the 155-room Canopy by Hilton Hotel. The complex also has 106 existing apartments.

As the world continues to wade through turbulent economic times with rising interest rates, increasing construction costs and tight labor markets, it might seem like a curious time to embark on a massive project. For the Studio Park development team, however, it was perfect timing.

"Now was always the timing," Loeks said. "It became a more challenging project, but we're feeling pretty good with what we have with the downtown market for apartments being generally fully saturated."

Loeks said they also are hedging the investment by adding condos to the mix.

The new residential tower is set to have 165 apartments and up to 30 condos. Loeks said there already is a list of potential buyers for the condos and the apartments in the earlier phases of the development also have a wait list.

The market-rate apartments are expected to rent between $1,500 and $2,900 for a mix of studio, one- and two-bedroom units, according to city documents. Loeks said the condos will be brought to market in March, likely starting at $500,000.

The complex will include a competition-length pool, full gym, a sundeck with a pickleball court, co-working space, dog-wash area, commercial laundry equipment and a community kitchen.

“We are really bullish on the design of the building, it’s a world-class facility,” Loeks said. “It’s just going to be a great place to be.”

Studio Park has proven to be an exciting addition to downtown and will continue to act as a catalyst for downtown development for some time, said Scott Nurski, senior multifamily investment specialist at NAI Wisinski Great Lakes.

“It has a lot of great things going for it, so adding more housing in that context makes sense,” Nurski said, noting historically high occupancy in downtown Grand Rapids. “There are too many people looking for not enough options and that drives prices up.

“That growth is starting to recede slowly, but I think for Studio Park and the new tower, they’re in a pretty good position for need and desire and the right location for a new project. I feel positive and optimistic that they’ll do well.”

As the residential tower is on top of the six-deck parking garage, once completed the building will stand 22-stories high. That will put it on par with the JW Marriott and likely the fifth-tallest building in the Grand Rapids skyline, Loeks said.

“I keep hearing a lot of the construction crew on site say how proud they feel about building a new piece of the Grand Rapids skyline, and we feel the same way being able to have an impact on the town we live in and call home,” he said. “It means it also creates additional development around town. That’s part of why we do it.”

A pair of out-of-state developers recently proposed a multi-story apartment project south of Studio Park.

There also could be more projects from the Studio Park team moving forward. The developers own a surface lot across the street from the site that could be home to an expansion of the Acrisure headquarters. For now, Loeks said that is a discussion the insurance brokerage is having internally.

“Acrisure knew before they built a building that they would run out of space pretty fast, but we were effectively able to create an opportunity to expand should they choose to right across the street,” Loeks said. “Whether they build there is up to them, but we’re poised and ready to help them expand if they need to.”

RECENT NEWS

Can a 432-unit high-rise meet Grand Rapids' insatiable housing demand?

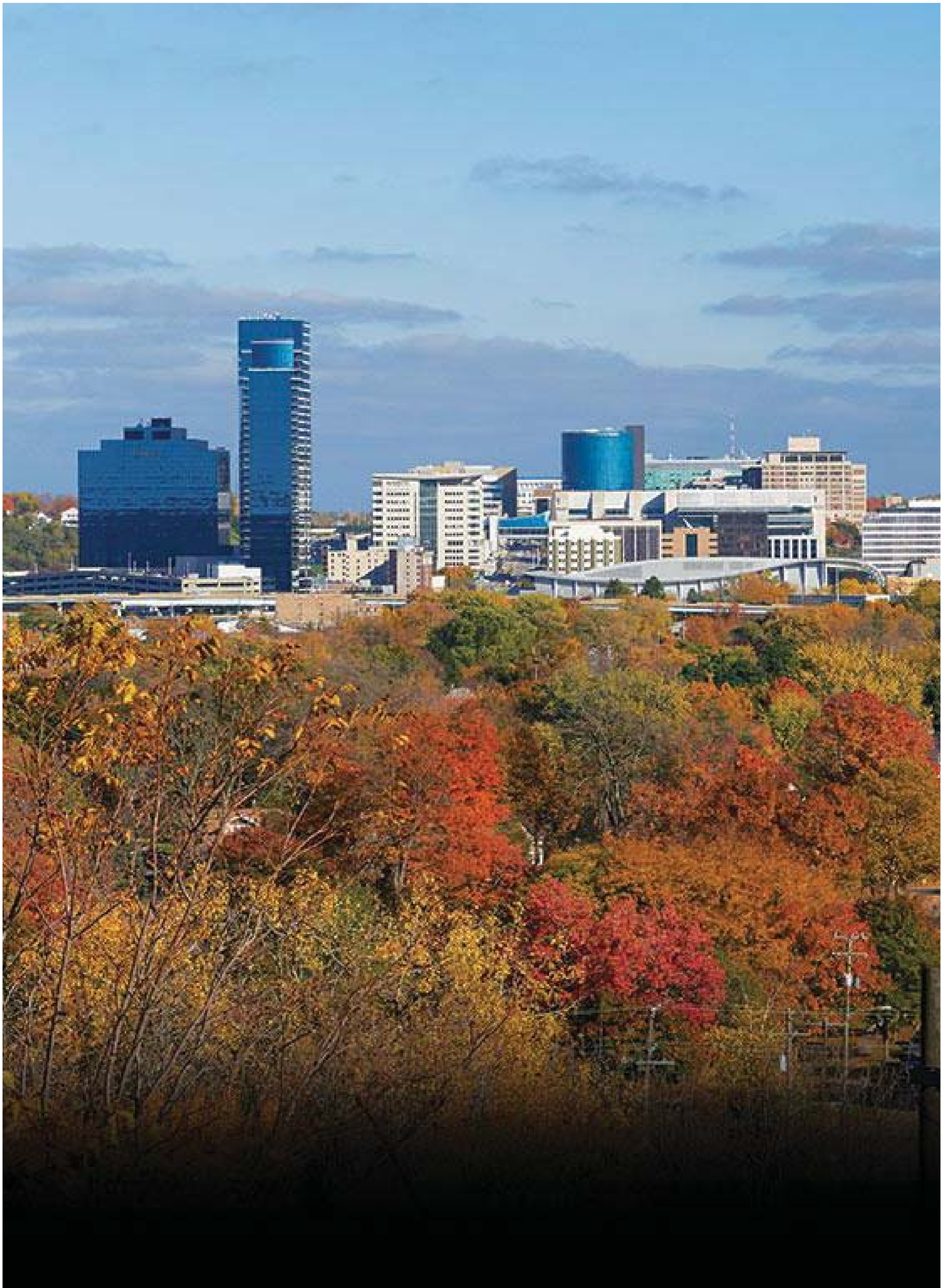
By Rachel Watson

The McConnell, a 432-unit apartment, restaurant and retail building, is planned for a site at 13 McConnell St. SW in downtown Grand Rapids. Project plans call for adaptive reuse of an existing industrial building, shown here. Courtesy Michael Parks

GRAND RAPIDS — Amid a seemingly unending citywide housing crunch, a pair of out-of-state investors are proposing 432 market-rate apartments at the southern edge of downtown.

The McConnell, a 10-story, 336,835-square-foot development covering three lots, is the vision of Jon Morgan, principal at Chicago-based Krika Development, and Michael Parks, managing partner with Boston-based Spire Investment Properties.

In addition to apartments, they hope to build a food hall, microbrewery or distillery, an outdoor lot for food trucks and retail housed in shipping containers on three parcels — 13 McConnell St. SW and 421 and 427 S. Division Ave.



Downtown Grand Rapids (north end)

10-story downtown GR development would include 432 apartments, food hall, retail

By Kate Carlson

A rendering of The McConnell, a proposed 10-story apartment building in downtown Grand Rapids that would include retail space, a microbrewery and a food hall. COURTESY PHOTO

GRAND RAPIDS — A Chicago-based developer plans a 10-story building along Division Avenue in downtown Grand Rapids that would include more than 400 apartment units, retail and restaurant space.

Jon Morgan, co-founder and principal of Chicago-based Interra Realty, is the developer for the project doing business as McConnell GR LLC. Suitepeople, a subsidiary of Urban Trend Real Estate, serves as the property management company for the project.

The Grand Rapids Planning Commission on Oct. 27 will consider an optional plan review involving building height, reducing the parking down to 111 spaces — 530 fewer spaces than required — and reducing the number of required bicycle spaces. Special land use requests related to a proposed food hall and microbrewery portion of the project will also be considered.

Site plans call for a mix of new construction and adaptive reuse of the existing industrial building on the site, located at 13 McConnell St. SW, 421 and 427 Division Ave. The McConnell project would be a 336,835-square-foot, mixed-use L-shaped building with 432 market-rate apartment units. Apartments would include 324 studio units, 90 one-bedroom units, and 18 two-bedroom units.

“We love the Grand Rapids market in general, and there is a huge demand for market-rate housing and we’re a purveyor of market-rate housing,” Suitepeople co-founder and Chief Inspiration Officer Laura Fisher told MiBiz. “That particular area is very suitable for diversification.”

The building team is eyeing a 10-story project to build density and make the project economically viable.

“It is evident without securing sufficient density the project simply is not feasible given external conditions such as the rise in construction costs, interest rates, inflation, and supply chain delays,” according to a presentation on the project filed with the city.

The McConnell could include a microbrewery that occupies 9,044 square feet of lower-level retail, according to planning documents filed with the city of Grand Rapids. Another 24,799-square feet of commercial or retail space would be included below apartment units along McConnell Street.

A 22,500-square-foot food hall called Freedom Street Social would occupy the ground floor next to the microbrewery. An art alleyway and outdoor seating is also included in the plans. As well, a shipping container incubator pod would replace the parking lot currently on the site facing Division Ave.

“The food hall is going to be a huge asset for the downtown core specifically and it will create vibrancy,” Fisher said. “We like to design for enhanced residence experience, so really building in features and amenities and just basic design that nurture and provide the best living we can provide for our residents. We’re hoping that this will generate vitality in the community organically in the building itself with the design.”

Fisher was unable to disclose an estimated timeline for project construction if approvals are granted. The development team is considering four different construction companies that are all familiar with the development plans, she said.

The development team has not yet signed a lease with a brewery, Fisher added.

Kevin Bassett, president of K&K Investors Inc., owns the McConnell Street property, according to the site plan and city property records.

September 20, 2022

THE RIGHT PLACE ASSISTS TECNOFORM TO LOCATE NORTH AMERICAN HQ IN GREATER GRAND RAPIDS

Italian luxury RV & boat fixture company to add 130 jobs, invest $7.3 million to open North American HQ in the region

Today, The Right Place, Inc., in collaboration with the Michigan Economic Development Corporation (MEDC), announced that luxury RV & boat fixture company, Tecnoform, will be opening its North American headquarters at 4999 36th St. SE in Cascade Township with the addition of 130 new jobs and $7.3M in capital investment.

Tecnoform USA is a recently formed subsidiary of Tecnoform S.p.A. Italy, a family-owned manufacturer of elite, upscale furnishings for recreational vehicles. The parent company has approximately 175 employees that serve customers across the globe and continues to see its customer base grow.

“As Tecnoform continues to expand our global operations, we found that West Michigan is an excellent location for our growth,” explains Renzo Kerkoc, CEO of Tecnoform. “It’s a welcoming and business-savvy environment and we’re happy to be here. We’re thankful to the team at The Right Place and their partners at the MEDC for their partnership and collaborative support as we open our North American HQ. We will be closer to our American customers offering a high-quality product with fast response times for dynamic industry needs.”

The Right Place worked closely with the MEDC to bring the company to the Greater Grand Rapids region rather than other out-of-state locations. With the approval of a $750,000 Michigan Business Development Program performance-based grant, the MEDC is supporting the expansion through the Michigan Strategic Fund. West Michigan Works! and Grand Rapids Community College will also be supporting the project with a workforce training package.

“Tecnoform is a high-tech manufacturer with innovative furniture products,” said Brent Case, Vice President of Business Attraction for The Right Place and project lead. “After working with them through the pandemic, we’re thrilled they ultimately chose West Michigan as their first North American location, and we look forward to watching their growth here in the US.”

“We are pleased to welcome Tecnoform to our community and honored to be the home of its first manufacturing facility in North America,” Cascade Township Manager Ben Swayze said. “This move affirms Cascade Township is open for business, and it will help fuel our local economy and bring great jobs to the community.”

September 1, 2022

THE RIGHT PLACE ASSISTS UNISMACK, SA TO LOCATE FIRST US OPERATION IN KENTWOOD

Greece-based company, Unismack, SA, a developer and manufacturer of high-quality crackers and other snack foods, to create 185 new jobs and invest in a multi-million-dollar project to build US headquarters, innovation center, and manufacturing facility in Kentwood, MI

Today, The Right Place, Inc., in collaboration with the Michigan Economic Development Corporation (MEDC) and the City of Kentwood, announced that Greek-owned snack food manufacturer Unismack, SA will build its first North American manufacturing operation in the Greater Grand Rapids region with the addition of 185 new jobs and $41.7M in capital investment over the next 5 years. The US business will operate as SnackCraft, LLC.

Unismack's business in Greece includes R&D and manufacturing of high-quality, natural baked snacks which are free from allergens and artificial ingredients. First formed in 2008, their products include crackers, crisps and baked goods made of unique ingredients like lentil flour, chickpea flour, vegetable flours, various seeds and other innovative natural ingredients. Their current global market presence includes Australia, France, Germany, Italy, Japan, New Zealand, Scandinavia, South Africa, Switzerland, the United Kingdom and the United States.

"As we looked into another manufacturing location for our company, the Grand Rapids region seemed like an obvious choice," said Dimitrios Stratakis, Unismack Founder & CEO. "There is an abundance of talent and resources here in West Michigan to help us in the next phase of our journey and we're thankful to the team at The Right Place and their partners at the MEDC for their support."

The new Grand Rapids facility, led by CEO Joseph Riley, will be a co-packer/contract manufacturer of baked crackers, tortilla chips, single and twin-screw extruded snacks, and pellet snacks such as veggie chips and straws. The facility will include an innovation center to assist customers with research and development of new products to meet changing consumer tastes and demand. SnackCraft will also provide warehousing and some 3PL services for its customers.

The Right Place worked closely with Unismack to bring this new facility to the Greater Grand Rapids region rather than other out-of-state locations being considered. With the approval of a $1 million Michigan Business Development Program performance-based grant, the MEDC is supporting the expansion through the Michigan Strategic Fund. West Michigan Works! and Grand Rapids Community College will also be supporting the project with a $614,000 workforce training package.

"We're very happy we were able to assist SnackCraft in finding the perfect environment to grow their operations here in the United States," said Brent Case, Vice President of Business Attraction for The Right Place and project lead. "With the amount of talent available and the previous successes of other food and beverage companies in the area, Kentwood has created a desirable location for global companies like SnackCraft to thrive."

"We are honored SnackCraft has chosen the City of Kentwood as its first location in the United States, bringing well-paying jobs and a significant investment in our community," Kentwood Mayor Stephen Kepley said. "SnackCraft is positioned for success here with an engaged workforce and welcoming community. We are committed to supporting the company's investment and growth with our solutions-focused team and streamlined development processes."

August 5, 2022

CAA OKs 'exciting next step' for Grand Rapids amphitheater

By Christa Ferguson

GRAND RAPIDS, Mich. (WOOD) — Grand Action 2.0 and the Grand Rapids-Kent County Convention Arena Authority have reached an agreement about how they will work together to bring a riverfront amphitheater to Grand Rapids.

A conceptual rendering from the city of Grand Rapids shows what the amphitheater near the Grand River may look like.

On Friday morning, the CAA approved a memorandum of understanding with Grand Action 2.0 for the amphitheater project, similar to previous agreements involving the Van Andel Arena, DeVos Place Convention Center and Downtown Market.

According to the agreement, Grand Action 2.0 will work on developing, assisting and raising funds for the project and the CAA will handle events and operations of the venue when it's complete. The memorandum of understanding also creates a construction and building committee that'll consist of representatives from the CAA and Grand Action 2.0 and recognizes that contracts Grand Action 2.0 enters into will eventually be signed over to the CAA.

One CAA member called it a "very important step in the amphitheater project."

"It's an exciting next step in the project. Certainly these are two very important entities that have to work together to see this project through to fruition. And this is just one formal step that we needed to take to move forward," Kara Wood, executive director of Grand Action 2.0, said.

Wood said the next steps include continuing to work toward an acquisition agreement between the city and CAA for 11.6 acres of the 15.8-acre property where the amphitheater will sit. That property, labeled 201 Market, currently belongs to the city of Grand Rapids, which has been trying to redevelop it for 15 years.

The DDA supported the first stage of development with a $5.35 million development support agreement, but developers have only used $2.4 million of that funding so far, according to Downtown Grand Rapids Inc. President and CEO Tim Kelly. He is suggesting including a new request from Jackson Entertainment — $600,000 to reimburse the cost of a tower elevator — in the original development support agreement. Under the proposal, the DDA would use 75% of available tax increment revenue for up to a decade to generate the funding.

The DDA will consider the funding request during its monthly meeting Wednesday morning. Jackson Entertainment is also seeking a Neighborhood Enterprise Zone designation for the apartments, as well as changes to the city's Brownfield Plan to support the project, which will go before the respective board on March 15.

If all goes well, construction on the Studio Park tower would start this summer. A spokesperson said the goal is to open in 2024.

The total cost of the amphitheater has been set at $116 million. About $81 million of that is expected to come from donor, state and private investments and the rest from a mix of Convention/Arena Authority property sales, bonds and Downtown Development Authority revenue.

Wood expects stakeholders to complete a proof of concept for the amphitheater this month, which will pave the way for the design phase of the project. However, she said they've "got a lot of pieces to work on" before a construction date can be set.

"Every step is a good step because they're all going forward. That being said, there's an awful lot of steps to get there. So I'm going to hold off my enthusiasm until we actually host that first event. And hopefully, the way it looks right now, that's probably going to be the start of the season in 2025," Rich MacKeigan, regional general manager for ASM Global in Grand Rapids, said.

ASM Global manages events at Van Andel Arena and DeVos Place Convention Center. Under the current vision, the CAA would contract ASM Global to manage events at the amphitheater, too.

Multifamily developments still 'healthy' in West Michigan

Report indicates some stability for region's construction despite competitive rental market.

By Kayleigh Fongers

According to a new report from a commercial real estate firm, the state of multifamily construction in West Michigan continues to reflect broader nationwide trends.

NAI Wisinski Great Lakes recently released its biannual Multifamily Construction Pipeline Report for the West Michigan region. The report outlines the status of multifamily developments in Grand Rapids, Kalamazoo, Lansing and the lakeshore for the first half of 2022.

Scott Nurski, senior multifamily investment specialist for NAI Wisinski Great Lakes, said the data for Grand Rapids points to a similar pattern across the U.S. of housing shortages mixed with high demand.

"What we've seen is the overall dynamic in Grand Rapids seems to be similar to what we're seeing across the country — and certainly across other cities that are seeing overall economic growth where there's just a general shortage of housing, both for sale and for rent," Nurski said.

The new pipeline report shows 1,194 units under construction in the Grand Rapids area for the first half of 2022, including a mix of market rate, mixed-use and affordable housing options. Overall, 683 units from recent developments were listed as being in the lease-up phase and in the process of acquiring tenants.

The report also identified 4,311 potential units as part of proposed or approved development projects in Grand Rapids. Several of these projects include affordable housing developments such as Breton Grove, HŌM Flats at Maynard and Union Suites on Coit, which just broke ground in July.

Along the lakeshore, the report highlighted 242 units under construction and 271 recent units in the lease-up phase. Overall, 2,253 units are part of proposed or approved projects, primarily for market rate projects along with a few affordable housing developments.

Combined with the data for Kalamazoo and Lansing, the report shows 2,950 total units under construction in the region along with 1,733 total units in the lease-up phase and 9,132 total units as part of proposed or approved projects.

For Nurski, these numbers reflect a healthy amount of growth in the region.

"In general, we've observed fairly healthy behavior in terms of developers not being too exuberant or overrunning the market or ignoring data," he said. "They just seem to be fairly measured about what they're doing and not overrunning one neighborhood with new inventory."

At the same time, Nurski recognized how the COVID-19 pandemic contributed to factors such as project delays and high construction costs when it comes to the state of multifamily developments.

"A lot of this is COVID-driven in that everything shut down for a period of time. It created this disjointed market in which all the activity that would've occurred between March of 2020 and later in the year was on pause," Nurski said. "And now you have whatever organic activity would've been occurring going forward, plus all this pent-up demand from the lockdowns."

For multifamily developments already completed, the pent-up demand seems evident in West Michigan. The Business Journal recently reported on Grand Rapids' position as one of the most competitive rental markets in the U.S. this year.

The national apartment listings site RentCafe used factors such as the number of days rentals were vacant, the number of renters competing for an apartment, the percentage of renters who renewed their leases and the percentage of new apartments built to categorize Grand Rapids within the top 10 most competitive markets.

In particular, vacant rentals in Grand Rapids were filled three days sooner than the number of days for the national average, and renters in the area have had to compete with 18 others for each desired place compared to 14 across the nation.

Furthermore, 69% of dwellers in Grand Rapids opted to renew their leases this year instead of relocating to a different apartment or purchasing a home. The national average came in at 62%.

While these vacancy statistics reflect an overheated market, the rent statistics tell a bit of a different story. In light of NAI Wisinski's research, Nurski said Grand Rapids and the West Michigan region as a whole haven't seen as much of a hike as other areas.

"There are other cities that far exceed annualized rent growth than what we're seeing here," said Nurski, who noted Miami's current status as a nationwide leader in rent hikes. "We're actually starting to see our annualized rent growth trend down."

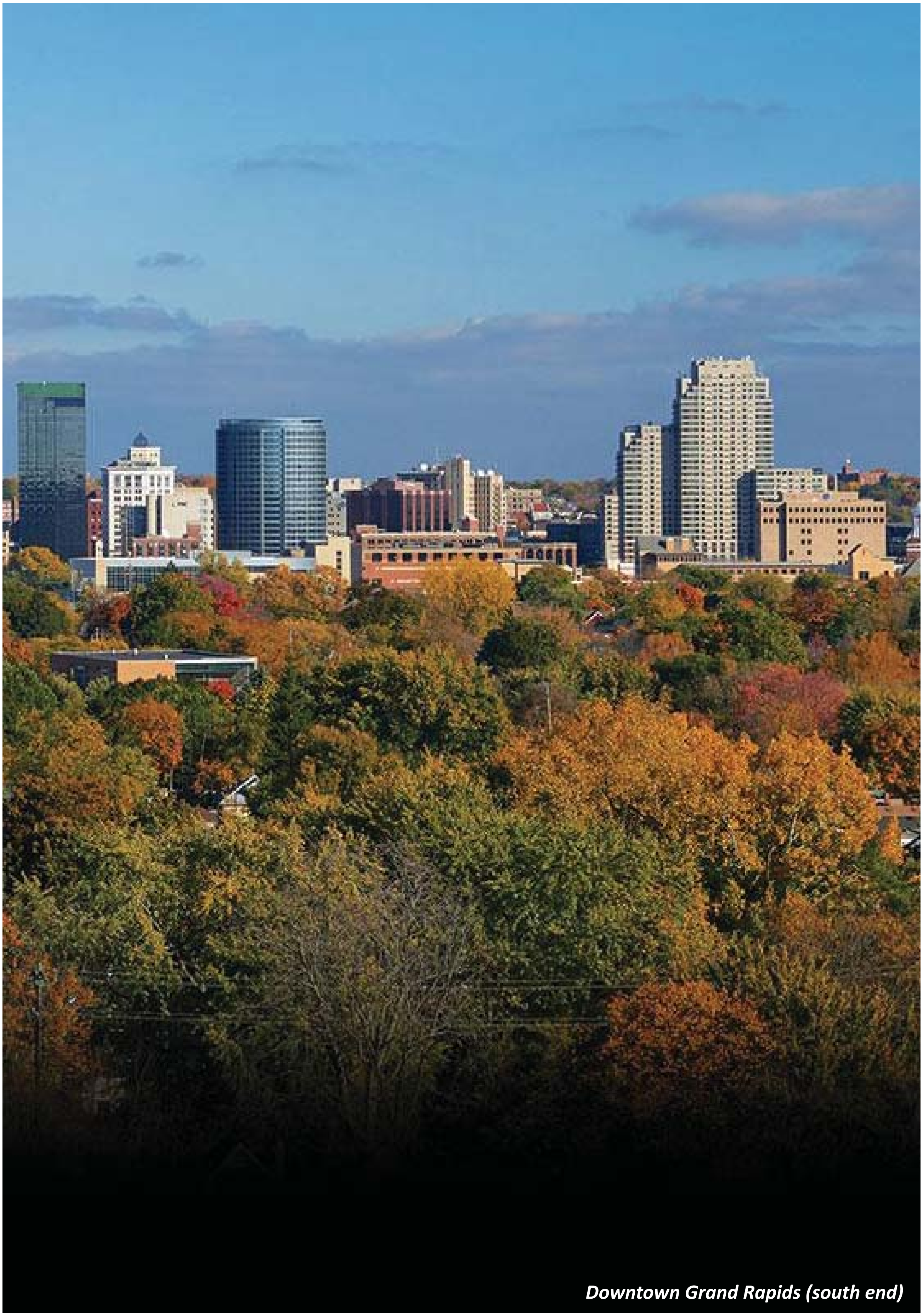
Looking ahead, he said NAI Wisinski Great Lakes will continue to watch the multifamily construction pipeline, which has been stable despite climbing interest rates within the real estate sector.

Since several of the projects in the report already are in process with secured financing, things could change later in 2022 for any new developments coming in to play, he said.

"A lot of the projects that are showing in our data up until this point — ones that have already gotten approval and are maybe moving toward putting a shovel in the ground where they've actually obtained financing — they may have been able to obtain a lower interest rate than what would be available now if you call a lender," he said. "We've seen the pipeline hold now, but it'll be interesting to see later this year whether it starts to pull back."

As for the surge in demand in Grand Rapids, Nurski offered some speculation that could put renters' minds at ease.

"We expect that things are going to settle back down toward the average over the next year or two," he said. "Having been watching this type of data for years, I anticipate that those statistics probably won't last."



Downtown Grand Rapids (south end)