

Proposal for 2015 SmartZoneSM Satellite

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Business Plan

Executive Summary

Understanding Between the Parties

In accordance with The Local Development Finance Act, Act 281 of the Public Acts of Michigan of 1986, as Amended, the City of Grand Rapids, the Grand Rapids SmartZoneSM and the Holland Local Development Finance Authority, having explored the benefits of cooperating in the formation of a Holland SmartZoneSM Satellite, have agreed to proceed with an application. The regions share complementary and supporting services critical to the growth of high tech entrepreneurial and early stage acceleration for companies. The creation of a Satellite will expand the region's capacity to incubate and accelerate new businesses and create jobs in high tech fields.

The focal point of collaboration can be illustrated by the Grand Rapids SmartZone's affiliation with Emerge and Grand Valley State University as well as Holland SmartZoneSM Satellite's Michigan State University Bioeconomy Institute (MSUBI). Emerge Incubate (formerly GR Current) began with an emphasis on medical devices and related biosciences. The MSUBI is the state's leading public "green chemistry" production facility, accelerating early stage companies needing scale-up capabilities.

The Holland SmartZoneSM Satellite recognizes the clear benefit, in association with the City of Grand Rapids SmartZoneSM, in extending the reach of the Satellite and gaining from Grand Rapids' experience in the development of high tech entrepreneurs. Together, the SmartZone's will strengthen the high technology eco-system. The leasable MSUBI wet lab space offers incubator clients a place to which to "graduate" while continuing development of their science and business model.

Unique Characteristics and Specialties and Resources

MSUBI is a unique resource in the Midwest. While the physical scale-up plant is of critical value, the resident expertise of the plant operators and consulting chemists provides a full menu of services. MSUBI experience has shown that many entrepreneurs working in the sciences may be able to create a novel material on the bench, but have no idea what will happen when scaled, or what it will take to get to production quantities. MSUBI provides the expertise necessary to support this need. The combination of high tech support and the scale up capabilities offers entrepreneurs a fertile atmosphere for incubation and acceleration. The MSUBI capability has been recognized with an *i6 Green Challenge* "Proof of Concept Center" award from the Economic Development Administration in the U. S. Department of Commerce, a national, merit -reviewed competition.

Holland is rich in entrepreneurial spirit and innovation and possesses a deeply rooted tradition of supporting the growth and development of companies like Haworth, Herman Miller, Gentex, Request Foods, and TransMatic, all having matured to well established industry leaders. More recently, start-

ups like Conpoto, NetRivet, Volta, Jolt, AISentis and Encoris illustrate a new wave of high tech approaches to entrepreneurship. Holland is a thriving community with a diverse culture. Its beaches, shopping, galleries, and eateries appeal to individuals and families from all over the United States.

Benefits to Regional Cooperation and Collaboration

The City of Grand Rapids' SmartZoneSM and the Holland SmartZoneSM Satellite agree to joint marketing of the region related to the high technology businesses providing crossover support for incubator clients and acceleration of early stage companies. This will benefit the region with new companies and additional jobs.

As a part of a 13 county West Michigan Regional Prosperity Alliance this region has a head start over others areas in the state in breaking down boundaries to support each other in growth and because of this is, the Authority Districts (Grand Rapids and Holland) are in a unique position to thrive both separately and as a part of the larger region.

Research indicates that local companies spend a larger share of revenue on research and development than other companies in the Midwest. To continue on a positive economic growth trajectory, the region must do more to establish a thriving, expanding entrepreneurial eco-system. Additionally, today's entrepreneurs are somewhat different from their predecessors. Still driven by the passion to create new, important approaches to market gaps, they also want a higher quality of life and the amenities that contribute to happy, healthy lifestyles. Holland possesses an award winning downtown, but to compete successfully with other regions, it needs to build a more robust and enriching entrepreneurial eco-system.

To start, plans are in place to improve the water quality of Lake Macatawa and further develop the downtown corridor. When the Grand Rapids SmartZoneSM presented an opportunity for Holland to become a SmartZoneSM Satellite, a greater vision for Holland was realized, providing opportunity for the Satellite to advance emerging regional development plans. The Holland area provides a unique benefit for business expansions and start-up businesses, as it is strategically located around Lake Macatawa, which feeds in to Lake Michigan. The lake has a navigation channel allowing ships and freight to reach the City of Holland dock.

Much of the industrial area surrounding Lake Macatawa is underdeveloped and in need of modernization. A Local Development Finance Authority (LDFA) has been established to encourage redevelopment, utilizing the MSUBI as an anchor for an increased emphasis on the creation of high tech companies and job creation. Boundaries for the SmartZoneSM have been established with focus on challenged areas within the City of Holland and Holland Charter Township. The Holland SmartZoneSM will be administered by Lakeshore Advantage and will leverage the MSUBI resources.

Economic data reinforces the need for a coordinated, strategic set of community priorities to help area companies and the community to remain competitive. Along with planned and existing downtown redevelopment, the strong support for start-up and acceleration of early stage businesses will be a powerful tool to attract business development and high technology talent to the Holland community. The partnership with the Grand Rapids SmartZoneSM will be a regional collaboration that creates a dynamic partnership throughout Western Michigan, the Midwest and the nation. Together, the SmartZone's will provide complementary services, which will expand the assistance available to new and emerging high technology businesses.

The SmartZoneSM will stimulate collaboration between Michigan State University, industry, research organizations, government and other community organizations with the objective of growing technology-based businesses. Lakeshore Advantage will work closely with MSUBI to fill a critical gap in this technology cluster by specializing in the idea stage of new company incubation, early stage acceleration and adding a unique capability as a provider for scale-up production needs. At the same time, Michigan State University will assist in development of other high tech fields in support of local advance. This collaboration will promote economic development and increase high technology jobs within the SmartZoneSM and surrounding region.

Value Added/ Contribution to Technology Based Economy

The designation of the Holland Authority District as a SmartZoneSM Satellite adds value and economy to the Grand Rapids Authority's mission by (a) enabling greater joint marketing of the West Michigan region as a region for entrepreneurship and innovation, (b) providing the services, facilities and resources offered by the Holland Authority and its partner Lakeshore Advantage and/or within the Holland Authority District including, importantly, the Michigan State University Bioeconomy Institute and (c) encouraging and promoting regional collaboration of high technology activity within the West Michigan region.

In addition, the collaboration of the region is important to both Grand Valley State University and Michigan State University because of the duality of their locations. The focus of these universities in regional collaboration and high technology growth would be supported by this designation. For example, Michigan State University, already a part of the Lansing Smart ZoneSM, is constructing its Biomedical Research Center in downtown Grand Rapids and is the anchor for the Holland SmartZoneSM. This activity shows the commitment of Michigan State University to the economic vitality of the Host region as well as the Satellite.

Cooperative Effort with Host Zone (Roles and responsibilities)

The roles and responsibilities of both the Host SmartZoneSM and the Satellite SmartZoneSM are to collaborate and promote an innovative entrepreneurial ecosystem that allows high technology businesses to thrive. The role of the Holland Satellite will be to analyze and fill gaps in the ecosystem based current programming offered in the region. Where those gaps are identified, the Holland

Authority will tap into the regions people, programming and facilities, drawing on experiences and best practices of the Grand Rapids SmartZoneSM allowing this collaboration to create a robust region of entrepreneurship and innovation.

Opportunity to Attract High-Tech Businesses

The City of Holland is planning for the redevelopment of their downtown core district with a particular emphasis on the waterfront. The downtown is already a favored destination for area visitors. The additional development would serve to strengthen this regional asset. Furthermore, Project Clarity has a specific focus on the water quality that affects Lake Macatawa and further downstream, Lake Michigan. When seen in conjunction with the City of Holland downtown corridor development, the overall impact for the region would be outstanding and represents the foundation of the Holland SmartZoneSM Satellite growth potential. The enhanced quality of life would be the magnet to attract the type of professionals needed to staff the new technology emphasis.

The collaboration and support of the MSUBI with Hope College provides the needed ingredients for an emphasis on idea stage and high tech companies in particular. Hope College and Michigan State University both have entrepreneurial programming and offer a feeder system for start-ups spinning out of these programs. Both programs are in need of outlets for student and graduate based support as companies and products launch.

A new level of collaboration with EMerge revolving around their scientific and laboratory needs will be easily facilitated. By coordinating efforts and combining resources, we can maximize our visibility, impact in the region, and draw potential clients from not just the Midwest, but on a national scale too. A regional strategy will be necessary to become a center of excellence in industry clusters, including engineering, advanced energy storage, bioeconomy, chemistry, life sciences and technology solutions. This strategy includes a variety of attractive amenities such as infrastructure, housing, education, downtown development, quality of life and transportation.

An example of collaborative efforts between the Zones for the attraction of high-tech companies occurred in June 2015 on an attraction project with Trident Labs. Trident Labs contacted Grand Rapids originally in an attempt to procure lab space in their life science incubator, which is currently full. Grand Rapids referred Trident Labs to MSUBI knowing this facility had lab space available. After viewing available space, Trident signed a lease and opened for business in August. They are a provider of toxicology screening tests for a variety of client types and will be expanding to larger space within MSUBI in Q4 2015.

The Holland SmartZoneSM Satellite will be focused on the development of technology-based businesses. MSUBI anchors the SmartZoneSM with a focus on this rapidly accelerating research and development arena. The SmartZoneSM and MSUBI will fill a critical gap in in these clusters by specializing in technology company incubation, early stage acceleration and chemistry scale up capability.

b. The Vision and Mission

To stimulate economic vitality in the Holland SmartZoneSM Satellite region by facilitating the formation and sustained growth of companies serving Michigan's developing new economy.

c. Development Concept

The SmartZoneSM technology cluster will stimulate collaboration between Michigan State University, industry, research organizations, government and other community organizations all with the objective of growing high technology based businesses thereby increasing jobs. This will be accomplished with the use of an incubator and accelerator services.

This includes support such as:

- Technology and opportunity assessment
- Business plan development
- Entrepreneurial networking opportunities and events
- Business skills development seminars and workshops
- Marketing and promotion
- Intellectual property assistance
- Technology transfer and commercialization
- Grants and applications; government assistance programs

The entrance barriers for start-up or early stage companies are significant. The accelerator helps promising young companies lower the barriers to achieve successful commercialization of their innovative products and technologies by providing:

- Access to the small business incubation program
- Assistance in navigating the broad range of resources available through MSU and the community
- Business assistance services, such as business planning, technology assessment, and market development
- Various educational, networking, and mentoring programs
- Connections to local talent, qualified service providers, and potential sources of financing

Particularly as it relates to progressing from the lab bench to production, MSUBI supports start up and early stage companies because it possesses the necessary permits and certificates to progress from scale-up to production. Securing all the requisite permits and certificates usually means entrepreneur/scientists, unfamiliar with the maze of regulations and controls required for safe scale-up, could spend an inordinate amount of unproductive time and money in compliance. Since MSUBI already possesses these credentials, the entrepreneur/scientists can fully focus on their core competency.

The Institute also serves as a home to "embedded" researchers from private and public sector collaborator organizations. These activities support Michigan State University's general mission

triad of research, teaching, and service-outreach, and specifically advance MSU efforts to promote the economic development of Michigan, the region, and the nation.

The Institute has seen rapid growth in terms of companies serviced and commercialization achieved. For example Pleotint, a local West Michigan company, through the leadership and collaboration of the MSUBI staff and Lakeshore Advantage, has increased the value of their product, which has led to increased production and growth. In addition, this same company just held their annual meeting in the auditorium of the Institute and showed off the valuable resource that enabled this organization to achieve their goals for 2014. This partnership proves the focus on development the Institute brings to the region.

Budget (including proposed use of TIF revenues)

Financing Strategies

The proposed Holland SmartZoneSM Satellite will leverage the expertise and programs of Lakeshore Advantage and MSUBI. MSUBI is supported by Michigan State University, one of 60 research universities in the United States. Lakeshore Advantage is a non-profit organization with a Board of Directors comprised of both private and public sector leaders. Over its 11-year history, Lakeshore Advantage has generated \$1.2 billion in investment with a corresponding creation of over 10,000 new jobs in the region.

The financial information in the table below is what is anticipated to flow through the Local Development Finance Authority and the Holland SmartZoneSM team. This will enable this SmartZoneSM to have start-up funds and will secure our ability to be self-sustaining after the 5-year commitments have been fulfilled.

Key details in the Financials:

- Lakeshore Advantage has secured \$200,000 per year of financial support for the first five years of the program.
 - Varnum Law firm committed \$50,000 of matching funds to support early stage incubator companies with patent filings.
 - Warner Norcross Judd has committed \$3,500 per year for two years in legal support.
 - Lakeshore Advantage committed \$100,000 per year in-kind support for five years to support the accelerator and incubator.
 - In addition to providing \$25,000 in pre-plan expenses, Michigan State University committed support of \$75,000 per year for two years.
 - Holland Economic Development Corporation (HEDCOR) has committed support of \$235,000 during the first five years of the SmartZoneSM.
 - The Holland/Zeeland Community Foundation has committed support of \$115,000 during the first three years of the SmartZoneSM.
 - Ottawa County provided \$3,400 loan for civil engineering services to cover the cost of creating a legal description of the SmartZoneSM boundary.
- Revenue shortfalls will be handled by support from private sector contributors and/or

- municipalities upon special review and local legislative approval.
- See attached document LDFA SmartZoneSM – Exuberant Plus Boundary Information for local, and state 15-year capture figures.

Utilities such as electricity, natural gas, telecommunications and internet infrastructure currently exist in varying capacities throughout the City of Holland and Holland Charter Township. Major public utilities are also adequate at this time; however, as the SmartZoneSM becomes more established, it may become necessary to update existing broadband, sewer, water, snowmelt district heat and other lines, make roadway and sidewalk, boardwalk or other transportation improvements and modifications, or other infrastructure or streetscape improvements related to public benefit. The exact timeline for infrastructure improvements are unknown.

Table 1: Profit and Loss

	Pre-Spend	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020	Years 6-10 2021-2025	Years 11-15 2026-2030
Income								
Lakeshore Advantage (in-kind)	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0
Michigan State University	\$25,000	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0
Varnum Law (in-kind)	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0
Community Foundation	\$0	\$40,000	\$40,000	\$35,000	\$0	\$0	\$0	\$0
HEDCOR	\$0	\$30,000	\$30,000	\$35,000	\$70,000	\$70,000	\$0	\$0
Ottawa County	\$3,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warner Norcross & Judd		\$3,500	\$3,500	\$0	\$0	\$0	\$0	\$0
Local Tax Capture	0	\$35,635	\$56,765	\$109,004	\$146,768	\$185,266	\$2,043,286	\$4,050,711
State Tax Capture	0	\$5,077	\$10,252	\$15,527	\$20,906	\$26,388	\$286,621	\$565,922
Total Revenue	\$78,400	\$299,212	\$325,517	\$304,531	\$347,674	\$391,654	\$2,329,907	\$4,616,633

	Pre-Spend	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020	Years 6-10 2021-2025	Years 11-15 2026-2030
Expenses								
Operational Expenses								
Personnel		\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$725,000	\$725,000
Contract Labor	\$48,000	\$25,000	\$30,000	\$40,000	\$50,000	\$60,000	\$300,000	\$300,000
Accounting		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	\$25,000
Liability Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000	\$5,000
Administration		\$10,000	\$6,000	\$6,000	\$10,000	\$6,000	\$30,000	\$30,000
Ottawa County Loan		\$3,400						
Marketing and Program Activities		\$55,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000	\$225,000
Total Expenses	\$49,000	\$249,000	\$232,000	\$242,000	\$256,000	\$262,000	\$1,310,000	\$1,310,000

EXUBERANT PLUS BOUNDARY

SmartZone Tax Capture (1% Increase in Normal Growth Rate due to SmartZone)

Collect 50% of Local Operating Millages, School Millages, and Specially Approved Millages — Excludes All Debt Millages

Taxing Jurisdiction and Tax Item	Amount of Tax Mills	Tax Mills Captured by SmartZone	Base Year of SmartZone		2016			2017			2018			2019			2020		
			Taxable Value (2015)	Tax Revenue (2015)	Estimated Taxable Value (2016)	Estimated Increase in Taxable Value (2015-2016)	Estimated Taxes Captured by SmartZone (2016)	Estimated Taxable Value (2017)	Estimated Increase in Taxable Value (2015-2017)	Estimated Taxes Captured by SmartZone (2017)	Estimated Taxable Value (2018)	Estimated Increase in Taxable Value (2015-2018)	Estimated Taxes Captured by SmartZone (2018)	Estimated Taxable Value (2019)	Estimated Increase in Taxable Value (2015-2019)	Estimated Taxes Captured by SmartZone (2019)	Estimated Taxable Value (2020)	Estimated Increase in Taxable Value (2015-2020)	Estimated Taxes Captured by SmartZone (2020)
Ottawa County Operating	3.6000	1.8000	\$87,863,406	\$157,769	\$89,558,318	\$1,694,912	\$3,046	\$91,286,107	\$3,422,701	\$6,151	\$93,047,412	\$5,184,006	\$9,316	\$94,842,886	\$6,979,480	\$12,543	\$96,673,194	\$8,809,788	\$15,833
Ottawa County E-911	0.4400	0.2200	\$87,863,406	\$19,283	\$89,558,318	\$1,694,912	\$372	\$91,286,107	\$3,422,701	\$752	\$93,047,412	\$5,184,006	\$1,139	\$94,842,886	\$6,979,480	\$1,533	\$96,673,194	\$8,809,788	\$1,935
Ottawa County Parks	0.3165	0.1583	\$87,863,406	\$13,875	\$89,558,318	\$1,694,912	\$268	\$91,286,107	\$3,422,701	\$541	\$93,047,412	\$5,184,006	\$819	\$94,842,886	\$6,979,480	\$1,103	\$96,673,194	\$8,809,788	\$1,392
Ottawa County Roads	0.5000	0.2500	\$87,863,406	\$21,912	\$89,558,318	\$1,694,912	\$423	\$91,286,107	\$3,422,701	\$854	\$93,047,412	\$5,184,006	\$1,294	\$94,842,886	\$6,979,480	\$1,742	\$96,673,194	\$8,809,788	\$2,199
Ottawa County Subtotal	4.8565	2.4283	\$87,863,406	\$190,926	\$89,558,318	\$1,694,912	\$4,109	\$91,286,107	\$3,422,701	\$8,298	\$93,047,412	\$5,184,006	\$12,568	\$94,842,886	\$6,979,480	\$16,922	\$96,673,194	\$8,809,788	\$21,359
Holland City Operating	9.5000	4.7500	\$67,707,843	\$321,603	\$69,062,000	\$1,354,157	\$6,432	\$70,443,240	\$2,735,397	\$12,993	\$71,852,105	\$4,144,262	\$19,685	\$73,289,147	\$5,581,304	\$26,511	\$74,754,930	\$7,047,087	\$33,474
Holland City Street Improvements	1.4268	0.7134	\$67,707,843	\$48,301	\$69,062,000	\$1,354,157	\$966	\$70,443,240	\$2,735,397	\$1,951	\$71,852,105	\$4,144,262	\$2,956	\$73,289,147	\$5,581,304	\$3,982	\$74,754,930	\$7,047,087	\$5,027
Holland City Sidewalk Improvements	0.0500	0.0250	\$67,707,843	\$1,693	\$69,062,000	\$1,354,157	\$34	\$70,443,240	\$2,735,397	\$68	\$71,852,105	\$4,144,262	\$104	\$73,289,147	\$5,581,304	\$140	\$74,754,930	\$7,047,087	\$176
Holland City Municipal Capital Improvements	0.3180	0.1590	\$67,707,843	\$10,765	\$69,062,000	\$1,354,157	\$215	\$70,443,240	\$2,735,397	\$435	\$71,852,105	\$4,144,262	\$659	\$73,289,147	\$5,581,304	\$887	\$74,754,930	\$7,047,087	\$1,120
Holland City Fire Station Reinvestment	0.2585	0.1293	\$67,707,843	\$8,754	\$69,062,000	\$1,354,157	\$175	\$70,443,240	\$2,735,397	\$354	\$71,852,105	\$4,144,262	\$536	\$73,289,147	\$5,581,304	\$722	\$74,754,930	\$7,047,087	\$911
Holland City Debt	2.2198	0.0000	\$67,707,843	\$0	\$69,062,000	\$1,354,157	\$0	\$70,443,240	\$2,735,397	\$0	\$71,852,105	\$4,144,262	\$0	\$73,289,147	\$5,581,304	\$0	\$74,754,930	\$7,047,087	\$0
Holland City Subtotal	13.7731	5.7767	\$67,707,843	\$391,117	\$69,062,000	\$1,354,157	\$7,822	\$70,443,240	\$2,735,397	\$15,801	\$71,852,105	\$4,144,262	\$23,939	\$73,289,147	\$5,581,304	\$32,242	\$74,754,930	\$7,047,087	\$40,709
Holland Township Operating	3.4728	1.7364	\$20,155,363	\$34,630	\$20,496,318	\$340,755	\$387	\$20,842,867	\$687,304	\$1,184	\$21,195,308	\$1,039,745	\$1,791	\$21,553,739	\$1,398,176	\$2,409	\$21,918,264	\$1,762,701	\$3,037
Holland Township EMS and Police Services	1.0000	0.5000	\$20,155,363	\$9,972	\$20,496,318	\$340,755	\$169	\$20,842,867	\$687,304	\$341	\$21,195,308	\$1,039,745	\$516	\$21,553,739	\$1,398,176	\$694	\$21,918,264	\$1,762,701	\$874
Holland Township Non Motorized Path	0.3400	0.1700	\$20,155,363	\$3,789	\$20,496,318	\$340,755	\$64	\$20,842,867	\$687,304	\$130	\$21,195,308	\$1,039,745	\$196	\$21,553,739	\$1,398,176	\$264	\$21,918,264	\$1,762,701	\$332
Holland Township Subtotal	4.8528	2.4264	\$20,155,363	\$48,390	\$20,496,318	\$340,755	\$820	\$20,842,867	\$687,304	\$1,655	\$21,195,308	\$1,039,745	\$2,503	\$21,553,739	\$1,398,176	\$3,366	\$21,918,264	\$1,762,701	\$4,244
Herrick District Library Operating	1.1000	0.5500	\$87,863,406	\$48,207	\$89,558,318	\$1,694,912	\$931	\$91,286,107	\$3,422,701	\$1,879	\$93,047,412	\$5,184,006	\$2,847	\$94,842,886	\$6,979,480	\$3,833	\$96,673,194	\$8,809,788	\$4,838
Herrick District Library Debt	0.1362	0.0000	\$87,863,406	\$0	\$89,558,318	\$1,694,912	\$0	\$91,286,107	\$3,422,701	\$0	\$93,047,412	\$5,184,006	\$0	\$94,842,886	\$6,979,480	\$0	\$96,673,194	\$8,809,788	\$0
Herrick District Library Subtotal	1.2362	0.5500	\$87,863,406	\$48,207	\$89,558,318	\$1,694,912	\$931	\$91,286,107	\$3,422,701	\$1,879	\$93,047,412	\$5,184,006	\$2,847	\$94,842,886	\$6,979,480	\$3,833	\$96,673,194	\$8,809,788	\$4,838
Max Transport Operating	0.3989	0.1995	\$87,863,406	\$17,486	\$89,558,318	\$1,694,912	\$338	\$91,286,107	\$3,422,701	\$682	\$93,047,412	\$5,184,006	\$1,083	\$94,842,886	\$6,979,480	\$1,390	\$96,673,194	\$8,809,788	\$1,755
West Michigan Airport	0.0992	0.0496	\$67,707,843	\$3,358	\$69,062,000	\$1,354,157	\$67	\$70,443,240	\$2,735,397	\$136	\$71,852,105	\$4,144,262	\$206	\$73,289,147	\$5,581,304	\$277	\$74,754,930	\$7,047,087	\$350
Holland Swim Pool Operating	0.9875	0.4938	\$67,707,843	\$33,433	\$69,062,000	\$1,354,157	\$669	\$70,443,240	\$2,735,397	\$1,351	\$71,852,105	\$4,144,262	\$2,046	\$73,289,147	\$5,581,304	\$2,736	\$74,754,930	\$7,047,087	\$3,480
Holland Swim Pool Debt	0.6800	0.0000	\$67,707,843	\$0	\$69,062,000	\$1,354,157	\$0	\$70,443,240	\$2,735,397	\$0	\$71,852,105	\$4,144,262	\$0	\$73,289,147	\$5,581,304	\$0	\$74,754,930	\$7,047,087	\$0
Holland Swim Pool Subtotal	1.6675	0.4938	\$67,707,843	\$33,433	\$69,062,000	\$1,354,157	\$669	\$70,443,240	\$2,735,397	\$1,351	\$71,852,105	\$4,144,262	\$2,046	\$73,289,147	\$5,581,304	\$2,736	\$74,754,930	\$7,047,087	\$3,480
Holland IDA Operating	1.6034	0.8017	\$62,705,238	\$50,271	\$63,959,243	\$1,254,105	\$1,005	\$65,238,530	\$2,533,292	\$2,081	\$66,523,300	\$3,838,062	\$3,077	\$67,874,166	\$5,168,928	\$4,144	\$69,231,650	\$6,526,412	\$5,232
Ottawa Intermediate School District Operating	5.5234	2.7617	\$87,863,406	\$242,061	\$89,558,318	\$1,694,912	\$4,673	\$91,286,107	\$3,422,701	\$9,437	\$93,047,412	\$5,184,006	\$14,294	\$94,842,886	\$6,979,480	\$19,245	\$96,673,194	\$8,809,788	\$24,292
Michigan State Education Operating	6.0000	3.0000	\$87,863,406	\$262,948	\$89,558,318	\$1,694,912	\$5,077	\$91,286,107	\$3,422,701	\$10,252	\$93,047,412	\$5,184,006	\$15,527	\$94,842,886	\$6,979,480	\$20,906	\$96,673,194	\$8,809,788	\$26,388
Holland School District Operating (Non-PRE) ¹	18.0000	9.0000	\$64,579,762	\$381,201	\$65,871,357	\$1,291,595	\$11,624	\$67,188,785	\$1,317,428	\$11,857	\$68,532,560	\$3,952,798	\$35,574	\$69,905,212	\$5,323,450	\$47,911	\$71,301,276	\$6,721,514	\$60,494
Holland School District Building and Site	0.7422	0.3711	\$67,707,843	\$25,126	\$69,062,000	\$1,354,157	\$303	\$70,443,240	\$1,381,240	\$513	\$71,852,105	\$4,144,262	\$1,538	\$73,289,147	\$5,581,304	\$2,071	\$74,754,930	\$7,047,087	\$2,615
Holland School District Debt	6.6200	0.0000	\$67,707,843	\$0	\$69,062,000	\$1,354,157	\$0	\$70,443,240	\$1,381,240	\$0	\$71,852,105	\$4,144,262	\$0	\$73,289,147	\$5,581,304	\$0	\$74,754,930	\$7,047,087	\$0
Holland School District Subtotal**	25.3622	9.3711	\$67,707,843	\$406,326	\$69,062,000	\$1,354,157	\$12,127	\$70,443,240	\$1,381,240	\$12,369	\$71,852,105	\$4,144,262	\$37,112	\$73,289,147	\$5,581,304	\$49,982	\$74,754,930	\$7,047,087	\$63,109
West Ottawa School District Operating (Non-PRE) ¹	18.0000	9.0000	\$20,025,707	\$178,321	\$20,364,255	\$338,548	\$3,023	\$20,708,539	\$344,304	\$3,074	\$21,038,716	\$1,033,009	\$9,224	\$21,414,825	\$1,389,118	\$12,404	\$21,776,988	\$1,751,281	\$15,637
West Ottawa School District Building and Site	0.2997	0.1499	\$20,155,363	\$2,989	\$20,496,318	\$340,755	\$51	\$20,842,867	\$346,549	\$52	\$21,195,308	\$1,039,745	\$155	\$21,553,739	\$1,398,176	\$208	\$21,918,264	\$1,762,701	\$262
West Ottawa School District Debt	7.7500	0.0000	\$20,155,363	\$0	\$20,496,318	\$340,755	\$0	\$20,842,867	\$346,549	\$0	\$21,195,308	\$1,039,745	\$0	\$21,553,739	\$1,398,176	\$0	\$21,918,264	\$1,762,701	\$0
West Ottawa School District Subtotal**	26.0497	9.1499	\$20,155,363	\$181,310	\$20,496,318	\$340,755	\$3,074	\$20,842,867	\$346,549	\$3,126	\$21,195,308	\$1,039,745	\$9,579	\$21,553,739	\$1,398,176	\$12,612	\$21,918,264	\$1,762,701	\$15,900
Total Taxes Captured							\$40,712			\$67,017			\$124,531		\$167,674				\$211,654

** This shows what is collected from school districts. However, there is no loss to school districts due to the SmartZone because they are reimbursed by the State School Aid Fund.

¹ PRE parcels are taxed on the School District Operating tax rates.

Notes:

Based on a 1.7% growth rate in Holland Township and a 2.9% growth rate in Holland City.

IFT parcels only pay 50% of the tax bills, with their exemption expires, the SmartZone only captures 50% of that reduced portion from IFT parcels. Holland Township has two IFT parcels that expire in 2020 and a third IFT parcel that expires in 2021. Holland City has two IFT parcels, one that will expire in 2018 and one that will expire in 2023.

Holland City has several parcels in Threshold TIFs. It is assumed that the TIFs will not be renewed when they expire and the tax dollars associated with the Threshold parcels will be added back to the tax roll when they expire.

EXUBERANT PLUS BOUNDARY
SmartZone Tax Capture (1% Increase in Normal Growth Rate due to SmartZone)

Collect 50% of Local Operating Millages, School Millages, and Specially Approved Millages --- Excludes All Debt Millages

Taxing Jurisdiction and Tax Item	Amount of Tax Mills	Tax Mills Captured by SmartZone	Base Year of SmartZone		2021			2022			2023			2024			2025		
			Taxable Value (2015)	Tax Revenue (2015)	Estimated Taxable Value (2021)	Estimated Increase in Taxable Value (2015-2021)	Estimated Taxes Captured by SmartZone (2021)	Estimated Taxable Value (2022)	Estimated Increase in Taxable Value (2015-2022)	Estimated Taxes Captured by SmartZone (2022)	Estimated Taxable Value (2023)	Estimated Increase in Taxable Value (2015-2023)	Estimated Taxes Captured by SmartZone (2023)	Estimated Taxable Value (2024)	Estimated Increase in Taxable Value (2015-2024)	Estimated Taxes Captured by SmartZone (2024)	Estimated Taxable Value (2025)	Estimated Increase in Taxable Value (2015-2025)	Estimated Taxes Captured by SmartZone (2025)
Ottawa County Operating	3.6000	1.8000	\$87,863,406	\$157,769	\$98,539,014	\$10,675,608	\$19,216	\$100,441,039	\$12,577,633	\$22,640	\$109,807,608	\$21,944,202	\$39,500	\$111,934,606	\$24,071,200	\$43,328	\$114,134,870	\$26,271,464	\$47,289
Ottawa County E-911	0.4400	0.2200	\$87,863,406	\$19,283	\$98,539,014	\$10,675,608	\$2,349	\$100,441,039	\$12,577,633	\$2,767	\$109,807,608	\$21,944,202	\$4,828	\$111,934,606	\$24,071,200	\$5,296	\$114,134,870	\$26,271,464	\$5,780
Ottawa County Parks	0.3165	0.1583	\$87,863,406	\$13,875	\$98,539,014	\$10,675,608	\$1,690	\$100,441,039	\$12,577,633	\$1,991	\$109,807,608	\$21,944,202	\$3,474	\$111,934,606	\$24,071,200	\$3,810	\$114,134,870	\$26,271,464	\$4,159
Ottawa County Roads	0.5000	0.2500	\$87,863,406	\$21,912	\$98,539,014	\$10,675,608	\$2,669	\$100,441,039	\$12,577,633	\$3,144	\$109,807,608	\$21,944,202	\$5,486	\$111,934,606	\$24,071,200	\$6,018	\$114,134,870	\$26,271,464	\$6,568
Ottawa County Subtotal	4.8565	2.4283	\$87,863,406	\$19,926	\$98,539,014	\$10,675,608	\$25,924	\$100,441,039	\$12,577,633	\$30,542	\$109,807,608	\$21,944,202	\$53,287	\$111,934,606	\$24,071,200	\$58,452	\$114,134,870	\$26,271,464	\$63,795
Holland City Operating	9.5000	4.7500	\$67,707,843	\$321,603	\$76,250,029	\$8,542,186	\$40,575	\$77,775,029	\$10,067,186	\$47,819	\$86,756,276	\$19,048,433	\$90,480	\$88,491,401	\$20,783,558	\$98,722	\$90,293,132	\$22,585,289	\$107,280
Holland City Street Improvements	1.4268	0.7134	\$67,707,843	\$48,301	\$76,250,029	\$8,542,186	\$6,094	\$77,775,029	\$10,067,186	\$7,182	\$86,756,276	\$19,048,433	\$13,589	\$88,491,401	\$20,783,558	\$14,827	\$90,293,132	\$22,585,289	\$16,112
Holland City Sidewalk Improvements	0.0500	0.0250	\$67,707,843	\$1,693	\$76,250,029	\$8,542,186	\$214	\$77,775,029	\$10,067,186	\$252	\$86,756,276	\$19,048,433	\$476	\$88,491,401	\$20,783,558	\$520	\$90,293,132	\$22,585,289	\$565
Holland City Municipal Capital Improvements	0.3180	0.1590	\$67,707,843	\$10,765	\$76,250,029	\$8,542,186	\$1,358	\$77,775,029	\$10,067,186	\$1,601	\$86,756,276	\$19,048,433	\$3,029	\$88,491,401	\$20,783,558	\$3,305	\$90,293,132	\$22,585,289	\$3,591
Holland City Fire Station Reinvestment	0.2585	0.1293	\$67,707,843	\$8,754	\$76,250,029	\$8,542,186	\$1,105	\$77,775,029	\$10,067,186	\$1,302	\$86,756,276	\$19,048,433	\$2,463	\$88,491,401	\$20,783,558	\$2,687	\$90,293,132	\$22,585,289	\$2,920
Holland City Debt	2.2198	0.0000	\$67,707,843	\$0	\$76,250,029	\$8,542,186	\$0	\$77,775,029	\$10,067,186	\$0	\$86,756,276	\$19,048,433	\$0	\$88,491,401	\$20,783,558	\$0	\$90,293,132	\$22,585,289	\$0
Holland City Subtotal	13.7731	5.7767	\$67,707,843	\$391,117	\$76,250,029	\$8,542,186	\$49,346	\$77,775,029	\$10,067,186	\$58,155	\$86,756,276	\$19,048,433	\$110,437	\$88,491,401	\$20,783,558	\$120,060	\$90,293,132	\$22,585,289	\$130,468
Holland Township Operating	3.4728	1.7364	\$20,155,563	\$34,630	\$22,288,985	\$2,133,422	\$3,704	\$22,666,009	\$2,510,446	\$4,359	\$23,051,332	\$2,895,769	\$5,028	\$23,443,204	\$3,287,641	\$5,709	\$23,841,739	\$3,686,176	\$6,401
Holland Township EMS and Police Services	1.0000	0.5000	\$20,155,563	\$9,972	\$22,288,985	\$2,133,422	\$1,067	\$22,666,009	\$2,510,446	\$1,255	\$23,051,332	\$2,895,769	\$1,448	\$23,443,204	\$3,287,641	\$1,644	\$23,841,739	\$3,686,176	\$1,843
Holland Township Non-Motorized Path	0.3800	0.1900	\$20,155,563	\$3,789	\$22,288,985	\$2,133,422	\$405	\$22,666,009	\$2,510,446	\$477	\$23,051,332	\$2,895,769	\$550	\$23,443,204	\$3,287,641	\$625	\$23,841,739	\$3,686,176	\$700
Holland Township Subtotal	4.8528	2.4264	\$20,155,563	\$48,390	\$22,288,985	\$2,133,422	\$5,177	\$22,666,009	\$2,510,446	\$6,091	\$23,051,332	\$2,895,769	\$7,026	\$23,443,204	\$3,287,641	\$7,977	\$23,841,739	\$3,686,176	\$8,944
Herrick District Library Operating	1.1000	0.5500	\$87,863,406	\$48,207	\$98,539,014	\$10,675,608	\$5,872	\$100,441,039	\$12,577,633	\$6,918	\$109,807,608	\$21,944,202	\$12,069	\$111,934,606	\$24,071,200	\$13,239	\$114,134,870	\$26,271,464	\$14,449
Herrick District Library Debt	0.1362	0.0000	\$87,863,406	\$0	\$98,539,014	\$10,675,608	\$0	\$100,441,039	\$12,577,633	\$0	\$109,807,608	\$21,944,202	\$0	\$111,934,606	\$24,071,200	\$0	\$114,134,870	\$26,271,464	\$0
Herrick District Library Subtotal	1.2362	0.5500	\$87,863,406	\$48,207	\$98,539,014	\$10,675,608	\$5,872	\$100,441,039	\$12,577,633	\$6,918	\$109,807,608	\$21,944,202	\$12,069	\$111,934,606	\$24,071,200	\$13,239	\$114,134,870	\$26,271,464	\$14,449
Max Transport Operating	0.3989	0.1995	\$87,863,406	\$17,486	\$98,539,014	\$10,675,608	\$2,130	\$100,441,039	\$12,577,633	\$2,509	\$109,807,608	\$21,944,202	\$4,378	\$111,934,606	\$24,071,200	\$4,802	\$114,134,870	\$26,271,464	\$5,241
West Michigan Airport	0.0992	0.0496	\$67,707,843	\$3,358	\$76,250,029	\$8,542,186	\$424	\$77,775,029	\$10,067,186	\$499	\$86,756,276	\$19,048,433	\$945	\$88,491,401	\$20,783,558	\$1,031	\$90,293,132	\$22,585,289	\$1,120
Holland Swim Pool Operating	0.9875	0.4938	\$67,707,843	\$33,433	\$76,250,029	\$8,542,186	\$4,218	\$77,775,029	\$10,067,186	\$4,971	\$86,756,276	\$19,048,433	\$9,406	\$88,491,401	\$20,783,558	\$10,263	\$90,293,132	\$22,585,289	\$11,153
Holland Swim Pool Debt	0.6800	0.0000	\$67,707,843	\$0	\$76,250,029	\$8,542,186	\$0	\$77,775,029	\$10,067,186	\$0	\$86,756,276	\$19,048,433	\$0	\$88,491,401	\$20,783,558	\$0	\$90,293,132	\$22,585,289	\$0
Holland Swim Pool Subtotal	1.6675	0.4938	\$67,707,843	\$33,433	\$76,250,029	\$8,542,186	\$4,218	\$77,775,029	\$10,067,186	\$4,971	\$86,756,276	\$19,048,433	\$9,406	\$88,491,401	\$20,783,558	\$10,263	\$90,293,132	\$22,585,289	\$11,153
Holland DDA Operating	1.6034	0.8017	\$62,705,238	\$30,271	\$70,616,283	\$7,911,045	\$6,342	\$72,028,608	\$9,323,370	\$7,475	\$80,894,926	\$18,189,688	\$14,583	\$82,512,825	\$19,807,587	\$15,880	\$84,163,081	\$21,457,843	\$17,203
Ottawa Intermediate School District Operating	5.5234	2.7617	\$87,863,406	\$242,061	\$98,539,014	\$10,675,608	\$29,483	\$100,441,039	\$12,577,633	\$34,736	\$109,807,608	\$21,944,202	\$60,603	\$111,934,606	\$24,071,200	\$66,477	\$114,134,870	\$26,271,464	\$72,554
Michigan State Education Operating	6.0000	3.0000	\$87,863,406	\$262,948	\$98,539,014	\$10,675,608	\$32,027	\$100,441,039	\$12,577,633	\$37,733	\$109,807,608	\$21,944,202	\$65,833	\$111,934,606	\$24,071,200	\$72,214	\$114,134,870	\$26,271,464	\$78,814
Holland School District Operating (Non-PRE) ¹	18.0000	9.0000	\$64,579,762	\$381,201	\$72,727,302	\$8,147,540	\$73,328	\$74,181,848	\$9,602,086	\$86,419	\$83,091,231	\$18,511,469	\$166,603	\$84,753,055	\$20,173,293	\$181,560	\$86,480,018	\$21,900,256	\$197,102
Holland School District Building and Site	0.7422	0.3711	\$67,707,843	\$25,126	\$76,250,029	\$8,542,186	\$3,170	\$77,775,029	\$10,067,186	\$3,736	\$86,756,276	\$19,048,433	\$7,069	\$88,491,401	\$20,783,558	\$7,713	\$90,293,132	\$22,585,289	\$8,381
Holland School District Debt	6.6200	0.0000	\$67,707,843	\$0	\$76,250,029	\$8,542,186	\$0	\$77,775,029	\$10,067,186	\$0	\$86,756,276	\$19,048,433	\$0	\$88,491,401	\$20,783,558	\$0	\$90,293,132	\$22,585,289	\$0
Holland School District Subtotal**	25.3622	9.3711	\$67,707,843	\$606,326	\$76,250,029	\$8,542,186	\$76,498	\$77,775,029	\$10,067,186	\$90,155	\$86,756,276	\$19,048,433	\$173,672	\$88,491,401	\$20,783,558	\$189,272	\$90,293,132	\$22,585,289	\$205,484
West Ottawa School District Operating (Non-PRE) ¹	18.0000	9.0000	\$20,025,707	\$178,321	\$22,145,308	\$2,119,601	\$19,076	\$22,519,890	\$2,494,183	\$22,448	\$23,092,728	\$2,877,021	\$25,893	\$23,292,074	\$3,266,367	\$29,397	\$23,688,040	\$3,662,333	\$32,961
West Ottawa School District Building and Site	0.2997	0.1499	\$20,155,563	\$2,989	\$22,288,985	\$2,133,422	\$320	\$22,666,009	\$2,510,446	\$376	\$23,051,332	\$2,895,769	\$434	\$23,443,204	\$3,287,641	\$493	\$23,841,739	\$3,686,176	\$533
West Ottawa School District Debt	7.7500	0.0000	\$20,155,563	\$0	\$22,288,985	\$2,133,422	\$0	\$22,666,009	\$2,510,446	\$0	\$23,051,332	\$2,895,769	\$0	\$23,443,204	\$3,287,641	\$0	\$23,841,739	\$3,686,176	\$0
West Ottawa School District Subtotal**	26.0497	9.1499	\$20,155,563	\$181,310	\$22,288,985	\$2,133,422	\$19,396	\$22,666,009	\$2,510,446	\$22,824	\$23,051,332	\$2,895,769	\$26,327	\$23,443,204	\$3,287,641	\$29,890	\$23,841,739	\$3,686,176	\$33,514
Total Taxes Captured							\$256,835			\$302,608			\$538,167		\$589,558			\$642,739	

** This shows what is collected from school districts. However, there is no less to school districts due to the SmartZone because they are reimbursed by the State School Aid Fund.

¹ PRE parcels are not taxed on the School District Operating tax items

Notes:

Based on a 1.7% growth rate in Holland Township and a 2.0% growth rate in Holland City

IFT parcels only pay 50% of the tax mills until their exemption expires; the SmartZone only captures 50% of that reduced payment from IFT parcels. Holland Township has two IFT parcels that expire in 2020 and a third IFT parcel that expires in 2022. Holland City has two IFT parcels, one that will expire in 2018 and one that will expire in 2023

Holland City has several parcels in Downfield TIFs. It is assumed that the TIFs will not be renewed when they expire and the tax dollars associated with the Downfield parcels will be added back to the tax roll when they expire

EXUBERANT PLUS BOUNDARY

SmartZone Tax Capture (1% Increase in Normal Growth Rate due to SmartZone)

Collect 50% of Local Operating Millages, School Millages, and Specially Approved Millages --- Excludes All Debt Millages

Taxing Jurisdiction and Tax Item	Amount of Tax Mills	Tax Mills Captured by SmartZone	Base Year of SmartZone		2026			2027			2028			2029			2030			Total Taxes Captured by SmartZone (2016-2030)
			Taxable Value (2015)	Tax Revenue (2015)	Estimated Taxable Value (2026)	Estimated Increase in Taxable Value (2015-2026)	Estimated Taxes Captured by SmartZone (2026)	Estimated Taxable Value (2027)	Estimated Increase in Taxable Value (2015-2027)	Estimated Taxes Captured by SmartZone (2027)	Estimated Taxable Value (2028)	Estimated Increase in Taxable Value (2015-2028)	Estimated Taxes Captured by SmartZone (2028)	Estimated Taxable Value (2029)	Estimated Increase in Taxable Value (2015-2029)	Estimated Taxes Captured by SmartZone (2029)	Estimated Taxable Value (2030)	Estimated Increase in Taxable Value (2015-2030)	Estimated Taxes Captured by SmartZone (2030)	
Ottawa County Operating	3.6000	1.8000	\$87,863,406	\$157,769	\$116,346,042	\$28,482,636	\$51,269	\$118,600,222	\$30,736,816	\$55,326	\$128,493,001	\$40,629,595	\$73,133	\$130,987,626	\$43,124,220	\$77,624	\$133,530,864	\$45,667,458	\$82,201	\$58,415
Ottawa County E-911	0.4400	0.2200	\$87,863,406	\$19,283	\$116,346,042	\$28,482,636	\$6,266	\$118,600,222	\$30,736,816	\$6,762	\$128,493,001	\$40,629,595	\$8,939	\$130,987,626	\$43,124,220	\$9,487	\$133,530,864	\$45,667,458	\$10,947	\$68,251
Ottawa County Parks	0.3165	0.1583	\$87,863,406	\$13,875	\$116,346,042	\$28,482,636	\$4,509	\$118,600,222	\$30,736,816	\$4,866	\$128,493,001	\$40,629,595	\$6,432	\$130,987,626	\$43,124,220	\$6,827	\$133,530,864	\$45,667,458	\$7,229	\$49,110
Ottawa County Roads	0.5000	0.2500	\$87,863,406	\$21,912	\$116,346,042	\$28,482,636	\$7,121	\$118,600,222	\$30,736,816	\$7,684	\$128,493,001	\$40,629,595	\$10,157	\$130,987,626	\$43,124,220	\$10,781	\$133,530,864	\$45,667,458	\$11,417	\$77,558
Ottawa County Subtotal	4.8565	2.4283	\$87,863,406	\$190,926	\$116,346,042	\$28,482,636	\$69,164	\$118,600,222	\$30,736,816	\$74,638	\$128,493,001	\$40,629,595	\$98,661	\$130,987,626	\$43,124,220	\$104,719	\$133,530,864	\$45,667,458	\$110,894	\$753,333
Holland City Operating	9.5000	4.7500	\$67,707,843	\$321,603	\$92,098,994	\$24,391,151	\$115,858	\$93,940,974	\$26,233,131	\$124,607	\$103,414,546	\$35,706,703	\$169,607	\$105,482,836	\$37,774,993	\$179,431	\$107,592,493	\$39,884,650	\$189,452	\$1,262,926
Holland City Street Improvements	1.4268	0.7134	\$67,707,843	\$48,301	\$92,098,994	\$24,391,151	\$17,401	\$93,940,974	\$26,233,131	\$18,715	\$103,414,546	\$35,706,703	\$25,473	\$105,482,836	\$37,774,993	\$26,949	\$107,592,493	\$39,884,650	\$28,454	\$189,678
Holland City Sidewalk Improvements	0.0500	0.0250	\$67,707,843	\$1,693	\$92,098,994	\$24,391,151	\$610	\$93,940,974	\$26,233,131	\$656	\$103,414,546	\$35,706,703	\$893	\$105,482,836	\$37,774,993	\$944	\$107,592,493	\$39,884,650	\$997	\$6,647
Holland City Municipal Capital Improvements	0.3180	0.1590	\$67,707,843	\$10,765	\$92,098,994	\$24,391,151	\$3,878	\$93,940,974	\$26,233,131	\$4,171	\$103,414,546	\$35,706,703	\$5,677	\$105,482,836	\$37,774,993	\$6,006	\$107,592,493	\$39,884,650	\$6,342	\$42,275
Holland City Fire Station Reinvestment	0.2585	0.1293	\$67,707,843	\$8,754	\$92,098,994	\$24,391,151	\$3,154	\$93,940,974	\$26,233,131	\$3,392	\$103,414,546	\$35,706,703	\$4,617	\$105,482,836	\$37,774,993	\$4,884	\$107,592,493	\$39,884,650	\$5,157	\$34,378
Holland City Debt	2.2198	0.0000	\$67,707,843	\$0	\$92,098,994	\$24,391,151	\$0	\$93,940,974	\$26,233,131	\$0	\$103,414,546	\$35,706,703	\$0	\$105,482,836	\$37,774,993	\$0	\$107,592,493	\$39,884,650	\$0	\$0
Holland City Subtotal	13.7731	5.7767	\$67,707,843	\$391,117	\$92,098,994	\$24,391,151	\$140,900	\$93,940,974	\$26,233,131	\$151,541	\$103,414,546	\$35,706,703	\$206,267	\$105,482,836	\$37,774,993	\$218,215	\$107,592,493	\$39,884,650	\$230,402	\$1,535,905
Holland Township Operating	3.4728	1.7364	\$20,155,563	\$34,630	\$24,247,048	\$4,091,485	\$7,104	\$24,659,248	\$4,503,685	\$7,820	\$25,078,455	\$4,922,892	\$8,548	\$25,504,789	\$5,349,226	\$9,288	\$25,938,370	\$5,782,807	\$10,941	\$77,912
Holland Township EMS and Police Services	1.0000	0.5000	\$20,155,563	\$9,972	\$24,247,048	\$4,091,485	\$2,946	\$24,659,248	\$4,503,685	\$2,252	\$25,078,455	\$4,922,892	\$2,461	\$25,504,789	\$5,349,226	\$2,675	\$25,938,370	\$5,782,807	\$2,891	\$22,176
Holland Township Non-Motorized Path	0.3800	0.1900	\$20,155,563	\$3,789	\$24,247,048	\$4,091,485	\$777	\$24,659,248	\$4,503,685	\$356	\$25,078,455	\$4,922,892	\$395	\$25,504,789	\$5,349,226	\$1,016	\$25,938,370	\$5,782,807	\$1,099	\$8,427
Holland Township Subtotal	4.8528	2.4264	\$20,155,563	\$48,390	\$24,247,048	\$4,091,485	\$9,928	\$24,659,248	\$4,503,685	\$10,928	\$25,078,455	\$4,922,892	\$11,945	\$25,504,789	\$5,349,226	\$12,979	\$25,938,370	\$5,782,807	\$14,031	\$107,614
Herrick District Library Operating	1.1000	0.5500	\$87,863,406	\$48,207	\$116,346,042	\$28,482,636	\$15,665	\$118,600,222	\$30,736,816	\$16,905	\$128,493,001	\$40,629,595	\$22,346	\$130,987,626	\$43,124,220	\$23,718	\$133,530,864	\$45,667,458	\$25,117	\$170,627
Herrick District Library Debt	0.1362	0.0000	\$87,863,406	\$0	\$116,346,042	\$28,482,636	\$0	\$118,600,222	\$30,736,816	\$0	\$128,493,001	\$40,629,595	\$0	\$130,987,626	\$43,124,220	\$0	\$133,530,864	\$45,667,458	\$0	\$0
Herrick District Library Subtotal	1.2362	0.5500	\$87,863,406	\$48,207	\$116,346,042	\$28,482,636	\$15,665	\$118,600,222	\$30,736,816	\$16,905	\$128,493,001	\$40,629,595	\$22,346	\$130,987,626	\$43,124,220	\$23,718	\$133,530,864	\$45,667,458	\$25,117	\$170,627
Max Transport Operating	0.3989	0.1995	\$87,863,406	\$17,486	\$116,346,042	\$28,482,636	\$5,682	\$118,600,222	\$30,736,816	\$6,132	\$128,493,001	\$40,629,595	\$8,106	\$130,987,626	\$43,124,220	\$8,603	\$133,530,864	\$45,667,458	\$9,111	\$61,891
West Michigan Airport	0.0992	0.0496	\$67,707,843	\$3,358	\$92,098,994	\$24,391,151	\$1,210	\$93,940,974	\$26,233,131	\$1,301	\$103,414,546	\$35,706,703	\$1,771	\$105,482,836	\$37,774,993	\$1,874	\$107,592,493	\$39,884,650	\$1,978	\$13,188
Holland Swim Pool Operating	0.9875	0.4938	\$67,707,843	\$33,433	\$92,098,994	\$24,391,151	\$12,044	\$93,940,974	\$26,233,131	\$12,954	\$103,414,546	\$35,706,703	\$17,632	\$105,482,836	\$37,774,993	\$18,653	\$107,592,493	\$39,884,650	\$19,695	\$131,291
Holland Swim Pool Debt	0.6800	0.0000	\$67,707,843	\$0	\$92,098,994	\$24,391,151	\$0	\$93,940,974	\$26,233,131	\$0	\$103,414,546	\$35,706,703	\$0	\$105,482,836	\$37,774,993	\$0	\$107,592,493	\$39,884,650	\$0	\$0
Holland Swim Pool Subtotal	1.6675	0.4938	\$67,707,843	\$33,433	\$92,098,994	\$24,391,151	\$12,044	\$93,940,974	\$26,233,131	\$12,954	\$103,414,546	\$35,706,703	\$17,632	\$105,482,836	\$37,774,993	\$18,653	\$107,592,493	\$39,884,650	\$19,695	\$131,291
Holland DBA Operating	1.6034	0.8017	\$62,705,238	\$30,271	\$85,846,343	\$23,141,105	\$18,552	\$87,563,270	\$24,858,032	\$19,929	\$92,470,454	\$29,765,216	\$23,863	\$94,319,863	\$31,614,625	\$25,345	\$96,206,261	\$33,501,023	\$26,588	\$191,518
Ottawa Intermediate School District Operating	5.5234	2.7617	\$87,863,406	\$242,061	\$116,346,042	\$28,482,636	\$78,660	\$118,600,222	\$30,736,816	\$84,886	\$128,493,001	\$40,629,595	\$112,207	\$130,987,626	\$43,124,220	\$119,096	\$133,530,864	\$45,667,458	\$126,120	\$856,764
Michigan State Education Operating	6.0000	3.0000	\$87,863,406	\$262,948	\$116,346,042	\$28,482,636	\$85,448	\$118,600,222	\$30,736,816	\$92,210	\$128,493,001	\$40,629,595	\$121,889	\$130,987,626	\$43,124,220	\$129,373	\$133,530,864	\$45,667,458	\$137,002	\$930,692
Holland School District Operating (Non-PRF) ¹	18.0000	9.0000	\$64,579,762	\$381,201	\$88,209,619	\$23,629,857	\$212,669	\$89,973,811	\$25,394,049	\$228,546	\$99,368,039	\$34,788,277	\$313,094	\$101,355,400	\$36,775,638	\$330,981	\$103,382,508	\$38,802,746	\$349,225	\$2,306,986
Holland School District Building and Site	0.7422	0.3711	\$67,707,843	\$25,126	\$92,098,994	\$24,391,151	\$9,052	\$93,940,974	\$26,233,131	\$9,735	\$103,414,546	\$35,706,703	\$13,251	\$105,482,836	\$37,774,993	\$14,018	\$107,592,493	\$39,884,650	\$14,801	\$98,165
Holland School District Debt	6.6200	0.0000	\$67,707,843	\$0	\$92,098,994	\$24,391,151	\$0	\$93,940,974	\$26,233,131	\$0	\$103,414,546	\$35,706,703	\$0	\$105,482,836	\$37,774,993	\$0	\$107,592,493	\$39,884,650	\$0	\$0
Holland School District Subtotal**	25.3622	9.3711	\$67,707,843	\$606,326	\$92,098,994	\$24,391,151	\$221,720	\$93,940,974	\$26,233,131	\$238,282	\$103,414,546	\$35,706,703	\$326,345	\$105,482,836	\$37,774,993	\$344,999	\$107,592,493	\$39,884,650	\$364,026	\$2,405,152
West Ottawa School District Operating (Non-PRF) ¹	18.0000	9.0000	\$20,025,707	\$178,321	\$24,090,736	\$4,965,029	\$36,585	\$24,500,279	\$4,474,572	\$40,271	\$24,916,783	\$4,891,076	\$44,020	\$25,340,369	\$5,314,662	\$47,832	\$25,771,155	\$5,745,448	\$51,709	\$393,555
West Ottawa School District Building and Site	0.2997	0.1499	\$20,155,563	\$2,989	\$24,247,048	\$4,091,485	\$613	\$24,659,248	\$4,503,685	\$675	\$25,078,455	\$4,922,892	\$738	\$25,504,789	\$5,349,226	\$802	\$25,938,370	\$5,782,807	\$867	\$6,598
West Ottawa School District Debt	7.7500	0.0000	\$20,155,563	\$0	\$24,247,048	\$4,091,485	\$0	\$24,659,248	\$4,503,685	\$0	\$25,078,455	\$4,922,892	\$0	\$25,504,789	\$5,349,226	\$0	\$25,938,370	\$5,782,807	\$0	\$0
West Ottawa School District Subtotal**	26.0497	9.1499	\$20,155,563	\$181,310	\$24,247,048	\$4,091,485	\$37,199	\$24,659,248	\$4,503,685	\$40,946	\$25,078,455	\$4,922,892	\$44,758	\$25,504,789	\$5,349,226	\$48,634	\$25,938,370	\$5,782,807	\$52,576	\$400,153
Total Taxes Captured							\$696,174			\$750,652			\$995,789		\$1,056,208		\$1,117,810		\$7,558,127	

** This shows what is collected from school districts. However, there is an amount to school districts due to the SmartZone because they are reimbursed by the State School Aid Fund.

¹ PRF parcels are not taxed on the School District Operating tax base.

Notes:

Based on a 1.7% growth rate in Holland Township and a 2.0% growth rate in Holland City

IFT parcels only pay 50% of the tax mills until their exemption expires; the SmartZone only captures 50% of that reduced payment from IFT parcels. Holland Township has two IFT parcels that expire in 2029 and a third IFT parcel that expires in 2021. Holland City has two IFT parcels, one that will expire in 2028 and one that will expire in 2023

Holland City has several parcels in Brownfield TIFs. It is assumed that the TIFs will not be renewed when they expire and the tax dollars associated with the Brownfield parcels will be added back to the tax roll when they expire.

Strategic planning session conducted by the LDFA board in November 2015 outlined the following table as suggested use of funds.

Table 2: Anticipated Use of Funds

Year	Training	Administrative	Program Development	Infrastructure	Marketing
2016	\$5,700		\$10,000		\$25,000
2017	\$2,000	\$10,000	\$10,000	\$30,000	\$8,000
2018	\$4,000	\$20,000	\$30,000	\$58,500	\$12,000
2019	\$4,000	\$25,000	\$30,000	\$100,600	\$8,000
2020	\$5,000	\$25,000	\$50,000	\$15,600	\$10,000
2021	\$5,000	\$60,000	\$50,000	\$131,800	\$10,000
2022	\$5,000	\$60,000	\$50,000	\$177,600	\$10,000
2023	\$5,000	\$60,000	\$100,000	\$351,100	\$22,000
2024	\$5,000	\$60,000	\$100,000	\$394,500	\$30,000
2025	\$5,000	\$60,000	\$150,000	\$415,700	\$12,000
2026	\$5,000	\$60,000	\$150,000	\$469,100	\$12,000
2027	\$5,000	\$65,000	\$150,000	\$515,600	\$15,000
2028	\$7,000	\$65,000	\$150,000	\$760,700	\$15,000
2029	\$7,000	\$65,000	\$200,000	\$769,200	\$15,000
2030	\$7,000	\$70,000	\$200,000	\$825,800	\$15,000

Suggested use of funds categories support initiatives such as mentorship programming and consulting services that result in the strengthening of the ecosystem. Programming is administrative driven due to high involvement of personnel to deliver the programs, track outcomes and follow up. Infrastructure projects are slated for later in SmartZone cycle due to the need for accrued funds and is evident by the greatest amounts of capture going toward infrastructure in later years. Marketing and training funds are estimated based on creation and maintenance of websites and materials. Programming is currently being developed and some projects have been identified though no estimates or plans have been drafted.

Capacity of Applicant and the Institution of Higher Education's Ability to Implement the Business plan

The City of Grand Rapids SmartZoneSM and the Holland SmartZoneSM Satellite agree to joint marketing of the region related to technology clusters that are prevalent in both communities. Providing crossover support for incubator clients and acceleration of early stage companies will benefit the region with new companies and additional jobs.

The region will also benefit from collaboration with Michigan State University and its direct work in stimulating the advancement of green chemistry. The research taking place at the MSUBI, under the direction of Tom Guarr, Ph.D., with an emphasis on Advanced Energy Storage (AES), is supportive of the region's developing AES cluster. Johnson Controls Lithium-ion Battery Manufacturing Plant and the LG Chem Lithium-ion Battery Manufacturing Plant and their extended supply chain anchor the cluster. Currently, the research has yielded two invention disclosures and one patent application; more are anticipated. Two spin-off company formations are also under consideration. The relationship of the Grand Rapids SmartZoneSM with Grand Valley State University, and their addition of AES courses to the engineering program, complements the expansion of AES throughout the region.

The attraction of the type of talent consistent with the creation, development and expansion of high tech companies will require a community possessing the amenities that interest young entrepreneurs. The SmartZoneSM Satellite fits well with the development needs of Holland; specifically the areas around Lake Macatawa that are underutilized and primed for redevelopment. These areas present opportunities for new and emerging technology companies to expand and enrich job opportunities in the Holland community.

To encourage the attraction and support of critical talent typically required by young entrepreneurs, Lakeshore Advantage, in collaboration with the Michigan West Coast Chamber of Commerce, has launched an initiative called Michigan Smart Coast that speaks to a variety of needs associated with the eco-system talent pool development. Lakeshore Advantage's current investment represents over \$75,000 per year.

The creation of a SmartZoneSM Satellite in Holland will designate specific areas within the City of Holland and Holland Charter Township as a certified technology park. Regional economic growth will be stimulated due to the SmartZoneSM facilitating the formation and sustained growth of companies in the technology field. Lakeshore Advantage has the experience and skills to support entrepreneurs during the creation, start-up, and early growth stages of company creations, supporting activities such as business planning, market assessment, and capital pitch development. By leveraging the Lakeshore Advantage and MSUBI resources, entrepreneurs and scientists will be able to navigate through the challenges and opportunities, growing their company with minimal cost and in minimal time.

As businesses start-up and expand, jobs will be created causing investments to flow through the entire community. Please note, scientific endeavors do not create the type of employment volume that manufacturing does. See [Table 2](#) for details on the anticipated new business opportunities and job growth. Additionally, modernization of these challenged areas will make Holland even more attractive to visitors, thereby increasing tourism and benefiting the entire community. Anticipated job and company growth is based on past successes of acceleration activities based at MSUBI. Fiscal Year 2013 and 2014 cumulative data, in relation to high-tech entrepreneur activity, tracked 7 new companies created, 15 companies expanded and 12 new jobs added. In total, 180 companies were serviced.

Table 3: Economic Impact of Proposed SmartZoneSM

	2016	2017	2018	2019	2020	2021-2025	2026-2030
	Holland SmartZoneSM						
Total New High Tech Businesses	3	8	10	12	15	60	72
Total Anticipated Jobs Created	6	16	20	24	30	120	144

Experienced Management Team

The proposed management structure provides for flexibility in meeting the SmartZoneSM’s business needs, while ensuring strict accountability for program performance and financial controls. The SmartZoneSM will be administered by Lakeshore Advantage, which will coordinate with the LDFA to:

- Develop a clear charter between the MEDC, LDFA and Lakeshore Advantage
- Execute the Holland SmartZoneSM Satellite Business Plan and the TIF Development Plan to increase awareness of the incubation and acceleration benefits of the SmartZoneSM
- Align the activities of major subcontracted project leaders with the approved plan
- Recruit and retain a pool of business experts and organizations to meet the needs of the start-up business community and align those resources with the program areas.
- Cross-collaborate with the host SmartZoneSM.
- Provide the administrative support for the LDFA including:
 - Preparing the required annual plans and budgets for presentation to the LDFA and local jurisdictions
 - Preparing reports required by the MEDC
 - Scheduling meetings
 - Conducting research to increase exposure and tenancy at the accelerator/incubator

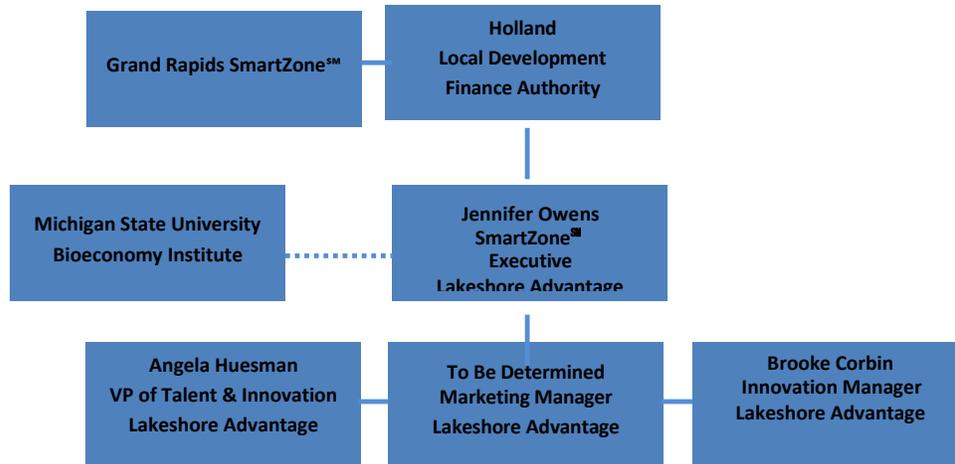


Figure 1: Organizational Chart

Biographies

Jennifer Owens - President, Lakeshore Advantage

Jennifer Owens joined the Lakeshore Advantage team in early May 2014 as the new President. Jennifer brings outstanding experience in business retention, expansion and attraction. Her insight and understanding of economic development make her ideal to support and develop initiatives that help businesses thrive in our community. Prior to joining Lakeshore Advantage, she had 12 years of economic development experience managing teams and initiatives at the Michigan Economic Development Corporation, Ann Arbor SPARK and Southwest Michigan First. She and her husband Mike created and ran two independent restaurants for 10 years. She also created an economic development consulting practice that had revenue of \$500,000 in its first year. Her accomplishments led her to be named one of the nation's Top Economic Developers Under 40 and named one of the top Leaders & Innovators in the state by Lawrence Tech.

Angela Huesman - Director of Innovation, Lakeshore Advantage

Angela serves as the Director of Innovation at Lakeshore Advantage. Angela supports the incubator located at MSUBI. In addition to supporting bio-based start-ups, she is also responsible for marketing and business development of the Institute's chemical scale-up facility. Prior to joining Lakeshore Advantage, Angela spent 10 years at Coldwell Banker as the Director of Corporate Relocation Services. She provided support for local companies working to attract and retain talent. She also assisted local companies with relocation programs, helping to settle those new to the area. Angela received a bachelor's degree in Business Administration from Baker College, is a member of the National Business Incubation Association, and is a Leadership Holland graduate.

Brooke Corbin – Innovation Manager

As the Manager of Innovation Solutions her focus is the expansion of the entrepreneurial ecosystem in our region. Brooke will assist the SmartZoneSM Executive Director. She is responsible for oversight and reporting of the various programs as well as act as the liaison to the Holland LDFA board.

New Hire - Marketing Manager, Lakeshore Advantage

This position will help to develop marketing strategies, tools and tactics to connect with entrepreneurs and share the community's value proposition. This position will spend approximately 50% of their time on innovation work and the remainder will be dedicated to Lakeshore Advantage's other core functions.

Paul Hunt, PhD. - Sr. Assoc. Vice President for Research & Graduate Studies, Michigan State University

Dr. Hunt received two bachelor's degrees from MSU (majoring in mathematics and chemistry) and a doctorate in theoretical chemistry from Oxford University. He joined the MSU faculty in 1979 and holds the rank of Professor in the Department of Chemistry. In 2001, he became the Senior Associate Vice President for Research and Graduate Studies. Prior to this, he worked in information technology, culminating in service as Vice Provost from 1991-2001. He served on the Board of Directors of the MERIT Network, Inc. for fifteen years and was a chairperson for four of those years. He now serves on the Board of Directors of the Southern Astrophysical Research Telescope operated in Chile by a multi-party US-Brazilian consortium. MSUBI has reported to him since its creation.

William Freckman - Director of Operations, Michigan State University Bioeconomy Institute

Bill holds a BS in Chemistry from the University of Illinois and a MS in Chemical Engineering from Wayne State University. From 2003-2009, he was responsible for total site operations at the Pfizer Global Manufacturing Active Pharmaceutical Ingredient manufacturing facility in Holland, MI. He has over 30 years of experience in all aspects of chemical and pharmaceutical manufacturing and development. Bill has been a member of the American Chemical Society since 1975.

Thomas Guarr, PhD. - R&D Director of Research, Michigan State University Bioeconomy Institute

Dr. Guarr has a doctorate in chemistry from the University of Rochester and held a postdoctoral research fellowship at the California Institute of Technology. Prior to joining the MSUBI, he led the chemical research and development program for Gentex Corporation. He also earned tenure at the University of Kentucky where he conducted research in conductive polymers, electrocatalysis, fullerenes, inorganic photochemistry, electron transfer reactions, amperometric biosensors, intercalation processes in layered materials, organic photovoltaics, and artificial photosynthesis. He is a named inventor on more than fifty patents.

Strategy for Long-Term Growth and Self-Sufficiency

The Holland Satellite SmartZone’s strategy is to use tax capture as a way to establish innovative programming to support the entrepreneurial ecosystem by both bringing economic investment into the region and by investing in the high tech businesses and entrepreneurs that are here. This tax capture will be a consistent increase in funding available to continue to make changes to these programs and provide resources. The projections made in our TIF Capture Table allow us to predict a total capture of \$7.5M by the year 2030. This is an estimated amount of capture and the Holland Smart Zone is committed to ensure that investment into the region will meet and surpass these expectations. On going analysis will allow the Holland Smart Zone to make sure that the programming they offer continues to provide solutions to current and future gaps within the entrepreneurial ecosystem allowing the Satellite to remain an asset to the region in it’s stimulation of high tech growth in the future. In order to sustain desired programming, up to 10% of TIF revenue will be set aside each year, for 15 years, to build reserves for future investment so that programs and staffing may continue beyond stated TIF capture. Prior to the official TIF ending, stakeholders of the Holland Satellite SmartZone will pursue other means of funding in order to sustain those programs that have high impact in the high tech cluster. Sources may come from grants and private investment.

MEDC FUNDING

No MEDC funding has been received by the Holland Satellite Smart Zone to date.

Clear Community and Private Sector Support

Overall, the Holland SmartZoneSM Satellite has received very positive support from both the private and public sector leaders. These leaders see the SmartZoneSM as a way to fund economic development, revitalize the Lake Macatawa waterfront area, promote MSUBI as the regional technology hub, and stimulate additional regional collaboration. Following are letters of support from a small sample of the community leaders who see the benefits that the SmartZoneSM can provide.

Figure 2: Letters of Support from the community and private sector.



201 W. Washington Ave. Loft 410
Zeeland, Michigan 49464

Jim Holtrop, Chairperson
Ottawa County Board of Commissioners
3046 Country Court
Hudsonville, MI 49426-1572

August 26, 2014

Mayor Kurt Dykstra
City of Holland
City Hall 270 S. River Ave
Holland, MI 49423

BOARD MEMBERS:

Chair
Scot Lindemann
JR Automation

Treasurer
Kris DePree
Colliers International

Secretary
Jeff Disher
Disher Design &
Development

Chelsea Brown
Metal Flow

Jane Clark
Michigan West Coast
Chamber of Commerce

Candace Dugan
Warner, Norcross & Judd,
LLP

Garth Deur
Bank of Holland

Luciano Hernandez
Tiger Studio Design

Larry Koops
Fifth Third Bank

Ann Query
Q Tips Consulting &
Communication

Michael Ramirez
Herman Miller

Ross Rubley
Boar's Head Provisions

Al Vanderberg
Ottawa County

Bruce Warren
Magna Sealing and Glass
Systems

Terry Nienhuis, Township Supervisor
Holland Charter Township
353 N. 120th Avenue
Holland, MI 49424

RE: SmartZone Initiative

Dear Chairperson Holtrop, Mayor Dykstra and Supervisor Nienhuis:

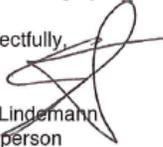
On behalf of the Lakeshore Advantage Board of Directors, the economic development organization serving Ottawa County, I would like to express our unanimous support for the creation of a satellite SmartZone in partnership with the Grand Rapids SmartZone.

We have completed a comprehensive review of the requirements and benefits of creating a satellite SmartZone and believe it will be a significant benefit to the growth of new ventures and innovation in our community.

As the SmartZone initiative will be a collaboration between the City of Holland, Holland Charter Township and Ottawa County, we further encourage our elected and appointed officials in those jurisdictions to work together, along with Lakeshore Advantage, to achieve this worthy goal. Your communities' initial receptiveness to community collaboration around this new initiative deserves to be commended.

We encourage you to act swiftly in moving forward with approval.

Respectfully,


Scot Lindemann
Chairperson
Lakeshore Advantage Board of Directors

CC: Al Vanderberg, County Administrator, Ottawa County
12220 Fillmore St #331
West Olive, MI 49460

Ryan Cotton, City Manager, City of Holland
City Hall 270 S. River Ave
Holland, MI 49423

Donald Komejan, Manager, Holland Charter Township
353 North 120th Avenue
Holland, MI 49424

P 616.772.5226
F 616.772.5602
lakeshoreadvantage.com

Riverview Group

151 Central Avenue, Suite 280
Holland, Michigan 49423
(616)-392-7893

Jennifer Owens, President
Lakeshore Advantage
201 W. Washington Ave, Loft 410
Zeeland, Michigan 49464

August 21, 2014

Re: Statement of Support for Proposed SmartZoneSM Satellite

Dear Jennifer:

We have become knowledgeable of the proposed SmartZoneSM Satellite organization for the Holland area, which would be affiliated with the Grand Rapids SmartZoneSM. We understand that the proposed Holland SmartZoneSM would be centered along the eastern end of Lake Macatawa, spanning underutilized, re-developable properties within both Holland Charter Township and the City of Holland. In essence, the Holland SmartZoneSM Satellite would be a new, collaborative economic development entity with joint participation by Ottawa County, Holland Charter Township, and the City of Holland, working in conjunction with Grand Rapids' SmartZoneSM.

A Holland SmartZoneSM Satellite would have significant potential to provide and/or accelerate the following benefits for the Holland area:

1. Attract and grow existing and future technology-based businesses
2. Provide targeted, technical services and support expertise to these businesses
3. Foster the training and enrichment of current and future employees in this area
4. Provide a portion of the funds for necessary public infrastructure in the SmartZoneSM
5. Capture incremental property-based taxes -- that are only available through this special SmartZoneSM legislation -- and would be invested directly into the Satellite area.
6. Highlight, accentuate, and build on the unique, powerful assets of the MSU Bioeconomy Institute.

As we now understand the Lakeshore Advantage Proposal, and based on these expected benefits and community revitalization that will be fostered in this Lake Macatawa area, the Riverview Group enthusiastically supports the establishment of the Holland Area SmartZoneSM Satellite. We further encourage our elected and appointed officials in Ottawa County, Holland Charter Township, and the City of Holland to work together and with Lakeshore Advantage to achieve this worthy goal.

Sincerely yours,

Scott Spoelhof, Chairman



860 East Main Avenue
Zeeland, Michigan 49464-1300
616-772-9131
FAX 616-772-1670
www.howardmiller.com

August 21, 2014

Jennifer Owens, President
Lakeshore Advantage
201 W. Washington Avenue, Loft 410
Zeeland, MI 49464

Dear Jennifer,

Thank you for your leadership for the proposed Holland SmartZone Satellite. It is certainly my hope that all of the needed governmental units will move quickly in giving their support in time to qualify for this opportunity. This is one of those rare situations that is a win-win for everyone involved with no downside.

In the world based economy we all compete in, we succeed if we think and act strategically and cooperatively as a united region. This proposed SmartZone concept moves us down that road to successful collaboration.

Cordially,

A handwritten signature in blue ink that reads 'Philip D. Miller'.

Philip D. Miller
Chairman of the Board emeritus

Figure 3: Commitment letter from local government.



Office of the Mayor
Robert VandeVusse MAYOR

September 30, 2015

Jennifer Owens, President
Lakeshore Advantage
201 W. Washington Ave. Loft 410
Zeeland MI, 49464

Dear Ms. Owens:

The City of Holland fully supports the creation of a Local Development Finance Authority (LFDA) Satellite SmartZone in collaboration with Holland Charter Township and the City of Grand Rapids. All formation documents along with other various resolutions were unanimously approved and adopted by the City Council demonstrating support of this exciting economic development opportunity that will impact our region and the State of Michigan.

Creation of the Holland SmartZone will expand the region's capacity to incubate and accelerate new businesses, providing support to entrepreneurs and high tech companies, allowing them to flourish and grow in western Michigan. It has been a long journey getting the legislation approved and we are hopeful for a quick approval process to allow this collaborative effort to get started, so jobs can be created and talent can begin to find its way to west Michigan.

Thanks for your efforts and the full support of Lakeshore Advantage in moving this important process forward.

Respectfully,

A handwritten signature in blue ink that reads "Robert VandeVusse".

Robert VandeVusse
Mayor



HOLLAND CHARTER TOWNSHIP

353 North 120th Avenue • Holland, MI 49424 • P.O. Box 8127 • Holland, MI 49422

Phone: 616.396.2345 • Fax: 616.396.2537

June 5, 2015

Senator Ken Horn, Michigan Senate District 32
Chairman of Senate Economic Development and International Investment Committee
1010 Farnum Building
P.O. Box 30036
Lansing, MI 48909-7536

Re: HB-4226 (Bill to amend 1986 PA 281 entitled "The Local Development Financing Act")

Dear Senator Horn:

We appreciate your important role as Chairman of the Senate Economic Development and International Investment Committee and take this opportunity to encourage you to favorably support HB-4226 approved on June 3, the new SmartZone legislation to be reviewed and considered at the next Committee meeting.

City of Holland and Holland Charter Township leadership have collaborated with our local Lakeshore Advantage economic development partners to further our region's continued economic development programs and strategies, including the implementation of the Holland Satellite SmartZone partnership with the Grand Rapids SmartZone.

After the failure of such legislation to be adopted late last year, we are excited and encouraged at the new opportunity to move this SmartZone legislation forward in an effort to facilitate the Holland Satellite SmartZone and Grand Rapids SmartZone partnership for the greater overall economic development benefit to both regions.

The creation of the Holland Satellite SmartZone will expand the region's capacity to incubate and accelerate new businesses and create jobs in high tech fields, taking full advantage of the Michigan State University Bioeconomy Institute (MSUBI) located in Holland Charter Township. The MSUBI is the state's leading public "green chemistry" production facility, accelerating early stage companies needing scale-up capabilities.

We respectfully request that you and your Committee members favorably support HB-4226 to facilitate the ongoing collaborative economic development efforts of both the Grand Rapids and Holland areas.

Sincerely,

Vince Bush
Township Treasurer and
Holland SmartZone LDFA Board Member

Donald Komejan
Township Manager and
Holland SmartZone LDFA
Ex-Officio Board Member

Figure 4: Commitment letter from non-profit organization.

HOLLAND/ZEELAND MODEL COMMUNITY INITIATIVES

August 25, 2014

Mayor Dykstra, Mayor, City of Holland
James C. Holtrop, Ottawa County Commissioner
Terry Nienhuis, Supervisor, Holland Charter Township

Dear Sirs:

Several years ago the Model Community Initiatives was founded because Holland/Zeeland community leaders believed in the power of three-sector collaboration. Our goal was to fuel processes driving economic revitalization, best practice talent development and governance for the 21st century. The ongoing commitment from our government, education and business leaders has resulted in outcomes that truly set our community apart. We are particularly proud of the groundbreaking 2011 Governance Future Search that resulted in productive public/private collaborations, continuing today.

We believe the proposed SmartZone satellite supports the underlying philosophy of three-sector collaboration on a broader scale, enabling stronger regional collaboration around specific economic development initiatives. A Holland SmartZone satellite would establish a collaborative economic development entity with joint participation by Ottawa County, Holland Charter Township and the City of Holland and would work in close collaboration with the Grand Rapids SmartZone.

With private sector commitment coupled with the support of our elected officials, we believe the SmartZone offers tremendous opportunity for the Holland/Zeeland Area to include the following:

1. Attract and grow existing and future technology-based businesses
2. Provide targeted, technical services and support expertise to these businesses
3. Foster the training and enrichment of current and future employees in this area
4. Provide funds to install necessary public infrastructure in the SmartZone
5. Capture incremental property-based taxes -- that are only available through this special SmartZone legislation -- and these funds would be invested directly into the Satellite area.
6. Highlight, accentuate, and build on the unique, powerful assets of the MSU Bioeconomy Institute.

HOLLAND/ZEELAND MODEL COMMUNITY INITIATIVES

On behalf of the Holland/Zeeland Model Community Leadership, I want to express our Board support for the SmartZone satellite. The Model Community Initiatives was built on a foundation of trust and respect among all sectors focused on a common goal that benefits all. We see the SmartZone as an opportunity to build on our strong foundation and contribute together to a greater whole.

Sincerely,



James F. Brooks
Board Chair,
Model Community Initiatives



Linda R. Brand
Executive Director,
Model Community Initiatives

2014-15 Model Community Initiatives Board Members (in alphabetical order)

Franco Bianchi, *President and CEO Haworth*
Jim Bultman, *Retired President, Hope College*
Janet DeYoung, *Retired President, Community Foundation
of the Holland-Zeeland Area*
Dick Haworth, *Chairman Emeritus, Haworth*
Tim Hemingway, *Board Chair, Holland BPW*
Bruce Los, *President, Soft Architecture*
Phil Miller, *CEO, Howard Miller*
John Spoelhof, *Bayside Capital*
Jennifer Owens, *President, Lakeshore Advantage*
PJ Thompson, *President and COO, TransMatic*
Al Vanderberg, *Ottawa County Administrator*
Brian Walker, *President and CEO Herman Miller*

G) Universities, Higher Education Institutes, Private Based Research Institutes Partnerships, or a Large, Private Corporate R&D Center

Michigan State University collaborated with Lakeshore Advantage, government units, and private supporters to secure the former Pfizer R&D facility and formed MSUBI. MSUBI is located on the east end of Lake Macatawa in Holland, MI. The institute's goal is to become a world-class bioeconomy research and development center. Working together with Lakeshore Advantage in the Holland SmartZoneSM Satellite, it is anticipated that MSUBI's labs and resources will greatly advance Holland's technical business base.

a. MSUBI's Facility

MSUBI's facility, totaling 138,000 square feet, is located in Holland Charter Township, Holland, MI. The facility has approximately 31,000 square feet of wet laboratories space that includes 3,100 square feet of offices and a separate engineering office suite of 1,500 square feet. The wet labs are capable of handling most chemical research and development needs. Some of the types of activities that are supported are: organic synthesis, instrumental analysis, and process development or intermediate scale-up work. The site has a pilot plant that consumes approximately 35,000 square feet and two stories of the building. There are more than 30 chemical reaction vessels available ranging from 15 to 4,000 liters with a total capacity greater than 31,000 liters. The reactors are lined with glass, stainless steel, Hastelloy™ or other material linings and most are fitted with condenser systems. MSUBI's equipment is capable of carrying out reactions under a variety of temperatures, pressures and other conditions. The facility also has a centralized Foxboro control system that manages routine and specialized processes. MSUBI is an advantageous environment that facilitates start-up businesses transitioning from lab-scale to pilot plant scale. MSUBI possesses important permits and certificates required for scale-up compliance. They also have resources available that have the knowledge and experience of taking a product from lab scale to the larger pilot plant scale.



b. MSUBI History

MSUBI is housed in the former Pfizer facility. Pfizer's 138,000 square foot research, development and pilot plant facility was valued at \$50 million. In 2008, Pfizer made over \$9 million in improvements and modifications making the facility a first class biochemical research

and development site. In 2009, Pfizer donated the newly renovated facility to Michigan State University (MSU). MSU hired several former Pfizer employees experienced with the facility's operations to oversee the new Michigan State University Bioeconomy Institute and began working towards becoming a facility that serves advanced research and development, education, product commercialization, and economic development objectives.

During the six-month period from April 1, 2014 through September 30, 2014, MSUBI clients included:

Materia	http://www.materia-inc.com
Xtreme Floor	http://www.xtremefloorsystems.com
Kemin	http://www.kemin.com
Pleotint	http://www.pleotint.com
Mercurius Biofuels	http://www.mercuriusbiofuels.com
BoroPharm	http://www.boropharm.com
Charkit	http://www.charkit.com

In total, during that six-month period the MSU Bioeconomy Institute produced more than 18 metric tons of various chemical products for its client firms in the course of fifty “proof of concept” production runs.

In addition to the presence of Michigan State University, Hope College has an ongoing collaborative relationship with MSUBI and Lakeshore Advantage. The summer research group at MSUBI, led by Dr. Tom Guarr, participates in the Hope Summer Research program through their chemistry department. Participating students frequently overlap between these two programs. In addition, Lakeshore Advantage is connected to the entrepreneurial programs through Hope College’s Center for Faithful Leadership. These relationships add value to the HSZ and ensure a wide offering of resources to the HSZ.

Figure 5: Letter of Commitment from Michigan State University Bioeconomy Institute.

MICHIGAN STATE
UNIVERSITY

December 16, 2014

Ms. Jennifer Owens, President
Lakeshore Advantage
201 West Washington Avenue, Loft 410
Zeeland, Michigan 49464

Dear Jennifer,

Michigan State University is pleased to support the efforts of the Holland region to create a Local Development Funding Authority and SmartZone. As a satellite of the Grand Rapids SmartZone, with which MSU is already affiliated, the envisioned Holland SmartZone will promote important regional synergies in West Michigan economic development and permit an extended lifetime for the Grand Rapids effort.

Today, the MSU Bioeconomy Institute is attracting high technology firms to its "proof of concept" chemical production facility from across Michigan and the nation, including spin-offs and licensees from Cal Tech, the University of Minnesota, the University of Maryland, the University of California at Davis, and MSU itself. Between April and September of 2014, the Institute produced more than eighteen metric tons of specialty chemical products for its clients. Hence, as an anchor institution, the Institute will permit the new SmartZone to "hit the ground running" within the bioeconomy sphere, while supporting new regional efforts in additional economic sectors, such as information technology.



**Office of the
President**

Hannah Administration Building
426 Auditorium Road, Room 450

East Lansing, MI 48824

517-355-6560

Fax: 517-355-4670
president.msu.edu

Contingent upon the Holland SmartZone receiving all needed legal and administrative approvals from the State of Michigan, the MSU Bioeconomy Institute will provide from its client firm revenues two cash subventions: \$75,000 in 2015 and again in 2016, for a total of \$150,000 in cash support. It is our understanding that these funds will be counted towards the five-year, \$1,000,000 total matching requirement that has been put in place for new SmartZones by the Michigan Economic Development Corporation.

Please accept our best wishes for this important endeavor.

Handwritten signature of Lou Anna K. Simon in black ink.

Lou Anna K. Simon, Ph.D.
President

Handwritten signature of Dr. Paul M. Hunt in blue ink.

Dr. Paul M. Hunt
Senior Associate Vice President
for Research & Grad. Studies

H) Ability to Provide Support for Entrepreneurs, New and Small Businesses

a. Lakeshore Advantage

Lakeshore Advantage is the economic development partner serving Ottawa County, Michigan. Started 11 years ago by a team of business leaders interested in advancing the economic vitality of the region, Lakeshore Advantage has produced over \$1.2 billion in investment that generated over 10,000 new jobs for the region. Lakeshore Advantage has fostered innovative programs to support start-ups and small businesses. Some examples of the programs undertaken are: IP law clinic, i6 grants for scale-up work, participation in Great Lakes Entrepreneur Quest, and Angel Funding opportunities, Business Accelerator Fund (BAF) grant engagements, connection to SBDC counselors and programs such as SBIR/STTR training, analytical support for chemistry based products.

b. Innovation

West Michigan's entrepreneurial roots run deep. Since its inception, Lakeshore Advantage has run a wide range of innovation support programs to help new and emerging businesses gain traction.

The Innovation Group supports entrepreneurs during the creation, start-up and early growth stages of development by offering innovation space, consulting support, and connections to community resources, expert advice and capital. Nationally, 80% of all start-up businesses fail; however, statistics show that companies starting in a full service incubator facility have an 80% chance of success. Creativity, discipline and drive are greatly enhanced when combined with a synergistic environment where challenges and opportunities are shared with peers. Lakeshore Advantage, through programs like BAF, counselors at SBDC, and collaboration within the existing entrepreneur ecosystem in west Michigan, will assist clients to accelerate commercialization. In addition, the incubator will offer opportunities for training, networking, one-on-one coaching and mentoring.

Entrepreneurs needing operating space for their bio-based start-ups will find MSUBI a valuable resource with access to unique laboratory space, equipment and intellectual resources associated with Michigan State University. Outside of the Lakeshore staff, there is a team of organizations and individuals driving new venture and Innovation in the area including:

Michigan State University Bioeconomy Institute Team

MSUBI provides unique services to Michigan start-up and early stage businesses. Some of these services include: chemical process scale-up from the bench top (typically <1 liter) to the plant (up to 4,000 liters), chemical testing, process optimization, and laboratory space. The Institute has served a variety of sectors in varying applications:

- Advanced Automotive - Gentex (electrochromic devices)
- Life Science - BoroPharm and Materia (pharmaceutical intermediates)
- Agricultural Processing - Marrone BioInnovations (genetically engineered production of natural pesticides)
- Biomass Byproducts - EcoComposites (stock bedding and other uses of anaerobic digester fibers)
- Materials - Verdezyne (biomass-derived nylon precursor), Pleotint (thermochromic windows)
- Biofuels - Renmatix (lignocellulosic conversion), Mercurius Biofuels (cellulosic-based additive for jet fuel)

Client companies needed the capability of the MSUBI pilot plant to meet a spectrum of different needs, including:

- Delivery of product to the chain of commerce,
- Proof of concept demonstrations for private investors or Federal grantors,
- Validation of production capacity redundancy, and
- Generation of novel process data for use in new plant design.

c. Incubation

MSUBI can provide support to innovation companies throughout the Lakeshore region. When an entrepreneur has a need for physical space the former Pfizer pharmaceutical research and production facility has 45,000 square feet of wet lab and office space available combined. The facility includes all the required amenities such as phone, wireless internet, copiers, conference rooms, a 109 seat auditorium and open areas for mixing with other incubator clients as well as MSU scientists and technicians.

- Modern laboratories with extensive capabilities for chemical synthesis, formulation and analysis, with approximately 31,000 sq. ft. of wet lab space
- A 35,000 sq. ft. pilot plant equipped with chemical reactor vessels totaling over 31,000 liters in capacity
- Specialized systems and expert operators to provide capabilities suitable for biofuels, bio-plastics and specialty chemical development and scale-up.

- Regular education and connection programs. On average, 15 events are held on site each year.

d. IP Legal Support

Innovation companies have had the ability to access expertise in the MSU College of Law through an intellectual property legal clinic offering free legal support for start-up companies.

Through the MISpringboard program, Varnum Law firm has committed \$50,000 of in-kind services of matching funds to support early stage incubator companies. Each participant in MISpringboard will receive a minimum of \$2,500 in legal services tailored to suit their particular needs. Participants may need help with how a business is structured, counseling on financial matters, contract drafting or review, or employment law advice. As trusted advisors to innovative businesses throughout Michigan, Varnum is well suited to provide the legal assistance that businesses need at each stage of development.

e. Reporting requirements

The Authority shall provide, or cause to be provided to MEDC, a monthly report that includes providing the following metrics for the high-technology activity occurring in the SmartZoneSM: funding received by the SmartZoneSM organization (and source of that funding), companies created, companies relocated into the SmartZoneSM, companies expanded, companies served, and for these companies - jobs created, jobs retained, new sales, and follow-on-funding received by these companies (including amount and source of such funding -sources including state funds, federal funds, venture capital, angel funds, bank/loan, owner investment, other) (the "Monthly Reporting.")

(b) The Authority shall provide, or cause to be provided to, MEDC a report annually containing the following information:

- (i) A summary of the SmartZoneSM operations, including, but not limited to, number of businesses assisted, number of businesses locating or expanding in the SmartZoneSM, number of jobs created/retained, number of on-going and completed research projects, number of on-going and completed commercialization projects, and amount of investments in the SmartZoneSM, and similar information for activity of the business incubator.
- (ii) The use of Tax Increment Financing funds during the prior fiscal year of the Authority.
- (iii) The proposed use of Tax Increment Financing funds for the next fiscal year of the Authority.
- (iv) Any modifications sought to this Agreement or to the TIFP.
- (v) An annual report summarizing the Monthly Reporting results, see 3.08(a).
- (vi) The amount of Tax Increment Financing collected and expensed during the prior fiscal year of the Authority.
- (vii) The amount of projected Tax Increment Financing for the next fiscal year of the Authority.

(viii) An annual report summarizing activities that indicate Host SmartZoneSM and Satellite SmartZoneSM continue to comply with Legislative Criteria, MCL 125.2162(b) identified above.

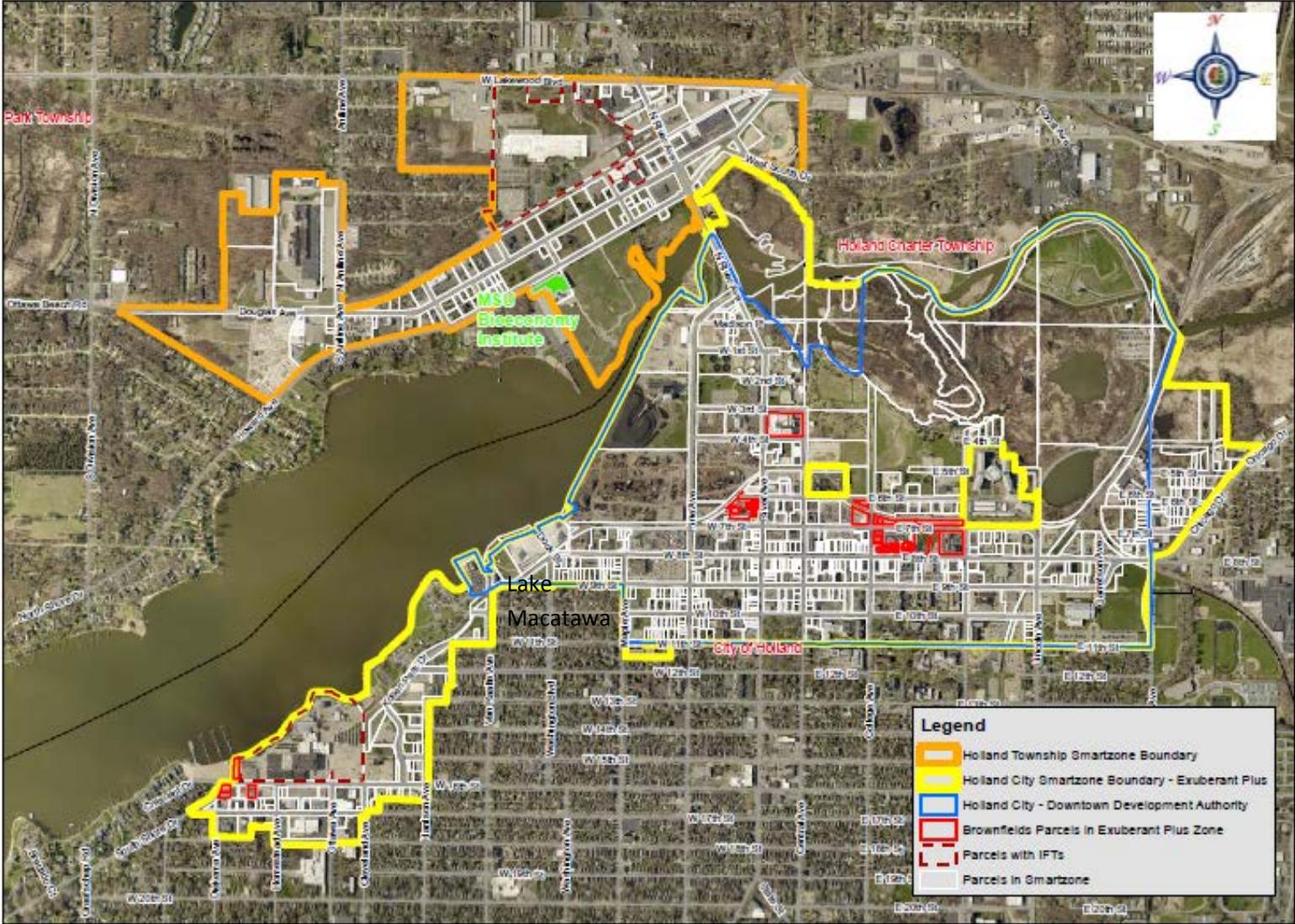
I) Physical Description and Information on SmartZoneSM

The Holland SmartZoneSM Satellite encompasses area around Lake Macatawa in Holland Charter Township and the City of Holland. MSUBI is located within the SmartZoneSM boundary and will serve as the center of activity. The boundary of the SmartZoneSM is reflected in the following map:

Appendix

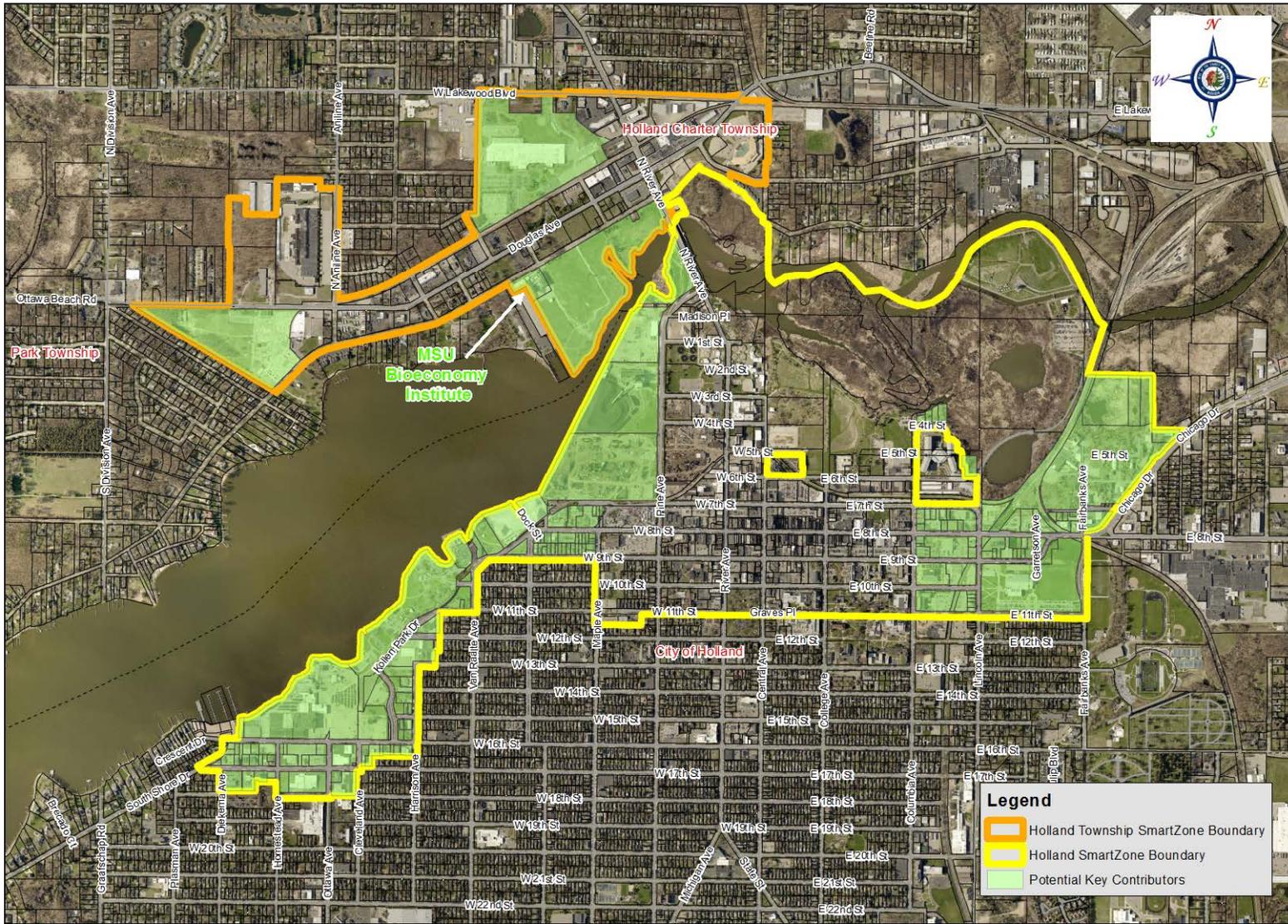
- a. **LDFA SmartZoneSM Exuberant Plus Boundary Information**
- b. **LDFA SmartZone Key Contributors Map**

Smartzone Boundary Holland City (Exuberant Plus) & Holland Township



Prepared by the Ottawa County Planning & Performance Improvement Department (09/02/2014)

Holland SmartZone



Prepared by the Ottawa County Planning & Performance Improvement Department (12/10/2015)

Additional Letters of Support

September 23, 2014

Mr. Kurt Dykstra
270 South River Avenue
Holland, MI 49423

Dear Honorable Mayor Dykstra,

As Superintendent of Holland Public Schools, I am excited about the opportunity that presents itself for the City of Holland to partner with the SmartZone of Grand Rapids in the creation of a satellite SmartZone in our local community. The potential economic impact, talent development and innovative resources are primed to continue the quality of life that we have grown to value and expect in the greater Holland area.

Thank you for this opportunity to name the following two individuals below to represent Holland Public Schools on the Holland Local Development Finance Authority:

- Marcia Bishop-Retired Superintendent of Holland Public Schools, Retired Associate Director of Van Andel Institute, and former Chair of the Holland Chamber of Commerce: 2 year term
- Ann Harten-Vice President of Global Human Resources, Haworth, Chair of Hello West Michigan, and former Chair of Michigan West Coast Chamber of Commerce: 3 year term

Please let me know how I can assist in the future endeavors of this opportunity.

Sincerely,



Brian Davis
Superintendent