

## **AGREEMENT DESIGNATING SATELLITE SMARTZONE<sup>SM</sup> DISTRICT**

**THIS AGREEMENT DESIGNATING SATELLITE SMARTZONE<sup>SM</sup> DISTRICT** (the "Agreement") dated October 7, 2014, by and between the **CITY OF GRAND RAPIDS** ("Grand Rapids"), a Michigan municipal corporation, and the **HOLLAND SMARTZONE<sup>SM</sup> LOCAL DEVELOPMENT FINANCE AUTHORITY** (the "Holland Authority"), a statutory authority created by the City of Holland ("Holland") a Michigan municipal corporation, and Holland Charter Township ("Holland Township"), a Michigan charter township, pursuant to The Local Development Financing Act, Act 281 of the Public Acts of Michigan of 1986, as amended ("Act 281").

### **RECITALS**

A. Grand Rapids created the City of Grand Rapids SmartZone<sup>SM</sup> Local Development Authority (the "Grand Rapids Authority") on October 16, 2001, and established the Grand Rapids Authority district pursuant to Act 281, which Grand Rapids Authority district has been designated a certified technology park (the "Grand Rapids SmartZone<sup>SM</sup> District").

B. Holland and Holland Township have created the Holland Authority effective October 2, 2014, and established a Holland Authority district (the "Holland Authority District") pursuant to Act 281.

C. Grand Rapids and the Holland Authority have determined it is to their mutual benefit to cooperate and collaborate in furtherance of the prevention of conditions of unemployment and the promotion of economic growth and in the development of high technology activity through promotion, incubation, acceleration and commercialization of such businesses by having the Holland Authority District designated a certified technology park (the "Satellite SmartZone<sup>SM</sup> District") pursuant of Section 12b of Act 281.

**NOW, THEREFORE**, in consideration of the terms of this Agreement and the benefits to be derived therefrom, receipt of which is severally acknowledged, Grand Rapids and the Holland Authority hereby agrees as follows:

**Section 1. Unique Characteristics and Specialties Offered in the Holland Authority District.** The designation of the Holland Authority District as a Satellite SmartZone<sup>SM</sup> District is unique in that it will, through Grand Valley State University and its Richard M. and Helen DeVos Center for Entrepreneurship and Innovation as an original significant partner and major service provider of the Grand Rapids Authority and whose main campus is located in the same county, i.e. Ottawa County (the "County"), as the Holland Authority and who is also a partner of the Holland Authority along with Holland's other partners identified in Section 4.c. hereof, enable regional growth of high technology activity through entrepreneurship and innovation. It is further unique in that the designation will with The Right Place, an original and significant partner of the Grand Rapids Authority, and Lakeshore Advantage, a significant partner of the Holland Authority, enhance the collaborative marketing of West Michigan as the best place to start a business, grow a business and be an entrepreneur. The designation of the Satellite SmartZone<sup>SM</sup> District will make available both Lakeshore Advantage's TechVenture Incubator,

and the BioBusiness Accelerator at Michigan State University's Bioeconomy Institute, located within the Holland Authority District, and its extensive facilities and equipment; unique specialties that will assist in the creation and growth of high technology businesses benefiting "clients" of both the Grand Rapids Authority and the Holland Authority.

**Section 2. Benefits of Regional Cooperation.** The bringing together of the Grand Rapids Authority and the Holland Authority through the designation of the Holland Authority District as a Satellite SmartZone<sup>SM</sup> District will provide a platform for greater cooperation and collaboration to retain, create and grow high technology enterprises and employment within a region, i.e. the West Michigan Region, through a strategy of combined marketing and complimentary education, training and networking events.

**Section 3. Added Value to Mission of Grand Rapids Authority.** The designation of the Holland Authority District as a SmartZone<sup>SM</sup> Satellite District 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.

**Section 4. Representations and Covenants of the Holland Authority.** In connection with the designation of the Holland Authority District as a Satellite SmartZone<sup>SM</sup> District, the Holland Authority makes the following representations and covenants:

a. That it will include in its tax increment financing plan the capture within the Satellite SmartZone<sup>SM</sup> District of 50% of "local", i.e. City, Township and County all general property tax levies, tax increment revenues in addition to the capture of school operating tax increment revenues and the State Education Tax tax increment revenues.

b. That during each of the first five years of the operation of the Satellite SmartZone<sup>SM</sup> District, the Holland Authority, will have an annual operating budget of at least \$200,000.

c. That its Satellite SmartZone<sup>SM</sup> District plan (the "Plan") to be submitted to the Michigan Economic Development Corporation ("MEDC") will be completed within 30 days and will include a representation by the Holland Authority that said Plan will promote high technology businesses, job creation and growth by collaborating with public and private partners including, but not limited to, Lakeshore Advantage, and Michigan State University Bioeconomy Institute.

**Section 5. Reporting.** The Holland Authority and the City on behalf of the Grand Rapids Authority agree to timely provide to MEDC monthly reporting related to the Satellite SmartZone<sup>SM</sup> District as required and in the format required by MEDC.

**Section 6. Designation of Satellite SmartZone<sup>SM</sup> District.** The City hereby designates the Holland Authority District as a Satellite SmartZone<sup>SM</sup> District pursuant to Section 12b of Act 281.

**Section 7. Effective Date.** The effective date of this Agreement shall be the date indicated in the first paragraph hereof.

**IN WITNESS WHEREOF,** the City and the Authority have caused these presents to be signed as of the date and year first written above.

APPROVED FOR MAYOR'S SIGNATURE

  
Special Counsel

**CITY OF GRAND RAPIDS**

By:   
George K. Heartwell, Mayor

Attest:   
Darlene O'Neal, City Clerk

**HOLLAND SMARTZONE<sup>SM</sup> LOCAL  
DEVELOPMENT FINANCE AUTHORITY**

By: 

Its: 