



Holland SmartZone Local Development Authority

Board of Directors Meeting

Wednesday, January 6 @ 12:00 PM

Holland City Hall/270 S River Ave.

Members:	Joseph Baumann, Peter Beukema, Marcia Bishop, Brian Burch, Vince Bush, Craig Hall, Ann Harten, Paul Hunt, Jill Miller, Mat Nguyen, Randall Schipper, Tim Vagle
Ex-Officio Members:	Ryan Cotton, Mark Knudsen, Dana Kollwehr, Don Komejan, Fred Molnar, Scott Spoelhof
Lakeshore Advantage Staff:	Brooke Corbin, Angela Huesman, Jennifer Owens,
Copies To:	Holland Charter Township, Township Clerk, Ottawa County Clerk

Agenda

- | | | |
|----|--|----------------|
| 1. | Call to Order | Craig Hall |
| 2. | Public Comments | Craig Hall |
| 3. | Approval of Minutes | Craig Hall |
| 4. | Review Timeline | Brooke Corbin |
| 5. | Review TIF and Development Plan addition | Angela Huesman |
| 6. | Approval of TIF and Development Plans | Craig Hall |
| 7. | Adjournment | Craig Hall |

**Next Meeting – March 9, 2016
Holland City Hall/ 270 S River Ave.**



**Holland Satellite SmartZone Local Development Authority (LDFA)
Board of Directors Meeting
Haworth Headquarters
One Haworth Center, Holland, MI
Minutes of November 18, 2015**

Members Present: Joseph Baumann, Marcia Bishop, Brian Burch, Vince Bush, Craig Hall, Ann Harten, Jill Miller, Randall Schipper, Tim Vagle

Ex-Officio Members Present: Ryan Cotton, Dana Kollewehr, Don Komejan, Frederick Molnar

Absent: Peter Beukema, Paul Hunt, Mark Knudson, Mat Nyugen, Scott Spoelhof

Lakeshore Advantage Staff: Brooke Corbin, Angela Huesman, Jennifer Owens

Copies to: City of Holland Clerk, Holland Township Clerk, Ottawa County Clerk

1. Call to Order

A quorum being present the meeting was called to order at 12:10 pm.

2. Public Comment

Chair Craig Hall asked if there were any public comments at this time. There being none, he moved to the first order of business.

3. Approval of Minutes

Motion made by Marcia Bishop to approve minutes from LDFA Board meeting held 10/21/15. Support by Ann Harten. Unanimously approved

4. Strategic Planning session

The strategic planning session was facilitated by Scott Patchin of the Tru Group. The group worked together as teams divided into the priorities that resulted from the Entrepreneurial Ecosystem survey that was discussed at the meeting on 10/21/2015. The outcome of the session was a list of projects that were put onto a timeline, providing direction for the first dollars into the SmartZone, as well as through the lifetime of the designation. See notes.

5. Adjournment

Motion to adjourn the meeting at 4:05 PM was given by Randall Schipper supported by Brian Burch. Unanimously approved.

Respectfully submitted,



Randall Schipper
LDFA Secretary

Minutes submitted by Brooke Corbin 11/20/15
HSZ LDFA Board Minutes 10/21/15

Schedule for TIF Plan Approval

12/16/15	TIF and Development Plan complete
12/30/15	Joint Publication of hearings in the Holland Sentinel (Date must be no more than 40 days before the public hearing and no less than 20)
1/4/16	Public Notice of 1/6/16 LDFA Meeting (not later than 12:00 Noon)
1/6/16	Certified Mailing to governing body of each taxing jurisdiction subject to capture
1/7/16	LDFA Board Meeting - Resolution to Review and Approve Plans
1/11/16	2nd Publication in Holland Sentinel
1/13/16	City of Holland adopts resolution of intent to approve TIF and development plan
1/14/16	Holland Township adopts resolution of intent to approve TIF and development plan
1/20/16	City of Holland Public hearing and adoption of resolution approving TIF and Development plan
1/21/16	Holland Township public hearing and adoption of resolution approving TIF and Development plan

Upon completion of above, the approved resolutions and plan are submitted to MEDC. MEDC will review and then forward to the state treasurer for approval. The timing from this point forward is set by MEDC and the state.

SmartZone Business Plan Additions

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Table 2: Anticipated Use of Funds

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

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, 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.

TAX INCREMENT FINANCING PLAN AND DEVELOPMENT PLAN

HOLLAND SATELLITE SMARTZONESM

December, 2015

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Section I. Introduction

Pursuant to Act 281 of 1986, the Holland Local Development Finance Authority (the "LDFA") was established in October 2014. The operating purpose of the LDFA is to eliminate the causes of unemployment, underemployment, joblessness, recruitment, retention, and to promote economic growth in Holland. The Holland SmartZoneSM facilitates the capture of certain taxes for use by the LDFA to create or promote the development and attraction of high technology activities to the designated SmartZoneSM. These taxes will be used to, among other things, improve property that will attract high tech businesses and employees and could assist in the development of high technology business incubators and marketing for these initiatives. For the initial term, the LDFA board members consist of:

- City of Holland Appointments:
 - o Tim Vagle - Treasurer, City of Holland (1 year initial term)
 - o Matt Nguyen - President of Worksighted (2 year initial term)
 - o Brian Burch - Council Member/Managing Partner of Burch Partners (3 year initial term)
 - o Craig Hall - President of Lee Shore Enterprises (4 year initial term)
- Holland Charter Township Appointments:
 - o Vince Bush - Holland Township Treasurer (1 year initial term)
 - o Peter Beukema - President of Suburban Inns (2 year initial term)
 - o Paul Hunt - Senior Associate Vice President for Research and Graduate Studies at Michigan State University (4 year initial term)
- Ottawa County Board of Commissioners Appointments:
 - o Joe Baumann - Commissioner, Ottawa County Board of Commissioners (3 year initial term)
- West Ottawa Schools Appointment:
 - o Randall Schipper - Vice President of West Ottawa Board of Education (1 year initial term)
 - o Jill Miller - West Ottawa Board of Education Trustee (4 year initial term)
- Holland Public Schools Appointments:
 - o Marcia Bishop - Retired, Associate Director of Van Andel Institute (2 year initial term)
 - o Ann Harten - Vice President of Global Human Resources (3 year initial term)
- Ex-Officio Members:
 - o City of Holland City Manager
 - o Holland Charter Township Manager
 - o City of Holland Downtown Development Authority
 - o Holland/Zeeland Community Foundation Representative

- o Michigan Economic Development Corporation Representative
- o Ottawa County Administrator or Representative

The Tax Increment Financing Plan (the "TIFP") provides a summary of the methods that will be used to fund the SmartZoneSM programs and how those programs are expected to be carried out. As outlined in the TIFP, funding for projects will be generated through tax increment financing ("TIF"), grants, local cooperation, and other funding eligible under Section 10 of PA 281. This TIFP will capture a portion of the incremental increases in the tax millage of the City of Holland and Holland Charter Township.

The Holland SmartZoneSM technology cluster 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 the Michigan State University Bioeconomy Institute ("MSUBI") to fill a critical gap in this technology cluster by offering new company incubation, early stage acceleration and scale-up production capabilities. This collaboration will promote economic development and increase high technology jobs within the Holland SmartZoneSM and the surrounding region. Over the 15-year period, it is anticipated to create more than 50 new companies and approximately 360 new jobs.

The Holland SmartZoneSM Satellite will initially be administered by Lakeshore Advantage and hosted by the Grand Rapids SmartZoneSM. This relationship will facilitate regional cooperation creating a dynamic partnership throughout Western Michigan. Together the SmartZone's will provide complimentary services expanding the assistance that is available to new and emerging high technology businesses. There is a significant benefit to this collaboration because of the closely related function of the programs. The SmartZoneSM programs do not significantly overlap each other regarding the sectors they support but they do share some similar features and the requirements to incubate and accelerate early stage development.

Lakeshore Advantage will administer the SmartZoneSM and coordinate the program needs with the LDFA and the SmartZoneSM partners. Lakeshore Advantage will assure that the business needs are met while ensuring strict accountability for performance and financial controls. Revenue will be generated through mechanisms such as tax capture, grants, in-kind contributions, and donations. It is estimated that the overall cost of implementing this plan for the 15 years will be approximately \$1.3M. The anticipated revenue is approximately \$8.6M, which includes \$906K from captured SET, and \$6.6M from local tax increments, and \$1.1M from other sources. [Table 1](#) details the anticipated revenue contributions; the letters of support for the committed grants and donations are included in [Appendix C](#).

Table 1. Anticipated Non-Tax Capture Revenue.

Source	Type	Term	Total Amount	Status
Lakeshore Advantage	In-Kind	5 years	\$500,000	Committed
Michigan State University	Grant	5 years	\$150,000	Committed
Varnum Law	Matching Funds	5 years	\$50,000	Committed
Holland/Zeeland Community Foundation	Grant	3 years	\$115,000	Committed
HEDCOR	Grant	5 years	\$235,000	Committed
Ottawa County	Loan	Pre-Plan	\$3,400	Committed
Warner Norcross & Judd	In-Kind	2 years	\$7,000	Committed

Section II. Local Development Finance Authority

125.2162b Creation of authority in which certified technology park designated; agreement with another authority; designation of distinct geographic area; consideration of advantages and benefits.

The City of Holland and Holland Charter Township created a LDFA to capture incremental tax revenue within the SmartZoneSM boundaries. This designates specific areas within the City of Holland and Holland Charter Township as a certified technology park. The revenues generated from the capture will be used to attract and increase high technology professionals to the area. See Appendix B for a description of the boundary.

The Holland SmartZoneSM was created as a satellite under the Grand Rapids SmartZoneSM. The two SmartZone's will collaborate together to incubate and accelerate new businesses and create high technology jobs. They will jointly market the Biosciences and Bioeconomy fields in the region and provide crossover support for incubator clients and acceleration of early stage technology businesses. With The Right Place, an original and significant partner of the Grand Rapids Authority, and Lakeshore Advantage, a significant partner of the Holland Authority, this designation will enhance the collaborative marketing of West Michigan as the best place to start a business, grow a business and be an entrepreneur.

MSUBI is becoming the region's leader in green chemistry "proof of concept" production. It will be the hub of the Holland SmartZoneSM and can provide a combination of high tech support and scale up capabilities required by many entrepreneurs. The facility has wet labs and a pilot plant that emerging companies can use to grow their technology. Additionally, MSUBI has personnel with the knowledge and experience in taking a product from lab scale to the larger pilot plant scale. The facility also possesses important permits necessary to do this.

Over \$1M has been raised to cover the start up and first five years of operational expenses. These contributions are detailed in Table 1. The revenue along with tax capture will support new company incubation, early stage acceleration, scale up capability, marketing and operational support for the SmartZoneSM. Lakeshore Advantage will administer the SmartZoneSM for a minimum of five years and will be responsible for maintaining a relationship between all of the collaborators (Grand Rapids SmartZoneSM, Holland LDFA, MSUBI, MEDC, etc.). During this time, Lakeshore Advantage will prepare the monthly and annual reports, schedule and conduct meetings, and maintain the day-to-day operations of the SmartZoneSM.

Section III. Tax Increment Financing Plan Under PA 281 of 1986

This TIFP will authorize the capture of certain tax increment revenues by the LDFA for purposes of funding the elements included in the plan. PA 281 of 1986, as amended, establishes and defines the activities that may be undertaken within such a plan. The Holland SmartZoneSM TIFP follows the statutory requirements of PA 281, specifically Section 12(1)(a) through (l) as stated below.

- (1) If the board determines that it is necessary for the achievement of the purposes of this act, the board shall prepare and submit a Tax Increment Financing Plan to the governing bodies. The plan shall be in compliance with PA 281, Section 13 and shall include a Development Plan as provided in Section 15. The plan shall also contain the following:

- (a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
- (b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority will exclude from captured assessed value 50%-of captured assessed value as specified in the plan or growth in property value resulting solely from inflation and new development. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation. The elected officials of the City of Holland and Holland Charter Township, at the sole discretion via a majority vote of their governing bodies, may choose to carve out future brownfield and tax increment financing districts that could have an effect on the SmartZoneSM.
- (c) The estimated tax increment revenues for each year of the plan.
- (d) A detailed explanation of the tax increment procedure.
- (e) The maximum amount of note or bonded indebtedness to be incurred, if any.
- (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
- (g) The costs of the plan anticipated to be paid from tax increment revenues as received.
- (h) The duration of the Development Plan and the tax increment plan.
- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
- (j) A legal description of the eligible property to which the Tax Increment Financing Plan applies or shall apply upon qualification as eligible property.
- (k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.
- (l) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, or of a certified alternative energy park to be created under an agreement proposed to be entered into pursuant to section 12c, or of a next Michigan development area designated under section 12e, an identification of the real property within the certified technology park, the certified alternative energy park, or the next Michigan development area to be included in the Tax Increment Financing Plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park, the certified alternative energy park, or the next Michigan development area is exempt from determining tax increment revenues.

The response to PA 281 of 1986, as amended Section 12 (1) (a) through (l) are addressed here:

(1)(a) Reason Captured Assessed Value Would not be Expected without the TIFP

Plans are in place to clean up the water quality of Lake Macatawa and further develop the downtown corridor. These improvements not only improve tourism, but also lay the foundation for attraction of high technology professionals to the area. The Holland area provides a unique benefit for business expansions and start-up companies because it is strategically located around Lake Macatawa, which has a shipping navigation channel allowing ships to reach the City of Holland dock and freight and Amtrak railway. Much of the industrial area surrounding Lake Macatawa is underdeveloped and in need of modernization. Boundaries for the SmartZoneSM have been established with focus on the challenged areas.

The Holland SmartZoneSM Satellite and associated tax capture will complement the improvement activities already planned in Holland. Additionally, the SmartZoneSM will set the stage for MSUBI to fill a critical gap in broad based technology services to new companies through incubation, early stage acceleration and scale-up capability. MSUBI has served to provide firms from across Michigan and the United States with proof of concept scale-up production, but as public land its site cannot host construction of private sector facilities to pursue and fully monetize the newly proven technologies. As a result, important “green” technologies may be proven in Michigan but operationalized elsewhere. By promoting new regional development outside of MSU land, the SmartZoneSM should help entrepreneurial high tech “apples” to fall close to the MSUBI “tree” that validated them.

Economic data reinforces the need for a coordinated, strategic set of community priorities to help the community and area companies to remain competitive. The strong support for start-up and acceleration of early stage businesses that will be part of the SmartZoneSM along with planned and existing downtown redevelopment, 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 cooperation that creates a dynamic partnership throughout Western Michigan. Together the SmartZone’s will provide complimentary services that will expand the assistance available to new and emerging high technology businesses.

(1)(b) & (c) Estimate of the Captured Assessed Value and Tax Increment Revenues

The base year of this plan is 2015. Beginning in 2016, the Holland LDFA will capture 50% of the state, county and local tax operating levies on all new and incremental growth from the initial assessed value on the parcels within the SmartZoneSM boundary unless existing TIF’s are already capturing or the respective community elected officials subsequently decide, at their sole discretion, to implement a variety of tax increment districts that preclude such capture. This value is determined on the basis of assessments as of September 16, 2015. The assessment roll of the parcels and values that make up the base is attached separately.

Table 2 shows a summary of the estimated dollar amounts of Local Tax Increment Revenue to be realized. These revenue estimates are based upon changes or adjustments in base-year real property of parcels within the SmartZoneSM boundaries. Estimated local tax capture includes 50% of local operating millages, school millages and specially approved millages and excludes all debt millages. This captures all available millages.

Table 2. Estimated SmartZoneSM Local Capture Tax Increment Revenue

Program Year	Fiscal Year	City Property Taxable Value	Township Property Taxable Value	City & Township Captured Value	Estimated Total Local Tax Capture
	Base	67,707,843	20,155,563	Base	Base
1	2016	69,062,000	20,496,318	1,694,912	35,635
2	2017	70,443,240	20,842,867	3,422,701	56,765
3	2018	71,852,105	21,195,308	5,184,006	109,004
4	2019	73,289,147	21,553,739	6,979,480	146,768
5	2020	74,754,930	21,918,264	8,809,788	185,266
6	2021	76,250,029	22,288,985	10,675,608	224,808
7	2022	77,775,029	22,666,009	12,577,633	264,875
8	2023	86,756,276	23,051,332	21,944,202	472,334
9	2024	88,491,401	23,443,204	24,071,200	517,344
10	2025	90,293,132	23,841,739	26,271,464	563,925
11	2026	92,098,994	24,247,048	28,482,636	610,726
12	2027	93,940,974	24,659,248	30,736,816	658,442
13	2028	103,414,546	25,078,455	40,629,595	873,900
14	2029	105,482,836	25,504,789	43,124,220	926,835
15	2030	107,592,493	25,938,370	45,667,458	980,808
					6,627,435

The local capture consists of 50% of all millages of the incremental taxes which are allowed to be captured by statute, above the baseline for Holland Charter Township and the City of Holland parcels within the SmartZoneSM boundaries depending on local Tax Increment Financing Districts that may be subsequently created since the local capture for the SmartZoneSM will occur after any capture for Brownfield Redevelopment and/or Downtown Development Authority. The total potential local capture is \$7.5M.

Table 3. Estimated SET Captured Tax Increment Revenue

Program Year	Fiscal Year	City Real Property Taxable Value	Township Real Property Taxable Value	Incremental Value	SmartZone State Tax Captured (50% of 6 mills)
	Base	67,707,843	20,155,563	Base	3
1	2016	69,062,000	20,496,318	1,694,912	5,077
2	2017	70,443,240	20,842,867	3,422,701	10,252
3	2018	71,852,105	21,195,308	5,184,006	15,527
4	2019	73,289,147	21,553,739	6,979,480	20,906
5	2020	74,754,930	21,918,264	8,809,788	26,388
6	2021	76,250,029	22,288,985	10,675,608	32,027
7	2022	77,775,029	22,666,009	12,577,633	37,733
8	2023	86,756,276	23,051,332	21,944,202	65,833
9	2024	88,491,401	23,443,204	24,071,200	72,214
10	2025	90,293,132	23,841,739	26,271,464	78,814
11	2026	92,098,994	24,247,048	28,482,636	85,448
12	2027	93,940,974	24,659,248	30,736,816	92,210
13	2028	103,414,546	25,078,455	40,629,595	121,889
14	2029	105,482,836	25,504,789	43,124,220	129,373
15	2030	107,592,493	25,938,370	45,667,458	137,002
				Total	930,693

(1)(d) Tax Increment Procedure

Tax increment financing allows a local government, through an authority such as the LDFA, to finance public improvements and economic development by capturing the property taxes levied on any increase in property values within that district. Under a TIF plan, a base year is established for the development district, resulting in an "Initial Assessed Value".

In subsequent years, any increase in assessment above the base year level is referred to as the "Captured Assessed Value." Property taxes levied on the taxable value of all real property within the Holland SmartZoneSM boundary is diverted, or "captured" for use in carrying out the adopted Development Plan. The tax increments that will be captured will be governed by the amount of mills applied to the different classes of property.

For purposes of this TIF plan, the initial assessed value of all real property in the LDFA district was established as of July 8, 2015. The total assessed value, as of that date, was \$87,863,406. Increases in assessed values of properties within the development district that result in the generation of tax increment revenue can be attributable to any of the following sources:

- New construction occurring after the date establishing the "initial assessed value".
- Construction of new rehabilitation, remodeling alterations, or additions occurring after the date establishing the "initial assessed value."
- Increases in property values that occur for any other reason.

Approval of the TIF and Development Plans must be obtained following the notice, hearing and disclosure provisions. The City Council and Township Board of Trustees shall hold a public hearing on the plans and shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations. The LDFA shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed plans. The taxing jurisdictions may present their recommendations at the public hearing. Notice of the time and place of the City Council and Board of Trustees' public hearings shall be published twice in a newspaper of general circulation in the community, the first of which shall not be less than 20 days before the date set for the hearing. At the public hearings, the City Council and Board of Trustees shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the TIF and Development Plans. The City Council and Board of Trustees shall make and preserve a record of the public hearing, including data presented at that time. The City Council and Board of Trustees shall determine whether the plans constitute a public purpose and shall approve, reject, or modify the plans. Once the plans are approved, they will be reviewed and approved by the MEDC and the State Treasurer.

This plan may be amended upon approval of the City Council and Board of Trustees following the same notice and public hearing process as required for approval or rejection of an original plan except if the amendment is for revisions in estimates for captured assessed value and tax increment revenue.

(1)(e) Note or Bonded Indebtedness

Subject to the requirements and restriction of state law, an LDFA may participate in the authorization, issuance and sale of notes or bonds. The Holland LDFA does not anticipate issuing any bonded indebtedness and expects to finance SmartZoneSM programs on a pay-as-you-go basis. If a revenue shortfall should occur, it will be handled by support from private sector and/or municipalities. A decision to issue notes or bonds would require an amendment to this plan.

(1)(f) Amount of Operating & Planning Expenditures

The breakdown of estimated expenditures for each year of the TIF plan is attached in Appendix A. These expenditures may consist of funding a SmartZoneSM director, other labor, marketing, attraction, support services, and general expenses for Lakeshore Advantage to manage the SmartZoneSM program (collectively "Administrative Expenses"). Additional Administrative Expenditures may be deemed necessary and will be reviewed with the LDFA Board as appropriate. Administrative Expenses will utilize the approximately \$1 million of private funds raised for the SmartZoneSM (See Sec III(1)(g).) Should the LDFA believe that these Administrative Expenses will exceed the private funds raised for the SmartZoneSM and wish to utilize revenues from the SmartZoneSM TIF capture for Administrative Expenses, the LDFA will prepare and approve a detailed budget of the Administrative Expenses seeking to utilize the SmartZoneSM TIF capture of Holland for majority approval by each governing body. A contract with the Holland DDA for services to enhance Downtown Holland in an amount not less than the DDA millage amount to be captured in the SmartZoneSM will be entered into on an annual basis to ensure continued vibrancy and attractiveness to potential technology entrepreneurs. Additional expenditures may be deemed necessary and will be reviewed with the LDFA Board as appropriate. This includes the option to contract with any local government for services including Public Safety, maintenance or any other services.

(1)(g) Cost of Plan Anticipated to be paid from TIF Revenue

Appendix A details the cash flow projections for tax increment revenue and anticipated expenditures for the duration of the plan. Revenue will be generated through mechanisms such as tax capture, grants, in-kind contributions, and donations. It is estimated that the overall cost of implementing this plan for the 15 years will be approximately \$1.26M (excluding pre-plan expenses). The potential revenue is approximately \$7.5M (excluding pre-plan revenue). The revenue will consist of \$905K from captured SET, \$6.6M local tax increments, and \$1.1M from other sources including grants, donations, and in-kind support. Any income generated above the expenditures will be reinvested in the program.

(1)(h) Duration of the Plan

The anticipated duration of the SmartZoneSM Development and Tax Increment Finance Plan is the fifteen (15) year maximum allowed by PA 281, as amended. The plan is expected to expire in 2030.

(1)(i) Impact of TIF on Revenues of Taxing Jurisdictions

Table 4 provides an estimate of the impact of the TIF plan on the revenues of the taxing jurisdiction that levy taxes in the LDFA district. The overall impact of the Plan revenues on the taxing jurisdictions is expected to generate increased economic activity resulting in new employment opportunities and redevelopment opportunities for challenged areas. This increase in activity will result in an increase in the assessed valuations of personal property.

Table 4. Revenues of the Taxing Jurisdictions in the LDFA District.

Program Year	Fiscal Year	City Property Taxable Value	Township Property Taxable Value	City & Township Captured Value	Estimated Total Local Tax Capture	SET Captured (50% of 6 mills)	Total SmartZone Capture
	Base	67,707,843	20,155,563	Base	Base	3	Base
1	2016	69,062,000	20,496,318	1,694,912	35,635	5,077	40,712
2	2017	70,443,240	20,842,867	3,422,701	56,765	10,252	67,017
3	2018	71,852,105	21,195,308	5,184,006	109,004	15,527	124,531
4	2019	73,289,147	21,553,739	6,979,480	146,768	20,906	167,674
5	2020	74,754,930	21,918,264	8,809,788	185,266	26,388	211,654
6	2021	76,250,029	22,288,985	10,675,608	224,808	32,027	256,835
7	2022	77,775,029	22,666,009	12,577,633	264,875	37,733	302,608
8	2023	86,756,276	23,051,332	21,944,202	472,334	65,833	538,167
9	2024	88,491,401	23,443,204	24,071,200	517,344	72,214	589,558
10	2025	90,293,132	23,841,739	26,271,464	563,925	78,814	642,739
11	2026	92,098,994	24,247,048	28,482,636	610,726	85,448	696,174
12	2027	93,940,974	24,659,248	30,736,816	658,442	92,210	750,652
13	2028	103,414,546	25,078,455	40,629,595	873,900	121,889	995,789
14	2029	105,482,836	25,504,789	43,124,220	926,835	129,373	1,056,208
15	2030	107,592,493	25,938,370	45,667,458	980,808	137,002	1,117,810
					6,627,435	930,693	7,558,128

(1)(j) Legal Description of Property to Which the TIFP Applies

The SmartZoneSM district follows the boundaries of the LDFA and falls within the City of Holland and the Holland Charter Township. The area was established to focus on industrial and commercial property areas surrounding Lake Macatawa and other nearby challenged areas. Included in the district is the Michigan State University Bioeconomy Institute that will serve as the hub of the SmartZoneSM. The SmartZoneSM district is described in [Appendix B](#).

(1)(k) Jobs Created

As shown below in [Table 5](#), the total jobs created due to the SmartZoneSM program is anticipated to be about 360. As businesses start-up and expand, jobs will be created causing investments to flow through the entire community. However, scientific endeavors do not create the type of employment volume that manufacturing does. Therefore, a multiplier of 2:1 for the company to job creation formula was used.

Table 5. Jobs Created from the Proposed SmartZoneSM.

	2016	2017	2018	2019	2020	2021-25	2026-30	Total
Total High Tech Businesses	3	8	10	12	15	60	72	180
Total Anticipated Jobs Created	6	16	20	24	30	120	144	360

(1)(l) Boundaries

The SmartZoneSM district follows the boundaries of the LDFA and falls within the City of Holland and Holland Charter Township. The area was established to focus on industrial and commercial property areas surrounding Lake Macatawa and other nearby challenged areas. The SET and local tax capture will follow these same boundaries. See [Appendix B](#) for a full description of the SmartZoneSM boundaries.

Section IV. Development Plan

The presentation of the Development Plan follows the statutory requirements of PA 281, specifically Section 15(2)(a) through (p) as stated below.

- (2) To the extent necessary to accomplish the proposed development program the Development Plan shall contain:
 - (a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.
 - (b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.
 - (c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.
 - (d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

- (e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.
- (f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
- (g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
- (h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.
- (i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.
- (j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.
- (k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.
- (l) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a Development Plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
- (m) A plan for establishing priority for the relocation of persons displaced by the development.
- (n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.
- (o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
- (p) Other material that the authority or governing body considers pertinent.

The response to PA 281 of 1986, as amended Section 15 (2) (a) through (p) are addressed here:

(2)(a) & (b) Property Description and Boundaries

As with the TIF plan, the proposed district follows the boundaries of the LDFA and is within the City of Holland and Holland Charter Township. The area was established to include as much challenged

industrial and commercial property as possible. It also includes the Michigan State University Bioeconomy Institute that will serve as the hub of the SmartZoneSM. The boundaries are described in [Appendix B](#).

(2)(c) Location and Description of Existing Property

The proposed district consists mainly of industrial and commercial properties. The district focuses on the industrial and commercial area on the eastern side of Lake Macatawa and other challenged areas within the City and Township of Holland. This plan does not anticipate removal or displacement of residents. See [Appendix B](#) for a map and description of the SmartZoneSM boundaries.

(2)(d) & (e) Public Facilities and Anticipated Improvements

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 is unknown at this time.

Michigan State University Bioeconomy Institute also has appropriate infrastructure in place to facilitate start-up and early stage companies to use lab space in the MSUBI facility. The labs are appropriately equipped to handle most chemical research and development needs. MSUBI also holds the necessary permits and certificates to go from lab-scale to pilot plant scale.

(2)(f) Planned Construction

Site infrastructure, planning, zoning and other improvements may be necessary as the SmartZoneSM gets established in order to attract companies and technology development professionals to the Holland area and accommodate growth of new technologies. Lakeshore Advantage and the Holland LDFA will work closely with the City of Holland and Holland Charter Township to coordinate efforts between the SmartZoneSM and the appropriate investors and municipals.

(2)(g) Property Sale, Donation, Exchange, or Lease

Industrial acquisition and site infrastructure improvements may be financed with this tax capture. If it becomes necessary to incorporate this in the plan, a procedure will be developed and reviewed with the Holland LDFA Board; the plan will abide by all applicable ordinances and laws.

(2)(h) Desired Zoning, Streets, Intersections, and Utilities Changes

The LDFA district is properly zoned for purposes of implementing this Development Plan and no zoning changes are anticipated for the execution of this TIF Plan. Expenses to replace water mains, remove sewer lines, extend snowmelt and district heat lines, improve roadways, sidewalks and boardwalks and make changes to streetscapes, signage, gas, electric, and design will require budget revision as they become necessary.

(2)(i) Public Facility Cost

The activities of the LDFA and SmartZoneSM shall be financed from one or more of the following sources:

- Tax incremental financing
- Private cooperation in the district
- In-Kind contributions

- Funding received through grants

Infrastructure improvements will be closely coordinated with the City of Holland and Holland Charter Township.

See cash flow details in [Appendix A](#) for more detail on how the proceeds of the SmartZoneSM will be disbursed.

(2)(j) & (2)(k) Lease, Sell, Convey or Transfer Public Facilities

This project is being undertaken for the benefit of the Holland community, as a whole, to create jobs and employment opportunities. The taxes captured will be used to stimulate economic development and provide key services to entrepreneurs. If any public facilities are determined to be leased, sold, conveyed, or transferred, the Holland LDFA will work with the City of Holland and/or Holland Charter Township to determine a process and fair value with the interest of all parties protected.

(2)(l-o) Displaced Residents

There are no plans to remove or relocate residents in the City of Holland or the Holland Charter Township; therefore, the Development Plan does not include a process for priority of relocation, costs, or compliance to Michigan laws relevant to the relocation of residents.

(2)(p) Other Pertinent Information

By coordinating efforts and combining resources with the Grand Rapids SmartZoneSM, a regional cooperation will create a dynamic partnership of cross-collaboration and sharing of services. The Holland SmartZoneSM Satellite will become a center of excellence for emerging high tech, high growth companies.

The primary goal of this plan is to stimulate economic development and vitality in the region by facilitating the formation and sustained growth of companies and professionals serving Michigan's developing technology clusters. This will be accomplished by providing tools and services that will help existing companies grow, reducing barriers for start-up or early stage companies, expanding diverse opportunities to work and live in the area, and provide incubator and acceleration support. To facilitate this, Holland will work closely with the Grand Rapids SmartZoneSM to make decisions about how the SmartZoneSM programs will complement each other. The SmartZoneSM will utilize the Michigan State University Bioeconomy Institute's first class facility to fill a critical gap in the bioeconomy technology cluster.

Monthly reports will be prepared for the LDFA and MEDC to ensure the programs developed and offered are fulfilling the goals of building and growing the bioeconomy industry. These reports will include a summary of the SmartZoneSM and business incubator operations such as the number of business assisted, number of businesses locating or expanding in the SmartZoneSM, number of jobs created/retained, number of ongoing and completed commercialization projects, and amount of investments in the SmartZoneSM. It will also include a summary of how the TIF funds were used during the reporting period and forecast the use of funds for the next period. (Metrics are unknown at this time).

An annual report will be prepared to summarize the significant accomplishments that occurred over the past year and detail the TIF collection and how it was used throughout the year. It will also include a summary of the activities accomplished between the host and satellite SmartZone's and how they are complying with the legislative criteria of MCL 125.2162(b). Projections for the upcoming year will be incorporated into the report to discuss anticipated income and the activities that it will support.

In addition, Lakeshore Advantage shall meet with the LDFA Board annually to review the plan and make adjustments as necessary. As needed, and no less than annually, the LDFA shall submit amendments to the Development Plan or TIF Plan to the City Council and Township Board for review and approval.

The LDFA will report to both the City Council and the Board of Trustees on a quarterly basis.

APPENDIX A

Profit and Loss Statement/Statement of Cash Flows

Table 1: Profit and Loss

Income	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
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

Expenses	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
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

APPENDIX B

Property Description and Maps

Holland Satellite SmartZone Boundary Legal Description

HOLLAND TOWNSHIP

Part of Sections 19, 20, 29, and 30, T5N, R15W, Holland Township, Ottawa County, Michigan, described as follows: Beginning at the intersection of the East line of River Avenue and the North line of Lakewood Boulevard; thence East along the North line of Lakewood Boulevard to the Southeastern corner of Parcel 16-20-179-049; thence Southeasterly across Lakewood Boulevard to the Southwest corner of Parcel 16-20-199-004; thence East along the South line of said Parcel 16-20-199-004 to the East line of the Northern extension of River Hills Drive; thence South approximately 755 feet along the East line of River Hills Drive to a property corner of Parcel 16-20-401-035; thence West 33 feet along a Northern property line of said Parcel 16-20-401-035 to the centerline of River Hills Drive; thence South along said centerline of River Hills Drive to the Southern line of Scotts Drive; thence West approximately 137 feet and Northwest approximately 325 feet along the Southern line of Scotts Drive to the Northeast corner of Parcel 16-20-334-003; thence South to the Southeast corner of said Parcel 16-20-334-003; thence Northwesterly along the Southwesterly line of said Parcel 16-20-334-003 to the Westernmost corner of said Parcel 16-20-334-003; thence Southwesterly along the Southeasterly line of Parcel 16-20-300-007 and the Southeasterly line of Parcel 16-20-300-006 to the East line of River Avenue; thence Southeast along said East line of River Avenue to the Northerly water's edge of the Black River; thence Westerly and Southwesterly along said water's edge of the Black River to the Southernmost corner of Parcel 16-20-355-020; thence Northwesterly along the Northeasterly line of Macatawa Warehouse Development, Ottawa County Condominium Subdivision Plan No. 119, to the Northeasterly corner of said Macatawa Warehouse Development; thence Southwesterly 165.54 feet to a property corner of Parcel 16-19-478-003; thence Northwesterly 132 feet to the Westernmost property corner of Parcel 16-19-478-003 on the Southeasterly line of Howard Avenue; thence Southwesterly along said Southeasterly line of Howard Avenue to the Northeasterly line of Pine Crest Subdivision; thence Northwesterly along said Northeasterly line of Pine Crest Subdivision to the centerline of Douglas Avenue; thence East along said centerline of Douglas Avenue to the Southwest corner of Parcel 16-19-300-061; thence North 726 feet to the Northwest corner of said Parcel 16-19-300-061; thence West approximately 20 feet to the Southwest corner of Parcel 16-19-300-041; thence North approximately 594 feet to the Southwest corner of Ottawa Beach Drydocks, Ottawa County Condominium Subdivision Plan No. 428; thence East approximately 211 feet, South approximately 200 feet, and East approximately 379 feet along the Southerly lines of said Ottawa Beach Drydocks to the Southeast corner of said Ottawa Beach Drydocks; thence North approximately 435 feet to the Northwest corner of Holland Plaza Condominium, Ottawa County Condominium Subdivision Plan No. 368; thence East approximately 530 feet, South approximately 100 feet, and East approximately 233 feet along the Northerly lines of said Holland Plaza Condominium and its Easterly extension to the East line of Aniline Avenue; thence South along said East line of Aniline Avenue to the Northwesterly line of C & O Railroad right of way; thence Northeasterly along said Northwesterly line of C & O Railroad to the Southwesterly line of Adams Street; thence Northwest along said Southwesterly line of Adams Street to the Northeast corner of Lot 1, Block 21 of Howard's Addition to City of Holland; thence Northeasterly approximately 66 feet to the Southwest corner of Parcel 16-19-475-001; thence East 99 feet to the Southeast corner of said Parcel 16-19-475-001; thence North approximately 1517 feet along the East line of Howard B. Dunton's Subdivision to the North line of Lakewood Boulevard; thence East along said North line of Lakewood Boulevard to a corner of Lakewood Business Condominium, Ottawa County Condominium Subdivision Plan No. 301; thence South 33 feet to the centerline of Lakewood Boulevard; thence East approximately 618 feet along said centerline of Lakewood Boulevard to the Southeast corner of Parcel 16-20-151-032; thence North 33 feet to the North line of said Lakewood Boulevard; thence East along said North line of Lakewood Boulevard to the East line of River Avenue and the Place of Beginning.

CITY OF HOLLAND

Part of Sections 20, 28, 29, 30, and 31, T5N, R15W, City of Holland, Ottawa County, Michigan, described as follows: Beginning at the intersection of the East line of Fairbanks Avenue and the South line of 11th Street; thence West along said South line of 11th Street and its Western extension to the Northeast corner of Lot 3, Block H, of the West Addition to the Village of Holland (said Northeast corner of Lot 3, Block H, is approximately 171 feet West of the West line of Pine Avenue); thence South approximately 132 feet to the Southeast corner of said Lot 3, Block H; thence West approximately 578 feet along the South line of lots 3 thru 8, Block H, of said West Addition to the Village of Holland and extended to the West line of Maple Avenue; thence North along said West line of Maple Avenue to the South line of 9th Street; thence West along said South line of 9th Avenue to the East line of Van Raalte Avenue; thence South along said East line of Van Raalte Avenue to the South line of 11th Street; thence West approximately 444 feet along said South line of 11th Street to the Northwest corner of Parcel 16-30-431-003; thence South approximately 468 feet to the Southeast corner of Parcel 16-30-452-004; thence West approximately 52 feet to the Northwest corner of Parcel 16-30-452-022; thence South approximately 128.5 feet to the Southwest corner of said Parcel 16-30-452-022; thence Southerly approximately 66 feet to the Northeast corner of Parcel 16-30-453-004 on the South line of 13th Street; thence West approximately 200 feet along said South line of 13th Street to the East line of Harrison Avenue; thence South along said East line of Harrison Avenue to the Southwest corner of Parcel 16-30-457-014; thence Southerly to the Northwest corner of Parcel 16-31-203-001; thence South along said East line of Harrison Avenue to the Northwest corner of Lot 23 of the Plat of Thomas's Addition; thence West approximately 245 feet along the North line of lots 19 thru 22 of said Thomas's Addition; thence North approximately 6 feet to the centerline of a 12 foot wide alley; thence approximately 178 feet West along said centerline of said alley to the West line of said Thomas's Addition; thence continuing West approximately 129 feet to the Northwest corner of Parcel of 16-31-202-020; thence South approximately 198 feet to the Northwest corner of Parcel 16-31-205-003 on the South line of 17th Street; thence West approximately 132 feet to the East line of Cleveland Avenue; thence South approximately 297 feet along said East line of Cleveland Avenue to the centerline of 18th Street; thence West approximately 366 feet along said centerline of 18th Street and its Westerly extension to the East line of Ottawa Avenue; thence South approximately 33 feet along said East line of Ottawa Avenue to the South line of 18th Street; thence West approximately 688 feet along said South line of 18th Street to the West line of Homestead Avenue; thence North approximately 198 feet along said West line of Homestead Avenue to the Northeast corner of Parcel 16-31-128-027; thence West approximately 212 feet, North approximately 16 feet, West approximately 50 feet and South approximately 133 feet along the property lines of said Parcel 16-31-128-027; thence West approximately 435 feet along the Northerly line of said Parcel 16-31-128-027 and its Westerly extension to the West line of Diekema Avenue; thence North approximately 250 feet along said West line on Diekema Avenue to the South line of 17th Street; thence West approximately 236 feet along said South line of 17th Street to the Southerly line of South Shore Drive; thence Northwest to the Northerly line of said South Shore Drive; thence Northeasterly along said Northerly line of said South Shore Drive to the North line of 16th Street; thence East along said North line of 16th Street to the Southwest corner of Parcel 16-30-455-004; thence North along the Westerly lines of said Parcel 16-30-455-004 to the Southerly edge of Lake Macatawa; thence Northeasterly along said Southerly edge of Lake Macatawa to the East line of River Avenue; thence Northerly along said East line of River Avenue to the Northerly edge of the Black River; thence Easterly along said Northerly edge of the Black River to the Southeasterly corner of Parcel 16-20-300-005; thence Northwesterly to the Northeasterly corner of Parcel 16-20-300-004; thence Southwesterly approximately 150 feet to the Northwesterly corner of said Parcel 16-20-300-004 and the East line of River Avenue; thence Northwesterly along said East line of River Avenue to the Northwesterly corner of Parcel 16-20-300-001; thence Northeasterly, Easterly and Southeasterly along the North line of said Parcel 16-20-300-001 to the Southeast corner of Riverwatch Condominiums, Ottawa County Condominium Subdivision Plan No. 785; thence South and Southeasterly along the West and South lines of River Hills Drive to the Northwest corner of Parcel 16-20-476-001;

thence South along the West line of said Parcel 16-20-476-001 to the South edge of the Black River; thence Easterly, Northeasterly, and Southeasterly along said South edge of the Black River to the West line of C & O Railroad right of way; thence Southwesterly along said West line of C & O Railroad right of way to the Northwest corner of Parcel 16-28-138-044; thence East to the Northwest corner of Parcel 16-28-150-002; thence South approximately 660 feet to the Northwest corner of said Parcel 16-28-138-011; thence East to the Northerly line of Chicago Drive; thence Southwesterly along said Northerly line of Chicago Drive to the East line of Fairbanks Avenue; thence South along said East line of Fairbanks Avenue to South line of 11th Street and the place of beginning.

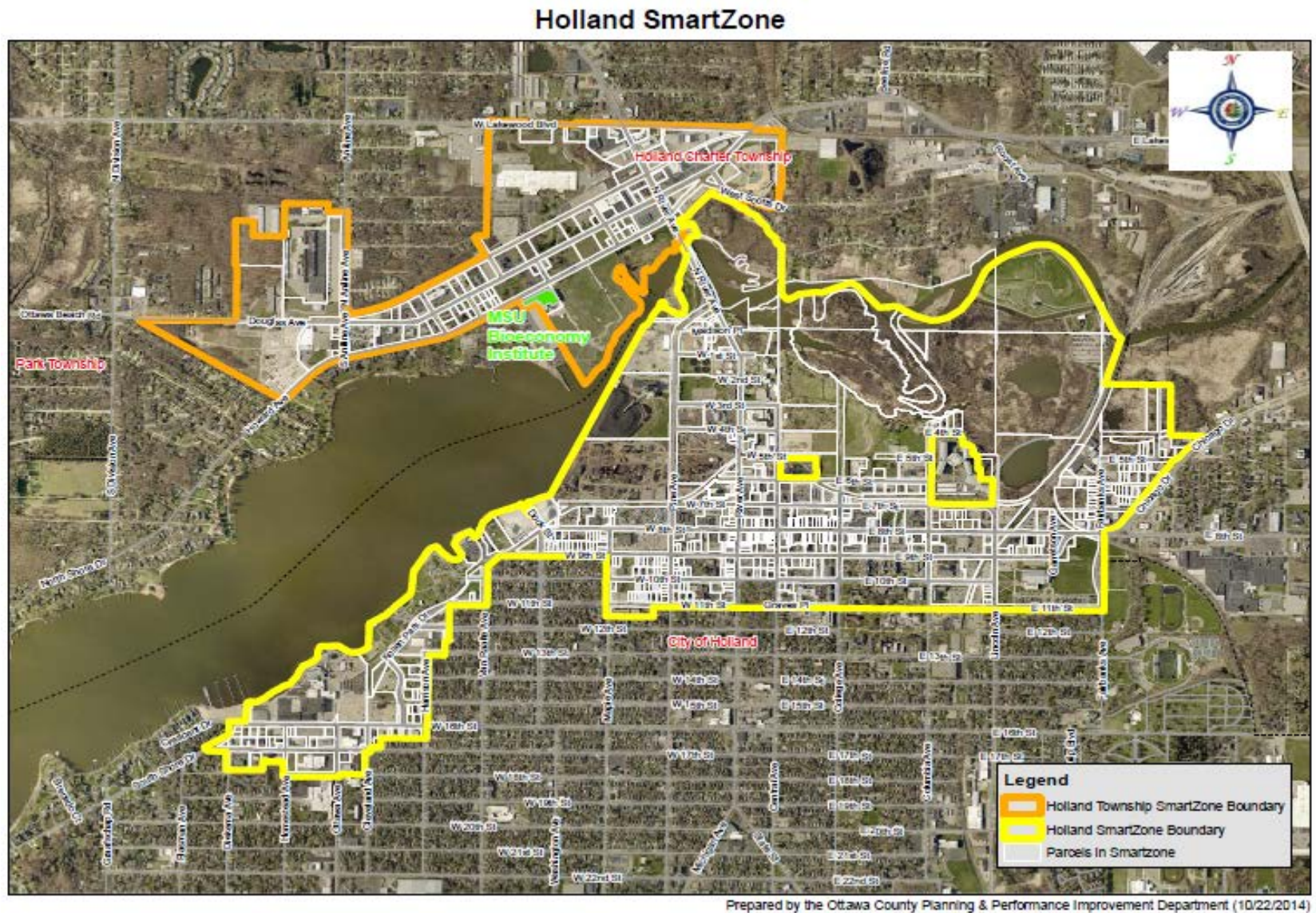
EXCEPT:

Beginning at the intersection of the East line of Columbia Avenue and the North line of 7th Street; thence North along said East line of Columbia Avenue to the South line of 4th Street; thence East along said South line of 4th Street to the Northeast corner of Parcel 16-29-276-022; thence Southeasterly, South, and East along the Easterly lines of said Parcel 16-29-276-022 to the Southwest corner of Parcel 16-29-278-010; thence East to the West line of Lincoln Avenue; thence South along said West line of Lincoln Avenue to the North line of 7th Street; thence West along said North line of 7th Street to the East line of Columbia Avenue and the place of beginning. (Contains Parcels 16-29-276-022, 16-29-276-024, and 16-29-276-025.)

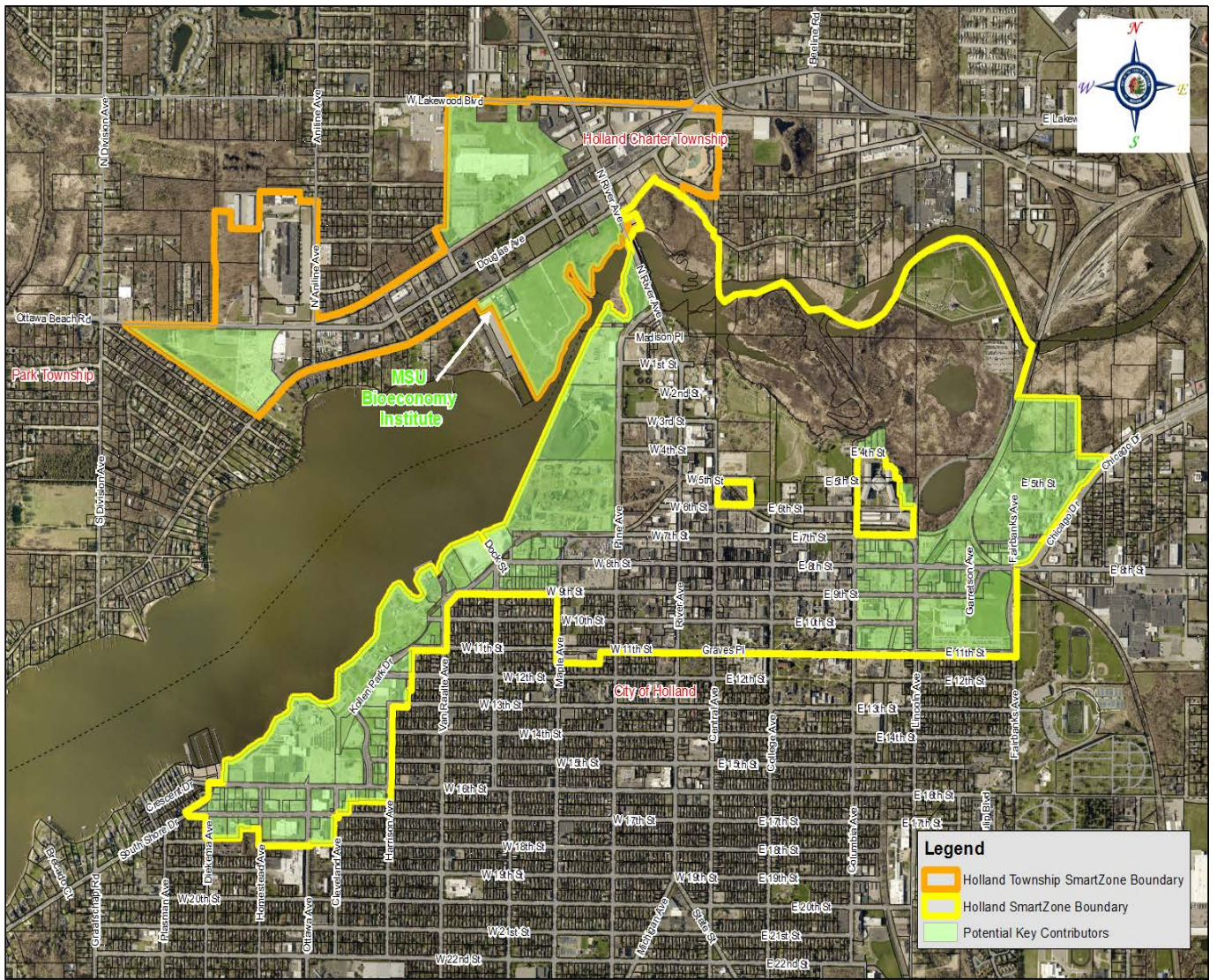
ALSO EXCEPT:

Beginning at the intersection of the East line of Central Avenue and the North line of 6th Street; thence North along said East line of Central Avenue to the South line of 5th Street's Easterly extension; thence East to the Northeast corner of Downtown Place Condominium, Ottawa County Condominium Subdivision Plan No. 388; thence South approximately 149 feet, East approximately 10 feet, and South approximately 115 feet along the Easterly lines of said Downtown Place Condominium to the North line of 6th Street; thence West along said North line of 6th Street to the East line of Central Avenue and the place of beginning.

The SmartZoneSM Boundary Map



Holland SmartZone



APPENDIX C

Revenue Commitment Letters

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.

A handwritten signature in blue ink, appearing to read "Lou Anna K. Simon".

Lou Anna K. Simon, Ph.D.
President

A handwritten signature in blue ink, appearing to read "Paul M. Hunt".

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

MSU is an affirmative-action,
equal-opportunity employer.



GRANT ACCEPTANCE AGREEMENT

This grant to your organization from The Community Foundation of the Holland/Zeeland Area (CFHZ) is for the explicit purpose described in this agreement. **To accept the grant and to be eligible to receive the funds, please sign and return the original copy of this agreement to the Foundation.**

DATE AUTHORIZED: September 10, 2014

GRANTEE: Lakeshore Advantage

AMOUNT: \$115,000 over a three year period according to the following schedule:

Payment 1: \$40,000 on December 1, 2015

Payment 2: \$40,000 on December 1, 2016

Payment 3: \$35,000 on December 1, 2017

GRANT PURPOSE: Holland SmartZone Start Up

CONTACT: Jennifer Owens

SPECIAL CONDITIONS: Documentation from MEDC affirming that the Holland SmartZone application has been received and is in line to be designated as a SmartZone with replacement of education tax capture is required before any funds will be released. If no funds have been released by January 1, 2016, the grant request must be resubmitted.

The Community Foundation of the Holland/Zeeland Area (The Foundation) is awarding this grant to you as the Grantee contingent upon the following:

I. Publicity

Compliance with the publicity requirements of this grant agreement is required to retain the grant and eligibility for future funding through the Community Foundation. Such publicity strengthens the Community Foundation, enabling it to increase future grant-making opportunities in our area.

A. ACKNOWLEDGMENT OF FUNDING SOURCE

The Community Foundation of the Holland/Zeeland Area should be acknowledged as a funding source in printed materials, speeches, interviews, newsletters, brochures, and news releases. We will provide you with the CFHZ logo for use in these materials as well. Please use the sentence below to describe the source of funding:

***This program/project is made possible by a grant from
The Community Foundation of the Holland/Zeeland Area.***

B. NEWS RELEASE

At a time that is appropriate for your initiative, we encourage you to submit a news release to local media announcing the grant award and share any coverage of your grant funded project/program with the Community Foundation.

C. ORGANIZATIONAL NEWSLETTER/PUBLICATIONS

If you have a newsletter or other print or digital publications, we encourage you to share news of the Community Foundation grant with your constituency and to send a copy to the Community Foundation.

D. PHOTOGRAPHS/ENDORSEMENT QUOTE

Photos and quotes from staff and/or program participants are extremely helpful to CFHZ in telling the story of your grant in our communications. Please share photos and quotes at your earliest convenience via email if possible. Electronic formats are strongly preferred. *If the nature of your project/program limits your ability to provide photographs or quotes, please let us know.*

E. ALL OTHER PUBLICITY

In your organization's other descriptions or promotion of the funded program/project, including speeches and social media, we ask that you acknowledge The Community Foundation of the Holland/Zeeland Area as a source of funding. We welcome you to share this coverage with the Community Foundation.

II. Grant Payment Conditions

Payments will be made as scheduled following completion of the due diligence process, board approval of the grant and upon receipt of this signed grant acceptance agreement. Interim written reports and in-person presentations to the Distribution Committee must occur prior to the release of the November 1, 2015 and November 1, 2016 payments.

III. Use of Funds

Because you are not currently recognized by the Internal Revenue Service as a public charity as described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986 as amended (the "Code"), the Foundation will require that all grant funds must be kept segregated continuously in a separate fund dedicated to the purposes of the grant, and no part of this grant may be used for your general support or general purposes. Thus, The Foundation must (i) see that the grant is spent solely for the purposes for which made; (ii) obtain full and complete reports from you on how the funds are spent; and (iii) make full and detailed reports with respect to such expenditures as requested by the Internal Revenue Service. By accepting this grant, you agree to cooperate fully with The Foundation to assure that these goals are met.

If the grant is intended to support a specific project or to provide general support for a specific period, any portion of the grant unexpended at the completion of the project or the end of the period shall be returned immediately to The Foundation. You may not expend any grant funds for any political or lobbying activity or for any purpose other than one specified in section 170(c)(2)(b) of the Code. No benefits shall accrue from any grant to any staff member or related party. Further, no benefit from any grant shall accrue to any advisor, volunteer, donor or related parties

IV. No Assignment or Delegation

You may not assign, or otherwise transfer, your rights or delegate any of your obligations under this grant without prior written approval from The Foundation.

V. Records and Reports

You are required to keep a record of all receipts and expenditures relating to this grant and to provide The Foundation with a written report summarizing the project promptly following the end of the period during which you are to use all grant funds. Your reports should describe your progress in achieving the purposes of the grant and include a detailed accounting of the uses or expenditure of all grant funds. You also agree to provide any other information reasonably requested by The Foundation. If your organization obtains any audited financial statements covering any part of the period of this grant, please provide a copy to The Foundation as well. You are required to keep the financial records with respect to this grant, along with copies of any reports submitted to The Foundation, for at least four years following the year in which all grant funds are fully expended.

Interim written reports are due 12 months and 24 months from the date of this agreement and interim in-person presentations to the Community Foundation's Distribution Committee updating them on the program's progress will be scheduled in the third quarters of 2015 and 2016.

A final written report is due 36 months from the date of this agreement and a final in-person presentation to the Community Foundation's Distribution Committee updating them on the program will be scheduled in the third quarter of 2017.

Any special circumstances or changes regarding the grant should be communicated to Elizabeth Kidd, Vice President of Community Impact at the Foundation as soon as possible. Written reports and in-person presentations should include

financial and programmatic updates as well as indicate progress toward program outcomes as measured by the metrics indicated in the grant proposal.

VI. **Required Notification**

You are required to provide The Foundation with immediate written notification of: (1) any changes in your organization's tax-exempt status; (2) your inability to expend the grant for the purposes described in the grant award letter; or (3) any expenditure from this grant made for any purpose other than those for which the grant was intended.

VII. **Reasonable Access for Evaluation**

You will permit The Foundation and its representatives, at its request, to have reasonable access during regular business hours to your files, records, accounts, personnel and clients or other beneficiaries for the purpose of making such financial audits, verifications or program evaluations as The Foundation deems necessary or appropriate concerning this grant award.

VIII. **Right to Modify or Revoke**

The Foundation reserves the right to discontinue, modify or withhold any payments to be made under this grant award or to require a total or partial refund of any grant funds if, in The Foundation's sole discretion, such action is necessary: (1) because you have not fully complied with the terms and conditions of this grant; (2) to protect the purpose and objectives of the grant or any other charitable activities of The Foundation; or (3) to comply with the requirements of any law or regulation applicable to you, of The Foundation or this grant.

If The Foundation does not receive a signed copy of this grant agreement back within 28 days after the date of The Foundation's grant award letter, this grant may be revoked.

The undersigned certify that they are duly elected and authorized officers of the Grantee and that, as such, are authorized to accept this grant on behalf of the Grantee, to obligate the Grantee to observe all of the terms and conditions placed on this grant, and in connection with this grant to make, execute and deliver on behalf of the Grantee all grant agreements, representations, receipts, reports and other instruments of every kind.

ACCEPTED AND AGREED TO:

Signature, President, Board of Directors

Print Name, President, Board of Directors

DATE _____

Signature, Executive Director

Print Name, Executive Director

DATE _____



GENERAL GRANT TERMS, CONDITIONS AND UNDERSTANDINGS FOR EXPENDITURES BY NON-501(C)(3) ORGANIZATIONS

A grant to your organization from The Community Foundation of the Holland/Zeeeland Area is being considered for the purpose named below. **To accept the grant and to be eligible to receive the funds, please sign and return the original copy of this agreement to the Foundation.**

DATE: September 15, 2014

GRANTEE: Lakeshore Advantage
201 West Washington Ste 410
Zeeland, MI 49464

AMOUNT & PURPOSE: Up to \$235,000 over a five year period to the extent it is necessary to meet the \$200,000 minimum annual start up requirement for the Holland SmartZone with an annual review after year three.

CONDITIONS: Documentation from MEDC affirming that the Holland SmartZone application has been received and is in line to be designated as a SmartZone with replacement of education tax capture is required before any funds will be released. If no funds have been released by January 1, 2016, the grant request must be resubmitted.

The Community Foundation of the Holland/Zeeeland Area (The Foundation) is awarding this grant to you as the Grantee contingent upon the following:

ACKNOWLEDGMENT OF FUNDING SOURCE

In any printed listing of contributions to your organization, please acknowledge that this grant came from:

HEDCOR Community Fund for Economic Development
at The Community Foundation of the Holland/Zeeeland Area.

PAYMENT OF GRANT

Payment will be made following completion of the due diligence process, board approval of the grant and upon receipt of this signed grant acceptance agreement.

USE OF FUNDS

Because you are not currently recognized by the Internal Revenue Service as a public charity as described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986 as amended (the "Code"), the Foundation will require that all grant funds must be kept segregated continuously in a separate fund dedicated to the purposes of the grant, and no part of this grant may be used for your general support or general purposes. Thus, The Foundation must (i) see that the grant is spent solely for the purposes for which made; (ii) obtain full and complete reports from you on how the funds are spent; and (iii) make full and detailed reports with respect to such expenditures as requested by the Internal Revenue Service. By accepting this grant, you agree to cooperate fully with The Foundation to assure that these goals are met.

If the grant is intended to support a specific project or to provide general support for a specific period, any portion of the grant unexpended at the completion of the project or the end of the period shall be returned immediately to The Foundation. You may not expend any grant funds for any political or lobbying activity or for any purpose other than one specified in section 170(c)(2)(b) of the Code. No benefits shall accrue from any grant to any staff member or related party. Further, no benefit from any grant shall accrue to any advisor, volunteer, donor or related parties.

NO ASSIGNMENT OR DELEGATION

You may not assign, or otherwise transfer, your rights or delegate any of your obligations under this grant without prior written approval from The Foundation.

RECORDS AND REPORTS

You are required to keep a record of all receipts and expenditures relating to this grant and to provide The Foundation with a written report summarizing the project promptly following the end of the period during which you are to use all grant funds. The Foundation may also require interim reports. Your reports should describe your progress in achieving the purposes of the grant and include a detailed accounting of the uses or expenditure of all grant funds. You also agree to provide any other information reasonably requested by The Foundation. If your organization obtains any audited financial statements covering any part of the period of this grant, please provide a copy to The Foundation as well. You are required to keep the financial records with respect to this grant, along with copies of any reports submitted to The Foundation, for at least four years following the year in which all grant funds are fully expended.

REQUIRED NOTIFICATION

You are required to provide The Foundation with immediate written notification of: (1) any changes in your organization's tax-exempt status; (2) your inability to expend the grant for the purposes described in the grant award letter; or (3) any expenditure from this grant made for any purpose other than those for which the grant was intended.

REASONABLE ACCESS FOR EVALUATION

You will permit The Foundation and its representatives, at its request, to have reasonable access during regular business hours to your files, records, accounts, personnel and clients or other beneficiaries for the purpose of making such financial audits, verifications or program evaluations as The Foundation deems necessary or appropriate concerning this grant award.

RIGHT TO MODIFY OR REVOKE

The Foundation reserves the right to discontinue, modify or withhold any payments to be made under this grant award or to require a total or partial refund of any grant funds if, in The Foundation's sole discretion, such action is necessary: (1) because you have not fully complied with the terms and conditions of this grant; (2) to protect the purpose and objectives of the grant or any other charitable activities of The Foundation; or (3) to comply with the requirements of any law or regulation applicable to you, of The Foundation or this grant.

If The Foundation does not receive a signed copy of this grant agreement back within 28 days after the date of The Foundation's grant award letter, this grant may be revoked.

The undersigned certify that they are duly elected and authorized officers of the Grantee and that, as such, are authorized to accept this grant on behalf of the Grantee, to obligate the Grantee to observe all of the terms and conditions placed on this grant, and in connection with this grant to make, execute and deliver on behalf of the Grantee all grant agreements, representations, receipts, reports and other instruments of every kind.

ACCEPTED AND AGREED TO:

Signature, Chair, Board of Directors

Print Name, Chair, Board of Directors

DATE _____

Signature, President

Print Name, President

DATE _____

Proposal for 2015 SmartZoneSM Satellite

Lead Municipalities

Mayor Nancy DeBoer
City of Holland City Hall
270 S. River Ave
Holland, MI 49423
Phone: 616-355-1311
E-mail: mayor@cityofholland.com

Signature: _____

Date: _____

Terry Nienhuis, Township Supervisor
Holland Charter Township
353 North 120th Ave.
Holland, MI 49424
Phone: 616-396-2345
Fax: 616-396-2537
E-mail: supervisor@hct.holland.mi.us

Signature: _____

Date: _____

Joseph Baumann, Chairperson
Ottawa County Board of Commissioners
Ottawa County Administrative Offices
1220 Fillmore Street
West Olive, MI 49460
Phone: 616-848-5010
E-mail: jbaumann@miottawa.org

Signature: _____

Date: _____

Point of Contact (Authorized Party)

Jennifer Owens, President
Lakeshore Advantage
201 W. Washington Ave. Loft 410
Zeeland, MI 49464
Phone: 616-772-5226
Cell: 616-510-6982
Email: jennifer.owens@lakeshoreadvantage.com

Signature: _____

Date: _____

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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.

- 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

TIF Capture

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 Renovation	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	\$20,155,563	\$34,630	\$20,496,318	\$340,755	\$587	\$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	\$20,155,563	\$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	0.8400	0.1900	\$20,155,563	\$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	\$20,155,563	\$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	\$3,533,292	\$2,081	\$66,543,300	\$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	\$503	\$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	\$20,708,559	\$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	\$20,155,563	\$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	\$20,155,563	\$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	\$20,155,563	\$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 and parcel on the School District Operating tax rates

Notes:

Based on a 1.7% growth rate in Holland Township and a 2.4% growth rate in Holland City

IFT parcels only pay 50% of the tax bills, and 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 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

Prepared by: Planning and Performance Improvement Department (06/16/15)

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	\$4,139
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	\$190,926	\$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	\$2,930
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	\$50,271	\$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	\$22,892,728	\$2,877,021	\$25,893	\$23,292,074	\$3,266,367	\$29,397	\$23,688,940	\$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 loss 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 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

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	\$13,630	\$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	\$77,012
Holland Township EMS and Police Services	1.0000	0.5000	\$20,155,563	\$9,972	\$24,247,048	\$4,091,485	\$2,046	\$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	\$856	\$25,078,455	\$4,922,892	\$935	\$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	\$26,858	\$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-PRE) 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-PRE) ¹	18.0000	9.0000	\$20,025,707	\$178,321	\$24,090,736	\$4,065,029	\$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

¹ This shows what is collected from school districts. However, there is no tax to school districts due to the SmartZone because they are reimbursed by the State School Aid Fund.

² PRE parcels are not taxed on the School District Operating tax item.

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 2018 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

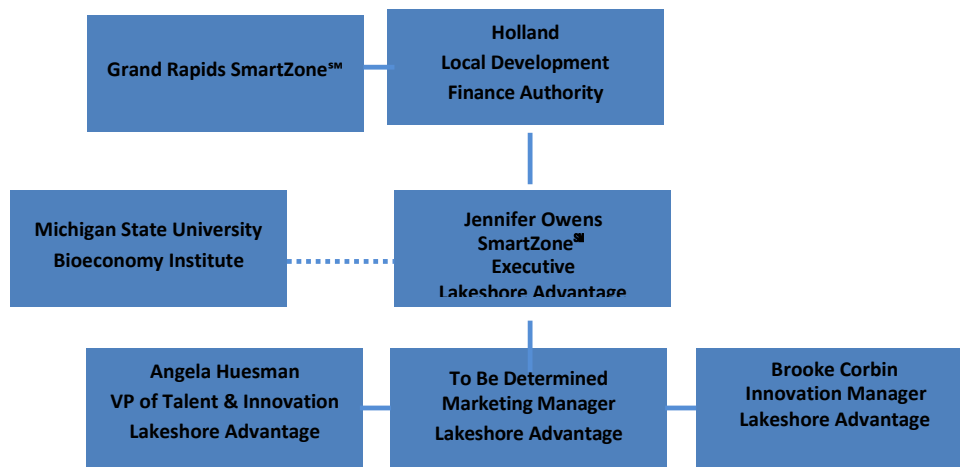


Figure 1: Organizational Chart

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, 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:

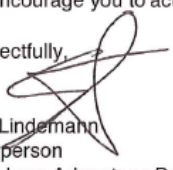
On behalf of the Lakeshore Advantage Board of Directors, the economic development organization serving Ottawa County, I would like to express our unanimous support for the creation of a satellite SmartZone in partnership with the Grand Rapids SmartZone.

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

BUSINESS SERVICES GROUP

NEW VENTURE GROUP

INNOVATION GROUP

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,

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.

Lou Anna K. Simon, Ph.D.
President

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

MSU is an affirmative-action,
equal-opportunity employer.

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

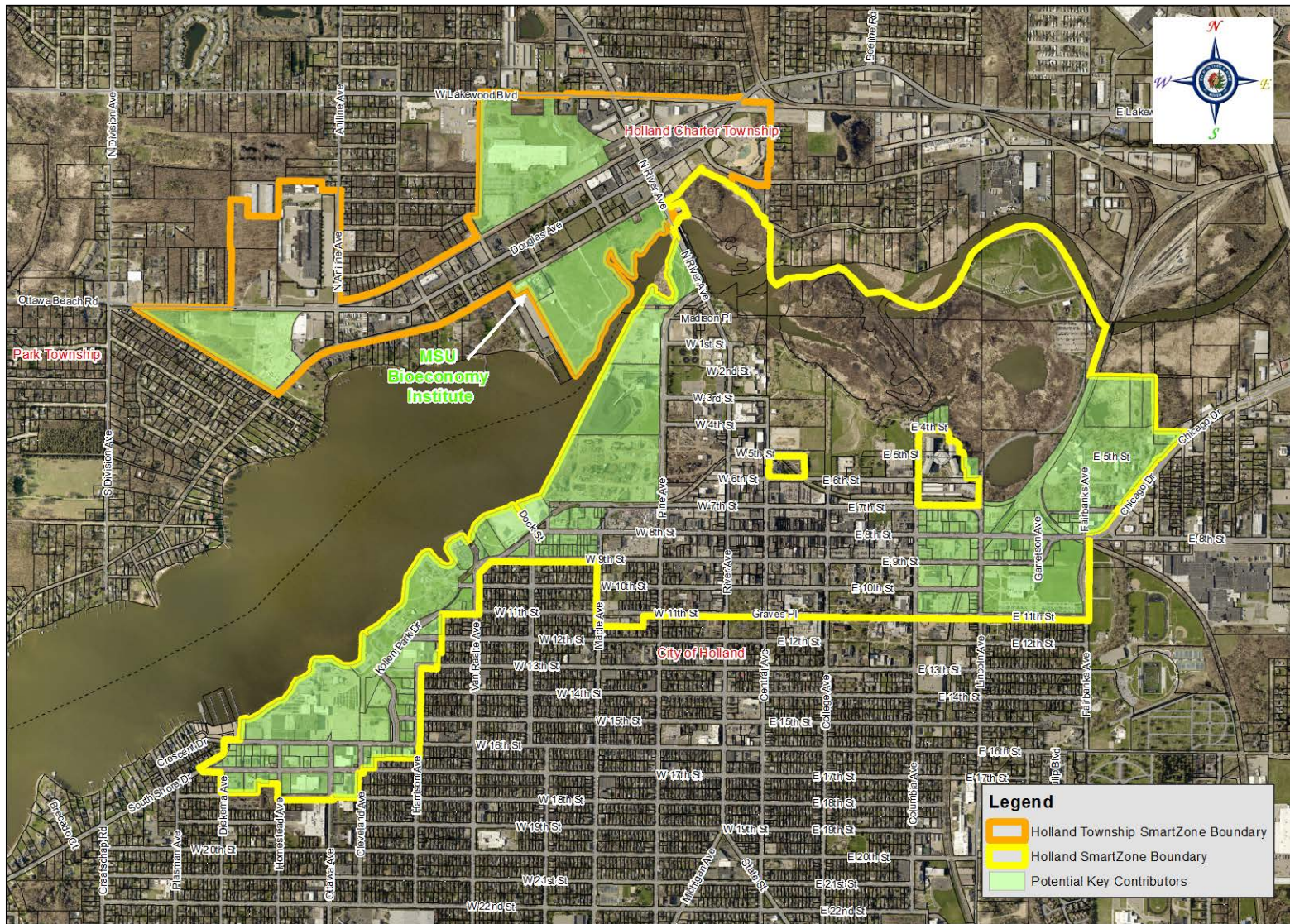
The Holland SmartZoneSM Satellite encompasses area around Lake Macatawa in Holland Charter Township and the City of Holland. MSUBI is located within the SmartZoneSM boundary and will serve as the center of activity. The boundary of the SmartZoneSM is reflected in the following map:

Appendix

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

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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,

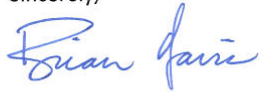
As Superintendent of Holland Public Schools, I am excited about the opportunity that presents itself for the City of Holland to partner with the SmartZone of Grand Rapids in the creation of a satellite SmartZone in our local community. The potential economic impact, talent development and innovative 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



LAKE SHORE
ADVANTAGE

Holland SmartZone Local Development Finance Authority (LDFA) Board of Directors Meeting Notice

The regular meetings of the Holland SmartZone Local Development Financing Authority for 2015/ 2016 are scheduled as follows:

Location	Date	Time
Holland City Hall	Wednesday, January 6, 2016	12:00PM
Holland City Hall	Wednesday, March 9, 2016	12:00 PM
Holland City Hall	Wednesday, June 8, 2016	12:00 PM
Holland City Hall	Wednesday, September 14	12:00 PM
Holland City Hall	Wednesday, December 14	12:00 PM

Meeting Location Address

City of Holland
City Hall / 270 N. River / Holland, MI / Council Chambers or Training Room