



Holland SmartZone Local Development Authority
Strategic Planning Session
Wednesday, June 23, 2021 @ 12:00 PM

Members:	Peter Beukema, Marcia Bishop, Brian Burch, Vince Bush, Craig Hall, Ann Harten, Charley Hasemann, Luciano Hernandez, Lynn McCammon, Jill Miller, Randall Schipper, Doug Zylstra
Ex-Officio Members:	Greg Barry, Steve Bulthuis, Fred Molnar, Paul Sachs, Scott Spoelhof, Keith VanBeek
Lakeshore Advantage Staff:	Angela Huesman, Amanda Chocko, Jennifer Owens, Kelsey Sivertson
Copies To:	Holland Charter Township, Township Clerk, Ottawa County Clerk

Information Meeting Agenda

- | | |
|--|---------------|
| 1. Update on goals, priorities and projects
SURGE Celebration Debrief | Amanda Chocko |
| 2. Public Comments/Questions | Brian Burch |

Board Meeting Agenda

- | | |
|---|----------------|
| 1. Call to Order | Brian Burch |
| 2. Public Comments | Brian Burch |
| 3. Minute Review/Approval | Brian Burch |
| 4. SmartZone Financials Update | Lynn McCammon |
| a. 2021/2022 Budget Review | |
| b. Financials Review/Approve | |
| 5. Strategic Planning Review | Angela Huesman |
| 6. Executive Director's Report
CFL Study, Results & Next Steps
SURGE Center | Amanda Chocko |
| 7. Adjournment | Brian Burch |

Next Meeting: Wednesday, September 22, 12:00pm



**Holland Satellite SmartZone Local Development Authority (LDFA)
Special Board of Directors Meeting
Zoom
Minutes of April 29, 2021**

Members Present: Peter Beukema, Marcia Bishop, Brian Burch, Vince Bush, Luciano Hernandez, Lynn McCammon, Randall Schipper, Doug Zylstra

Ex-Officio Members Present: Greg Barry, Steve Bulthuis, Paul Sachs, Scott Spoelhof, Keith Van Beek

Absent: Marcia Bishop, Craig Hall, Charley Hasemann, Jill Miller, Fred Molnar

Lakeshore Advantage Staff: Angela Huesman, Jennifer Owens, Kelsey Sivertson

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

1. **Call to Order**

A quorum being present the virtual meeting was called to order at 9:00am.

2. **Public Comment**

Brian asked if there were any public comments. There being none, he moved to the first order of business.

3. **Approval of Minutes**

Motion made by Luciano Hernandez to approve amended minutes from the LDFA Board meeting held March 2021. Support by Randy Schipper. Unanimously approved.

4. **SmartZone Budget Review/Approve**

Lynn McCammon provided an overview of the drafted budget. Discussion commenced. Decision made to postpone motion to approve the budget until after a decision on the Lakeshore Advantage Contract for Services.

5. **Lakeshore Advantage Contract for Services**

Angela Huesman presented the modified contract for services by Lakeshore Advantage. Discussion commenced. Decision made to amend section 4 of the contract to include this statement:

Lakeshore Advantage will seek out and apply for available grant opportunities to offset operating costs during the contract period and will reduce the amount billed to the Holland SmartZone to the extent of grant funds received.

Motion made by Ann Harten to approve the amended Lakeshore Advantage contract for services. Support by Peter Buekema. Unanimously approved.

Motion made by Randy Schipper to approve the SmartZone Budget. Support by Ann Harten. Unanimously approved.

6. **City of Holland Contract for Services**

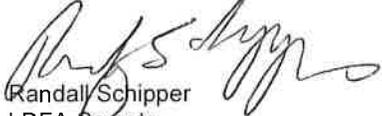
Lynn McCammon presented the contract for services by the City of Holland. Discussion commenced.

Motion made by Vince Bush to approve the City of Holland Contract for Services. Support by Peter Beukema. Unanimously approved.

7. **Adjournment**

Motion made by Ann Harten to adjourn. Support by Lynn McCammon. Unanimously approved.

Respectfully submitted,



Randal Schipper
LDFA Secretary

Minutes submitted by Kelsey Sivertson
HSZ LDFA Board Minutes 4/29/2021



To: Holland LDFA SmartZone Board
Date: June 23, 2021
Subject: Holland LDFA SmartZone –2021 Budget Review though May 2021

Summary

LDFA SmartZone Board approved the FY 2021 Budget in April 2020. Attached is the Budget Performance Report through May 31, 2021, which represents 91.67% of the fiscal year.

Year-to-date revenues totaled \$279,795, or 94% of budget. The variance is primarily related to differences in actual tax capture compared to initial estimates for the City of Holland.

Total expenditures through May 31st totaled 102,156, or just 25% of budget. Variances in the contractual administrative accounts are due to timing and are expected to end near the budgeted amount by the end of the year. The majority of the variance is driven by the contractual expenditures budgeted for infrastructure. When the budget was developed, these funds were designated for projects. However, the pandemic and related closures during the year have delayed projects. The LDFA SmartZone Board has approved a \$50,000 contribution towards a project in downtown Holland, but this will likely be carried over to FY 2022 as the work is not anticipated to be completed prior to the end of the fiscal year. As the LDFA SmartZone Board completes the strategic planning process, the FY 2022 budget can be amended to reflect actual approved projects.

Recommendation

It is recommended that LDFA SmartZone Board approve the Financial Report for the eleven months ended May 31, 2021.

Respectfully submitted,

Lynn McCammon

Attachments: May 2021 Monthly Financial Reports



Budget Performance Report

Fiscal Year to Date 05/31/21

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund Y01 - Smartzone Fund										
REVENUE										
Department 000 - General Revenues										
450582	Contributions from Other Govts									
450582.C	Contributions from Other Govts From City of Holland	232,000.00	.00	232,000.00	.00	.00	214,404.57	17,595.43	92	163,000.38
450582.H	Contributions from Other Govts Holland Township	62,990.00	.00	62,990.00	.00	.00	62,611.81	378.19	99	45,774.49
	450582 - Contributions from Other Govts Totals	\$294,990.00	\$0.00	\$294,990.00	\$0.00	\$0.00	\$277,016.38	\$17,973.62	94%	\$208,774.87
480665	Investment Income									
480665.0	Investment Income General	1,500.00	.00	1,500.00	.00	.00	2,778.57	(1,278.57)	185	4,669.45
	480665 - Investment Income Totals	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$0.00	\$2,778.57	(\$1,278.57)	185%	\$4,669.45
	Department 000 - General Revenues Totals	\$296,490.00	\$0.00	\$296,490.00	\$0.00	\$0.00	\$279,794.95	\$16,695.05	94%	\$213,444.32
	REVENUE TOTALS	\$296,490.00	\$0.00	\$296,490.00	\$0.00	\$0.00	\$279,794.95	\$16,695.05	94%	\$213,444.32
EXPENSE										
Department 240 - Smartzone										
722804	Contractual-Legal									
722804.0	Contractual-Legal General	1,000.00	.00	1,000.00	.00	.00	93.00	907.00	9	.00
	722804 - Contractual-Legal Totals	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$93.00	\$907.00	9%	\$0.00
722805	Contractual-Finance									
722805.1	Contractual-Finance Independent Audit	1,000.00	.00	1,000.00	.00	.00	1,000.00	.00	100	800.00
722805.3	Contractual-Finance Accounting & Budget	3,300.00	.00	3,300.00	.00	.00	3,300.00	.00	100	3,200.00
	722805 - Contractual-Finance Totals	\$4,300.00	\$0.00	\$4,300.00	\$0.00	\$0.00	\$4,300.00	\$0.00	100%	\$4,000.00
722807	Contractual-Architect/Engineer									
722807.C	Contractual-Architect/Engineer Infrastructure Development -City	96,985.00	.00	96,985.00	85.00	.00	10,367.00	86,618.00	11	10,932.00
722807.H	Contractual-Architect/Engineer Infrastructure Development -HCT	26,405.00	.00	26,405.00	.00	.00	2,568.00	23,837.00	10	2,088.00
722807.U	Contractual-Architect/Engineer Infrastructure Development	106,041.00	.00	106,041.00	.00	.00	.00	106,041.00	0	.00
	722807 - Contractual-Architect/Engineer Totals	\$229,431.00	\$0.00	\$229,431.00	\$85.00	\$0.00	\$12,935.00	\$216,496.00	6%	\$13,020.00
722809	Contractual-Misc									
722809.61	Contractual-Misc Management Services	75,000.00	.00	75,000.00	.00	.00	56,250.00	18,750.00	75	75,000.00
722809.69	Contractual-Misc Entrepreneurial Programming	51,400.00	.00	51,400.00	.00	.00	18,817.25	32,582.75	37	17,430.71
722809.DDA	Contractual-Misc DDA Services	7,600.00	.00	7,600.00	.00	.00	.00	7,600.00	0	7,300.00
	722809 - Contractual-Misc Totals	\$134,000.00	\$0.00	\$134,000.00	\$0.00	\$0.00	\$75,067.25	\$58,932.75	56%	\$99,730.71
723910	Commercial Insurance Premiums									
723910.L	Commercial Insurance Premiums Liability Insurance	1,700.00	.00	1,700.00	.00	.00	1,695.00	5.00	100	1,710.00
	723910 - Commercial Insurance Premiums Totals	\$1,700.00	\$0.00	\$1,700.00	\$0.00	\$0.00	\$1,695.00	\$5.00	100%	\$1,710.00
723942	Building Rental/Lease									
723942.0	Building Rental/Lease General	3,600.00	.00	3,600.00	.00	.00	.00	3,600.00	0	1,800.00
	723942 - Building Rental/Lease Totals	\$3,600.00	\$0.00	\$3,600.00	\$0.00	\$0.00	\$0.00	\$3,600.00	0%	\$1,800.00
723955	Misc.									
723955.M	Misc. Misc Marketing Events	18,500.00	.00	18,500.00	.00	.00	65.89	18,434.11	0	6,405.42



Budget Performance Report

Fiscal Year to Date 05/31/21

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund Y01 - Smartzone Fund										
	EXPENSE									
	Department 240 - Smartzone									
	723955 - Misc. Totals	\$18,500.00	\$0.00	\$18,500.00	\$0.00	\$0.00	\$65.89	\$18,434.11	0%	\$6,405.42
730970	Admin/Legal									
730970.E	Admin/Legal A&E Engineering/Architect	10,000.00	.00	10,000.00	4,000.00	.00	8,000.00	2,000.00	80	.00
	730970 - Admin/Legal Totals	\$10,000.00	\$0.00	\$10,000.00	\$4,000.00	\$0.00	\$8,000.00	\$2,000.00	80%	\$0.00
	Department 240 - Smartzone Totals	\$402,531.00	\$0.00	\$402,531.00	\$4,085.00	\$0.00	\$102,156.14	\$300,374.86	25%	\$126,666.13
	EXPENSE TOTALS	\$402,531.00	\$0.00	\$402,531.00	\$4,085.00	\$0.00	\$102,156.14	\$300,374.86	25%	\$126,666.13
Fund Y01 - Smartzone Fund Totals										
	REVENUE TOTALS	296,490.00	.00	296,490.00	.00	.00	279,794.95	16,695.05	94%	213,444.32
	EXPENSE TOTALS	402,531.00	.00	402,531.00	4,085.00	.00	102,156.14	300,374.86	25%	126,666.13
Fund Y01 - Smartzone Fund Totals		(\$106,041.00)	\$0.00	(\$106,041.00)	(\$4,085.00)	\$0.00	\$177,638.81	(\$283,679.81)		\$86,778.19
	Grand Totals									
	REVENUE TOTALS	296,490.00	.00	296,490.00	.00	.00	279,794.95	16,695.05	94%	213,444.32
	EXPENSE TOTALS	402,531.00	.00	402,531.00	4,085.00	.00	102,156.14	300,374.86	25%	126,666.13
	Grand Totals	(\$106,041.00)	\$0.00	(\$106,041.00)	(\$4,085.00)	\$0.00	\$177,638.81	(\$283,679.81)		\$86,778.19

SmartZone LDFA

Strategic Plan

2021 – 2024



Contents

- Cover Page pg. 1
- Table of Contents pg. 2
- SmartZone LDFA Background Information: What are we, Why do we exist? pg. 3
- Who is involved in the Holland SmartZone LDFA? pg. 4
- What is the SmartZone geographic boundary? pg. 5
- SmartZone LDFA Accomplishments pg. 6
- Who does the SmartZone LDFA serve? pg. 7
- SmartZone Values, Vision, Purpose & Mission pg. 8
- SmartZone Decision Filter pg. 9
- Strategic Action Plan: 2021 – 2024 pg. 10
- APPENDIX ONE: SmartZone Business Environment Analysis pg. 11

What are we, Why do we exist...

Lakeshore Advantage and the Michigan State University Bioeconomy Institute (MSUBI) were approached by the City of Grand Rapids to consider becoming a satellite SmartZone. Since no new SmartZone designations are available, the only way a region can utilize the tax tool is by collaborating with an existing SmartZone and being approved for satellite status. All SmartZone's have a strong university connection and contain some type of business incubator/accelerator and technology consultation support. In April 2016, Holland's satellite SmartZone status was approved by the Michigan Economic Development Corporation and the State of Michigan Treasury, allowing for Tax Increment Financing (TIF) capture of state education taxes for economic development within the SmartZone's geographic boundaries to support high tech emerging businesses and entrepreneurs.

SmartZone LDFA Focus:

The SmartZone was established to help advance the Economic Development in the designated SmartZone region covering parts of both the City of Holland and Holland Charter Township. The SmartZone was designed to:

- Enable technology-based firms, entrepreneurs and researchers to locate near all of the community assets that assist in their endeavors
- Promote clusters where resource collaborations can occur
- Commercialize ideas, patents, and other opportunities
- Offer incubation and acceleration services

The state approved a Local Development Financing Authority (LDFA) specifically for economic development, for the purpose of creating new companies and diversifying the economy. This **funding** is made available from a Tax Increment Financing (TIF) district that captures 50% of the ad valorem taxes from parcels in the SmartZone boundaries. The TIF capture and use functions in the following manner:

- Tool used to create revenue that supports the SmartZone
- Governed by the LDFA
- Revenue can be used for public use in the following ways:
 - Traditional public infrastructure
 - Operation, construction, furnishing or equipping of incubators
 - Marketing & promotion of properties and opportunities
 - Development of entrepreneurial support services
 - Other public facilities that support high technology (labs, research, etc.)

The SmartZone is managed by a **Local Development Financing Authority (LDFA)** which is:

- Responsible for oversight of TIF
- Creates long-range plans that support economic growth in the SmartZone
- Authorized to:

- Make and enter into contracts
- Incur costs necessary to the function of the board
- Acquire, own, lease, convey, demolish, relocate, rehabilitate, improve, prepare or otherwise dispose of real or personal property

Who are we, Where do we work...

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

Brian Burch

Managing Partner, Burch Partners

Lynn McCammon

Director of Finance, City of Holland

Craig Hall

President, Lee Shore Enterprises

Luciano Hernandez

Spectrum Innovations

Peter Beukema

President, Suburban Inns

Vince Bush

Treasurer, Holland Charter Township

Charles Hasemann

*Assistant Vice President for Innovation & Economic Development,
Michigan State University*

Doug Zylstra

Commissioner, Ottawa County Board of Commissioners

Greg Barry*

CFO, GDK Construction

*Denotes ex-officio member

Randall S. Schipper

*Treasurer, West Ottawa Board of Education
Secretary, OAISD Board of Education*

Jill Miller

Trustee, West Ottawa Board of Education

Marcia Bishop

Retired, Associate Director Van Andel Institute

Ann M. Harten

Vice President Global Human Resources, Haworth

Keith Van Beek*

City Manager, City of Holland

Steve Bulthuis*

Township Manager, Holland Charter Township

Scott Spoelhof*

Managing Director, Bayside Capital Management

Fred Molnar*

*Vice President Entrepreneurship and Innovation
Michigan Economic Development Corporation*

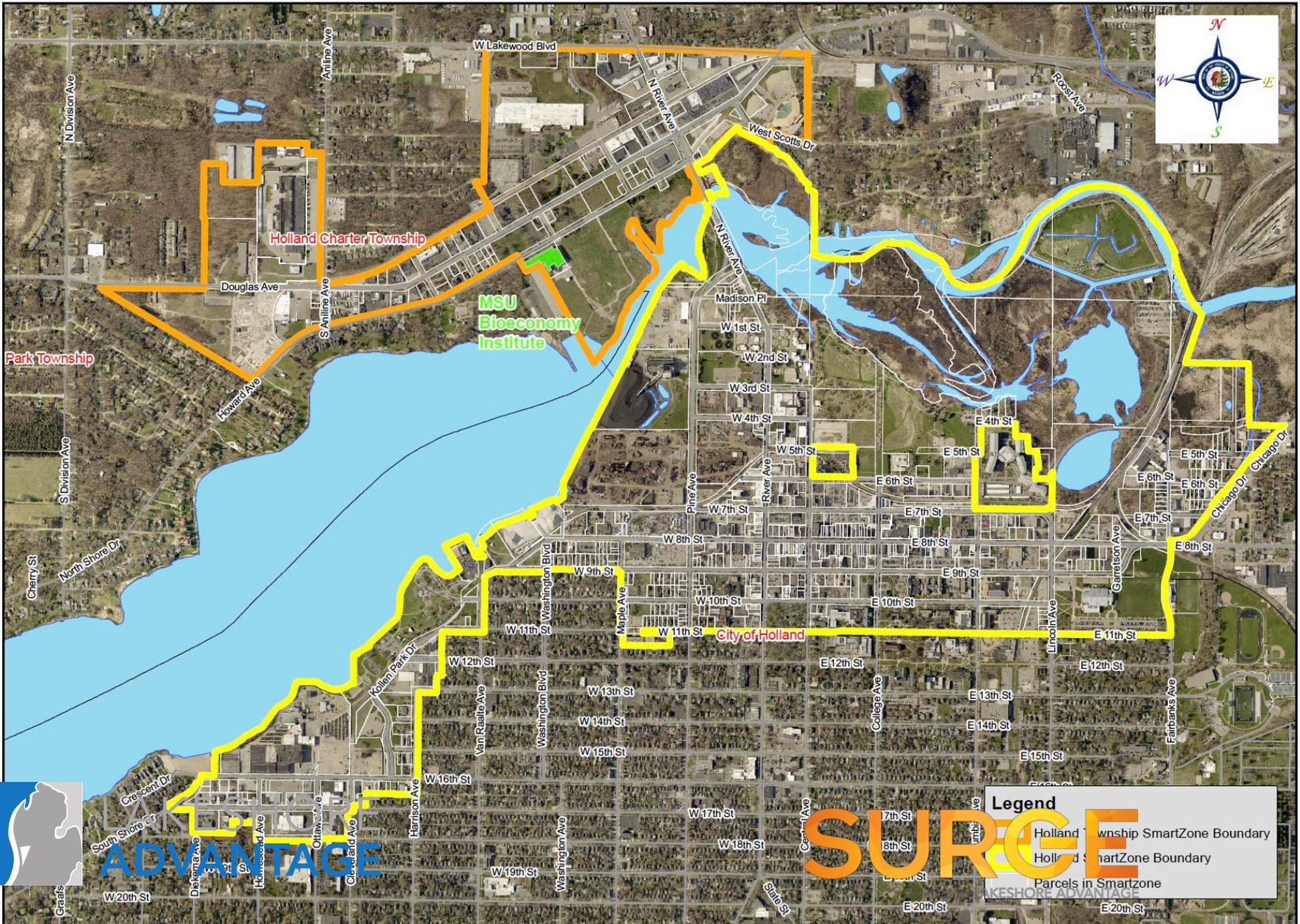
Paul Sachs *

Director, Ottawa County

SmartZone Management Services provided by:

Direct Entrepreneurial Support provided through:

Holland SmartZone



SmartZone LDFA Accomplishments 2015-2021

- ❑ Entrepreneurial Support Network
- ❑ Strategy Whiteboard Sessions
- ❑ Mentor Network
- ❑ Discounted Chamber Memberships
- ❑ Skills Training @ Groundworks
- ❑ UNION Platform Participation
- ❑ Business Accelerator Fund grant application assistance
- ❑ Treehuis Punch Cards
- ❑ SURGE Days Jan-Feb-Mar
- ❑ Startup Weekend 2/28 to 3/1 @ GR Start Garden
- ❑ 2nd SURGE Boostcamp Cohort – Sept-Nov
- ❑ SURGE Straight Talk – virtual monthly programming
- ❑ SURGE Coffee Talk – virtual monthly social
- ❑ SURGE Founder Peer Groups meet weekly
- ❑ Amanda Chocko elected to the InBIA board of directors
- ❑ 19 New Companies Created
- ❑ 44 High Tech Companies Expanded
- ❑ 189 High Tech Companies Served
- ❑ 94 Jobs Created (average salary: \$66,750)
- ❑ 296 Jobs Retained
- ❑ 44 Products Commercialized
- ❑ 47 Patents Applied for, 22 Patents Issued
- ❑ Total capital raised by area startup companies: \$36.7 million
- ❑ Investor Readiness Program
- ❑ SURGE Pilot Program
- ❑ SURGE Level Up Commercialization Program
- ❑ SURGE Celebration featuring Gino Wickman
- ❑ Launch of the SURGE Power Series videos
- ❑ Goal: Navigate 60 startups

Who do we serve?

The Holland SmartZone LDFA was established to serve the City of Holland and Holland Township.

The SmartZone LDFA is working to meet its mission, vision and purpose by assisting the following start-ups and entrepreneurs as they navigate the development, establishment and growth of their business goals.

SmartZones are designed to work with technology based firms. High Tech is defined by state law as:

- **Advanced Computing:** any technology used in the design and development of any of the following: computer hardware and software, data communications, information technologies.
- **Advanced Materials:** materials with engineered properties created through the development of specialized process and synthesis technology.
- **Biotechnology:** any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product. Improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning or stem cell research with embryonic tissue.
- **Electronic Device Technology:** any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.
- **Engineering or Laboratory Testing:** related to the development of a product.
- **Technology:** that assists in the assessment and prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology or development or alternative energy sources.
- **Medical Device Technology:** any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.
- **Product Research and Development**
- **Advanced Vehicles Technology:** any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles.

The **Way** we do our work...

The SmartZone's core **Strategic Values** are used to guide all the organization's decisions and business interactions. The Holland SmartZone LDFA believes in:

- Developing a community network of relationships rooted in collaboration and partnerships
- Supporting entrepreneurship and innovation that will lead to long-term economic growth
- Building infrastructure that will inspire people to live, work, play and learn in the lakeshore region
- Providing voice and awareness to entrepreneurs and start-up businesses is a driver of long-term success

The SmartZone's strategic **Vision** is to:

- Capitalize on the region's strengths serving as a catalyst for creating the best environment for supporting entrepreneurs and business start-ups - removing barriers to success
- Facilitate continued investment in infrastructure and business growth that will enhance the entrepreneurial ecosystem
- Educate the community on the importance and impact of entrepreneurs
- Make investments that will attract and retain talent for technology companies
- Establish an innovation center to serve as a location to focus resources supporting entrepreneurs, promoting the development and growth of next generation legacy businesses
- Establish partnerships with local business, government, and education community to advance entrepreneurship

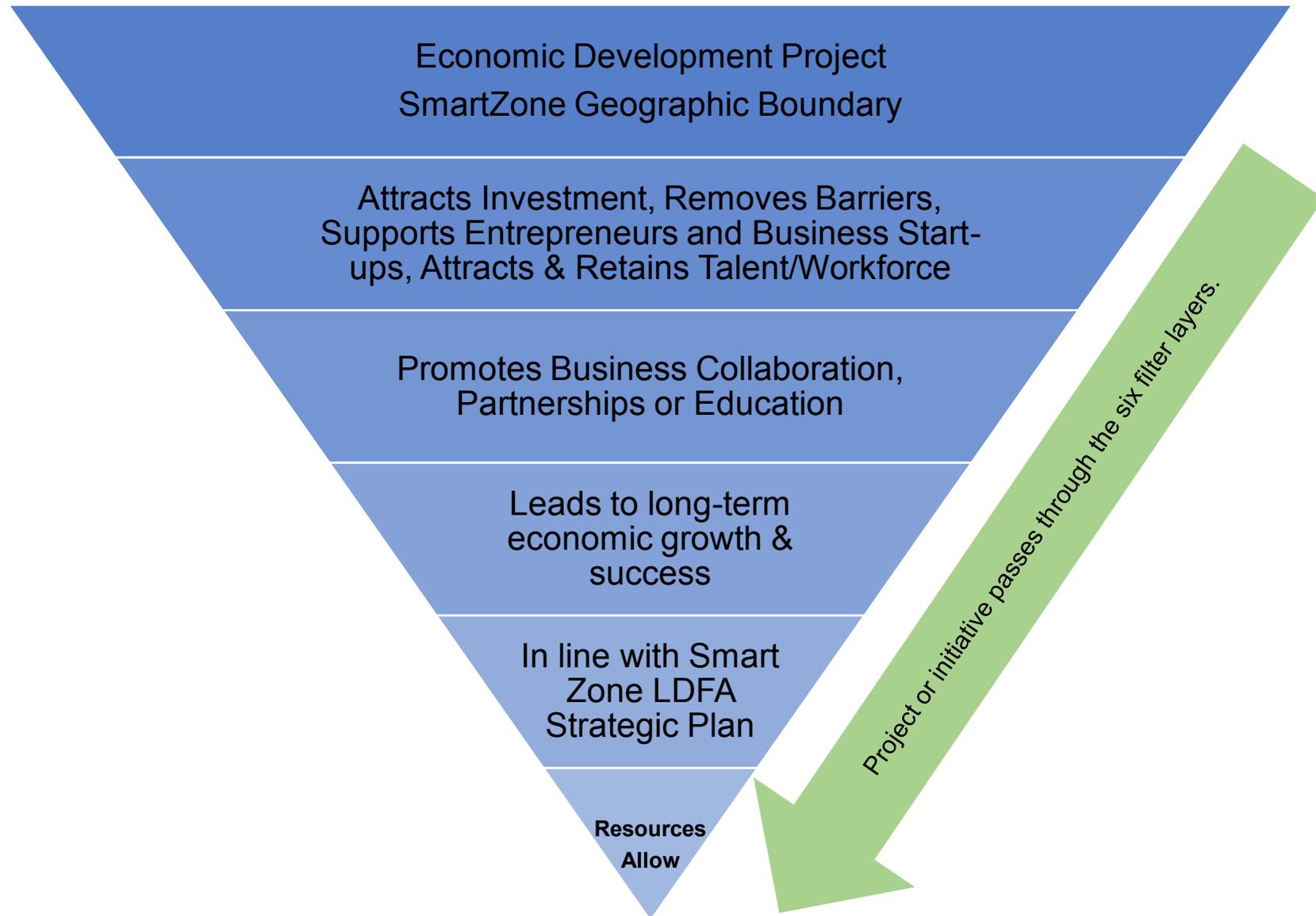
The **Purpose** of the SmartZone is to:

- To provide technology-based firms, entrepreneurs and researchers with community assets that assist in achieving successful businesses/ventures. This will be best accomplished through:
 - The development of business clusters that promote resource collaborations
 - A focused approach on commercializing ideas, patents, and other opportunities
 - The development of an innovation center focused on accelerating high-tech/high-growth businesses

Guided by these values, purpose and vision the SmartZone LDFA's **Mission** is to **Advance business incubation and entrepreneur success in Holland, Michigan through community collaboration and infrastructure enhancement.**

How we work...

Decision Filter: Guide for opportunity decisions, prioritization, and strategic direction.



Strategic Action Summary 2021-2024: *Goals, Strategies, Action Items*

Advancing business incubation and entrepreneurship in Holland, Michigan

SMART Goals: *Specific, Measurable, Achievable, Relevant, Time Bound*

Goal 1.0: Develop a class leading innovation center and identify community supports needed	Champions	Timeline
	Lakeshore Advantage	
<p>Strategy 1.1 Define class leading and set standards to meet that definition that are reflective of the community.</p> <p>Strategy 1.2 Research other innovation clusters and SmartZones to establish benchmarks that will guide in developing a 'class leading' center</p> <p>Strategy 1.3 Identify needed key infrastructure to support an innovation center and create a plan to obtain missing elements</p> <p>Strategy 1.4 Develop administrative and operational guardrails that define the SmartZone budget allocations of innovation center and infrastructure needs.</p> <p>Strategy 1.5 Establish partnerships with other class leading entrepreneurial support organizations, businesses and government.</p>	<p>1.1 1.2 1.3 1.4 1.5</p>	<p>1.1 1.2 1.3</p>
<p>Action Items:</p> <p>(A1) Review Hope CFL study on incubator and make recommendations on next steps</p> <p>(A2) Research what other incubators look and function like in their communities in order to establish leading practices and metrics</p> <ul style="list-style-type: none"> - Cost of rental space - Back-office functions - Marketing and Communications - Infrastructure supports 	<p>(A1) (A2) (A3)</p>	<p>(A1) (A2) (A3)</p>

(A3) Develop a proposal outlining the innovation center needs developed from the due diligence process.		
Goal 2.0: Establish partnerships with out of area ESOs, area education institutions, government agencies, and area businesses to establish a voice for entrepreneurs for the purpose of developing a talent pipeline.	Champions	Timeline
	Lakeshore Advantage	
Strategy 2.1 Develop communications plan to share the impact of the SmartZone on our community businesses and organizations – increasing visibility Strategy 2.2 Formalize a partnership with educational institutions, training centers and ESOs to help advance the goals of the SmartZone	2.1 2.2	2.1 2.2
Action Items: (A1) Identify the desired benefits and relationship parameters the SmartZone is seeking from each of the following: <ul style="list-style-type: none"> <input type="checkbox"/> Local High Schools <input type="checkbox"/> Colleges/Universities <input type="checkbox"/> Local Government Agencies (A2) Hire consultants to develop SmartZone marketing and communication plan (A3) Form a task force to approach each of the desired partners and formally ask for their engagement	(A1) (A2) (A3)	(A1) (A2) (A3)
Goal 3.0: Establish Holland as a national leader in retention of incubated companies	Champions	Timeline
	LDFA Board	
Strategy 3.1 Establish an innovation fund to support capital needs of entrepreneurs Strategy 3.2 Establish benchmarks for retention of companies and ensure second stage support is in place.	3.1 3.2 3.3 Lakeshore Advantage	3.1 3.2

Strategy 3.3 Continued support for entrepreneurs through social, intellectual and financial capital.		
Action Items: (A1) Recruit angel investors, venture capital and high net-worth individuals and corporations to support entrepreneurs and business start-ups (A2) Assess 2 nd stage startups on access to capital and determine indicators of funding (where is it coming from) (A3) Formalize mentorship and entrepreneur service provider programs. (A4) Provide events and services to 150 startups, support \$5M in capital raised by startups, 9 new companies created and 100 jobs retained by the community.	(A1) (A2) (A3)	(A1) (A2) (A3)
Goal 4.0: Identify infrastructure needed within the SmartZone boundaries that aligns with the goals of the SmartZone	Champions	
	L DFA Board	
Strategy 4.1 Identify infrastructure needs within the decision filter and create a plan to allocate funding toward board approved projects	4.1	4.1
(A1) Engage local units of government leadership, other SmartZones and key stakeholders on core infrastructure needs and other adequate technology resources (A2) Develop a Smart Cities Fund that outlines where and how resources will be spent on technology (ex. electrification, sensors and/or broadband). (A3) Develop matrix that further details decision filter and provides weighted guides for approving projects	(A1) (A2) (A3) Ann Harten	(A1) (A2) (A3)

Appendix One:

SmartZone Business Environment Analysis

SOAR Appreciative Planning Model

Strengths to leverage	Opportunities to pursue	Aspirations to target	Results to achieve
<ul style="list-style-type: none"> ■ Community ■ Environment & Natural Resources ■ People ■ MSU facility ■ Financial tools ■ Focused geographic area ■ Entrepreneurial engagement and support ■ Lakeshore Advantage ■ Chamber of Commerce ■ SURGE program ■ Talent pool ■ Opportunity to capture TIF ■ Broad community representation and engagement ■ Engaged area businesses ■ Mentor network 	<ul style="list-style-type: none"> ■ Community College partnership ■ Infrastructure to support the SmartZone ■ Expand awareness of SmartZone ■ Use SmartZone funds to influence the City and Township infrastructure ■ Incubator space ■ Community wide high-speed Internet ■ Mobility of talent ■ MSUBI excess capacity ■ Waterfront Holland Development ■ Electric vehicles and electrification of mobility ■ Connectivity and collaboration with Universities ■ Finding/leveraging private capital for start-ups 	<ul style="list-style-type: none"> ■ Improved access to fast broadband ■ Incubation space available for entrepreneurs, researchers, start-ups ■ Expanded impact of SURGE ■ Holland is considered a “Smart City” ■ World-class, high-tech entrepreneurial ecosystem ■ Pfizer property reimaged ■ Holland waterfront redevelopment 	<ul style="list-style-type: none"> ■ Holland is a national leader in business start-ups and entrepreneurial support ■ Abundance of talent attracted to the community startups ■ High startup retention ■ Thriving ‘class leading’ innovation center

	<ul style="list-style-type: none">▪ Process to balance TIF among priorities▪ Pfizer Property		
--	---	--	--



Business Incubator Feasibility Study

Final Report

May 4, 2021

Prepared for:

Amanda Chocko, Lakeshore Advantage

Prepared by:

Drew Schmitz, Student Lead

Cate Peerbolte, Consultant

Connor Evenhouse, Consultant

Pelle Gierlach, Consultant

Rebecca Dernberger, Project Coach

Dave Van Wylen, Subject Matter Expert

Table of Contents

Executive Summary.....	3
Background and Objectives.....	4
Research.....	5
Approach.....	5
Methods & Findings.....	6
Recommendation.....	12
Appendix.....	13

Executive Summary

Lakeshore Advantage is a non-profit economic development organization that connects businesses to the resources they need to grow in Allegan and Ottawa Counties. They accomplish this by working to:

1. Maintain a robust primary business base at all stages of development
2. Tackle talent challenges to overcome barriers to growth
3. Look forward to ensure long term economic health

Through meaningful coursework, practical experiences, and mentoring, the **Center for Leadership** (CFL) guides students to discern their calling, develop their gifts, and grow as servant leaders. The CFL lives out this mission through three components:

- Academic courses that can lead to a Leadership Minor
- A Consulting Program that immerses students in addressing clients' challenges and opportunities
- A Leadership Development Program to inspire and equip student leaders at Hope

Background and Objectives

As the entrepreneurial support organization of Lakeshore Advantage, SURGE supports high-tech, high-growth startups from ideation through commercialization in West Michigan.

Up until the onset of COVID, Lakeshore Advantage delivered much of the programming at a coworking space located in downtown Holland. As they began to build momentum, they pondered the possibilities of launching a stand-alone incubator and innovation hub within the Holland SmartZone. This incubator would serve both high-tech and product startups with the ability to scale.

The objective is to conduct a feasibility study to validate the need and desire for a physical business incubator within the Holland SmartZone.

Research

Approach

In partnership with Lakeshore Advantage, the CFL consulting team's approach will be:

- **Information gathering** -
 - Entrepreneurial Needs - interview at least 20 current or past entrepreneurs that have been supported by SURGE/Holland SmartZone
 - Market Analysis - estimate the size of the target market within Ottawa and Allegan Counties, including startups and contingent workers, and any other persons considering entrepreneurship. Conduct analysis of existing successful general business incubators in the Midwest. Inventory and assess existing entrepreneurial resources in the region
 - Gap Analysis - identify entrepreneur and microbusiness needs that are not currently being met in the region, either because there is a gap or because of quality issues. Prioritize these needs by demand and likely impact and discuss approaches to meet these needs.
 - Key Partners - interview potential partners in the entrepreneurial ecosystem to get their specific feedback on the need for a physical business incubator, amenities, program and other elements that would contribute to success.
 - Location Analysis - connect with key area property owners/commercial real estate agents within the Holland SmartZone to get feedback on the need for a business incubator, suggested location and available buildings within the Smart Zone.
 - Facility Budget/Timeline - Once information gathered identify 2-3 ideal existing building locations for the incubator based on interviews and research. Develop a timeline for incubator build out from lease signing to opening to entrepreneurs.
- **Synthesis and analysis** - review findings during information gathering and assess themes, trends, lessons learned, key findings, etc.
 - Use these findings to begin formulating recommendation
 - Watch for any potential gaps or additional data needed (i.e. any duplications)
 - Walk through “concept to reality” (good idea, but will people pay for it)?
- **Formulation of recommendation** - create recommendation that Lakeshore Advantage could use to pursue funding and take action
 - Final report inclusive of:
 - Market Analysis
 - Gaps Analysis
 - Needs Assessment
 - Partner Feedback
 - Location/Facilities Recommendations
 - Buildout Budget

Methods & Findings

Entrepreneurial Needs:

Entrepreneurial needs were analyzed through interviews with local entrepreneurs and those involved in the startup community. The team divided the entrepreneurs and conducted interviews with each individual recommended by Surge. The team asked strategic questions to try to better understand the basics of what startups need to function and what can be provided by organizations like Lakeshore Advantage. The goal of this section was to cast a wide net to understand what kind of services, spaces, and programs need to be available in a vibrant startup community.

The insights we gathered for entrepreneurial needs throughout our interviews were expansive. Each of the insights were fit into sections relating to relationships or resources. Following each entrepreneurial interview we sent the participant a survey to collect more specific data on their needs (See Appendix). The survey was sent to all seventeen entrepreneurs interviewed, along with twenty five newly formulated LLC's from the past three months

Relationships:

Community and collaboration is largely important to these entrepreneurs. After our initial discussion with Amanda and **interviewing many members of the community it is clear that the incubator needs to be located downtown Holland.** It is also important that the space needs to be welcoming and allow for collaboration between start-ups. Often there is overlap with the problems and difficulties that many early stage entrepreneurs face. By creating a space for people to build relationships and hear other entrepreneurs' stories, it empowers them to push through their own difficulties. In our interviews, a large number of people voiced their desire for a space which invites conversation and collaboration between entrepreneurs. This collaborative space can result in exciting energy that will motivate entrepreneurs to pursue their company's objectives.

Many of the entrepreneurs that we interviewed have utilized the Surge Mentorship program. Each individual found a large amount of value in learning from established business leaders. The entrepreneurs of this study proved the importance of having a functioning mentoring program within the incubator.

Every successful incubator begins with the proper leader. The leader of this initiative needs to be invested and passionate about helping entrepreneurs. The entrepreneurs want to know that the leader of this space has their best interest in mind. To ensure a successful incubator, the leader needs to build strong relationships with the

entrepreneurs along with donors and partners in the community. This leader will have the responsibility of coordinating activities and daily operations within the incubator.

Resources:

West Michigan has a large number of people familiar with engineering and manufacturing. Entrepreneurs consistently voiced a need for assistance in business development resources and learning opportunities. Many entrepreneurs have spent a majority of their career working in one area of specialty (Engineer, data analytics, etc). This means that there is a gap in their abilities in other crucial areas of business including marketing, sales, taxes. Many people may have a great business model, but they don't know how to truly sell their products or services.

If the size of the incubator is large enough, having a makerspace will add value to the space. This area will allow entrepreneurs to build prototypes, design products, and create various projects. Realistically, the incubator will not have room for a full scale makerspace. However, Lakeshore Advantage should consider partnering with a larger corporation in the smart zone that would allow entrepreneurs to use the space.

Across the board, entrepreneurs voiced a need for additional capital funding. Providing access to grants and funding from investors will be a large value for start-ups utilizing the incubator. In many cases, entrepreneurs found that there aren't a large amount of investors willing to take a risk on their start-up.

Many of the entrepreneurs voiced the importance of partnering with Hope College. This relationship could create a pipeline for students who are currently entrepreneurs or have potential to become entrepreneurs in the future. Matt Baxter, CEO of Wedge mentioned the value in viewing students in every department as having a potential in becoming entrepreneurs. There can be many great startup ideas found within the music, science, and art departments. This partnership could also potentially provide a source of student intern labor opportunities and include services such as videography for start-ups.

Market Analysis:

Market analysis involved a number of key steps. The team first attempted to gain a better understanding of the entrepreneurial environment in Holland. We sought to better understand how many entrepreneurs there are and how many people are considering entrepreneurship. This proved to be a difficult task, but in conversation

with entrepreneurs and potential partners we received confident feedback that there is ample interest in a local incubator space.

The team also studied other incubators, coworking spaces, and entrepreneurship initiatives in the Holland area, around the rest of Michigan, and around the country. We wanted to understand what works, what does not work, and what our potential blindspots in our analysis are.

The market currently consists of many co-working spaces such as the Treehuis, Bakercommons, and Work-Space by MVP. Additionally there are incubators nearby, the Innovation Hub at Grand Valley State University in Muskegon and Start Garden in Grand Rapids, are both a 45 minute drive from downtown Holland.

Successful incubators provide affordable workspace, shared resources and technologies, advisory services and mentorship. They are engaging spaces in an ideal, centralized location that not only provides but creates ingenious energy.

The team also spent time learning about unsuccessful incubators. Learning what has gone wrong in this past is the best way to illuminate blindspots and bring to light what the team is not seeing. The team spoke with Ron Fleischmann, Director of Sponsored Research and Programs at Hope College. Ron spoke on an initiative at University of Wisconsin Whitewater. In the immediate aftermath of the 2008 financial crisis, the Whitewater area was hit by severe flooding. The combination of the recession and the flooding caused widespread job loss. To combat this, the university and the Wisconsin Economic Development Corporation partnered to open an incubator. The goal was to inspire people to pursue entrepreneurship as a way of diminishing the effects of all the job loss. They built a high tech \$5,000,000 campus. The problems began when entrepreneurs did not come. They simply did not have the entrepreneurial base. With an expensive building and high overhead costs the incubator began renting out space to nonprofits and other organizations not necessarily tailored to the incubator concept as a way to fill the space. The incubator also used university staff to manage and facilitate the space which led to a leadership failure. The idea of having a vibrant incubator failed.

We do not believe this Lakeshore incubator faces the same trouble as this example in Wisconsin. Holland has a big enough base of entrepreneurs that there will be interest and plenty of startups who will thrive in the incubator space. Lakeshore Advantage will also be renting space and can minimize sunk costs that crippled the Wisconsin incubator.

Gap Analysis:

Gap analysis was analyzed through matching what is needed by entrepreneurs with what already exists. The team took the insights from entrepreneurial needs and searched the greater Holland community to understand which of these needs are already met and which ones are unmet. These unmet needs are gaps that can be filled by a new incubator. There is no benefit to creating something that already exists; the desire should be for differentiation.

The gaps we found to be the most prominent are the need of mentorship and knowing who to turn to for help. Entrepreneurs expressed the importance of guidance throughout the entrepreneurial process and the need for a supportive community that welcomes failure as an opportunity for success.

The workplace has drastically changed this past year due to Covid-19, people are more comfortable working from home but are also lacking a supportive community. We found that a successful incubator must be engaging enough to bring people out of the comfortable home workspace. There must be an explicit benefit in coming to the physical space, more than just a coworking space.

A benefit to the incubator that is currently lacking is access to technologies and equipment. Entrepreneurs expressed that access to expensive machinery and prototyping equipment is invaluable in the developmental process of creating a new product or service.

Another gap identified was the support for minority and women initiatives. It was brought to our attention that the Holland business ecosystem can be hard for outsiders to break into. We see this incubator as an opportunity to welcome new growth into Holland and give outsiders the support they need to flourish here. This can be done through support groups and specially catered welcoming events for women and minorities.

Key Partners:

At the heart of any vibrant entrepreneurship community is a background of businesses and services willing to lend a hand. This key partners analysis allowed us to better understand who the key components of this network could be. It is important to have mentors and people who have gone down this path of entrepreneurship before that can help guide new entrepreneurs. It is valuable to build relationships with lawyers, accountants, digital designers, and software developers that can assist entrepreneurs. It

is also beneficial to leverage the bigger corporations located in this area that were once startups and can now provide guidance and support. A strong partner network connected to an incubator is vital to developing a vibrant entrepreneurial ecosystem.

The key partners include Hope College, MEDC, and the city of Holland.

Hope College can provide a steady stream of students interested in gaining real world experience through working for local startups. This will be a mutually beneficial relationship because students will be able to add unique experiences to their resumes, and local startups will have access to labor at a discounted rate. CFL is an excellent example of this relationship already developed. Students are able to gain real world experience from consulting for companies in the area, and local companies receive excellent consulting services at a discounted rate.

The Hope College Club, the Hope Entrepreneurship Initiative (HEI), could develop a formal partnership with Surge and Lakeshore Advantage allowing entrepreneurship-minded students to facilitate the space and services offered through the local incubator. This would create a steady flow of young entrepreneurs that could directly feed into the incubator post graduation.

The Michigan Economic Development Corporation's (MEDC) mission is to achieve long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs, and promoting Michigan's strong image worldwide.

MEDC already has a partnership with Surge and Lakeshore Advantage through the Holland Smartzone, making continued cooperation easy. Within the Holland Smartzone, MEDC can facilitate early stage funding, grant writing, and the Gateway Program that funds a subject expert to help facilitate local entrepreneurship within the Smartzone.

The city of Holland desires to keep students in the area post graduation. Having an incubator in downtown Holland is an excellent way to ensure students do not leave the Holland area post graduation.

The city of Holland will be able to service the incubator with government funding and networking access for entrepreneurs that need government connections for their businesses.

Location Analysis:

Location is crucial for a business incubator. Incubators must be located somewhere that provides energy and excitement around the space. It must be in close proximity to coffee shops, restaurants, and other social establishments that create a positive, energetic vibe. Luckily, the downtown Holland SmartZone has ideal spaces to meet this need. The team toured four spaces of different sizes and at different phases of development along 8th Street and Central Avenue.

Of the four spaces the team toured with local real estate agent Kris DePree, we believe 99 E 8th St, Floor 2 and 99 East 8th Street, STE 300 are the best choices for a local Holland incubator.

99 E 8th St, Floor 2 offers an unfinished space, giving Surge and Lakeshore Advantage the ability to develop the space into a mix of private rooms and coworking space, along with makerspace.

99 East 8th Street, STE 300 is fully finished, and has a balance of shared coworking space and private rooms, including a corner office. As well as a fully finished lounge and kitchen area.

These two spaces offer a lot more than the current location at Treehuis, while still being in the heart of downtown Holland. Local entrepreneurs have access to ample parking, with the Holland parking garage walking distance from the building location. Being on 8th Street, these two spaces are walking distance from coffee shops and restaurants, along with other entertainment downtown Holland has to offer. These two spaces are also walking distance from Hope College's campus, preserving the ease of access Treehuis enabled for Hope College Students and Faculty.

Facility Budget/Timeline:

Developing an accurate budget and timeline for implementation of recommendations was the last step of the project. The team paired historical program and event expenses with projections for rent and other space-related costs to build a budget. The budget incorporates a lot of assumptions and estimates, as many forecasts do, so should not be taken as set-in-stone but rather as guidelines and as an estimation for how much Lakeshore Advantage should be prepared to spend.

Recommendation

The Center for Leadership team recommends that Lakeshore Advantage moves forward with the development of an incubator operated by Surge. This incubator will be the hub of a robust entrepreneurship ecosystem that is in great need of a centralized location to meet, learn, and grow. Holland has both the demand and depth to the entrepreneur base that the space will be utilized and impactful.

Lakeshore advantage should go forth with securing a space at 99 E 8th Street where they will be in a central location and will have enough space to provide the services and cater to the needs of local entrepreneurs.

In the space there needs to be a focus on variety. Conference rooms should be available for group and company meetings. Phone booths should be available for private calls. A large centralized space should be stocked with mobile furniture that can support a community workspace during the day but can also be easily cleared for events.

The incubator should be sure to include a Makerspace. Having an area that allows entrepreneurs to build prototypes, design products, and create various projects is important for an incubator. Some machinery that would be useful may be too large or expensive to be feasible within the incubator. Lakeshore Advantage should leverage partnerships with larger corporations who will allow entrepreneurs to come in on specified dates to utilize CNC machines, laser cutters, or other machines that do not logically fit within the space.

Mentoring and accountability were the most important components of the incubator to most entrepreneurs surveyed. Lakeshore Advantage can leverage connections with local companies and should reach out to request a daily presence at the incubator from companies like SpinDance, TwistThink, Haworth, Gentex, Grand Angels and so forth. These connections provide valuable mentoring opportunities and ways to promote serendipitous interactions.

The revenue model for the space will be a difficult constraint. It is unlikely that payments from entrepreneurs alone will be able to keep the lights on. Lakeshore Advantage should leverage the philanthropic nature of local businesses. Programs in which local companies can “sponsor a desk” or can fund certain events will help Lakeshore Advantage pay the bills. Lakeshore Advantage can also allow local furniture companies to use their space as a showcase where companies like Haworth, Herman Miller, Steelcase, Trendway, and Fleetwood can donate furniture.

The differentiation factor is crucial for this incubator. The space cannot turn into another coworking space. The best way to manage this is to develop a thorough onboarding process that lays out expectations to entrepreneurs what the incubator will provide and how the entrepreneur is expected to act within the space. This set of expectations along with a competent, enthusiastic manager will facilitate a space that boosts the local entrepreneurial community and will differentiate the space from competitors.

Appendix

Table of Contents

Incubator Research.....	14
Entrepreneur Interviews	16
Entrepreneur Survey and Data.....	17
Partner Interviews.....	26
Physical Spaces.....	27
99 E 8th Street, Suite 200.....	27
99 E 8th Street, Suite 300.....	28
44 E 8th Street Suite 300.....	29
150 Central Avenue.....	30
Sample Budget.....	31
Sponsored Desk Concept.....	32
Expectations Agreement.....	33

Incubator Research

Start Garden, Grand Rapids

- 16,000 sq ft
- 12 reservable conference spaces, accommodating groups from 2 to 7
- 5 phone booths for individual video conferencing and phone calls
- Coffee Service by Ferris Coffee and Rowster (complimentary)
- Beer fridge sponsored by New Holland Brewing Co., cider sponsored by Farmhaus Cider, wine sponsored by Fenn Valley Winery (complimentary)
- Printer access
- Robust wifi
- Dedicated mailbox
- Reservable lockers
- Office pods are leased out according to availability and need
 - An office pod is a private enclosure with a lockable door. Each comes with tables, chairs and desk lamps. A half pod seats up to three, a full pod up to six. Renters can bring additional furniture or accessories.
- All members receive two hours a day in a conference room at no charge. Additional time is added to a member's monthly bill. \$30 for each additional hour.
- Members receive access to Startup Space where they can book a conference room ahead of time.

Pricing:

1. 5-visit punch card, \$50 (limited amenities)
2. Drop-in Membership M-F 9:00-5:00, \$150
3. 24/7 Access, \$200

Innovation Hub - Grand Valley State University, Muskegon MI

- 25,000 sq ft
- Private office, lab and industrial space rentals with 24/7 access
- Networking events and opportunities
- Business to business connectivity
- Marketing assistance
- Business coaching and mentoring
- Funding assistance
- Identifying suitable training opportunities
- Support for student internships
- Business mailbox
- Free coffee, printing, scanning, and high-speed internet

- Free meeting space for 2 to 6 people
- Phone service

Pricing:

1. Daily Float (\$10/DAY)
 - Business hours access
 - Open desk seating
 - Access to conference rooms
2. Catamaran (\$60/MONTH)
 - All the perks of Daily Float
 - Business days access
 - Discount to Hub sponsored events
 - Two hours of free conference room use per month
3. Runabout (\$100/MONTH)
 - All the perks of Catamaran
 - 24/7 access
 - Mailing address
 - Two hours of free conference room use per day
 - Promotion on Hub's website
4. Cabin Cruiser (\$125/MONTH)
 - All the perks of Runabout
 - Assigned desk

Entrepreneur Interviews

Jordan Vanderham

Charles Elwood

Hannah Rycraft

Bryce Kaiser

Nathan Arnold

Rob Hamelink

Russ Fyfe

Hugh Davis

Matt Baxter

Luciano Hernandez

Carrie Walters

Gary Krokker

Jeff King

Liz Hilton

David Wolters

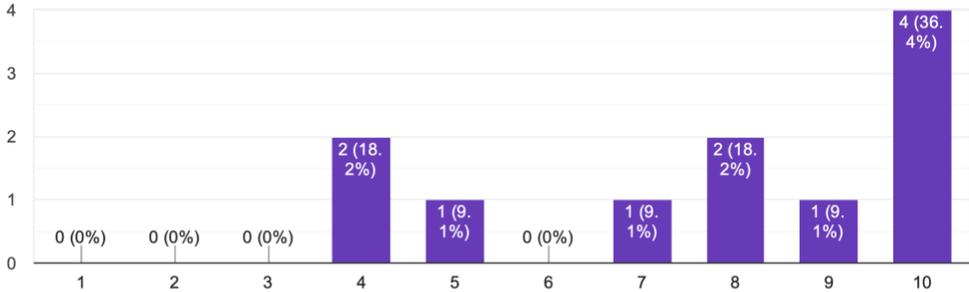
Torey Heinz

Jim TenBrink

Entrepreneur Survey and Data

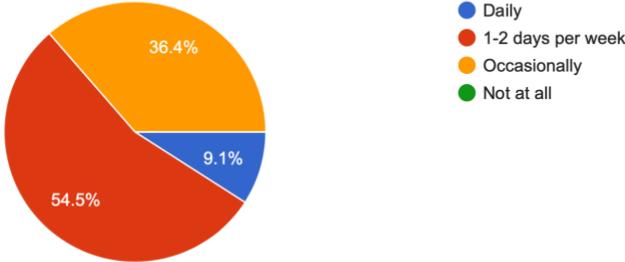
What is your level of interest in utilizing an incubator in downtown Holland?

11 responses



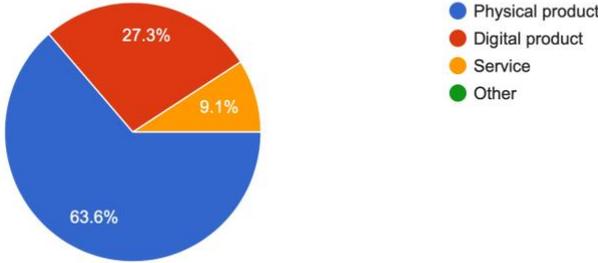
How often would you use the space?

11 responses



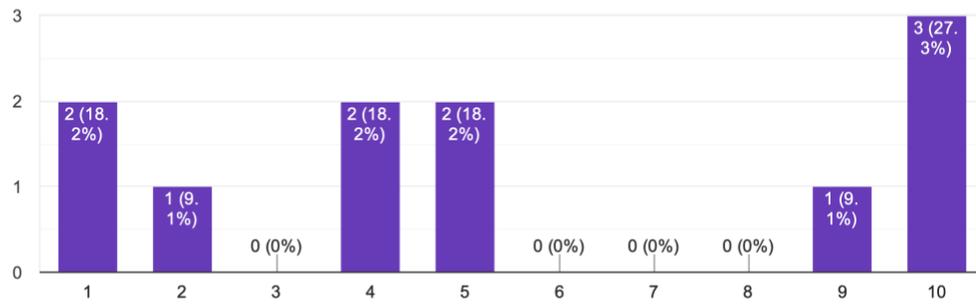
What type of company do you have?

11 responses



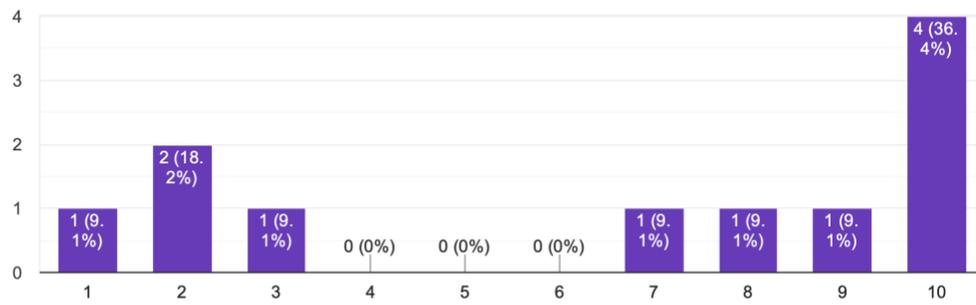
How likely are you to use community desk space?

11 responses



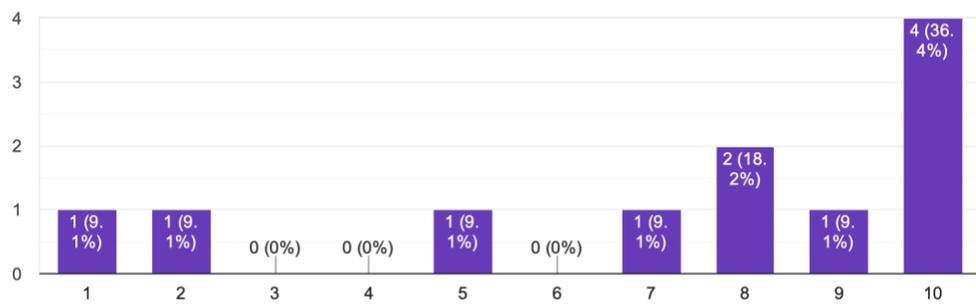
How likely are you to use private desks?

11 responses



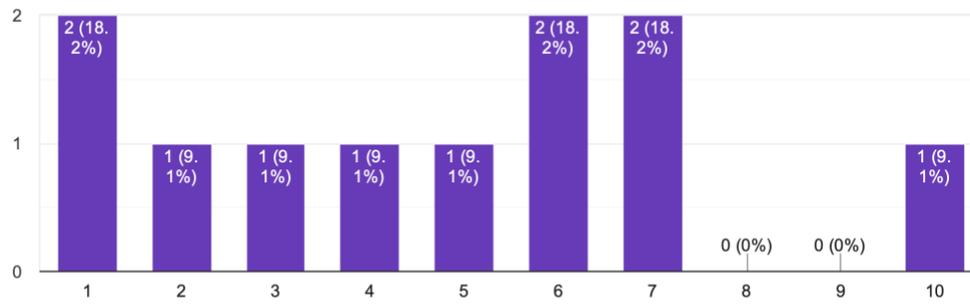
How likely are you to use conference rooms?

11 responses



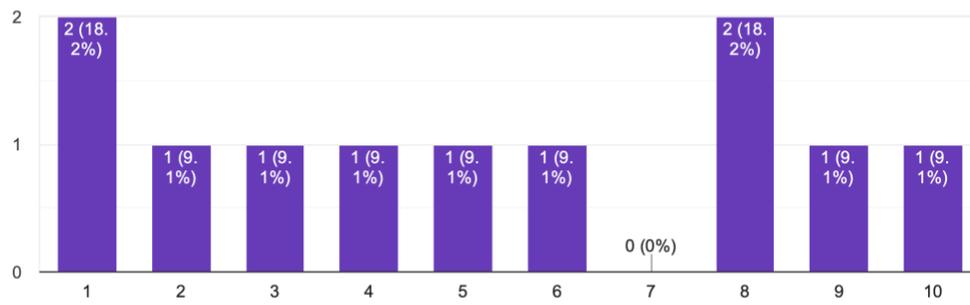
How likely are you to use an event hall/space?

11 responses



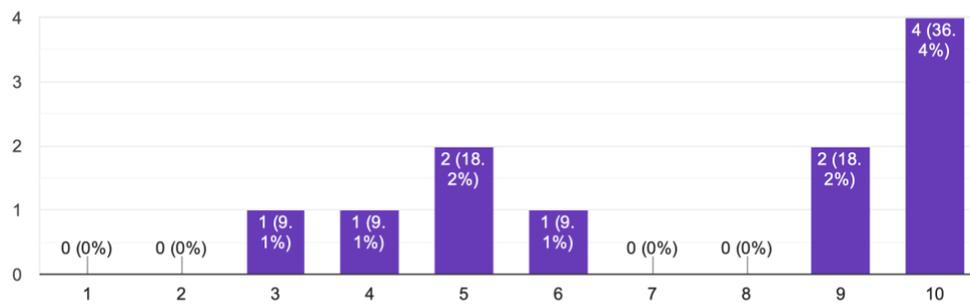
How likely are you to use a podcast/production studio?

11 responses



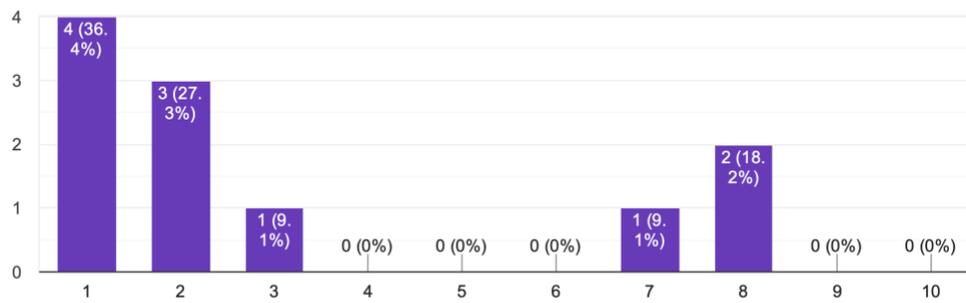
How likely are you to use a makerspace?

11 responses



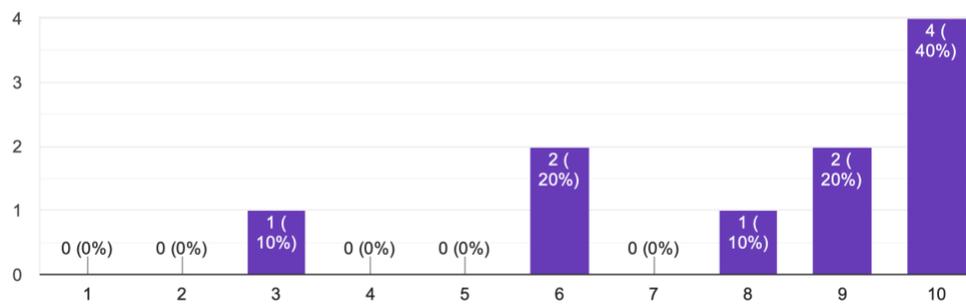
How likely are you to use a loading dock/storage space?

11 responses



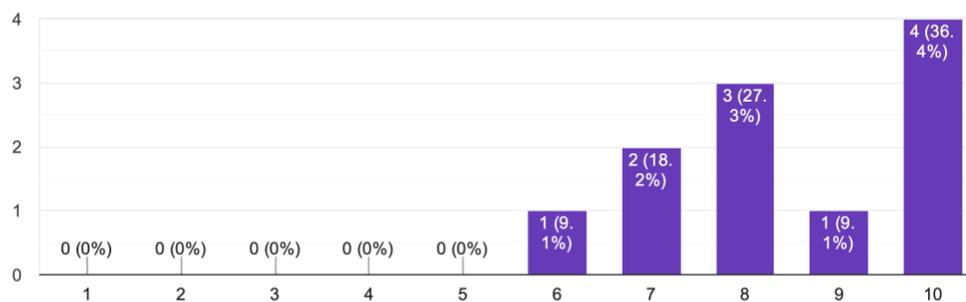
How likely are you to utilize a college partnership?

10 responses



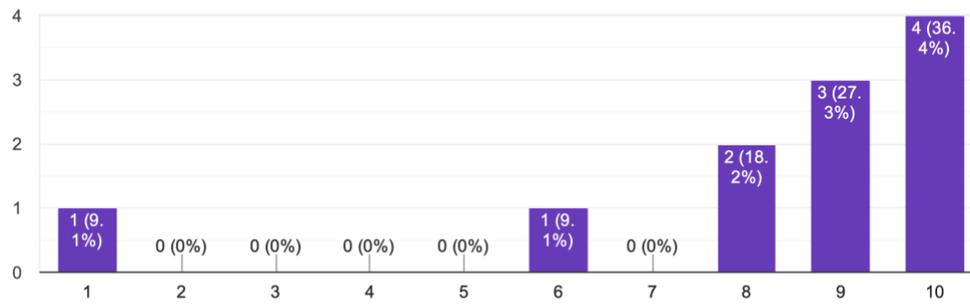
How likely are you to use personal advising/mentoring?

11 responses



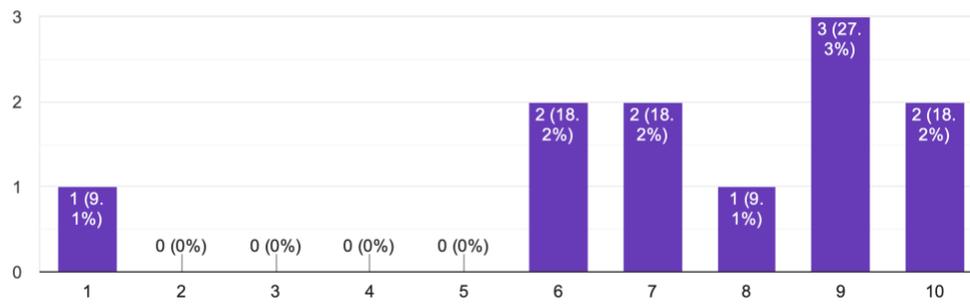
How likely are you to use legal assistance?

11 responses



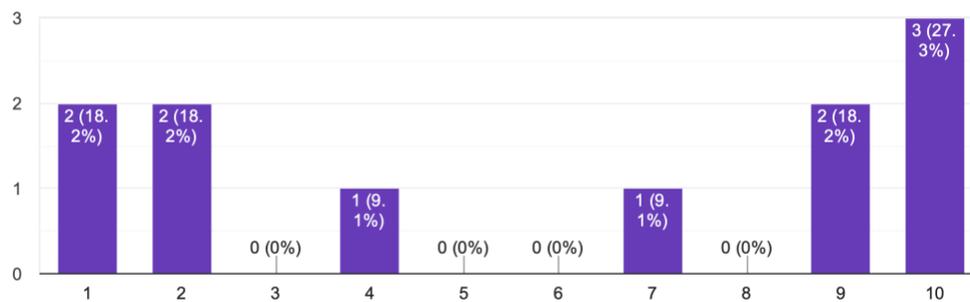
How likely are you to use branding/marketing assistance?

11 responses



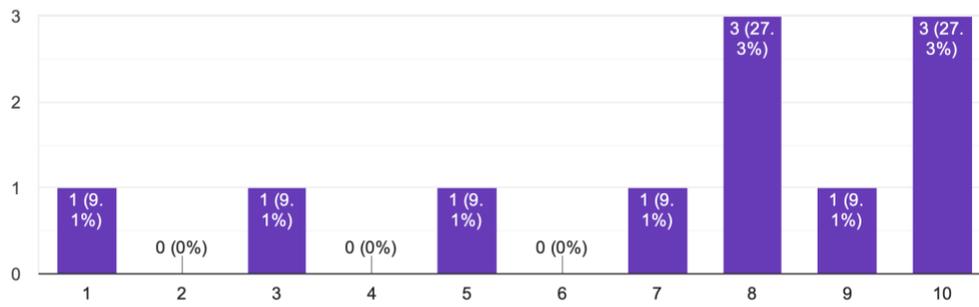
How likely are you to use mail services?

11 responses



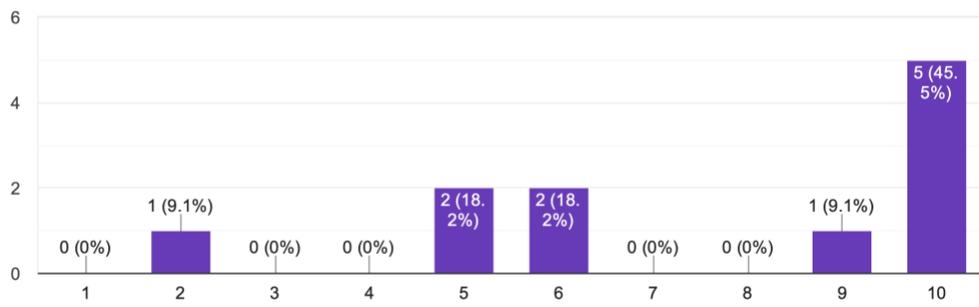
How likely are you to use capital access?

11 responses



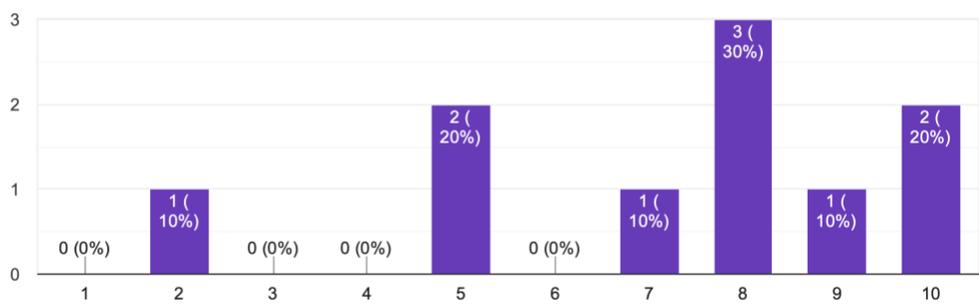
How likely are you to utilize networking events?

11 responses



How likely are you to pay for services and spaces you indicated interest in?

10 responses



Short Answer Survey Responses

#1 How has COVID19 changed your perspective of shared workspace and gatherings?

- I have an increased interest in a Holland shared workspace. More of my work is remote, seeking community.
- Not much really as long as everyone is gracious and mindful of others.
- Hasn't too much, especially as a younger guy who will soon be vaccinated
- Not opposed moving forward
- No, I'm vaccinated and am comfortable sharing space
- not at all. I am not at risk. Those who are at risk should stay home.
- It hasn't changed much.
- I no longer want to co-work every day. I would prefer to work from home most days, but once a week in a shared workspace would be nice.
- Yes, for now....but I plan on getting back to live networking events once we get herd immunity....digital tech doesn't replace the value of in person meetings yet....
- No, other than to be careful

#2 What kind of equipment should be in a makerspace?

- I have most makerspace equipment. 3D printers, lasers, but a vacuum forming machine would be awesome. reliable ink jet printer. 3D scanner. 2' x 4x cnc machine.
- Laser engraver, CNC router, 3D printer, all the usual tools. A soldering station would be awesome.
- 3-D printer, CNC, Laser engraver, Composite Equipment (Vacumme hook ups), hand tools (jig saw, drills) glue guns, graphics applicator (flat bed printer, vinyl decal cutter, sticker printer, etc)
- Unsure, but always have new ideas in my head :)
- 3-d printing machine, drill for steel, electronics equipment
- I am willing to donate my knitting machines.
- 3d printer, laser cutter, CNC, smaller tools
- Laser cutter, cnc routers, 3d printers
- 3D Printer. Software (photoshop, cad modeling, etc.) & Laser Engraver.

- 3D Printer, Routing, cutting, prototyping supplies like 80/20 extrusion, soldering iron....basically the things needed to prototype the electronics, mechanical components, and software for a product.
- 3D printer, metal tools such as drill press, metal brake, punches, small CNC. Wood tools such as band saw, also laser cutter. Basic electronic tools such as soldering, scope, and meters

#3 How much would you pay for the services you are interested in?

- \$50/month for drop in community membership
- 400/mo
- for 200-350/month, would almost definitely do it, for 350-550+ would probably still pay but would have more to consider. For \$600+ it may be tough but doable. \$1000+ probably could not be done.
- Hard to say, not likely to pay for desk space as I can park a laptop anywhere really. Legal advice, Idea sounding board may be worth more to me.
- \$50/mo
- I will pay in donating my time to help members develop their idea on the equipment I donate.
- \$500/mo. (total)
- \$200-\$500 a month depending on the range of spaces/services
- 100-150
- per month? \$150
- Market rate, see: <https://www.maker-works.com/about>

#4 Additional Comments?

- Thank you for encouraging a space like this in Holland!
- This is very exciting!
- Think this is an awesome survey and project. Excited to see where it goes. For the last question regarding payment, I don't have a great understanding of market rates so if I did a proper analysis maybe my numbers are too low. With the right amenities and some investor funding, we would probably spend up to 800.

- I live in Zeeland, and work/design/manufacture out of the basement/garage/shed, so don't necessarily need a space like this. But I would potentially use it from time to time...
- Please see the above request. I would like to discuss further.
- We have a fairly nice setup at the moment, so it may be a bit less valuable to us, but having access to the various services listed all in one location would be quite valuable. A workspace and makerspace would be most important since we are doing a lot of hardware and software stuff. Conference rooms would be very helpful as well for meetings. We are operating entirely using our own investment at the moment though, so we basically try to keep costs as low as possible.
- Phone booths for phone/video calls would be super helpful. I often avoid coworking spaces because I cannot easily step away to make a call. Start Garden has a good example of phone booths.
- the cost is an interesting one.....I think if the value is there and the connections are fruitful I would pay even more....\$150 is based on some services I purchased from Bluehost to help me create my software...they provide live support via screen share...really worthwhile.
- Thank you for doing this, let me know how I can help

Partner Interviews

Austin Tu-Tu, Hope College

Liz Hoffswell, MI SBDC

Jason Pliml, MI SBDC

Fred Molnar and Nadia Abunasser, MEDC

Mayor Nathan Bocks and City Manager Keith Van Beek, City of Holland

Smart Zone Board Members:

Scott Brooks

Ann Harten

Lakeshore Advantage Executive Committee/Committee Chairs:

Scott Spoelhof

Jennifer Remondino

Service Network Feedback:

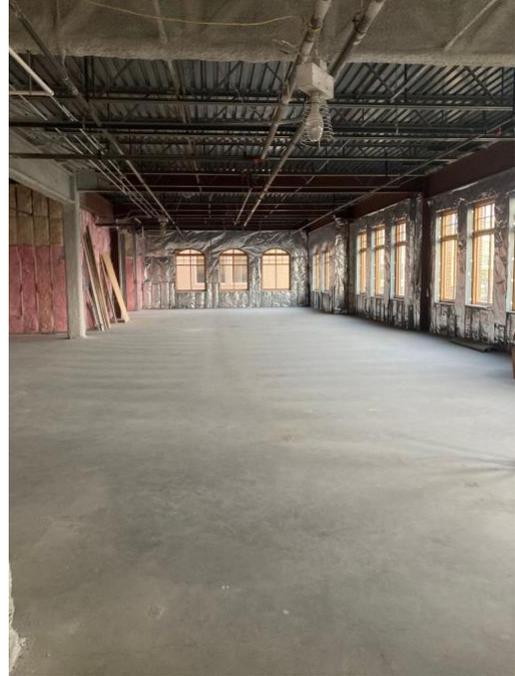
Spindance

Twist Think

Physical Spaces

99 E 8th Street, Suite 200

- 1550-4796 Square Feet
- Yearly Rent: \$31,000-\$95,920



- Completely unfinished



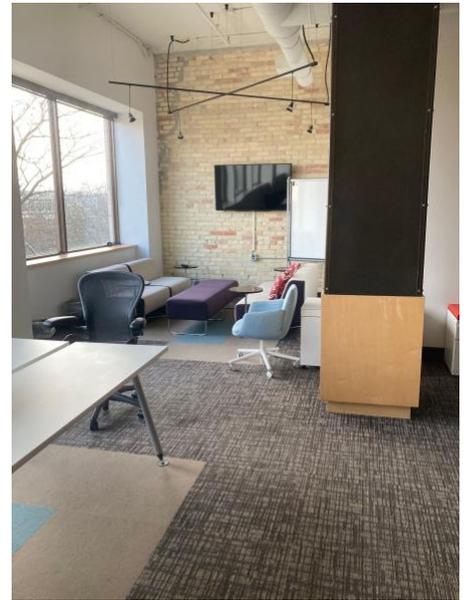
99 E 8th Street, Suite 300

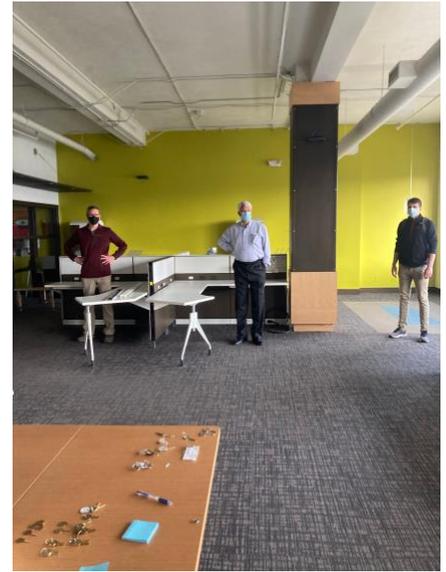
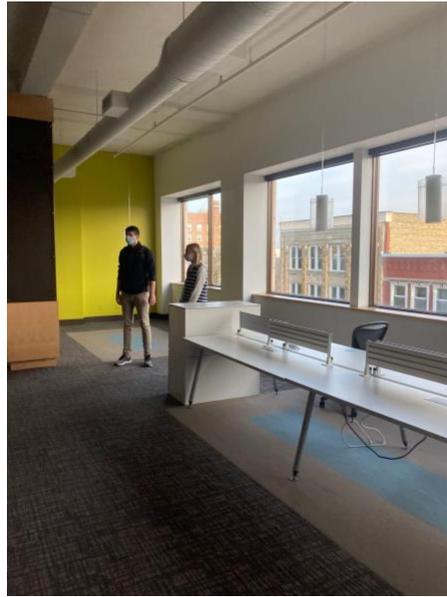
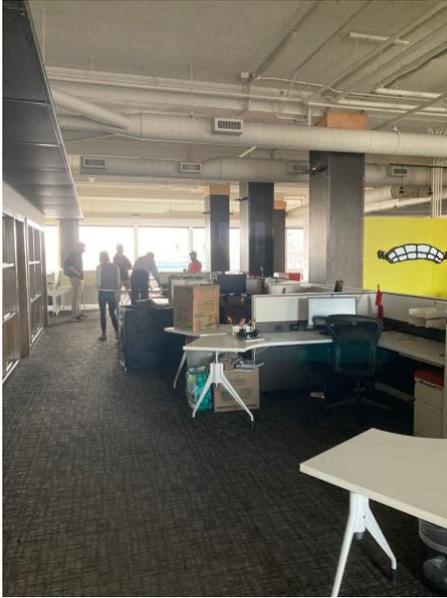
- 5,786 Square Feet
- Yearly Rent: \$112,827



44 E 8th Street Suite 300

- 2,072 Square Feet
- Yearly Rent: \$40,404
- Current Partial Tennent: Fairly Painless
 - Can negotiate them out of entire space





150 Central Avenue

- 3,268 Square Feet
- Yearly Rent: \$79,794
- Can be divided

- Partially unfinished





Sample Budget

Space	99 E 8th St, Floor 2	
Budget		
	Yr 1	Perpetual
Programming	\$ 68,520.00	\$ 68,520.00
Events	\$ 31,500.00	\$ 31,500.00
Rent	\$ 95,920.00	\$ 95,920.00
Bills	\$ 14,388.00	\$ 14,388.00
Build Out	\$ 143,880.00	\$ -
Furnishing	\$ 71,940.00	\$ -
Makerspace	\$ 14,785.00	\$ -
Manager Salary	\$ 75,000.00	\$ 75,000.00
Total	\$ 515,933.00	\$ 285,328.00

Space	99 E 8th St, STE 300	
Budget		
	Yr 1	Perpetual
Programming	\$ 68,520.00	\$ 68,520.00
Events	\$ 31,500.00	\$ 31,500.00
Rent	\$ 112,827.00	\$ 112,827.00
Bills	\$ 17,358.00	\$ 17,358.00
Build Out	\$ -	\$ -
Furnishing	\$ 86,790.00	\$ -
Makerspace	\$ 14,785.00	\$ -
Manager Salary	\$ 75,000.00	\$ 75,000.00
Total	\$ 406,780.00	\$ 305,205.00

*Programming and Events equate to 1.5x 2020 values

*Bills are an average of per foot utilities in office spaces (\$3/Sq Ft)

*Build out multiplies cost per square foot not covered by building owner

*Furnishing is an average of cost per square foot in mid to high scale commercial offices

*Makerspace includes a list of common machines

*Manager salary is the industry average for incubator manager

Sponsored Desks

The idea of sponsored desks came from a conversation with Scott Brooks. Scott echoes the belief that mentorship from local companies is one of the core components needed for success in an incubator space. Scott suggests that the incubator allow for local companies to “sponsor a desk”.

With that sponsorship comes a few responsibilities. First, the company will pay a certain amount of money to fund the incubator. This helps generate revenue and minimizes the cost burden on the entrepreneurs. Scott suggests that this does not mean the entrepreneur on the desk does not pay, however. The entrepreneur should still pay their share but the sponsoring company will take some of the overall bill of the incubator.

Second, the company will provide mentorship to the entrepreneur on their desk. This will allow companies to invest in the success of the entrepreneur and pass on the lessons they have learned. This idea works best if the incubator could match entrepreneurs with companies with a similar business model or with experience in the same industry.

Scott also believes that this will create a sense of competition and pride in your spot at the incubator. Entrepreneurs should have to apply for a sponsored desk and by being chosen it is a token of affirmation that your idea is worth a company’s time and that you have the support of a successful local company.

This sponsored desk idea minimizes the cost burden of the incubator, creates strong mentorship ties where an entrepreneur has someone truly invested in their success, and creates a sense of pride and accomplishment in being part of the incubator.

Expectations Agreement

Timothy Haines, founder of Symposia Labs in Grand Rapids, made a strong case for why a set of expectations needs to be well documented and agreed upon with new entrepreneurs in the space. The set of expectations allows the incubator to transparently communicate their goals with the space. Without expectations entrepreneurs can get the wrong idea of what the space is for and the strength of the incubator can be diminished.

In the expectations agreement the incubator should communicate their goals. It should clearly lay out that the space is about collaboration. The goal is to promote serendipitous interactions that lead to problems being solved, blindspots being revealed, and successes being shared in a community of comradery.

The incubator will lay out the services they will provide. This way the entrepreneur knows exactly what to expect and there are no disappointments.

The incubator can also explain what they expect out of the entrepreneurs. The space needs to be clean and cared for and each entrepreneur needs to respect the others in the space. Expectations such as how long you can reserve a conference room each day and how often you can have clients into the space are important to define early in the relationship.

Expectations agreements will allow for harmony between management and the entrepreneur tenants. It will make sure the goals of the space are being lived out and that no miscommunication leads to dissatisfaction in the incubator space.