



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
March 22, 2023, 12:00 p.m.
Holland City Hall, 270 S River Ave, 2nd floor Training Room**

A. Board of Directors Meeting Agenda

1. Call to Order
2. Public Comments
3. Minute Review/Approval 12.14.22 Meeting
4. SmartZone Financial Report 2.28.23
5. Application for Project Request – Lakeshore Advantage
6. Application for Project Request – City of Holland
7. FY24 Proposed Budget
8. Lakeshore Advantage SURGE Center Update
9. Adjourn
 - i. Next Meeting June 21, 2023, City of Holland City Hall



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
December 14, 2022, 12:00 p.m.**

Members Present: Peter Beukema, Marsha Bishop, Brian Burch, Vince Bush, Luciano Hernandez, Lynn McCammon, Jill Miller, Randall Schipper and Doug Zylstra

Ex-Officio Members Present: Greg Barry, Paul Sachs, and Keith Van Beek

Absent: Ann Harten, Charley Hasemann, and Mike Morin.

Lakeshore Advantage Staff: Angela Huesman, Jennifer Owens, and Bryce Kaiser

City of Holland Staff: Michelle Ferguson

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

A. Informational Meeting Agenda – started at 12:02

1. Update of goals, priorities, and projects

Angela Huesman presented the update for the SURGE program, and it was on track for entrepreneurs navigated at 62, which was their goal for the year. The SURGE center held two programs this quarter one in October that was for young professionals and another one in November for Women of Color give.

2. Public Comments/Questions

No Public Comments.



B. Board of Directors Meeting Agenda

1. Call to Order

A quorum being present the meeting was called to order at 12:08 pm

2. Public Comments

Brian asked if there were any public comment. As there were no public comments, he moved on to the first order of business.

3. Minute Review/Approval

Motion made by Peter Beukema to approve minutes from the LDFA board meeting held September 28, 2022. Supported by Randy Schipper. Motion unanimously approved.

4. SmartZone Financial Report

Lynn McCammon reviewed the financial report through November 30, 2022. Highlighted the rental line items in both revenue and expenses. Also, called out the budget amendment from last meeting for the purchase of furniture for the SURGE center. Angela Huesman also mentioned that the lakeshore advantage invoices will be going from quarterly to monthly to help with keeping the budget up to date. Administration costs originally were going to be offset by grant funds. However, the grant was closed and will not be offsetting the costs going forward.

5. Furniture Purchase Update

Angela Huesman presented that the final costs of the SURGE center furniture came in just over \$15,000. Waiting on final color selections before ordering.



6. Lakeshore Advantage SURGE Center Update

Byrce Kaiser presented on the SURGE Academy. It is a hybrid learning program for entrepreneurs. The courses are online, but they do need to come in for an in-person meeting with their coach to keep them on track. Currently they have four modules they can work through.

Angela Huesman gave an update on the SRUGE Center project. Showed the board the initial design of the building and expected to bring back revised versions for the March meeting.

7. Adjourn

Motion made by Randy Schipper to adjourn (12:40 pm). Support by Jill Miller. Motion unanimously approved.

i. Next Meeting March 22, 2023, City of Holland City Hall

Holland LDFA SmartZone

Meeting Date: March 22, 2023

Agenda Item: 4

Subject: February 28, 2023 Financial Report

Prepared By: Lynn McCammon

Recommendation: LDFA SmartZone Board approval of the Financial Report for the month ending February 28, 2023.

LDFA SmartZone Board approved the FY 2023 Budget in March 2022. Attached is the Budget Performance Report through February 28, 2023, which represents 66.67% of the fiscal year (July 1, 2022 through June 30, 2023).

Revenues

Year-to-date revenues totaled \$524,559.66, or 99% of budget. The majority of Tax Revenue is recognized by the end of February. Tennant rental income for July through February totaled \$15,858.

Expenditures

Total expenditures through February 28th totaled \$156,497.39, or 24% of budget. Variances in the contractual administrative accounts are due to timing and are expected to smooth out as the year progresses. Consistent with the prior quarter, the majority of the variance is driven by the contractual expenditures budgeted for infrastructure.

When the FY 2023 Budget was adopted, new accounts were added for Surge Rental Income (revenue) and Building Rental/Lease (expense) to track the expenditures related to the new space. These amounts flow through the billing from Lakeshore Advantage. The amounts in these categories through February represent only the first half of the year expenses due to timing of the invoices.

The \$25,000 budget amendment reflects the Board's approval of the purchase of furniture at the September 2022 meeting. The initial purchase order in the amount of \$15,300 was less than the budgeted \$25,000.

Summary

99% of revenues have been collected for Fiscal Year 2023. Tax collections should be close to complete with revenues still coming in from interest income and tenant income.

24% of expenditures have been paid. With the largest variance coming from the Infrastructure Development line items. The office furniture purchase order has been placed with the order to be final by the end of the fiscal year. Lakeshore advantage bills are completed through December 2022, leaving 50% yet to be paid. Most other expenditures have been paid for the fiscal year.



Budget Performance Report

Fiscal Year to Date 02/28/23
Exclude Rollup 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.C	Contributions from Other Govts From City of Holland	345,000.00	.00	345,000.00	5,124.45	.00	346,269.90	(1,269.90)	100	271,710.91
450582.H	Contributions from Other Govts Holland Township	157,300.00	.00	157,300.00	8,125.09	.00	131,101.37	26,198.63	83	69,419.28
480665.0	Investment Income General	2,000.00	.00	2,000.00	.00	.00	6,329.89	(4,329.89)	316	3,464.48
480665.X	Investment Income Market Adjustment	.00	.00	.00	.00	.00	.00	.00	+++	(12,560.60)
480669.SZ	Rental SmartZone Tennant Income	25,000.00	.00	25,000.00	.00	.00	15,858.50	9,141.50	63	.00
490568	Local Grant	.00	.00	.00	.00	.00	25,000.00	(25,000.00)	+++	.00
Department 000 - General Revenues Totals		\$529,300.00	\$0.00	\$529,300.00	\$13,249.54	\$0.00	\$524,559.66	\$4,740.34	99%	\$332,034.07
REVENUE TOTALS		\$529,300.00	\$0.00	\$529,300.00	\$13,249.54	\$0.00	\$524,559.66	\$4,740.34	99%	\$332,034.07
EXPENSE										
Department 240 - Smartzone										
722804.0	Contractual-Legal General	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	112.00
722805.1	Contractual-Finance Independent Audit	1,000.00	.00	1,000.00	.00	.00	1,000.00	.00	100	1,000.00
722805.3	Contractual-Finance Accounting & Budget	12,360.00	.00	12,360.00	.00	.00	12,360.00	.00	100	3,870.00
722807.C	Contractual-Architect/Engineer Infrastructure Development -City	185,479.00	.00	185,479.00	.00	.00	552.50	184,926.50	0	20,946.00
722807.H	Contractual-Architect/Engineer Infrastructure Development -HCT	62,935.00	.00	62,935.00	.00	.00	.00	62,935.00	0	2,424.00
722807.U	Contractual-Architect/Engineer Infrastructure Development	142,498.00	(25,000.00)	117,498.00	.00	.00	.00	117,498.00	0	.00
722809.61	Contractual-Misc Management Services	150,000.00	.00	150,000.00	.00	.00	75,000.00	75,000.00	50	50,000.00
722809.69	Contractual-Misc Entrepreneurial Programming	51,800.00	.00	51,800.00	.00	.00	19,409.75	32,390.25	37	38,905.82
722809.SZ	Contractual-Misc SmartZone Administrative Service	.00	.00	.00	.00	.00	.00	.00	+++	7,770.00
722809.DDA	Contractual-Misc DDA Services	8,300.00	.00	8,300.00	.00	.00	.00	8,300.00	0	7,900.00
723910.L	Commercial Insurance Premiums Liability Insurance	1,700.00	.00	1,700.00	.00	.00	1,695.00	5.00	100	1,695.00
723942.0	Building Rental/Lease General	84,000.00	.00	84,000.00	.00	.00	42,000.00	42,000.00	50	.00
723955.0	Misc. General	.00	.00	.00	.00	.00	586.68	(586.68)	+++	641.23
723955.M	Misc. Misc Marketing Events	21,000.00	.00	21,000.00	.00	.00	3,893.46	17,106.54	19	2,572.90
730970.E	Admin/Legal A&E Engineering/Architect	.00	.00	.00	.00	.00	.00	.00	+++	10,000.00
730980.0	Office Equipment/Furniture General	.00	25,000.00	25,000.00	.00	15,326.27	.00	9,673.73	61	.00
Department 240 - Smartzone Totals		\$722,072.00	\$0.00	\$722,072.00	\$0.00	\$15,326.27	\$156,497.39	\$550,248.34	24%	\$147,836.95
EXPENSE TOTALS		\$722,072.00	\$0.00	\$722,072.00	\$0.00	\$15,326.27	\$156,497.39	\$550,248.34	24%	\$147,836.95
Fund Y01 - Smartzone Fund Totals										
REVENUE TOTALS		529,300.00	.00	529,300.00	13,249.54	.00	524,559.66	4,740.34	99%	332,034.07
EXPENSE TOTALS		722,072.00	.00	722,072.00	.00	15,326.27	156,497.39	550,248.34	24%	147,836.95
Fund Y01 - Smartzone Fund Totals		(\$192,772.00)	\$0.00	(\$192,772.00)	\$13,249.54	(\$15,326.27)	\$368,062.27	(\$545,508.00)		\$184,197.12
Grand Totals										
REVENUE TOTALS		529,300.00	.00	529,300.00	13,249.54	.00	524,559.66	4,740.34	99%	332,034.07



Budget Performance Report

Fiscal Year to Date 02/28/23

Exclude Rollup Account

EXPENSE TOTALS	722,072.00	.00	722,072.00	.00	15,326.27	156,497.39	550,248.34	24%	147,836.95
Grand Totals	(\$192,772.00)	\$0.00	(\$192,772.00)	\$13,249.54	(\$15,326.27)	\$368,062.27	(\$545,508.00)		\$184,197.12



SMARTZONE

Holland Satellite SmartZoneSM Local Development Finance Authority Project Request Application Information

The Holland Satellite SmartZoneSM Local Development Finance Authority (LDFA) is pleased to offer this application for project requests. The purpose of the application is to identify opportunities to invest in projects or services that support high-technology businesses and entrepreneurs by furthering the strategic priorities of the Holland Satellite SmartZoneSM LDFA:

1. Inspiration, Mentoring, and Access to Resources;
2. Infrastructure and Physical Resources;
3. Connection and Awareness; and
4. Talent.

This opportunity is open to the public, and all applicants are welcome.

Available Funding and Structure of Awards

No minimum amount is required for submission of a proposal. The funds will be awarded as a grant; however, agreements outlining the terms and conditions of award disbursements will be structured individually with each award recipient. Payment of funds may be made on a reimbursement basis, prior to the commencement of the proposed activity, or as a combination of these two methods. The specifics of the funding structure for each grant award will be agreed upon by both parties and detailed in an agreement between the parties.

Process

1. Application Submitted to LDFA Treasurer, vinceb@hct.holland.mi.us
2. Reviewed quarterly by LDFA Executive Committee a week prior to LDFA board meeting
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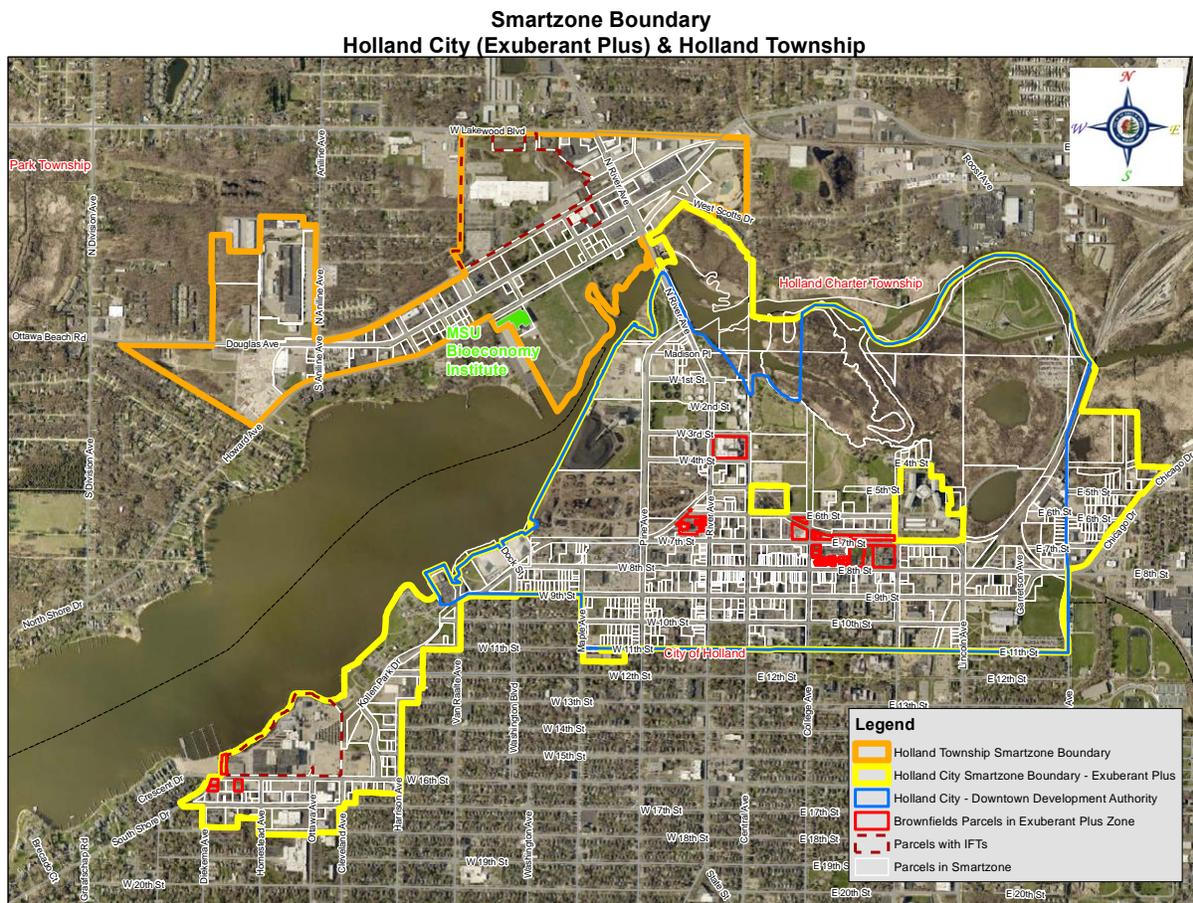
Background

SmartZonesSM are distinct geographical locations in Michigan where technology-based firms, entrepreneurs, and researchers locate in close proximity to assets, creating a cluster of community institutions. Enabled by [Michigan Public Act 281 of 1986, as amended](#) (PA 281), SmartZonesSM are an economic development tool that allows the capture of increased property tax dollars for investment within the SmartZoneSM to foster development and attraction of technology-based businesses and jobs. Additionally, SmartZonesSM promote collaboration between governments, universities, industries, and other entities. The Holland Satellite SmartZoneSM LDFA was established in 2015 by the City of Holland, Michigan State University, Holland Charter Township, and Lakeshore Advantage.

Location

The Holland Satellite SmartZoneSM has distinct boundaries as shown on figure 1.

Figure 1.



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

Eligible Activities

The SmartZone is the area from which tax increment revenue is captured, and therefore, expenditure of tax increment revenue must benefit the eligible parcels within the Zone. Projects and services can take place outside of the SmartZone but must still benefit the eligible parcels in the Zone. Generally, tax increment revenues captured in a SmartZone can be utilized for investment in: 1) support for high-tech businesses and entrepreneurs and 2) certain infrastructure improvements.

According to [Michigan Public Act 24 of 1995](#), as amended, high-technology activity consists of one or more of the following:

Advanced Computing	Engineering or Laboratory Testing
Advanced Materials	Environmental Cleanup Technology
Advanced Vehicles Technology	Film and Video
Alternative Energy Development	Medical Device Technology
Biotechnology	Music Production
Competitive Edge Technology	Pollution Prevention Technology
Digital Media	Tool and Die Manufacturing
Electronic Device Technology	

According to PA 281, expenditures may only be used to fund public facilities related to or for the benefit of eligible property within a SmartZone A 'public facility' is defined as:

1. traditional public infrastructure (streets, bridges, utilities, etc.);
2. operation, acquisition, construction, furnishing and/or equipping of private or public business incubators;
3. other public facilities that support high technology, such as laboratories, research/testing facilities, etc.; and
4. operating and planning costs, including the cost of marketing property within the Zone and attracting development to the Zone.

Strategic Priorities for Investment

The Holland Satellite SmartZoneSM LDFA will evaluate proposals in the following four areas. 1) Infrastructure: projects are sought that create shared platforms with advantages across high technology activities, tech companies, tech product development, and talent/workforce needed for those activities. 2) Collaboration: projects that involve private partners and educational institutions, and that leverage other private/public funds whenever possible, are desired. 3) Iterative: projects that provide a roadmap for investment, so that each investment is informed by what was learned in the previous stage are preferred. 4) Catalytic: projects are wanted that accelerate private/public projects already in progress and unlock future private investment.

In addition, the Holland Satellite SmartZoneSM LDFA will consider how well proposals align with their strategic priorities and special consideration will be given to projects that benefit both the City of Holland and Holland Charter Township.

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Project Application

I. General Information

Project Name: The Next Center
Legal Name of Organization: Lakeshore Advantage Corporation
Doing Business As: _____
Contact Person, Title: Angela Huesman, Chief Operating Officer
Mailing Address: 201 W. Washington Ave Loft 140
City: Zeeland State: MI Zip code: 49464
Phone: 616-772-5226 E-mail: Angela.huesman@lakeshoreadvantage.com
Number of years the organization has been providing services: 20
Type of organization: Non-Profit/Economic Development

Describe the organization's mission and provide a description of services provided to the community. Limit 250 words.

Lakeshore Advantage is a non-profit economic development organization that connects businesses to the resources they need to grow in Allegan and Ottawa Counties. We accomplish this by maintaining a robust base of businesses, at all stages of development, who grow our region's economy; tackling economic challenges and opportunities; and anticipating the future to plan for long-term economic health.

This work ensures the continued vibrancy of the region's economy and solidifies our region as a great place to live and work. We offer traditional economic development services including site location and business expansion assistance. Additionally, we work with entrepreneurs through SURGE, our business incubator, which offers startup support programming, workspace, and community to foster the growth of tomorrow's employers.

II. Project Description

Provide an overview of the proposed project/service, including the proposed timeline. Limit 450 words.

Situated at the corner of 7th and College in downtown Holland, the Next Center project is one that fulfills the long-term vision of the Holland SmartZone by creating necessary space designed for early-stage startups to grow and thrive in the lakeshore community.

The current site contains a small, cinderblock building that is used for storage but is somewhat obsolete given the surrounding developments. The proposed project includes the construction of a modern, three-story building that will serve as a beacon of innovation to the community and its visitors and a symbol of the high-tech ecosystem of startups and entrepreneurs who make the Holland SmartZone their business home.

The first floor is a business incubator that will be home to over 50 startups. It will have open-concept collaborative spaces as well as traditional conference rooms, and desks for heads-down, focused work experiences. It will also house a 50-person learning lab for workshops and seminars to be utilized by the startup and broader community.

The second floor will be the new headquarters for Lakeshore Advantage and will also contain space for second-stage companies who need to have reserved desks for their team as well as offices for partner organizations that can assist members of the incubator with hitting milestones to continue their growth.

The third floor will be a finished whitebox, ready for lease to tenants who ideally play a role in the success and growth of the ecosystem.

The current SURGE programming, taking place at 44 E. 8th St, will move to the new incubator space with continued weekly, monthly, and quarterly offerings. The Next Center will allow for more partner organizations to conduct their work onsite which will remove barriers for startups by creating access to services all in one location.

Construction is due to begin Summer 2023 and opening of the Next Center is scheduled for Fall 2024.

Describe how the proposed project/service aligns with the Holland Satellite SmartZoneSM LDFA's strategic priorities and scoring criteria. Limit 200 words.

The construction of the Next Center is aligned with the SmartZone's strategic priorities in that it results in the physical presence of a permanent incubator in the SmartZone. For the first five years of the SmartZone, business incubator activities were virtual and services were delivered through individual meetings.

Creating a dedicated space designed for startup companies and entrepreneurs to connect and experience community has been a top priority indicated by our current startups. In addition, this building will be a community asset for entrepreneurial education and business learning opportunities. The space will also help to secure partnerships with educational institutions, entrepreneurial service providers, and other community resources that help our startup companies grow into the future employers of our community.

III. Organizational Capacity

Describe the key qualifications of individuals who will carry out the project. Include any activities that would be delegated to consultants/contractors. Limit 200 words.

The initial communication of the vision for the project to secure public dollars was led by Jennifer Owens, President of Lakeshore Advantage. Chief Operating Officer of Lakeshore Advantage, Angela Huesman, and Owner's Representative, Greg Maybury will oversee the project from concept to occupancy. Greg spent 30 years as the Director of Operations and Sustainability for Hope College. Fundraising and sponsorship will be led by Beth Blanton, VP of Engagement at Lakeshore Advantage and fundraising consultant Don Goris. Construction will be managed by EV, design is led by GMB. Contracts and legal, and other area of expertise not included on the Lakeshore Advantage team will be handled by consultants as needs arise.

IV. Financial Resources Requested

Please fill out the amount requested for each year of the project and the amount of other funding anticipated in each year. If the proposed project will last more than three years, please submit an attachment detailing additional years.

	Year 1	Year 2	Year 3	Total
Total Holland Satellite SmartZone SM Funds Requested	\$633,675	\$183,162	\$183,162	\$1,000,000
Other Funding	\$4,000,000	\$5,100,000	\$	\$9,000,000
Total Project Cost	\$4,670,000	\$5,430,000	\$	\$10,300,000

Please list all other funding sources for the proposed project, including cash, grants, in-kind, donations, etc. Check whether the funds are committed or pending/planned and when they will be available. If the proposed project has more than eight other sources of funding, please submit an attachment detailing additional funding sources.

Other Sources of Funding	Committed	Available (MM/YYYY)	Pending/Planned	\$ Amount
Direct state appropriation	<input checked="" type="checkbox"/>	02/2023	<input type="checkbox"/>	\$8,000,000
Fundraising	<input type="checkbox"/>		<input checked="" type="checkbox"/>	\$520,000
Brownfield	<input type="checkbox"/>		<input checked="" type="checkbox"/>	\$780,000
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
Total Other Funding				\$9,300,000



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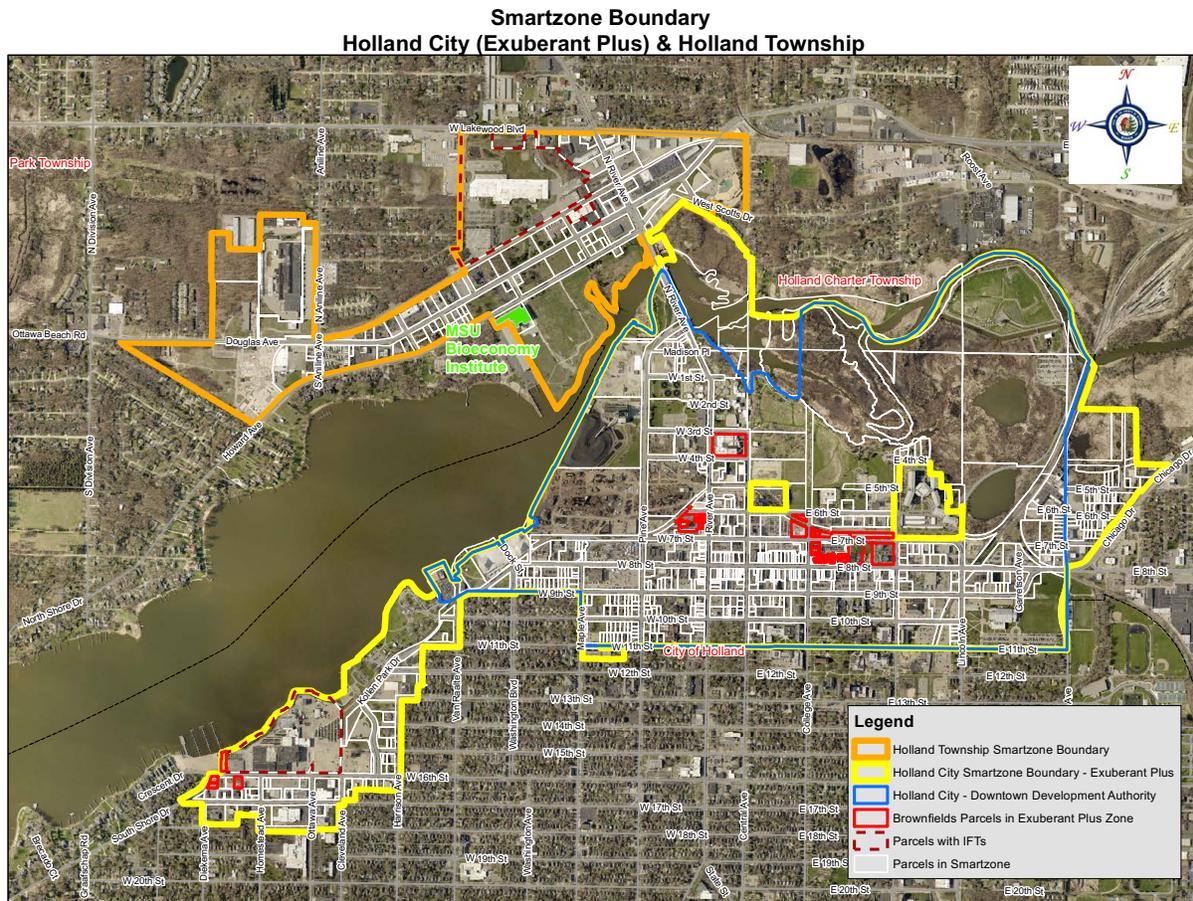
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Project Application

I. General Information

Project Name: Holland Ice Rink

Legal Name of Organization: City of Holland

Doing Business As: N/A

Contact Person, Title: Keith Van Beek, City Manager

Mailing Address: 270 S. River Ave.

City: Holland State: MI Zip code: 49423

Phone: 616-355-1370 E-mail: k.vanbeek@cityofholland.com

Number of years the organization has been providing services: 156

Type of organization: Local Government

Describe the organization's mission and provide a description of services provided to the community. Limit 250 words.

The City of Holland's mission is, "Maximize Livability." We envision a vibrant, world-class community in a beautiful lakefront environment where people work together, celebrate community, and realize dreams. In service to this mission, the City of Holland: oversees economic development and permitting; provides a wide variety of recreational opportunities through its vibrant park system; services streets and manages stormwater; responsibly manages the financial resources of the City, and so much more.

In our commitment to our mission, not only does the City of Holland provide the services expected from a municipality, but we go above and beyond to cultivate an atmosphere of constant improvement, where innovation for the benefit of our residents is expected and encouraged. Alongside the Holland Board of Public Works, the City of Holland committed to the Community Energy Plan in 2011--designed to make Holland a national leader in energy security, affordability, sustainability, and efficiency--and since its implementation we have worked diligently to make those goals a reality. In the 1990s, the City of Holland worked alongside private partners to develop the still-unmatched five-mile-long snowmelt system that keeps Downtown streets and sidewalks clear in the winter months. Together, these technologically-focused, sustainable initiatives help the environment and save City costs while positioning Holland as an extremely advantageous community for economic development.

II. Project Description

Provide an overview of the proposed project/service, including the proposed timeline. Limit 450 words.

The City of Holland plans to activate an underutilized public park for year-round recreational use and boost economic development on 6th Street with the construction of an outdoor ice rink in Downtown Holland's Window on the Waterfront. With significant investment by the City to reconstruct portions of both 6th Street and College Avenue planned for the coming years, this project will serve as a timely catalyst to increase public use of the area and inspire additional private investment in the community.

With amenities including athletic fields, a boardwalk, gorgeous flower beds, and the Sally Smoly Nature Playscape, Window on the Waterfront currently offers recreational opportunities three seasons of the year. With the addition of the planned ice rink, the park will be fully activated throughout the year as a destination and gathering place for residents and visitors alike. The design of the ice rink—a large “pond” area with ribbons of ice wrapping out around landscaped islands of greenery—will complement the natural landscape of the park while offering a skating experience unlike any other available in the region.

Although the current plans were inspired by a generous \$1.116 million gift by retired local educator Frank Kraai, planning documents illustrate that the City has been considering construction of a public ice rink in some form for well over 30 years. This project will bring those long-held community dreams to fruition while incorporating world-class design and state-of-the-art technology to make Holland's ice rink the largest and most environmentally conscious design of its kind in North America.

Through our partnership with the Holland Board of Public Works, downtown Holland's innovative snowmelt system will be installed under the sidewalks and courtyard surrounding the ice rink. Benches will also be heated in this manner, allowing for warm seating and comfortable viewing of the ice rink that will encourage extended winter visitation times to the park. Additionally, engineers are currently considering other ways to utilize green technologies to make the project as focused on sustainability as possible, including the possibility of recirculating heat from the ice rink's cooling system back into the snowmelt system itself.

This project has been met with enthusiasm by the Holland community. Fundraising is currently underway, and the City anticipates breaking ground in July 2023, with project completion anticipated by early 2024.

Holland is a thriving, diverse community that aspires to attract and retain the highest caliber of talent for local businesses. By activating Window on the Waterfront with this state-of-the-art, family-focused project and building public interest in the 6th Street corridor, the City of Holland believes that this act of placemaking will provide significant new recruitment and retention benefits to businesses in the community.

Describe how the proposed project/service aligns with the Holland Satellite SmartZoneSM LDFA's strategic priorities and scoring criteria. Limit 200 words.

The City of Holland's ice rink aligns with the Holland Satellite SmartZone LDFA's strategic priorities:

"Goal 2 - 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."

The project aligns with this goal by strengthening the Holland Satellite SmartZone LDFA's partnership with the City of Holland. This partnership is specifically mentioned in the current strategic plan as key to the future growth and success of the SmartZone.

"Goal 3 - Establish Holland as a national leader in retention of incubated companies."

Community amenities are key in supporting retention by boosting employee satisfaction. Holland is a family-friendly community that supports the recreational interests of local employees and residents. Creation of the ice rink will support this environment and further the City's placemaking goals by building Window on the Waterfront into a "third place" where people can gather throughout the year for recreational and social opportunities.

"Goal 4 - Identify infrastructure needed within the SmartZone boundaries that aligns with the goals of the SmartZone."

The long-term outcomes of this project will help traffic flow in downtown, will add parking, and will make the 6th Street area more accessible.

III. Organizational Capacity

Describe the key qualifications of individuals who will carry out the project. Include any activities that would be delegated to consultants/contractors. Limit 200 words.

Matt VanDyken, Assistant City Manager, oversees all capital improvement projects for the City of Holland and will take the lead on this project. With over 20 years on staff, Matt is a veteran City of Holland employee who has successfully led numerous large capital projects on behalf of the City over the years. Notable projects he has recently supervised from concept to completion include: a major IT system overhaul, the construction of a dog park at Van Raalte Farm Park, a \$17.1 million renovation of the City's Civic Center (2019), and the multimillion dollar City Hall suite renovations (ongoing). These projects have utilized a combination of City, private, and public grant funds.

While Matt will manage the implementation of the project, the final design and construction of the ice rink will be contracted.

IV. Financial Resources Requested

Please fill out the amount requested for each year of the project and the amount of other funding anticipated in each year. If the proposed project will last more than three years, please submit an attachment detailing additional years.

	Year 1	Year 2	Year 3	Total
Total Holland Satellite SmartZone SM Funds Requested	\$ 166,667	\$ 166,667	\$ 166,666	\$ 500,000
Other Funding	\$	\$	\$	\$ 7,500,000
Total Project Cost	\$	\$	\$	\$ 8,000,000

Please list all other funding sources for the proposed project, including cash, grants, in-kind, donations, etc. Check whether the funds are committed or pending/planned and when they will be available. If the proposed project has more than eight other sources of funding, please submit an attachment detailing additional funding sources.

Other Sources of Funding	Committed	Available (MM/YYYY)	Pending/Planned	\$ Amount
Donations - Committed	<input checked="" type="checkbox"/>		<input type="checkbox"/>	\$ 3,500,000
Donations - Pending	<input type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 3,850,000
Patronicity Crowdfunding and MEDC Matching Grant	<input type="checkbox"/>		<input checked="" type="checkbox"/>	\$ 150,000
	<input type="checkbox"/>		<input checked="" type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
	<input type="checkbox"/>		<input type="checkbox"/>	\$
Total Other Funding				\$ 7,500,000

Holland LDFA SmartZone

Meeting Date: March 22, 2023

Agenda Item: 7

Subject: Fiscal Year 2024 Budget

Prepared By: Lynn McCammon

Recommendation: LDFA SmartZone Board approval of the Holland SmartZone LDFA (Local Development Finance Authority) Fiscal Year 2024 Budget is requested.

Fiscal Year 2024 will be the eighth year taxes have been captured for the SmartZone. The Holland LDFA SmartZone initial formation as a satellite in collaboration with the City of Grand Rapids existing SmartZone, Michigan State University, Holland Charter Township and Lakeshore Advantage was acted upon when Council approved a Resolution of Intent on September 3, 2014. Numerous steps followed including legislation to extend the number of satellites across the state, with formal approval by the State on April 28, 2016 allowing the tax increment financing (TIF) capture effective in the 2016 property tax bills.

Revenues

The proposed budget anticipates \$647,500 in revenues for the fiscal year that begins July 1, 2023. This is comprised of \$617,500 TIF capture, representing a 26% increase over the prior year resulting from increasing taxable values. Tennant Income is budgeted at \$25,000 and investment income conservatively budgeted at \$5,000. Finally, Lakeshore Advantage does not anticipate any grants in FY 2024 and therefore this will not be budgeted.

Expenditures

The proposed budget includes \$1,150,532 in expenditures, including the following:

- Fiscal Services, audit and legal totaling \$15,640.
- Lakeshore Advantage Services are budgeted at \$150,000 in accordance with the contract. As noted above, any grants received will be used to offset this (but accounted for separately as a revenue item).
- Events & Programming \$78,000.
- SURGE rent of \$93,000 estimated a slight increase from the current monthly rent of \$7,000.
- DDA services \$11,000 in accordance with contract for services in Downtown Holland.
- The total amount budgeted for infrastructure includes the first year commitments for the Lakeshore Advantage project (\$633,675) and the City ice rink project request (\$166,667).

Summary

The proposed budget includes total revenues of \$647,500 and total expenditures of \$1,150,532. The net annual deficit represents a planned use of fund balance in the amount of \$503,032 to leave an ending fund balance of \$0. This methodology of budgeting available reserves is consistent with prior years as the SmartZone is limited in the amount of reserves that can be accumulated per the MEDC agreement (15% of annual budgeted revenues).

As in prior years, the infrastructure reserve is designated by City, HCT and unexpended. The fund balance classification accounts for the accumulated beginning balance plus current year additions less current year uses.

Once the LDFA Board approves the budget it will be recommended to Holland City Council and Holland Charter Township for approval.

2023-24 Holland LDFA Satellite SmartZone Budget

	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Adopted Budget	FY 23 Estimated	FY 24 Proposed Budget
Income						
City TIF Capture	\$ 163,000	\$ 214,405	\$ 271,710	\$ 345,000	\$ 346,200	\$ 450,000
Township TIF Capture	\$ 45,774	\$ 62,612	\$ 69,419	\$ 157,300	\$ 145,000	\$ 167,500
Tennant Income				\$ 25,000	\$ 15,000	\$ 25,000
Grant Reimbursement					\$ 25,000	\$ -
Investment Income	\$ 4,669	\$ 1,724	\$ (9,095)	\$ 2,000	\$ 8,000	\$ 5,000
Total	\$ 213,443	\$ 278,741	\$ 332,034	\$ 529,300	\$ 539,200	\$ 647,500
Expenses						
Accounting/Fiscal Services	\$ 3,200	\$ 3,300	\$ 3,870	\$ 12,360	\$ 12,360	\$ 14,140
Annual Audit	\$ 800	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Legal Services	\$ -	\$ 248	\$ 112	\$ 1,000	\$ -	\$ 500
Contractual Admin Services	\$ -	\$ -	\$ 7,770	\$ -	\$ -	\$ -
* Admin/Entrepreneurial Services LA	\$ 75,000	\$ 75,000	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000
SURGE Center Rent	\$ 1,800	\$ 3,600	\$ -	\$ 84,000	\$ 84,000	\$ 93,000
Events	\$ 6,405	\$ 6,847	\$ 3,214	\$ 21,000	\$ 21,000	\$ 22,000
Entrepreneurial Programming	\$ 17,431	\$ 31,415	\$ 38,906	\$ 51,800	\$ 51,800	\$ 56,000
General Liability Ins	\$ 1,710	\$ 1,695	\$ 1,695	\$ 1,700	\$ 1,700	\$ 1,750
Incubator Space Planning	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -
Unexpended Infrastructure	\$ -	\$ -	\$ 10,000	\$ 117,498	\$ -	\$ -
Capital Outlay - Furniture				\$ 25,000	\$ 25,000	\$ -
DDA Services	\$ 7,300	\$ 7,600	\$ 7,900	\$ 8,300	\$ 8,300	\$ 11,000
Infrastructure Dev-Lakeshore Adv						\$ 633,675
Infrastructure Dev-City	\$ 10,932	\$ 10,495	\$ 20,946	\$ 185,479	\$ -	\$ 166,667
Infrastructure Dev-HCT	\$ 2,088	\$ 2,568	\$ 2,424	\$ 62,935	\$ -	\$ -
Miscellaneous General	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 800
Total	\$ 126,666	\$ 151,768	\$ 147,837	\$ 722,072	\$ 355,960	\$ 1,150,532
			\$ -			
Net Surplus (Deficit)	\$ 86,777	\$ 126,973	\$ 184,197	\$ (192,772)	\$ 183,240	\$ (503,032)
Beginning Fund Balance				\$ -	\$ 319,792	\$ 503,032
Net Surplus (Deficit)					\$ 183,240	\$ (503,032)
Ending Fund Balance					<u>\$ 503,032</u>	<u>\$ -</u>