



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
December 11, 2024 12:00 p.m.
The Next Center, 65 E 7th Street Holland, MI 49423**

A. Informational Meeting Agenda

1. Public Comments/Questions
2. Update of goals, priorities, and projects

B. Board of Directors Meeting Agenda

1. Call to Order
2. Public Comments
3. Minute Review/Approval 6.19.24 Meeting
4. SmartZone Financial Report 11.30.2024
5. SmartZone FY 2024 Audit Report
6. Board Reappointment update
7. Lakeshore Advantage SURGE Center Update
8. Adjourn
 - i. Next Meeting March 19, 2025, Location The Next Center



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
June 19, 2024, 12:00 p.m.**

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

Ex-Officio Members Present: Greg Barry, Steve Bulthuis, and Keith VanBeek

Absent: Jill Miller, Fred Molnar, Paul Sachs and Scott Spoelhof

Lakeshore Advantage Staff: Amanda Chocko, Angela Huesman and Jennifer Owens

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

A. Informational Meeting Agenda

1. Update of goals, priorities, and projects

The Informational meeting was called to order at 12:03 by Peter Beukema. Angela Huesman updated the board on the next center project. Project is still on track to open late fall 2024. They will begin giving tours of the building to groups late summer 2024. Lakeshore advantage is working on recruiting tenants for the new space and is in talks with many of the startups.

2. Public Comments/Questions

With no public comments the informational meeting was closed and the board of directors meeting started.

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

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

3. Minute Review/Approval 6.19.24 Meeting

Motion made by Ann Harten to approve minutes as stated supported by Luciano Hernandez. Motion unanimously approved.

4. SmartZone Financial Report 5.31.24

Lynn McCammon gave a financial recap of revenues and expenditures through May 31, 2024; both are on track for the fiscal year. Expenditures are only at 20% due to the large projects that were approved in FY 2023, if the funds are not spent, they will carry forward to the FY 2025 budget. The Board accepted this update as information.

5. Lakeshore Advantage Contract Renewal

Angela Huesman recapped the discussion from the April 2024 meeting about the lakeshore advantage contract renewal. The items that were changed in the contract from the April meeting included changing the term from a 3-year contract to a 6-year contract. Additionally, the administration charge changed to address the new term (FY27 – FY30) and include a cost-of-living adjustment. The board has also authorized the current board chair, Peter Beukema, to sign the contract between the SmartZone and Lakeshore Advantage. Motion made by Randy Schipper to approve the lakeshore advantage contract as presented and giving Peter Beukema authority to sign the contract. Support was given by Ann Harten with all in favor.

6. Lakeshore Advantage SURGE Center Update

Amanda Chocko presented an update on the SURGE Center and highlighted their current metrics. Angela Huesman presented Brian Burch with a gift from the board as a thank you for being the board chair for the past few years. The Board accepted the update as information.



7. Adjourn

With additional time being available at the end of the meeting Peter Beukema had the board do a round table discussion to highlight events going on at their perspective jurisdictions. Meeting was adjourned at 12:47 pm.

- **Next Meeting September 18, 2024, City of Holland City Hall Training Room**

Holland LDFA SmartZone

Meeting Date: December 11, 2024

Agenda Item: 4

Subject: November 30, 2024 Financial Report

Prepared By: Lynn McCammon

Recommendation: LDFA SmartZone Board approval of the Financial Report for the five months ending November 30, 2024.

LDFA SmartZone Board approved the FY 2025 Budget in April 2024. FY 2025 revenues are budgeted at \$685,285 and budgeted expenditures total \$1,768,644. This includes a \$1,083,359 planned use of reserves allocated for projects approved in FY 2023. Attached is the Budget Report through November 30, 2024, which represents 41.67% of the fiscal year (July 1, 2024 through June 30, 2025).

Revenues

Year-to-date revenues totaled \$791,641, or 115% of budget. This is made up of Tax collections received from the City and the Township. Tax Collections for Fiscal Year 2025 start as of July 1st and continue through February 28th. Investment Income is performing strong with year-to-date totals of \$7,817, which is \$2,817 higher than the adopted budgeted amount.

Expenditures

Fiscal Year 2025 budgeted expenditures are \$1,768,644. Year-to-date expenditures through November 30th totaled \$905,863.63, or 51% of budget. The variance is primarily due to the timing of the approved projects (see below). Variances in those accounts billed by Lakeshore Advantage are also related to timing differences and are anticipated to be smoothed out by the end of the fiscal year.

Approved projects

The SmartZone Board approved \$1,000,000 for the Lakeshore Advantage project, payable as prepaid rent, and a \$500,000 contribution to the City of Holland Ice Rink project in March 2023. Both commitments will be paid over a three-year period, dependent on available cash flow. The FY 2025 budget included \$816,838 for the Lakeshore Advantage prepaid rent and \$333,334 for the ice rink. Lakeshore Advantage was paid their FY 2025 share of \$816,838 in November 2024. Based on timing of these projects, the remaining budgeted amounts will be carried over to FY 2026 which was approved as part of the FY 2025 annual budget process.

SMARTZONE BUDGET REPORT

Balance As of 11/30/2024

GL Number	Description	24-25 Amended Budget	YTD Balance 11/30/2024	Available Balance 11/30/2024	% Bdgt Used	End Balance 06/30/2024
Fund: 250 SMARTZONE FUND						
Account Category: Revenues						
Department: 000.000 GENERAL						
250-000.000-581.100	CONTRIB FROM OTHER GOVTS-CITY OF HOL	466,535.00	574,380.56	(107,845.56)	123.12	463,800.71
250-000.000-581.200	CONTRIB FROM OTHER GOVTS-HOLLAND TOW	183,750.00	202,504.31	(18,754.31)	110.21	174,998.89
250-000.000-665.000	INVESTMENT INCOME	5,000.00	7,816.98	(2,816.98)	156.34	39,948.30
250-000.000-665.900	INVESTMENT INCOME-MARKET ADJUSTMENT	0.00	0.00	0.00	0.00	10,231.51
250-000.000-667.300	RENTAL-SMARTZONE TENNANT	30,000.00	6,939.38	23,060.62	23.13	27,396.01
Total Dept 000.000 - GENERAL		685,285.00	791,641.23	(106,356.23)	115.52	716,375.42
Revenues		685,285.00	791,641.23	(106,356.23)	115.52	716,375.42
Account Category: Expenditures						
Department: 728.000 ECONOMIC DEVELOP & SUSTAINABILITY						
250-728.000-801.000	CONTRACTUAL-LEGAL	1,000.00	0.00	1,000.00	0.00	0.00
250-728.000-802.005	CONTRACTUAL-AUDIT SERVICES	1,000.00	0.00	1,000.00	0.00	1,000.00
250-728.000-805.200	CONTRACTUAL-FINANCE SERVICES	14,453.00	0.00	14,453.00	0.00	14,140.00
250-728.000-807.851	CONTRACTUAL-COH PROJECTS	612,878.00	177.50	612,700.50	0.03	1,020.00
250-728.000-807.997	CONTRACTUAL-LSA	816,838.00	816,838.00	0.00	100.00	0.00
250-728.000-809.003	CONTRACTUAL-MISC MANAGEMENT SVCS	175,000.00	43,750.00	131,250.00	25.00	150,000.00
250-728.000-809.700	CONTRACTUAL-MISC DDA SERVICES	11,550.00	0.00	11,550.00	0.00	11,000.00
250-728.000-809.850	CONT-ENTREPRENEURIAL PROGRAMMING	65,000.00	13,443.03	51,556.97	20.68	35,620.47
250-728.000-940.000	BUILDING RENTAL/LEASE	49,500.00	24,750.00	24,750.00	50.00	91,500.00
250-728.000-955.000	MISC. GENERAL	1,000.00	3.28	996.72	0.33	5,621.89
250-728.000-955.160	MISC. MISC MARKETING EVENTS	18,000.00	6,901.82	11,098.18	38.34	4,869.01
250-728.000-962.000	INSURANCE PREMIUMS	2,425.00	0.00	2,425.00	0.00	2,201.00
Total Dept 728.000 - ECONOMIC DEVELOP & SUSTAINABILITY		1,768,644.00	905,863.63	862,780.37	51.22	316,972.37
Expenditures		1,768,644.00	905,863.63	862,780.37	51.22	316,972.37
Fund 250 - SMARTZONE FUND:						
TOTAL REVENUES		685,285.00	791,641.23	(106,356.23)		716,375.42
TOTAL EXPENDITURES		1,768,644.00	905,863.63	862,780.37		316,972.37
NET OF REVENUES & EXPENDITURES:		(1,083,359.00)	(114,222.40)	(969,136.60)		399,403.05

Holland LDFA SmartZone

Meeting Date: December 11, 2024

Agenda Item: 5

Subject: FY 2024 Audit Report

Prepared By: Lynn McCammon

Recommendation: Accept FY 2024 Audited Financial Report as information

The independent auditing firm of Rehmann Robson has conducted the annual audit for the City of Holland, as required by state and local law. The Smart Zone is considered a component unit of the City and included in the City's annual audit. The auditors issued an unqualified opinion, or clean audit, indicating the City (including Smart Zone) is in sound financial condition. Separate financial statements are not prepared for the Smart Zone. The attached Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included as part of the Supplementary Information section of the complete audit, which is available on the City's website.

Balance Sheet

Total assets as of June 30, 2024 were \$1,240,421. This is a \$423,204 increase from the prior year. The increase is related to the timing of payment for the two approved projects.

Liabilities increased from \$61,217 in the prior year to \$85,017 at June 30, 2024 and represents miscellaneous vendor payments for FY 2024 that were paid after June 30, 2024.

The ending fund balance totaled \$1,155,404, representing an increase of \$399,404 from the prior year. The projects that were originally budgeted to be paid for in FY 2024 were not completed by June 30 and will therefore be moved to FY 2025. The ending fund balance will be used for the project reimbursements.

Statement of Revenues, Expenditures and Changes in Fund Balance

Year-to-date revenues totaled \$716,376, of which \$638,800 represents contributions (property taxes) from the City of Holland and Holland Charter Township. Expenditures totaled \$316,972 and represents payments for Smart Zone programming. There were no capital outlay expenditures in FY 2024 as these were deferred to FY 2025. The net increase in fund balance of \$399,404 will be available for future Smart Zone expenditures.

CITY OF HOLLAND, MICHIGAN

Balance Sheet

SmartZone Component Unit
June 30, 2024

Assets

Current assets:

Cash and pooled investments \$ 1,240,421

Liabilities

Current liabilities:

Accounts payable \$ 85,017

Fund balance

Unassigned 1,155,404

Total liabilities and fund balances **\$ 1,240,421**

CITY OF HOLLAND, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

SmartZone Component Unit

For the Year Ended June 30, 2024

Revenues

Charges for services	\$ 27,396
Contributions	638,800
Investment income	<u>50,180</u>

Total revenues

716,376

Expenditures

Current:

Economic development	<u>316,972</u>
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Net changes in fund balance

399,404

Fund balance, beginning of year

756,000

Fund balance, end of year

\$ 1,155,404

Holland LDFA SmartZone

Meeting Date: December 11, 2024

Agenda Item: 6

Subject: LDFA Board Terms Expiring 12/31/24

Prepared By: Lynn McCammon

Recommendation: Accept as information

The SmartZone Rules of Procedure originally approved by City Council and Holland Charter Township Board in October 2014 was amended in 2018 to include a limitation on the number of terms that members of the Board of Directors may serve. In December 2023, the LDFA Board of Directors approved an amendment to remove the term limit to avoid losing the institutional knowledge of directors, especially since the Smart Zone itself expires in several years. This amendment was also approved by the City of Holland and Holland Charter Township.

While there are no term limits, each term is still subject to reappointment every four years. The following terms are expiring as of December 31, 2024 and are up for reappointment:

- McCammon, City of Holland
- Hernandez, City of Holland
- Buekema, Holland Charter Township
- Bishop, Holland Public Schools



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

The regular meetings of the Holland SmartZone Local Development Financing Authority for 2025 are scheduled as follows:

Location	Date	Time
The Next Center	Wednesday, March 19 th	12:00pm
The Next Center	Wednesday, June 18 th	12:00pm
The Next Center	Wednesday, September 17 th	12:00pm
The Next Center	Wednesday, December 10 th	12:00pm

Meeting Location Address:

The Next Center	65 E 7 th St Holland, MI 49423	Conference Room
City of Holland City Hall	270 S River Ave Holland, MI 49423	Training Room



SURGE UPDATE

SmartZone Board Meeting – December 2024

66

**Entrepreneurs
Navigated**

30

Member Companies

\$2.7M

Capital Raised

New Member

- Ben Bouman – HeavyLift Direct
- Drop shipping online course
- Drop shipping car lifts + garage lifts
- Best sales since launch Cyber Monday 2024



**HeavyLift
Direct**

New Member

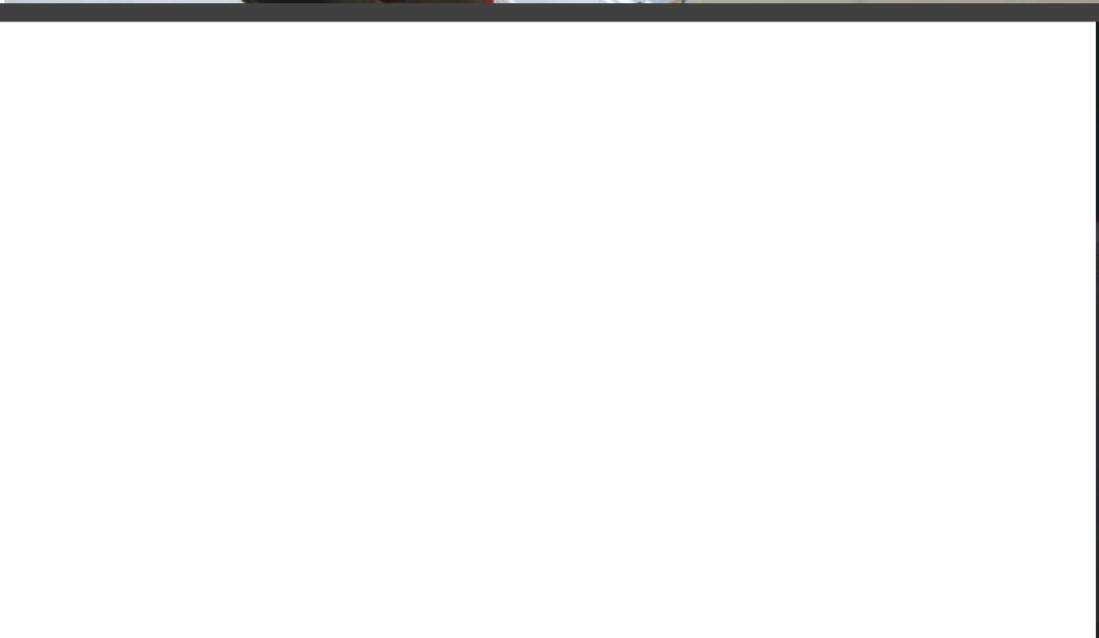
- Rebekah Bakker - OssiAudio
- Device to support hearing impaired
- BAF Recipient – MVP development



New Member

- Kurt Dykema – Three Strands Consulting
- IoT design and product development support





STARTUP MILESTONES

PROGRAMMING



Q4 Programming Included:

- Startup Clinics
- Lunch & Learns
- Ai Talks
- Holiday Happy Hour

30

Member Companies



3

2nd Floor Units Rented



4

24/7 Memberships

NEXT
CENTER
MOVE IN

Thank you!



Next Meeting – March 19th

