



**Holland Satellite SmartZone  
Local Development Finance Authority (LDFA)  
Board of Directors Meeting  
June 19, 2024  
Holland City Hall, 270 S River Ave, 2nd floor Training Room**

**A. Informational Meeting Agenda**

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

**B. Board of Directors Meeting Agenda**

1. Call to Order
2. Public Comments
3. Minute Review/Approval 4.19.24 Meeting
4. SmartZone Financial Report 5.31.2024
5. Lakeshore Advantage Contract renewal
6. Lakeshore Advantage SURGE Center Update
7. Adjourn
  - i. Next Meeting September 18, 2024, City of Holland City Hall Training Room



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

Members Present: Peter Beukema, Vince Bush, Ann Harten, Charley Hasemann, Luciano Hernandez, Lynn McCammon, Randall Schipper, Doug Zylstra, and Mike Morin

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

Absent: Marcia Bishop, Brian Burch, Jill Miller, Steve Bulthuis, Fred Molnar, and Scott Spoelhof

Lakeshore Advantage Staff: Angela Huesman and Nora Mansfield

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

**A. Board of Directors Meeting Agenda**

**1. Call to Order**

A quorum being present the meeting was called to order at 12:03 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 12.13.23 Meeting**

Motion made by Vince Bush to approve minutes as is with one change being needed to correct the spelling of Ann Harten's name. Supported by Mike Morin. Motion unanimously approved.



#### **4. SmartZone Financial Report 2.29.24**

Lynn McCammon gave a financial recap of revenues and expenditures through February 29, 2024; both are on track for the fiscal year. The Board accepted this update as information.

#### **5. FY2025 Budget**

Lynn McCammon presented the Fiscal Year 2025 Budget highlighting the major revenues and expenditures. For the revenues taxes from City and Township went up by 4.9%, tenant income and investment income were decreased for FY25 to stay conservative. For the expenditures the SURGE center rent is only for 6 months, until they can move into the NEXT Center, and the first year and second year payments for both obligated projects (Lakeshore Advantage NEXT Center and the City of Holland Ice Rink) are accounted for in the unallocated account because the SmartZone cannot carry a large fund balance at fiscal year-end. Motion to approve the Fiscal Year 2025 budget as presented was approved by Vince Bush with support from Ann Harten. Motion was unanimously approved.

#### **6. Lakeshore Advantage Contract Renewal**

The contract between the Holland SmartZone and Lakeshore Advantage was presented to the board by Angela Huesman. She informed the board that the executive committee had met the prior week to go over the contract. The board provided some input on the language and dates referenced in the contract and asked that they be updated and corrected for uniformity before asking for approval of the contract at the June 19, 2024, meeting. The board accepted this as information only with Lakeshore Advantage to correct the contract before coming back and asking for approval at the June 19, 2024, meeting.



## **7. City/Township Contract Renewal**

Lynn McCammon presented the contract for services between the Holland SmartZone and the City of Holland and Holland Charter Township. The City of Holland's Finance office has provided fiscal services to the Holland SmartZone since the inception of the Holland SmartZone and has taken over most of the administrative duties from Lakeshore Advantage. This contract is in line with the prior approved contract, with the only changes being made to account for wage increases and staff time involved. Once approved by the SmartZone board the contract will need to go to both the City of Holland and Holland Charter Township boards for approval. Motion to approve the contract between the Holland SmartZone and the City of Holland and Holland Charter Township as presented was approved by Ann Harten with support by Vince Bush. Motion was unanimously approved.

## **8. DDA Contract Renewal**

Lynn McCammon presented the contract for services between the Holland SmartZone and the City of Holland Downtown Development Authority (DDA). This contract is to help the City of Holland's DDA provide services to maintain downtown public amenities and sidewalks. The amount being asked for in the contract is approximately the amount of the DDA millage rate that is being captured by the SmartZone. Once approved by the SmartZone board the contract will need to go to both the City of Holland and Holland Charter Township boards for approval. Motion to approve the contract between the Holland SmartZone and the City of Holland DDA as presented was approved by Charley Hasemann with support by Randy Schipper. Motion was unanimously approved.

## **9. Lakeshore Advantage SURGE Center Update**

Nora Mansfield presented an update on the SURGE Center and highlighted new members and some new programs being offered by the SURGE Center. She will also start sending out an informational email to the board members to keep them apprised of ongoing events being held at the SURGE Center. The Board accepted the update as information.



## **10. Adjourn**

Peter Beukema called to adjourn the meeting at 12:59 pm.

- **Next Meeting June 19, 2024, City of Holland City Hall Training Room**

# Holland LDFA SmartZone

**Meeting Date:** June 19, 2024

**Agenda Item:** 4

**Subject:** May 31, 2024 Financial Report

**Prepared By:** Lynn McCammon

**Recommendation:** LDFA SmartZone Board approval of the Financial Report for the eleven months ending May 31, 2024.

LDFA SmartZone Board approved the FY 2024 Budget in March 2023. FY 2024 revenues are budgeted at \$647,500 and budgeted expenditures total \$1,150,532. This includes a \$503,032 planned use of reserves allocated for projects approved in FY 2023. Attached is the Budget Performance Report through May 31, 2024, which represents 91.67% of the fiscal year (July 1, 2023 through June 30, 2024).

## Revenues

Year-to-date revenues totaled \$693,335, or 107% of budget. This is made up of Tax collections received from the City and the Township. Tax Collections for Fiscal Year 2024 start as of July 1<sup>st</sup> and continue through February 29<sup>th</sup>. Final tax payments from the County were recorded in April 2024. Investment Income is performing strong with year-to-date totals of \$31,267, which is \$26,267 higher than the adopted budgeted amount.

## Expenditures

Fiscal Year 2024 budgeted expenditures are \$1,150,532. Year-to-date expenditures through May 31<sup>st</sup> are \$226,075, or just 20% 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 2024 budget included \$633,675 for the Lakeshore Advantage prepaid rent and \$166,667 for the ice rink. No payments have been made to date. Based on timing of these projects, the original FY 2024 budgeted amounts will be carried over to FY 2025 which was approved as part of the FY 2025 annual budget process.

SMARTZONE BUDGET PERFORMANCE REPORT

Balance As Of 05/31/2024

GL Number	Description	FY 2024		Available	% Bdgt Used	End Balance 06/30/2023
		Amended Budget	YTD TRANSACTIONS	Balance 05/31/2024		
<b>REVENUES</b>						
250-000.000-581.100	Contributions from Other Govts From City	450,000.00	463,800.71	(13,800.71)	103.07	350,478.17
250-000.000-581.200	Contributions from Other Govts Holland T	167,500.00	174,998.89	(7,498.89)	104.48	144,187.81
250-000.000-596.100	Local Grant	0.00	0.00	0.00	0.00	25,000.00
250-000.000-665.000	Investment Income General	5,000.00	31,267.49	(26,267.49)	625.35	17,561.57
250-000.000-665.900	Investment Income Market Adjustment	0.00	1,667.29	(1,667.29)	100.00	(1,667.29)
250-000.000-667.300	Rental SmartZone Tennant Income	25,000.00	21,600.74	3,399.26	86.40	32,529.99
Total Revenues		647,500.00	693,335.12	(45,835.12)	107.08	568,090.25
<b>Revenues</b>		647,500.00	693,335.12	(45,835.12)	107.08	568,090.25
<b>EXPENDITURES</b>						
250-728.000-801.000	Contractual-Legal General	500.00	0.00	500.00	0.00	0.00
250-728.000-802.005	CONTRACTUAL-AUDIT SERVICES	1,000.00	1,000.00	0.00	100.00	1,000.00
250-728.000-805.200	CONTRACTUAL-FINANCE SERVICES	14,140.00	14,140.00	0.00	100.00	12,360.00
250-728.000-807.851	CONTRACTUAL-COH PROJECTS	166,667.00	807.50	165,859.50	0.48	1,020.00
250-728.000-807.998	CONTRACTUAL-LSA PROJECTS	633,675.00	0.00	633,375.00	0.00	0.00
250-728.000-809.000	Contractual-Misc DDA Services	11,000.00	0.00	11,000.00	0.00	8,300.00
250-728.000-809.003	Contractual-Misc Management Services	150,000.00	112,500.00	37,500.00	75.00	150,000.00
250-728.000-809.850	CONT-ENTREPRENEURIAL PROGRAMMING	56,000.00	22,693.18	33,306.82	40.52	35,993.02
250-728.000-809.851	Contractual-Misc SmartZone Administrativ	0.00	0.00	0.00	0.00	0.00
250-728.000-809.999	Contractual-Misc Special Events	0.00	0.00	0.00	0.00	0.00
250-728.000-940.000	Building Rental/Lease General	93,000.00	66,750.00	26,250.00	71.77	84,000.00
250-728.000-955.000	Misc. General	22,800.00	5,983.11	16,816.89	26.24	6,385.03
250-728.000-962.000	Commercial Insurance Premiums Liability	1,750.00	2,201.00	(451.00)	125.77	1,695.00
250-728.000-980.000	Office Equipment/Furniture General	0.00	0.00	0.00	0.00	15,326.27
Total Expenditures		1,150,532.00	226,074.79	924,157.21	19.65	316,079.32
<b>Expenditures</b>		1,150,532.00	226,074.79	924,157.21	19.65	316,079.32
<b>TOTAL REVENUES</b>		647,500.00	693,335.12	(45,835.12)		568,090.25
<b>TOTAL EXPENDITURES</b>		1,150,532.00	226,074.79	924,157.21		316,079.32
<b>NET OF REVENUES &amp; EXPENDITURES:</b>		(503,032.00)	467,260.33	(969,992.33)		252,010.93

## **HOLLAND SMARTZONE and LAKESHORE ADVANTAGE CONTRACT**

**FOR SERVICES** (the "Contract") is made as of July 1, 2024, by and between the **HOLLAND SMARTZONE<sup>5M</sup> LOCAL DEVELOPMENT AUTHORITY** (the "Authority"), a Michigan statutory authority created by the City of Holland and Holland Charter Township, Michigan, pursuant to Act 281 of the Public Acts of Michigan of 1986, as amended ("Act 281"), with its principal offices at 270 S. River Ave., Holland Michigan 49423 and **LAKESHORE ADVANTAGE**, a Michigan not-for-profit corporation, with its principal offices at 201 W. Washington Ave, Zeeland Michigan 49464.

Pursuant to the provisions of Act 281 and its Development Plan and Tax Increment Financing Plan (the "Plans"), the Authority seeks (a) to promote, encourage, advance, and cause high technology activity (as defined in Act 281) entrepreneurship throughout the Authority District (as identified in the Plans) within the Authority's Certified Technology Park (as identified in the Plans) and (b) encourage the coordination and collaboration of entrepreneurship throughout the West Michigan region. Lakeshore Advantage has a significant background and experience in promoting, encouraging, and advancing new entrepreneurship and is willing to act as the collaborator with the Holland Satellite SmartZone on entrepreneurial services in the West Michigan region specifically to provide certain services to the Authority consistent with its Plans throughout the Authority District within the Authority's Certified Technology Park.

For one dollar and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the Authority and

201 W. Washington Ave. Loft ,110  
Zeeland, Michigan 49464

P 616.772.5226  
F 616.772.5602  
[lakeshoreadvantage.com](http://lakeshoreadvantage.com)

Lakeshore Advantage hereby agree as follows:

**1. Term.** The term of this Contract shall be for six years commencing July 1, 2024, and ending December 31, 2030 (the "Term"). It is anticipated that the term may be extended from time to time, which may be accomplished by an addendum to this Memorandum signed by both parties.

**2. Services.** Lakeshore Advantage agrees, in accordance with the Authority's Plans, to provide, market, accelerate, incubate, and provide navigator services related to high technology entrepreneurship throughout the Authority District within the Authority's Certified Technology Park (the "Services") during the Term.

**3. Measurement.** During the Term, Lakeshore Advantage shall serve as the Entrepreneurial Support Organization of the SmartZone to meet the measurements (the "Measurements") described and attached hereto as Attachment I to this Contract.

**4. Budget.** The Budget for the Services for the Term of this Contract shall not exceed the amount of \$525,000 for Services as stated above for the years from 2024-2027. For the 2027-2030 period the not to exceed amount will be revisited in 2027 and adjusted to match CPI growth as applied by the State of Michigan for adjusting taxable values for property tax purposes. Additionally, the Authority will pay Lakeshore Advantage \$1,244,000 during the Term of the contract in return for Lakeshore Advantage providing the Authority use of the Next Center for start-up incubator and related purposes from November 1, 2024 through December 2030, with payments to be made as revenue becomes available to the Authority and aligns with SmartZone's annual budget.

**5. Reporting to Authority Board.** Lakeshore Advantage shall provide a report regarding Lakeshore Advantage's activities related to performance of the Services pursuant to this Contract at each regular meeting of the Authority Board during the Term.

**6. Termination.** The Authority may terminate this Contract upon thirty (30) days written notice to Lakeshore Advantage if Lakeshore Advantage does not meet the

requirement(s) for a Budgeted Funds distribution pursuant to paragraph 5 hereof. If the Authority should terminate this Contract pursuant to this paragraph, the Authority shall forgo the in-kind services provided by Lakeshore Advantage. Lakeshore Advantage may terminate this Contract upon fifteen (15) days written notice to the Authority if the Authority does not make a distribution of Budgeted Funds to Lakeshore Advantage and Lakeshore Advantage shall be paid for its cost of performing the Services to the date of termination.

**7. Independent Contractor Relationship.** The relationship of the Authority and Lakeshore Advantage under this Contract is that of independent contractors. Neither the Authority or Lakeshore Advantage nor their respective officers, board members, employees, agents or representatives shall be deemed to be officers, board members, employees, agents or representatives of the other.

**8. Insurance.** During the Term of this Memorandum, Lakeshore Advantage agrees to obtain and keep in effect a general liability insurance policy insuring against injury to persons and damage to property caused by employees, agents or representatives of Lakeshore Advantage in the performance of the Services in the amount of \$1,000,000 occurrence and \$ 2,000,000 the annual aggregate. Such policy shall be obtained from an insurer licensed to do business in the State of Michigan, shall name the Authority as an addition or co-insured, and shall provide that the policy may not be terminated or cancelled without thirty (30) days prior written notice to the Authority. Upon request, Lakeshore advantage shall provide the Authority a copy of the insurance policy or certificate of insurance evidencing coverage.

**9. Dispute Resolution.** Before the Authority or Lakeshore Advantage may undertake any legal or equitable action pursuant to or to enforce any provision of this Contract, that party shall first notify in writing the other party of the basis for the claim and

the parties shall meet within fifteen (15) days of such notification to discuss and seek to resolve the dispute.

**10. Notice.** Any notice or communication required, permitted or desired to be given under this Contract shall be deemed effectively given when personally delivered or mailed by first-class mail addressed to those addresses first provided above to the attention of the Chair in the case of the Authority and to the attention of the Manager of Innovation Solutions in the case of Lakeshore Advantage. The parties may, by written notice, designate any future or different address to which subsequent notices or communications may be given.

**11. Governing Law.** This Contract shall be construed in all respects in accordance with the laws of the State of Michigan.

**12. Binding Effect.** The covenants and agreements herein shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

**13. Entire Agreement.** This Contract constitutes the entire agreement between the parties hereto with respect to the subject matter and there are no other representations, promises or agreements, oral or written, expressed or implied, between the parties hereto with respect to this Contract.

**14. Amendments.** This Contract may not be amended, changed, modified or altered without written approval or consent of the parties hereto.

15. **Attachments.** Any attachments attached hereto are incorporated herein as though fully stated herein.

16. **Assignment.** This Contract and the rights and obligations hereunder shall not be assignable unless both parties hereto agree, in writing to such assignment.

17. **Waiver.** The waiver of either party hereto of a breach or violation of any provision of this Contract shall not be a waiver of any subsequent breach of the same or any other provision of this Contract.

18. **Parties.** This Contract shall be enforceable only by the parties hereto and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Contract and no other person shall have the right to enforce any provision contained herein.

19. **Effective Date.** This Contract shall be effective as of the date set forth in the first paragraph hereof.

**IN WITNESS WHEREOF**, the Authority and Lakeshore Advantage have caused these presents to be signed by their respective duly authorized representatives as of the day and year first written above.

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

By: \_\_\_\_\_  
Peter Beukema, Chairperson

**LAKESHORE ADVANTAGE**

By: \_\_\_\_\_  
Jennifer Owens, President

## Attachment I

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### Measurements\*

The creation, support and execution of programs and initiatives designed to create and support technology driven entrepreneurial activity. Eligible Functions of Lakeshore

Advantage include:

- Planning, developing and implementing entrepreneurial support programming and entrepreneurial education programming that focuses on high-tech, high-growth startups,
- Marketing and event management,
- Monthly communication regarding startups, programming, event or impactful information shared with LDFA board,
- Monitoring and reporting of established program metrics and outcomes to the LDFA board, City of Holland, and Holland Charter Township.
- Attendance at Michigan Economic Development Corporation (MEDC) quarterly SmartZone meetings and,
- Grand Rapids SmartZone partnership programming and joint marketing.

\*Unless otherwise noted, the measurements listed above shall be limited to Services, as defined in this Contract, provided in the Holland Satellite SmartZone<sup>sm</sup> Authority District for the benefit of eligible property in the Holland SmartZone<sup>sm</sup> Certified Technology Park.

### Budget Schedule

Schedule of payments for the Next Center

November 2024	\$816,838
October 2025	\$213,581
October 2026	\$213,581