



Holland Charter Township

353 North 120th Avenue • Holland, MI 49424 • phone: 616.396.2345 • Fax: 616.396.2537

Memorandum

TO: Board of Trustees

FROM: Steve Bulthuis

DATE: April 29, 2024

SUBJECT: Contracts for Services with City of Holland/City of Holland Downtown Development Authority & Holland SmartZone Local Development Financing Authority FY2025 Budget Approval

Board approval of a contract outlining services to be provided by the City of Holland, with possible cost sharing with Holland Charter Township, for the Holland SmartZone Local Development Finance Authority (LDFA) as well as approval of the SmartZone FY2025 budget is requested.

The contract for fiscal services is a renewal with a term expiring on June 30, 2026. It is estimated that charges for fiscal, legal and audit services will be \$16,453 which are incorporated into the SmartZone budget. Section IV. of the document notes that other minor out-of-pocket costs will be shared with the Township. In the past eight years, there have been no charges.

FY2025 will be the ninth-year taxes have been captured for the SmartZone. A copy of the SmartZone budget is attached which anticipates \$685,285 in revenues and \$1,768,644 in expenditures for the coming fiscal year which begins July 1, 2024. The net annual deficit of \$1,083,359 will be covered by fund balance. The major expenditures include infrastructure projects, administrative services provided by Lakeshore Advantage and entrepreneurial programming/events. Also included is an expenditure of \$11,550 for services provided by the City of Holland Downtown Development Authority as detailed in the contract with that entity.

Since these are three-way agreements between the City of Holland, Holland Charter Township and the Holland SmartZone, all parties need to approve these documents. The Holland SmartZone Board approved the contracts and budget at their April 19, 2024, meeting. Holland City Council is scheduled to consider the documents on May 15, 2024.

Staff recommends approval of the FY2025 Holland SmartZone budget and contracts for service with the City of Holland and City of Holland Downtown Development Authority.

Please feel free to contact me if you have any questions concerning this matter.

**Contract for Services
Between
Holland SmartZone
The City of Holland
Holland Charter Township**

This Contract for Services is made and entered into by and between the Holland SmartZone Local Development Financing Authority (LDFA), the City of Holland and Holland Charter Township. The entities listed above may collectively be referred to as the parties to this Contract.

I. PURPOSE.

The purpose of this Contract for Services is to outline services to be provided by the City of Holland and expenses shared with Holland Charter Township to the Holland SmartZone.

II. GOVERNING BODY.

The Governing Body will consist of the signatories of the three parties listed below.

The responsibilities of the Governing Body shall include approval of this plan.

III. SERVICES.

The services that will be provided are as follows:

1. Fiscal Services to include receipt of funds, accounts payable, accounting, coordinate the independent audit, assistance with budget preparation and investing funds, but excludes payroll.
2. The City will set up a unique account number system utilizing existing financial software and the City bank accounts.
3. Annual reporting to State or other agencies.
4. Coordination and facilitation of insurance coverage.
5. Procurement services as needed consistent with the City of Holland Purchasing Ordinance.
6. Facilitate independent auditing services for the LDFA to be included and presented as a discreet component unit within in the City of Holland annual audited financial reports.
7. Board and Committee Meeting Management: The City will be responsible for agendas, meeting notifications, packet distribution, public posting and meeting minutes.
8. Board Member Management: The City will monitor board member terms and notify the member or appointing body for needed renewal or new appointment. The City will also facilitate orientation of new board members, offboarding board members, and ensure Executive Committee positions are reappointed every two years.

9. Annual Budget Approval: The City, in partnership with Lakeshore Advantage, will prepare the initial budget request for review by the LDFA board and ensure the final budget is submitted to the Holland City Council and Holland Charter Township Board of Commissioners for approval.
10. Governing Documents: The City will facilitate the annual review of the TIF Plan, Business Plan and Rules of Procedure. Any changes proposed by the LDFA board will be submitted to the Holland City Council and Holland Charter Township Board of Commissioners for approval.
11. Infrastructure Funding: The City will be responsible for intaking project submissions and recommending annual budget targets.
12. Legal assistance/reviews: The City will facilitate the engagement of legal counsel on an as-needed basis as directed by the LDFA board.
13. Public website updating and management: The City will be responsible for maintaining the website, including all public information related to actions of the board as required per Public Act 57.
14. Freedom of Information Act (FOIA): The City will serve as the designated FOIA officer for the SmartZone. All applicable rules and fees of the City will apply to the SmartZone FOIA response activities.

IV. CHARGES FOR SERVICES.

The City of Holland will estimate the hours and charge a fee based on hourly rates for staff similar to the way fiscal services are charged to other entities such as MAX and Library. Minor out of pocket costs for fiscal services or other services will be shared with Holland Charter Township. All fees for auditors, insurance, legal or other substantive costs will be paid by the LDFA as part of its budget.

V. TERM.

This agreement shall begin as of July 1, 2024 and shall remain in effect until June 30, 2026.

VI. IDEMNIFICATION.

Each part hereby indemnifies and saves the other Parties harmless from and against any and all liabilities, damages, expenses, causes of action, suits, claims or judgments arising from the act or negligence of said first Party.

VII. MODIFICATION.

Modifications within the scope of this Contract for Services shall be made by mutual consent of the parties, by the issuance of written modification, signed and dated by all parties, prior to any changes being performed.

In witness whereof, the parties hereto have executed this Contract as of the last date written below.

By: _____
Peter Beukema
Chairman, Holland LDFA Board

Date: _____

By: _____
Nathan Bocks
Mayor, City of Holland

Date: _____

By: _____
Terry Nienhuis
Supervisor, Holland Charter Twp.

Date: _____

2024-25 Holland LDFA Satellite SmartZone Budget

	FY21 Actual	FY22 Actual	FY23 Actual	FY 24 Adopted Budget	FY 24 Estimated	FY 25 Proposed Budget
Income						
City TIF Capture	214,405	271,710	350,478	450,000	451,850	466,535
Township TIF Capture	62,612	69,419	144,188	167,500	168,350	183,750
Tennant Income			32,530	25,000	30,000	30,000
Grant Reimbursement			25,000	-	-	
Investment Income	1,724	(9,095)	15,894	5,000	20,000	5,000
Total	278,741	332,034	568,090	647,500	670,200	685,285
Expenses						
Accounting/Fiscal Services	3,300	3,870	12,360	14,140	14,140	14,453
Annual Audit	1,000	1,000	1,000	1,000	1,000	1,000
Legal Services	248	112	-	500	500	1,000
Contractual Admin Services	-	7,770	-	-	-	-
* Admin/Entrepreneurial Services LA	75,000	50,000	150,000	150,000	150,000	175,000
SURGE Center Rent	3,600	-	84,000	93,000	93,000	49,500
Events	6,847	3,214	5,284	22,000	15,000	18,000
Entrepreneurial Programming	31,415	38,906	35,993	56,000	55,000	65,000
General Liability Ins	1,695	1,695	1,695	1,750	2,201	2,425
Incubator Space Planning	8,000	-	-	-	-	-
Capital Outlay - Furniture			15,326	-	-	
DDA Services	7,600	7,900	8,300	11,000	11,000	11,550
Infrastructure (LSA)	-	10,000		633,675	-	816,838
Infrastructure (City)	10,495	20,946	1,020	166,667	-	333,334
Infrastructure (HCT)	2,568	2,424	-	-	-	-
Infrastructure (Unallocated)						279,544
Miscellaneous General	-	-	1,102	800	1,000	1,000
Total	151,768	147,837	316,080	1,150,532	342,841	1,768,644
		-				
Net Surplus (Deficit)	126,973	184,197	252,010	(503,032)	327,359	(1,083,359)

**Contract for Services
Between
Holland SmartZone
The City of Holland
Downtown Development Authority**

This Contract for Services is made and entered into by and between the Holland SmartZone Local Development Financing Authority (LDFA) and the City of Holland, by and through its Downtown Development Authority (DDA). The entities listed above may collectively be referred to as the parties to this Contract.

I. PURPOSE.

The purpose of this Contract for Services is to outline services to be provided by the DDA to the Holland SmartZone in order to enhance Downtown Holland in an amount not less than the DDA millage amount to be captured in the SmartZone and will be entered into on an annual basis to ensure continued vibrancy and attractiveness to potential technology entrepreneurs.

II. GOVERNING BODY APPROVAL.

The Governing Bodies of the City of Holland and Holland Charter Township must approve LDFA contracts. Holland Township signs this Contract solely to signify its consent to same. The City of Holland signs below to signify its consent and its agreement to be bound by the Contract.

The responsibilities of the Governing Bodies shall include approval of the plan described below.

III. SERVICES. The services that will be provided are as follows:

1. Development and implementation of a working plan with an emphasis on streetscape refreshment including but not limited to replacement of wayfinding signs, planter urns and landscaping beds in order to maintain a quality sense of place.
2. General maintenance costs to keep the sidewalks and public amenities downtown in good repair.
3. Contribution for community promotions including but not limited to events and seasonal decoration of downtown Holland.

IV. CHARGES FOR SERVICES.

The charges for DDA services for FY2025 will be \$11,550 and the FY2026 amount will be determined and approved as part of the FY2026 budget. It is further understood that DDA charges services for FY2024 which have already been provided will be paid in FY2024 as budgeted (\$11,000).

V. TERM.

This agreement shall begin as of July 1, 2024 and shall remain in effect until June 30, 2026.

VI. IDEMNIFICATION.

Each part hereby indemnifies and saves the other Parties harmless from and against any and all liabilities, damages, expenses, causes of action, suits, claims or judgments arising from the act or negligence of said first Party.

VII. MODIFICATION.

Modifications within the scope of this Contract for Services shall be made by mutual consent of the parties, by the issuance of written modification, signed and dated by all parties, prior to any changes being performed.

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By: _____ Date: _____
Peter Beukema
Chairman, Holland LDFA Board

By: _____ Date: _____
Nathan Bocks
Mayor, City of Holland

By: _____ Date: _____
Brenda Katerberg
Clerk, City of Holland

By: _____ Date: _____
Terry Nienhuis
Supervisor, Holland Charter Twp.