
**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

MEMORANDUM

Date: July 27, 2022

To: Quentin L. Messer Jr., President and Chief Executive Officer
Michigan Economic Development Corporation

From: Fred Molnar, Senior VP, Entrepreneurial Services and Innovation
Rob Garza, Manager, Statutory Analysis

Subject: Lansing Regional SmartZone (SZ) Tax Increment Financing (TIF) and
Development Plan Amendment Request

Summary

The Lansing Regional SZ is seeking the approval of an amended TIF and Development Plan (Plan) which includes an additional 5 years of State Tax Increment Revenue (TIR) capture. The Michigan Economic Development Corporation (MEDC) and the Lansing Regional SZ entered into an agreement effective November 30, 2005, with school tax capture beginning after January 1, 2007, and commencing for 15 years ending on December 31, 2021.

The city of Lansing and the city of East Lansing comprise the Lansing Regional SZ and approved the amended TIF and Development Plans via resolution on June 13, 2022, and May 24, 2022, respectively. The Joint Local Development Finance Authority (LDFA) for the cities of East Lansing and Lansing approved the amended TIF and Development Plan April 20, 2022.

Tax Increment Financing Plan Summary

The amended plan anticipates tax capture for the 5-year extension will be \$2,452,359 consisting of state TIR only. The extension of tax capture will begin in 2022 and will continue for 5 years. The original plan anticipated total tax capture over 15 years at \$5,349,408 with approximately \$3,347,285 in school tax capture and \$2,002,123 in local tax capture. Actual capture for the SZ through fiscal year 2022 is \$1,746,085 consisting of only school tax capture. Ratification by Treasury that allowed the Lansing Regional SZ to capture state school tax capture ended December 31, 2021, and, as shown above actual capture was far lower than the original projection.

Actual TIR generated over the first 15 years of the plan was significantly lower because the city of Lansing properties, originally anticipated to generate a total of \$2,912,574, never had an assessed value that exceeded the base value established in 2007. If the assessed property tax values of the city of Lansing properties generate positive TIR, then the appropriate state and local TIR will be collected by the LDFA for use by the Lansing Regional SZ.

The city of East Lansing properties experienced an increase in assessed value, but not at the rate originally anticipated. The original Plan reflected no local TIR contribution from the downtown portion of the city of East Lansing properties due to the Downtown Development Authority (DDA) having the priority for local tax capture. The easternmost portion of the East Lansing properties are also within the DDA boundary, although no local capture was identified because the city wanted to have the option to support a project not associated with the SmartZone with local tax capture. MEDC program and legal staff are



comfortable with the interpretation that Act 57 (effective January 1, 2019) allows for this opting out of local tax capture. Furthermore, staff feels the performance of the SmartZone, as well as its anticipated future performance, is sufficient to proceed without the local capture from these properties.

Staff was concerned about the greater Lansing ecosystem and the working relationship between the SmartZone partners (LEAP, MSU, MSU Foundation). Staff believes there was a lack of communication between the partners that impacted the overall performance of the SmartZone. Staff requested the three entities come together and define through a MOU what activities fall to each partner in the formation of an early-stage tech company. Staff is satisfied that the MOU is integrated into the amendment and has clearly defined LEAP, MSU and MSU Foundation responsibilities, which will allow the Lansing Regional SmartZone to perform in a more efficient and comprehensive manner.

The Lansing Regional SZ has identified a 5-year budget that totals \$2,502,360 and is comprised of the proposed property tax capture and sponsorship/fundraising. Regularly occurring annual costs that are anticipated over the 5-year extension period include Accelerator and Incubator services; attraction, retention, and marketing services; and LDFA administration.

The original plan anticipated the creation of approximately 1000 high-tech jobs. As of June 2022, approximately 1,264 high-tech jobs have been created in the SZ since inception. Approximately 598 technology-based businesses have been assisted and 84 have been located or expanded within the Lansing Regional SZ over the first 15 years. The amended plan identifies the creation of 350 high-tech businesses and 350 associated high-tech jobs over 55 years. Staff is satisfied that the projections are reasonable based on past and current performance.

Recommendation

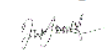
Based on the approval of the SZ designation request and completion of the statutory requirements of the TIF and Development Plans, staff recommends the following:

1. Approval of 25% of the new State Tax Capture, while maintaining the last TIF year from the original TIF plan as the funding base, for the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq., and by local and intermediate school districts for up to 5 years, unless a re-evaluation by MEDC and Treasury staff determines that a different level of support is warranted.

Approval Authority- Act 281 Briefing Memo

Michigan Economic Development Corporation

DocuSigned by:



By: Quentin L. Messer, Jr.

Its: President and Chief Executive Officer

7/27/2022

Date

Attachments:

Lansing Regional SmartZone TIF and Development Plan

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

SmartZone Tax Increment Financing (TIF) Extension Application

Michigan SmartZones, allowed under Act 57 of Michigan of 2018 as amended, provide distinct geographical locations where technology-based firms, entrepreneurs and researchers locate in close proximity to all of the community assets that assist in their endeavors. The Act allows for a certified technology park to capture Tax Increment Revenue (TIR) for an additional 5 years upon approval by the state treasurer and the president of the Michigan Economic Development Corporation (MEDC) contingent upon the authority agreeing to additional reporting requirements and a modification of its TIF plan to include regional collaboration.

The SmartZone TIF extension process will begin with MEDC consideration of the SmartZone TIF extension request. The MEDC will then enter into a formal agreement with the SmartZone to extend tax capture contingent upon MEDC leadership support. Finally, documentation will be submitted to Treasury for ratification contingent upon MEDC leadership support.

SmartZone Information

Lansing Regional SmartZone

SmartZone Name

Past Performance

Year Tax Capture Began	<div>2007</div>	Year Agreement Signed	<div>2006</div>
High-Tech Jobs Projected	<div>1,000</div>	High-Tech Jobs Created	<div>1,264</div>
Anticipated State TIR	<div>\$3,347,285</div>	State TIR Collected	<div>\$810,859</div>
Initial Taxable Value	<div>\$57,863,295</div>	Current Taxable Value	<div>\$82,158,950</div>
Current Reporting Cycle	<div>LRSZ Annually (Gateway program semi-annual)</div>		
Current Reporting Due Date(s)	<div>LRSZ January 1 (Gateway September 30 and March 31)</div>		
Number of Ongoing Research Projects	<div>10</div>		
Number of Completed Research Projects	<div>31</div>		
Number of Ongoing Commercialization Projects	<div>22</div>		
Number of Completed Commercialization Projects	<div>105</div>		
Amount of Investments by the SmartZone	<div>53,624,368</div>		



Number and Type of Businesses Assisted (attach additional pages if necessary)

Type	Businesses Assisted
Technology	598
Nontechnology	44
Total	642

Number and Type of Businesses locating or expanding (attach additional pages if necessary)

Type	Businesses Located or Expanded
Technology	84
Nontechnology	0
Total	84

Primary Contact Information

Primary Contact

Organization

Mailing Address

City State Zip

Phone Email


Please provide the type, amount and status of all financial incentives previously awarded by the Michigan Economic Development Corporation (MEDC)

MEDC has provided company investments in the form of grants, SBIR matches, and other entrepreneurial support totaling \$4,826,024. In addition, the MEDC provided \$750,000 in funding to address the Technology Innovation Center debt related to the original buildout.

2. Required Application Attachments

TIF and Development Plan (the plan should include the following):

- ☐ Business plan establishes a clear strategy for long-term growth and self-sufficiency
- ☐ Budget which includes the proposed use of TIF revenues
- ☐ Past Performance:
 - Compliance with Agreement, including but not limited to, reporting fully and timely
 - Number and type of businesses assisted
 - Number and type of businesses locating or expanding
 - Number and type of jobs created/retained
 - ☐ Average wage by type
 - ☐ High tech job impact on the region and state
 - ☐ Nature and extent of any nontechnology businesses operating within the zone.
 - Number of on-going and completed research projects
 - Number of on-going and completed commercialization projects
 - Amount of investments by Zone and companies assisted by Zone
 - Use and outcomes of any state money and TIF made available to the zone
 - ☐ Revenues received
 - ☐ Expenses paid by type of funding
 - ☐ Fund balances
 - ☐ The amount and maturity date for all outstanding obligations
 - ☐ The amount paid on outstanding obligations
 - ☐ A list of all the parcels included in each TIF district allocation area and the base assessed value and incremental assessed value for each parcel in the list
- ☐ An analysis of the Zone's overall contribution to the technology-based economy in Michigan and the region to be provided by the SmartZone
- ☐ Plan for future performance
 - The proposed use of the Tax Increment Financing fund for the extension by year including map identifying targeted parcels for growth within existing boundaries
 - Demonstration of Regional Cooperation and local support, including but not limited to, interlocal agreements, local planning strategies highlighting SmartZone focus, and required local approvals
 - Submission of an updated business plan with a clear strategy for growth during the extension period and how they will continue to attract specific high-tech business. This will include information on how the institution of higher education will be involved in the implementation of this plan. Demonstration of administrative capacity to continue to implement the business plan and how the zone will transition to become self-sufficient.

DocuSigned by:

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6/28/2022

SmartZone Applicant Signature

Date

**If you have any questions,
please contact Fredrick Molnar,
Entrepreneurship and Innovation
molnarf@michigan.org**

**THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITIES OF LANSING AND EAST LANSING**

**RESOLUTION RECOMMENDING APPROVAL OF THE
TAX INCREMENT FINANCE AND DEVELOPMENT PLAN**

At a regular meeting of the Local Development Finance Authority of the Cities of Lansing and East Lansing, Michigan, held on April 20, 2022, at 3:00 p.m., pursuant to notice duly given:

PRESENT: Luke Hackney, James Tischler, Ben Bakken, Jessy Gregg, Thomas Fehrenbach, Dave Washburn, Charles Hasemann, Richard Pugh, Jon Laing, Teri Bernero

ABSENT: Derrell Slaughter, Dori Leyko

The following preamble and resolution were offered by:

Member: James Tischler

Member: Charles Hasemann

WHEREAS, the Michigan Legislature enacted Act 57 of 2018 to consolidate specific tax increment financing Acts into one recodified Act (the "Act"), including Public Act 281 of 1986, as amended, which promotes the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the Local Development Finance Authority of the Cities of Lansing and East Lansing (the "LDFA") has been established by the City Council of the City of Lansing and the City Council of the City of East Lansing; and

WHEREAS, on December 11, 2006 and December 5, 2006, the City of Lansing and the City of East Lansing, respectively, adopted a resolution approving the Tax Increment Financing and Development Plan (the "Plan") for the Lansing Regional SmartZone, and now wish to amend the Plan and extend it for an additional five (5) years; and

WHEREAS, the LDFA staff has duly reviewed such Plan and has found it to be in compliance with the provisions of the Act and also recommends approval of the Plan; and

NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF LANSING AND EAST LANSING, AS FOLLOWS:

1. The amended LDFA Tax Increment Financing and Development Plan for the Lansing Regional SmartZone in the form filed herewith is hereby approved by

the LDFA pursuant to provisions of Act 57, Public Acts of Michigan, 2018, as amended.

2. The LDFA Board hereby requests that the Lansing and East Lansing City Councils, after required notification as specified by the Act, hold public hearings in consideration of this matter, and subsequently approve the Plan.

YEAS: Luke Hackney, James Tischler, Ben Bakken, Jessy Gregg, Thomas Fehrenbach, Dave Washburn, Charles Hasemann, Richard Pugh, Jon Laing, Teri Bernero

NAYS: None

ABSTENTIONS: None

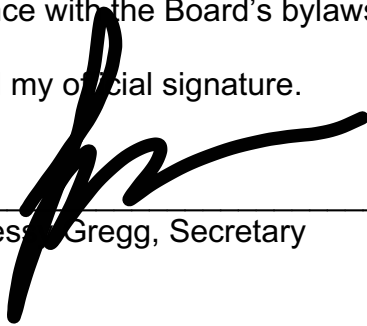
ABSENT: Derrell Slaughter, Dori Leyko

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
)SS.
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a special meeting of the Local Development Finance Authority of the Cities of Lansing and East Lansing held on the April 20, 2022, and said resolution is on file in the office of the Lansing Economic Development Corporation and the East Lansing Department of Planning, Building, and Development and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board's bylaws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature.



Jessy Gregg, Secretary

**CITY OF EAST LANSING
EAST LANSING CITY COUNCIL**

**RESOLUTION TO APPROVE THE AMENDED LOCAL DEVELOPMENT FINANCE
AUTHORITY TAX INCREMENT FINANCING AND DEVELOPMENT PLAN FOR
THE LANSING REGIONAL SMARTZONE**

WHEREAS, the City of Lansing and the City of East Lansing are authorized by the provisions of Act 57, Public Act of Michigan, 2018, as amended ("Act 57") to jointly operate the Local Development Finance Authority of the Cities of Lansing and East Lansing ("the Authority"), County of Ingham, Michigan, which exercises its powers within an Authority District designated by the Cities (the "Authority District"); and

WHEREAS, on December 11, 2006 and December 5, 2006, the City of Lansing and the City of East Lansing, respectively, adopted a resolution approving the Tax Increment Financing and Development Plan (the "TIF Plan") for the Lansing Regional SmartZone; and

WHEREAS, on April 18, 2022, the Authority board voted to approve an amendment to the TIF Plan and extend it for an additional five (5) years; and

WHEREAS, the Cities of Lansing and East Lansing now wish to amend the TIF Plan and extend it for an additional five (5) years; and

WHEREAS, the Board of the Authority has requested that if after proper hearing on the matter and consideration that the respective City Councils approve the proposed amendments that they be forwarded to the Michigan Economic Development Corporation (the "MEDC") and State Treasurer for approval; and

WHEREAS, the proposed amendments to the Authority's TIF Plan include:

- A description of the TIF Plan, including the method of relocating individuals/families who may be displaced in the area
- A map and description of the property to which the TIF Plan applies
- The anticipated tax capture if the term of the TIF Plan is approved by the MEDC and State Treasurer
- Such other information as is required by Act 57; and

WHEREAS, The City of Lansing portion of the boundaries of the property to which the TIF Plan applies can more generally be described as all real and personal property within an area bounded by Collins Road to the east, Dunkel Road to the south, I-496 to the west, and the City of Lansing boundary to the north and northeast; and

WHEREAS, The City of East Lansing portion of the boundaries of the property to which the TIF Plan applies can more generally be described as real property within the area defined by the East Lansing Downtown Development Authority District per Ordinance 1106, with the exception of properties north of Grand River Avenue and east of Collingwood Drive.

WHEREAS, the proposed amendments to the TIF Plan do not alter the district boundaries established in 2006; and

WHEREAS, the maps, plats, and a description of the TIF Plan, including the method of relocating individuals/ families who may be displaced from the area, and a map and description of the property to which the TIF Plan applies, are on file in the Office of the City Clerk of the City of East Lansing and available for public examination; and

WHEREAS, notice of the public hearing on the proposed adoption of the amendment to the TIF Plan was published by the City Clerk in the Lansing State Journal on April 29, 2022 and the City Pulse on May 11, 2022 to provide the public with the fullest opportunity for expression of public opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the amendment to the TIF Plan; and

WHEREAS, the City Clerk mailed notice of the public hearing to the governing body of each taxing jurisdiction levying taxes subject to capture in the City of East Lansing if the amendment to the TIF Plan was adopted; and

WHEREAS, on May 10, 2022, the City Council for the City of East Lansing adopted a resolution to hold a public hearing in connection with amending the TIF Plan as required by Act 57, to allow for any resident, taxpayer, or ad valorem taxing unit the right to appear and be heard; and

WHEREAS, on May 24, 2022, the City Council for the City of East Lansing, has held a public hearing, and all aspects of the TIF Plan were open for discussion at the public hearing; and

WHEREAS, the City Council for the City of East Lansing determined that the amended TIF Plan constitutes a public purpose and meets all of the requirements as established by Act 57.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The City Council for the City of East Lansing approves the amended Local Development Finance Authority Tax Increment Financing and Development Plan for the Lansing Regional SmartZone.
2. The Clerk is hereby directed to provide a copy of this Resolution to the Local Development Finance Authority for the Cities of Lansing and East Lansing.

Moved by Council member: Gregg

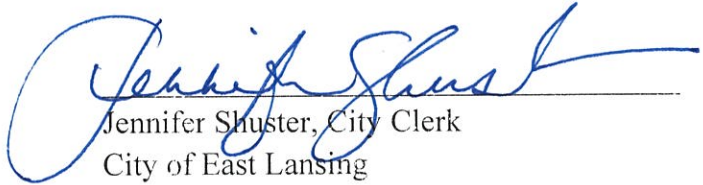
Supported by Council member: Watson

ADOPTED: Yeas: 5
Nays: 0
Absent: 0



Mayor Ron Bacon
Dated: May __, 2022

CLERKS CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the East Lansing City Council at its meeting held on Tuesday, May 24, 2022, the original of which is part of the Council's minutes.



Jennifer Shuster, City Clerk
City of East Lansing
Ingham and Clinton Counties, Michigan

Approved as to form:

/s/ Anthony Chubb
Anthony Chubb, Esq.
East Lansing City Attorney

Resolution #2022-179

By the Committee on Development and Planning
Resolved by the City Council of the City of Lansing

**Resolution to Adopt the Amended Tax Increment Financing and Development Plan for
the Lansing Regional SmartZone**

WHEREAS, the City of Lansing and the City of East Lansing are authorized by the provisions of Act 57, Public Act of Michigan, 2018, as amended ("Act 57") to jointly operate the Local Development Finance Authority of the Cities of Lansing and East Lansing ("the Authority"), County of Ingham, Michigan, which exercises its powers within an Authority District designated by the Cities (the "Authority District"); and

WHEREAS, on December 11, 2006 and December 5, 2006, the City of Lansing and the City of East Lansing, respectively, adopted a resolution approving the Tax Increment Financing and Development Plan (the "TIF Plan") for the Lansing Regional SmartZone; and

WHEREAS, the Authority on April 20, 2022, approved the TIF Plan for the Lansing Regional SmartZone in accordance with Act 57 and recommends approval by the City Councils of the Cities of East Lansing and Lansing; and

WHEREAS, Lansing City Council has reviewed the Plan and has provided a reasonable opportunity to interested persons to express their views and recommendations regarding the Plan in accordance with Act 57, Public Act of Michigan, 2018; and

WHEREAS, public hearing notices on the proposed Plan were published in the manner as required by Act 57, Public Act of Michigan, 2018 prior to the Lansing City Council giving consideration to the resolution adopting the Plan; and

WHEREAS, all taxing jurisdictions that levy taxes under the Act were notified of the public hearing regarding the Plan, informed of the fiscal and economic implications of the Plan, and provided a reasonable opportunity to express their views and recommendations in accordance with Act 57, Public Act of Michigan, 2018; and

WHEREAS, Lansing City Council held a public hearing on June 13, 2022 to receive comments on the proposed Plan in accordance with Act 57, Public Act of Michigan, 2018; and

WHEREAS, the Cities of Lansing and East Lansing now wish to amend the TIF Plan and extend it for an additional five (5) years.

NOW THEREFORE BE IT RESOLVED, Lansing City Council deems that the TIF Plan is in compliance with the provisions of the Act and further finds: the plan constitutes a public purpose; the proposed method of financing public facilities is feasible, the development is reasonable and necessary to carry out purposes of Act 57; the amount of captured assessed value estimated to result from adoption of the plan is reasonable; the

development plan is in reasonable accord with the approved master plan of the municipality; and the public services, such as fire and police protection and utilities, are adequate to service the properties.

BE IT FURTHER RESOLVED, that the Lansing City Council hereby approves for the amended TIF Plan.



Chris Swope, CIMMC/MMC
Lansing City Clerk.

I hereby certify that the foregoing is true
and is a complete copy of the action
adopted by the Lansing City Council.

**AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION OF
THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE
CITIES OF LANSING AND EAST LANSING**

The City of Lansing, State of Michigan (“Lansing”), and the City of East Lansing, State of Michigan (“East Lansing”) (collectively the “Cities”), enter into this Agreement (the “Agreement”) as of June 29, 2022, pursuant to the authority granted to them by 2018 PA 57, as amended (“Act 57”).

PREMISES

WHEREAS, the Cities are authorized by the provisions of Act 57 to create a multi-jurisdictional local development finance authority in order to encourage local development to prevent conditions of unemployment and promote economic growth;

WHEREAS, the Cities have determined that it is in the best interests of the residents of their respective communities to establish a local development finance authority to eliminate the conditions of unemployment, underemployment and joblessness and to promote economic growth in Lansing and East Lansing; and

WHEREAS, the City Councils of the Cities have acted to establish the “Local Development Finance Authority of the Cities of Lansing and East Lansing” (the “Authority”) which exercises its powers within an Authority District designated by the Cities (the “Authority District”); and

WHEREAS, under Act 57 the Authority may exercise its powers in a certified technology park which may comprise all or a portion of the Authority District, and the Cities wish to enter into this Agreement to establish certain provisions regarding the members of the Authority Board and operation of the Authority; and

WHEREAS, the Cities entered into an agreement on May 3, 2005, regarding operation of the Authority and wish to amend and restate said agreement.

NOW, THEREFORE, the Cities agree as follows:

1. **Authority Board; Appointments.** The governing body of the Authority (the “Authority Board”) shall consist of 13 members, appointed as follows:

(a) The Mayor of the City of Lansing shall appoint, subject to the approval of the City Council, three (3) members of the Authority Board. One member appointed by the City of Lansing shall be a representative of the Michigan State University Foundation.

(b) The Mayor of the City of East Lansing shall appoint, subject to the approval of the City Council four, (4) members of the Authority Board. One member appointed

by the by the City of East Lansing shall be a representative of the Michigan State University Innovation Center.

(c) One (1) member who shall be appointed by the Ingham County Board of Commissioners.

(d) One (1) member who shall be appointed by Lansing Community College

(e) Two (2) members who shall be appointed by the East Lansing Public School District. The school district representatives shall only vote on matters relating to the authority district located within their respective local unit of government.

(f) Two (2) members who shall be appointed by the Lansing School District. The school district representatives shall only vote on matters relating to the authority district located within their respective local unit of government.

2. **Authority Board; Terms and Removal.**

(a) Members of the Authority Board shall serve for terms of four (4) years expiring June 30th. However, upon expiration of a member's term, the member appointed shall continue serving as a member of the Authority Board until the appointment of their successor.

(b) An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only.

(c) Subject to notice and an opportunity to be heard, a member of the Authority Board appointed pursuant to Sections 1(a), (b), (c), (d), (e), or (f) above may be removed before the expiration of his or her term for cause by the governing body appointing the member. Removal of a member appointed pursuant to Sections 1(a), (b), (c), (d), (e), or (f) above is subject to review by the circuit court.

3. **Budget, Financial Records of the Authority, Audit.** The Authority staff shall annually prepare and submit by April 30 for the approval of the Authority Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information generally required of the municipal departments of the Cities. Before the Authority Board may adopt the budget, it must first be approved by the City Councils of the Cities. The Authority Board shall submit annual financial reports to the Cities at the same time and on the same basis as required of municipal departments. The Authority shall be audited annually by an independent auditor and copies of the audit report shall be filed not later than November 30 after the close of the fiscal year with the Cities and, if required by Act 57 or any other law, with the State Tax Commission and with any other entity as may be required by state law or agreement entered into by the Authority. All financial records of the Authority shall be open to the public pursuant to the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, as amended.

The budget of the Authority shall allocate tax increment revenues received pursuant to an approved tax increment financing plan on a pro rata basis based upon the actual tax increment revenues received from captured values of property located in each City with the sole exception of funds allocated to a rising-tide fund. The rising-tide fund will be an annual allocation of 10% of total annual tax increment revenues for use in either of the Cities irrespective of where the revenue was captured. Rising-tide fund shall be used consistent with the adopted tax increment financing plan of the Authority and to the extent allowed by Act 57. The rising-tide funds shall be included in the annual budget approved by the Cities.

4. **Powers of the Board.** The Authority Board shall have and exercise all of the powers vested in it by Act 57 and all of the general powers that may be exercised by a Michigan public body corporation as provided by law, except that the Authority may only exercise its powers relating to in a Certified Technology Park designated in an agreement made with the Michigan Economic Development Corporation under Act 57.

5. **Appointment of Directors and Officers.** Subject to the prior separate approval of the City Councils of the Cities, the Authority Board may employ and fix the compensation of the director, and such other officers as provided by Act 57. The director shall serve at the pleasure of the Authority Board. A member of the Authority Board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath of office and shall furnish bond in an amount determined by prior separate resolution of the City Councils of the Cities. Except as otherwise provided in this Agreement, the director shall have all the powers and duties as provided by Act 57.

6. **Dissolution of the Authority.** The Authority may be dissolved and this Agreement may be terminated by resolution of the City Council of either City. Prior to the dissolution becoming effective, all expenses and liabilities of the Authority must be paid and all obligations issued by or on behalf of the Authority must be satisfied, retired or defeased. Thereafter, the Authority shall distribute and convey all real property rights and interests owned by the Authority in Lansing to the City of Lansing, and all real property rights and interests owned by the Authority in East Lansing to the City of East Lansing. All other tangible and intangible assets of the Authority, other than unexpended tax increment revenues, shall be distributed and conveyed by the Authority between Lansing and East Lansing, after any adjustment required to compensate for any shortfall reimbursement pursuant to section 3 of this Agreement, on a pro-rata basis based over the period the Authority captured tax increment revenues, on the aggregate captured values of property located in each city that was subject to the Authority's tax increment financing plan for purposes of determining tax increment revenues. All unexpended and unencumbered tax increment revenues of the Authority upon dissolution shall be remitted to each taxing jurisdiction in proportion to their millage subject to capture.

7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

8. **Severability.** If any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or

unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

9. **Execution in Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed and all of which shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to and may be appended to any other counterpart.

IN WITNESS WHEREOF, the Cities have caused this Agreement to be duly executed as of the date first written above.

CITY OF LANSING


By 

Its: Mayor


CITY OF EAST LANSING

By 

Its: Mayor


By 

for Its: Clerk

By 

Its: Clerk

Approved as to form


Gregory S. Venker P81780





Parties

This Memorandum of Understanding (MOU) is between the Michigan State University (MSU) Innovation Center, MSU Foundation and its affiliates, the Lansing Regional SmartZone (LRSZ)/Joint Local Development Finance Authority (LDFA) and the Lansing Economic Area Partnership (LEAP), collectively known as the “Partners.” The MOU describes their understanding of each party’s individual or shared roles in developing and executing programs related to SmartZone economic development in the Lansing Region.

Introduction and Background

- LEAP
 - Has a long and successful track record of economic development in the Lansing Region and runs several essential and impactful programs, including those focused on entrepreneurship development, company recruitment, and site selection.
 - A major component of LEAP’s activities serves entrepreneurs throughout the region and provides programs that help make them successful. Historically, LEAP has provided services related to technology-based entrepreneurship, including management of the LRSZ, given the proximity to MSU and regional entrepreneurship with a focus on the community, youth, underserved populations, and non-MSU affiliated entrepreneurs.
- MSU Foundation
 - Beginning in 2014, the MSU Foundation has made significant investments to help drive the creation of an innovation ecosystem around the MSU campus through the commercialization of intellectual property developed by MSU faculty, staff, and students. In addition, in recent years the MSU Foundation has expanded its reach and initiatives in support of the Lansing Region and statewide support of high-tech high-growth initiatives.
 - The investments include new programs in the Lansing Region in:
 - New venture creation through Spartan Innovations and the Conquer Accelerator,
 - Pre-seed, and early-stage investment and loans through newly formed captive venture funds through Red Cedar Ventures and the Michigan Rise Pre-Seed III Funds, and
 - Strategic investments in select real estate assets such as the VanCamp Incubator, management of the East Lansing Technology Innovation Center (TIC), University Health Park, and Crescent Road (the former Spartan Village) that



provide places for entrepreneurs and existing corporations that collaborate with MSU to exist within the MSU Innovation Network.

- Lansing Regional SmartZone (LRSZ)
 - The LRSZ is a dynamic and collaborative partnership between the cities of Lansing and East Lansing, Lansing Community College (LCC), Ingham County, MSU, MSU Foundation, LEAP and the Michigan Economic Development Corporation (MEDC). Its mission is to foster the creation and retention of technology-based businesses and jobs within the SmartZone.
 - The LRSZ was officially launched in 2006 after jurisdictional authorities adopted resolutions that created a joint LDFA and an authority district. Subsequently, a Tax Increment Financing (TIF) and Development Plan was adopted for the LRSZ, allowing the capture of TIF revenue in downtown East Lansing and the area in and around the University Corporate Research Park in the City of Lansing. The LRSZ is managed by a Joint LDFA board as required by statute, and with participation of the partners.
- MSU Innovation Center
 - The MSU Innovation Center serves as MSU's hub for creating economic value from the research and creativity happening across campus every day. The center is dedicated to helping faculty and students translate their discoveries and knowledge into products and services that make life better and serve to diversify the economic base of the region and Michigan at large.
 - Under the MSU Innovation Center, MSU Business Connect actively promotes relationships between MSU and private sector corporations. While focusing on research and development collaborations, Business Conenect also provides concierge service to help corporations navigate and access MSU resources of all kinds, including talent, access to facilities and support for economic development initiatives.
 - MSU Technologies facilitates the commercial development and public use of technologies and copyrightable materials developed by MSU faculty and staff. The goal is to move MSU's technologies from the lab to the marketplace to improve lives and communities locally, regionally, and around the world. The route to the marketplace is often through established corporations, but can also lead to the formation of new companies in collaboration with our ecosystem partners.

As LEAP, LRSZ, MSU Foundation, and MSU programs have developed over the years, the parties wish to solidify their roles within the Lansing Region's innovation ecosystem to increase efficacy of collective efforts.



Roles in Economic Development Activity

The Partners generally agree that:

- 1) **LEAP** serves as the region's primary agency working on company attraction and retention as a driver of regional economic growth. LEAP also serves as the management vehicle for the LRSZ, deploying programs, and seeking MEDC grants to support the region's entrepreneurial ecosystem as agent of the LRSZ. LEAP also deploys its own entrepreneurship support programs that benefit the entire region, in focused areas, complementary to the activities undertaken by the other partners.
 - Regional SmartZone entrepreneurship and innovation support and services
 - One-on-one consulting
 - Supporting pitch competitions such as The Hatching
 - Jumpstart grant support
 - Equitable entrepreneurship programs and initiatives including Elevate, One and All and Level Up
 - Regional private sector, industry, and corporate engagement related to supporting entrepreneurial programming, workgroups, and economic development projects
 - Economic development projects including use of local, regional and state business incentives and resources (i.e., brownfield)
 - Lead generation and prospecting related to investment attraction and business recruitment
 - Conduit to regional professional service providers
 - Site location services to commercialized companies when appropriate
 - Liaison for project-facing workforce development through Lansing area public schools, Lansing Community College, Capital Area Michigan Works!, MSU and other organizations and institutions as appropriate
 - Management of the LRSZ, executing its directives.
- 2) **MSU Foundation** efforts will be geared toward Lansing Region high-tech high-growth startups and entrepreneurs including faculty, staff and students at Michigan State University who look to bring their innovation to the marketplace through the creation of a new corporation. This work is done in close collaboration with MSU Technologies, and the Burgess Institute at MSU.
 - MSU-linked corporate engagement; recruiting companies to University Health Park and Crescent Road, including support of LEAP's regional business attraction efforts
 - MSU-related entrepreneurial support and services
 - Conquer, CADE, SBIR/STTR and Insurance technology accelerator initiatives
 - Spartan Innovations anticipates that it will offer seminars as part of its Conquer, Cade and SBIR/STTR Accelerator programming. These seminars are specific to high-technology startup companies, targeted toward the LRSZ, but will also be open to the community at large.



- Sparrow/McLaren MedTech innovation partnerships for venture creation and incubation.
 - Incubator facility space
 - Management of the TIC
 - VanCamp Incubator
 - Alliance Building
 - Statewide initiatives around programming and support of high-tech, high-growth companies
- 3) The **LRSZ** will support economic development in the region by deploying funds derived from TIF capture in ways that promote the development and sustainability of new high-tech high growth companies. This includes the retention of contracted partners to support ecosystem development and provide direct support to entrepreneurs through programs and incubation space. The LRSZ board serves to evaluate and prioritize opportunities to support new or alternative programming that best supports the growth of high-tech high-growth startups in the region.
- 4) The **MSU Innovation Center** serves as the MSU's hub for creating partnerships that develop economic value from the research and creativity happening across campus every day. The center is dedicated to helping faculty and students translate their discoveries and knowledge into products and services that make life better and serve to diversify the economic base of the region and Michigan at large.
- Does business development to actively promote relationships between MSU and private sector corporations through the Business Connect office. This same team negotiates and executes contracts to support research collaborations and related activities.
 - Provides concierge service to help corporations navigate and access MSU resources of all kinds, including talent, access to facilities and support for economic development initiatives.
 - Acts as an MSU primary point of contact for regional economic development attraction and retention projects through the Business Connect office, as these projects seek support from MSU.
 - Facilitates the commercial development and public use of technologies and copyrightable materials developed by MSU faculty and staff. The MSU Technologies office executes a strategy for the protection and marketing of these commercial opportunities, and acts as a point of contact for regional companies to access these opportunities.
 - Identifies opportunities for the creation of new startup companies as the best path to market for MSU innovations, and works with ecosystem partners to facilitate the evaluation and execution of a startup launch strategy.
- 5) The Partners will engage in shared services which could include:

Shared Services



- Joint marketing highlighting the LRSZ region and events
- Participation (mentoring, judging, etc.) and supporting collaboration on each other's programs and events
- Regional software such as Startup Space/outreach of marketing shared services through platforms and engagements
- Annual reporting with LRSZ, MSU Foundation, MSU Innovation Center, and LEAP on metrics and impact
- Data sharing related to economic development outcomes (company formations, jobs created, follow-on investment)
- Active seeking of referral opportunities amongst the Partners to leverage the unique skills and capabilities of each.

Program Development, Control, Funding, and Coordination

Commercialization process

The commercialization process begins at the sources of innovation (idea, research, and invention), when the MSU Innovation Center identifies a technology with potential for commercialization. From here, the technology leverages a variety of funding and support programs that help develop and mature the innovation on the path toward being a market-ready product. These programs include:

- MTRAC Innovation Hub for AgBio
- Advance Proof-of-Concept grants
- T3N: The Technology Transfer Talent Network (T3N) is a statewide university network designed to support the commercialization of university technologies, licenses to industry and startup creation through key talent programs
- TSGTD funds: The Targeted Support Grant for Technology Development (TSGTD) provides funding for the enhancement, optimization and/or other development of selected technologies that have commercial potential as identified by MSUT Management and Technology Managers.

As innovations mature, evaluated MSU and Spartan Innovations evaluate their best path to the marketplace; either licensed to an existing company or through the launch of a new company. If it is determined that a new company should be established Spartan Innovations may leverage the following programs and actions:

- Assign an Entrepreneur-in-Residence (EIR)
- Form a corporation
- Support the creation of a funding plan
- Leverage MSU Foundation managed funds
 - Red Cedar Ventures Pre-seed Fund
 - Red Cedar Ventures Opportunity Fund



- Michigan Rise Pre-Seed III Fund
- Leverage local, state, and federal programs including the SBIR/STTR programs.

After the company is formed, it is introduced to the LRSZ's Gateway representative (GWR) at LEAP to access MEDC-supported programs such as:

- Business Accelerator Fund
- Emerging Technologies Fund
- SBDC Tech Team
- SBIR/STTR Federal Grant Writing support
- MiSTEM Forward

The GWR discusses the company's commercialization plan, identifies appropriate programs the company is eligible for at the state, regional, and local levels, and shares any relevant templates. As the company grows, both LEAP and MSU Foundation will coordinate on site search services based on the company's needs. For regional sources of innovation, the GWR will refer companies to publicly available programs at the Foundation via Conquer Accelerator, Michigan Rise or the TIC incubator.

Partner Funding

The cost for any local personnel and resources is not reflected in this MOU. This MOU covers only support for programs and new ways to leverage existing resources through collaboration. This MOU does not cover any following/future funding, which will be negotiated at a future time. Forward-looking statements within this MOU are recommendations and are in no way are binding on any parties.

Coordination

LEAP will focus on regional entrepreneurial initiatives while the MSU Innovation Center and MSU Foundation will support high-tech, high-growth startups and entrepreneurs affiliated with MSU or the Foundation. Where opportunities exist to leverage or coordinate these activities for the region, the Partners will work together to find new ways to share experience, resources, and highlight the region.

The Partners will continue to meet at regular intervals, including the monthly ecosystem meeting with the SBDC Tech Team and the bi-weekly project meeting between MSU Foundation, MSU Innovation and LEAP, to maintain open lines of communication and awareness of projects and opportunities.

Sponsorship Opportunities

The Partners will seek to collaborate with each other and through other regional partnerships to bring additional value to the LRSZ and long-term resources for the coming years. For this reason, the Partners will actively solicit sponsorship opportunities in exchange for funding, resources, or a combination of these. Where opportunities align related to collaborative programs, new funding will be examined for opportunities to share where those programs benefit both parties to this MOU. Additionally, all parties will seek more sponsorships to leverage their individual programs as needed to expand their impact on the region.



Gateway and BAF Programs

LEAP has been a leader in utilizing the Business Accelerator Fund (BAF) and Gateway programs for over a decade. To further increase these already high-performing programs, LEAP intends to partner with MSU Foundation to operate the BAF and Gateway program while maintaining the program's accessibility to the entire Lansing region. This collaboration will include developing a seminar for companies to learn about the BAF program, re-establishing in-person BAF office hours, and an online resource for companies to improve their BAF proposals.

All metrics and successes of the Gateway and BAF program under this collaboration related to MSU startups would be shared with the public, as described under the Media and Public Relations Section and the program will be referred to as a "joint partnership between LEAP and the MSU Foundation" so both organizations are recognized for the program's efforts.

Regional Entrepreneurship Development

LEAP provides high-quality entrepreneurial programs across the Lansing Region of Clinton, Eaton, and Ingham counties including One and All, The Hatching, Elevate, LevelUp, Youth Startup Expo, and others. To better coordinate and further increase LRSZ ecosystem outcomes, LEAP welcomes MSU Innovations and the MSU Foundation's support for the regional entrepreneurship community. LEAP and MSU Foundation agree to renew their collaboration on The Hatching pitch competition, which allows MSU Foundation to host their own Hatching, while agreeing to include LEAP on its Hatching review committee and maintaining access for regional entrepreneurs. MSU Innovations and MSU Foundation agrees to participate in other regional programs through selection committees, judging panels, providing general support where appropriate, and presenting to partners regarding the high-tech, high-growth programs and events available community wide.

SmartZone Staff

LEAP intends to hire a full-time staff person at the request of the LRSZ. The LRSZ Development Director will focus on convening LRSZ partners and their respective resources, developing additional programs to fill any potential programmatic gaps, and serving as the point of contact for local resources. The Development Director reports to LEAP's Vice President of Entrepreneurship and Innovation.

Talent Development

The Partners recognize that developing and retaining top talent in the region is an utmost priority for new startup company formation, corporate engagement including LEAP's business attraction, expansion and retention programs, retention, and revitalization and building of inclusive prosperity across the region. The Partners will work together to promote current talent programs, such as the STEM Forward program, and on the development of new programs designed to retain MSU, LCC, and other students and recent graduates in the region. These retention-focused efforts would include programs such as the Mentor in Entrepreneurship and Training Program (METP), designed to place highly-trained



international students in internships with a path to full-time employment and permanent residency status within the state.

Industry Cluster Development

The Partners will work together to create specific programs developed to support and grow various core sectors in the region, including its prominent insurance industry, with tailored innovation around insurance technology (insurtech). Development of these industry innovation clusters may include programs around education, cooperative learning, incubator facilities, and ecosystem development. LEAP intends to sunset the PROTO InsurTech program indefinitely and supports the development of future insurtech programs via the Partners collectively.

The Partners recognize the need for unique programming for medtech companies to better leverage non-dilutive federal funding and support the local health systems.

Media and Public Relations

The Partners intend to ensure that media releases are frequent to draw attention to entrepreneurship in the LRSZ ecosystem. The MSU Foundation, MSU Innovations and LEAP will work collaboratively to maximize visibility for the region and the state utilizing social media networks and other media resources. The Partners will consult with each other when known technology or resources are highlighted.

Additional Support

To leverage available outside resources for all teams, the LRSZ will utilize support from the following organizations: the Michigan Small Business Development Center (SBDC), a statewide network nationally accredited by the Association of SBDCs and funded in part through cooperative agreements with the U.S. Small Business Administration; the MEDC and regional hosts; BBC Entrepreneurial Training & Consulting, LLC (BBCetc), a Michigan company providing entrepreneurial training and consulting services; and other agencies as appropriate.

Industry Engagement

The Partners will cooperate with corporate engagement efforts to the region, particularly relating to LEAP's business expansion and new-to-market business attraction efforts and project work, and especially for those businesses that are highly technical and seek access to MSU's capabilities and resources and in areas related to MSU's strategic priorities with the opening of the Facility for Rare Isotope Beams (FRIB), MSU AgBioResearch, BioMedical Research, and Health Partnerships. This support will include access to reports on these companies, technology assessments, discussions with the companies on capabilities of the region, and available statewide resources. When appropriate, the MSU Business Connect will work with representatives within MSU to foster collaborative efforts, sponsored research, and other efforts. Through its global site selection and prospecting process, LEAP will assist



MSU Foundation to identify and engage appropriate companies for real estate opportunities at MSU Foundation incubation and acceleration facilities such as The TIC, Crescent Road, Health Park, Alliance Building, and the VanCamp Incubator as well as additional real estate holdings in the Lansing Region.

Other Provisions

Meeting to Coordinate Efforts

The Partners (LEAP, LRSZ, MSU Innovations, MSU Foundation) agree to have representatives continue to meet at least monthly (in person or virtually) to coordinate efforts, share information/metrics, provide information on incubator/accelerator availability, identify media, public relations and promotional opportunities, and determine where additional support/efforts are needed.

Funding Opportunities

When appropriate based on alignment of the missions and goals of the Partners, they agree to identify and pursue funding opportunities for the region and work together to structure concepts, apply for, secure and implement such funds. This includes local, state, federal, and corporate funding through grants, contracts, and sponsorships to support specific technology-related economic development for the SmartZone in realms such as research commercialization, tech startup programming and industry innovation cluster development that are mission-driven and priorities of the LRSZ.

Independent Contractor Relationship

The relationship of the parties under this MOU is that of independent contractors. Neither party nor their respective officers, board members, employees, agents, or representatives shall be deemed to be officers, board members, employees, agents, or representative of the other.



Designated Representatives

MSU Foundation

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Jeff Wesley, Executive Director, Red Cedar Ventures
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Phone: (734) 355-0730
Email: davewash@msufoundation.org
Email: jwesley@redcedarventures.com

LEAP

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Joe Carr, Vice President of Entrepreneurship & Innovation
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Lansing, MI 48910
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Email: joe@purelansing.com

Lansing Regional SmartZone

Luke Hackney, Chair
Bob Trezise, President & CEO
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Email: luke@retroduck.com
Email: bob@purelansing.com

MSU Innovation Center

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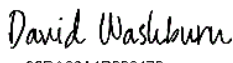


MICHIGAN STATE UNIVERSITY
FOUNDATION



Signatures

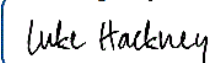
Michigan State University Foundation

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David Washburn

Date 6/29/2022


Joint Local Development Finance
Authority/Lansing Regional SmartZone

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Luke Hackney

Date 6/28/2022

LEAP

By: Robert L. 
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Date: 2022.06.28
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Robert L. Trezise, Jr.

Date

Michigan State University Innovation Center

By: 

Charles Hasemann

Date 6-24-2022

AMENDED AND RESTATED LANSING REGIONAL SMARTZONE AGREEMENT

This SmartZone Agreement (“Agreement”), dated July 27, 2022, is between the Michigan Economic Development Corporation, a public body corporate, with offices at 300 N. Washington Square, Lansing, Michigan 48913 (“MEDC”), the City of Lansing, a Michigan Municipal Corporation, with offices at 124 W. Michigan Avenue, Lansing, Michigan 48933, the City of East Lansing, a Michigan Municipal Corporation, with offices at 410 Abbott Street, East Lansing, Michigan 48823, (both cities hereinafter collectively called the “Cities”), and the Cities’ Joint Local Development Finance Authority (“Authority”), a Michigan public body corporate. In this Agreement, the MEDC, the Cities, and the Authority sometimes may be referred to individually as a “Party” and collectively as “Parties.”

RECITALS

WHEREAS, The Michigan Legislature enacted Public Act 248 of 2000, to amend 1986 PA 281 to promote the development of high technology businesses throughout the State of Michigan; and

WHEREAS, Act 57 of 2018 was created to consolidate specific tax increment financing Acts into one codified Act; and

WHEREAS, The MEDC is authorized by Public Act 104 of 2008 to enter into agreements with local development finance authorities that are designated certified technology parks by agreement with previously designated certified technology parks (“SmartZones”) within the State of Michigan; and

WHEREAS, on November 30, 2005, the MEDC, the Cities, and the Authority entered into the Lansing Regional SmartZone Agreement, which designated certain areas within the Cities and its Authority both as a Certified Technology Park, and as a SmartZone and established terms and conditions of such designation, and

WHEREAS, on May 2, 2005 and May 3, 2005, the City of Lansing and the City of East Lansing, respectively, adopted a resolution creating the Authority, the creation of which was approved by the County of Ingham on April 26, 2005, and the Cities have entered into an agreement governing the composition and appointment of members of the governing body of the Authority; and

WHEREAS, on October 31, 2006, the Authority approved the Tax Increment Financing and Development Plan for the Lansing Regional SmartZone; and

WHEREAS, on December 11, 2006 and December 5, 2006, the City of Lansing and the City of East Lansing, respectively, adopted a resolution approving the Tax Increment Financing and Development Plan for the Lansing Regional SmartZone; and

WHEREAS, on April 20, 2022, the Authority approved the Amended Tax Increment Financing and Develop Plan (the “TIFP”) and resolved to extend the TIFP for an additional 5 years; and

WHEREAS, on May 24, 2022 and June 27, 2022, the City of Lansing and the City of East Lansing, respectively, adopted a resolution approving the TIFP and resolved to extend the TIFP for an additional 5 years; and

WHEREAS, pursuant to 2018 PA 57, the President of the MEDC and State Treasurer have ratified the extension of tax increment financing (the “TIF”) capture by the Lansing Regional SmartZone; and

WHEREAS, the MEDC and Authority now desire to extend the designation to coincide with the extended TIF capture period; and

WHEREAS, the MEDC and Authority desire to make additional amendments to the SmartZone Agreement as described below;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the MEDC, the Cities, and the Authority (collectively referred to hereinafter as the “Parties”) hereby agree to the terms of this amended and restated agreement as follows:

ARTICLE I DEFINITIONS

Section 1.01 Act. “Act” means 2018 PA 57, as amended.

Section 1.02 Affiliated Parties. “Affiliated Parties” means public and private individuals, businesses, and organizations with which the Local Representatives may enter into letters of intent, memoranda of understanding, contractual agreements or other types of arrangements to provide, or induce opportunities for, support, market access, assistance or other types of direct or in-kind assistance for tenants of the Business Incubator or for the development of high technology activity within the SmartZone.

Section 1.03 Agreement. “Agreement” means this written Agreement.

Section 1.04 Agreement Date. “Agreement Date” means the date first set forth above.

Section 1.05 Appendices. “Appendices” means the appendices serially identified in this Agreement, including any amendments or substitutions to them, which are furnished to MEDC by the Authority as they are subsequently prepared and approved by the Authority, the Cities, and/or MEDC in accordance with the Act.

Section 1.06 Authority. “Authority” means the Joint Local Development Finance Authority of the Cities of Lansing and East Lansing.

Section 1.07 Authority District. “Authority District” means an area within the Cities and described in the resolutions establishing the Authority, and/or subsequent resolutions adopted by the City Councils of the Cities which establishes the boundaries of the Authority District.

Section 1.08 Business Incubator. “Business Incubator” means the facility or facilities identified in the TIFP which is used in a manner provided by the TIFP and authorized in the Act for a Business Incubator.

Section 1.09 Certified Technology Park. “Certified Technology Park” or “SmartZone” is the portion of an Authority District designated by agreement between the MEDC, a municipality and a local development and finance authority as permitted by Section 412a of the Act. The area is described in the document attached hereto as **Appendix A**.

Section 1.10 Cities. “Cities” means the City of Lansing and the City of East Lansing.

Section 1.11 County. “County” means the County of Ingham, a political subdivision of the State of Michigan, created pursuant to Act No. 293, of Public Acts of 1966, being MCL 45.501 et seq., with offices at 341 S. Jefferson, Mason, MI 48854.

Section 1.12 Initial Taxable Value. “Initial Taxable Value” means the taxable value of that property identified as property for purposes of determining tax increment revenues for the Authority under the TIFP.

Section 1.13 Lansing Regional SmartZone. “Lansing Regional SmartZone” means the area in which the Authority may establish a Certified Technology Park.

Section 1.14 Local Representatives. “Local Representatives” means the City of Lansing, the City of East Lansing, and the Authority.

Section 1.15 MEDC. “MEDC” means the Michigan Economic Development Corporation, a public body corporate created under section 28 of Article VII of the State Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 PA 7, by interlocal agreement effective April 5, 1999 between participating local economic development corporations created under 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan Strategic Fund, or its successor as provided for in the Act.

Section 1.16 Operating Costs. “Operating Costs” means Business Incubator expenses, and other operational and planning costs authorized by the Act and Public Act 291 of 2000 including, but not limited to, executive management and other expenses directly related to the central administration of the Business Incubator; such as expenses for insurance, salaries, repairs and maintenance, marketing, supplies, and utilities.

Section 1.17 Public Facilities. “Public Facilities” means those Public Facilities to be developed for the SmartZone.

Section 1.18 Ratification. “Ratification” means the document to be incorporated into attached **Appendix B** evidencing the State Treasurer’s approval and the President of the MEDC approval of the Authority’s TIFP and of the capture by the Authority of tax increment revenues authorized by the TIFP after approval from the State Treasurer and the President of the MEDC of a TIFP.

Section 1.19 Resolution. “Resolution” means the documents creating the Authority and filed with the Michigan Secretary of State and attached hereto as **Appendix C**.

Section 1.20 Reserves. “Reserves” means captured Tax Increment Revenue that the Authority and the Cities, have not allocated or for future use toward an identified eligible activity use, as defined by the Act and MEDC guidance documents.

Section 1.21 School Taxes. “School Taxes” means the amounts levied by the State pursuant to the State Education Tax Act, Public Act 1993 PA 331, as amended, and operating levies of local and intermediate school districts.

Section 1.22 State. “State” means the State of Michigan.

Section 1.23 SmartZone. “SmartZone” or “Certified Technology Park” is the portion of an authority district designated by agreement between a municipality in which a Certified Technology Park has been designated under the Act, and a local development and finance authority as permitted by Section 412a of the Act.

Section 1.24 SmartZone Plan. “SmartZone Plan” means the description of activities to be undertaken by the Authority in operation of the SmartZone, attached as **Appendix A**.

Section 1.25 Statewide SmartZone Council. “Statewide SmartZone Council” means the SmartZone advisory group comprised of representatives of each SmartZone and the MEDC.

Section 1.26 Tax Increment Revenues. “Tax Increment Revenues” means that term as defined in the Act.

Section 1.27 Term. “Term” means the period beginning on the Agreement Date and ending on December 31, 2027, except as otherwise provided in Section 5.01 of this Agreement.

Section 1.28 TIFP. “TIFP” means the Tax Increment Financing Plan that will be prepared and adopted by the Authority and the Cities and submitted for approval by the MEDC and Michigan Department of Treasury and attached as **Appendix A**.

Section 1.29 Treasury. “Treasury” means the State of Michigan Department of Treasury or State Treasurer.

Section 1.30 University. “University” means Michigan State University.

ARTICLE II RIGHTS AND OBLIGATIONS OF THE MEDC

Section 2.01 Designation of the Authority’s SmartZone. The MEDC designates the Lansing Regional SmartZone as described in **Appendix A** as the area in which the Authority may establish the Certified Technology Park.

Section 2.02 Marketing of the Authority’s SmartZone by MEDC. After approval of the SmartZone District, the MEDC shall market the Lansing Regional SmartZone as one of the Certified Technology Parks authorized under the Act. All marketing of the SmartZone by MEDC shall be consistent with the TIFP and the purposes and objectives of the Authority. It is understood that the marketing funds to be expended by the MEDC in fulfillment of its obligation under this Section 2.02 shall be determined by the MEDC.

Section 2.03 Role of the MEDC. The MEDC shall play no role in policy development or decision-making of the Authority including, but not limited to, the areas of zoning, acquisition and

disposal of interests in real and personal property, and land development.

Section 2.04 No Approval of Other Tax Incentives. The Authority may seek assistance in the form of other state incentives including, but not limited to, brownfield redevelopment tax incentives, obsolete property redevelopment tax abatement, and other grants and loans to support business development. By signing this Agreement, the MEDC has not signified approval for these incentives, or opined on the Authority's eligibility for these incentives.

Section 2.05 Ratification by State Treasurer. The MEDC will review the TIFP proposed by the Authority in conjunction with Treasury's review of the same. If the MEDC and Treasury both ratify the TIFP, then the Authority may begin capturing taxes as provided herein. The MEDC's and Treasury's respective ratification of the TIFP is under the sole discretion of the ratifying agency.

Section 2.06 Expansion of the SmartZone. The Local Representatives shall not expand the area or areas at the SmartZone or add an additional area or areas to the SmartZone without the approval of the MEDC. The Authority shall demonstrate a direct impact on high-tech growth in the expanded area if it seeks to expand the SmartZone.

ARTICLE III RIGHTS AND OBLIGATIONS OF THE LOCAL REPRESENTATIVES

Section 3.01 Representation of Compliance with the Act. The Local Representatives represent and warrant that the Authority District was created in compliance with the Act in all material respects.

Section 3.02 Authorized Capture and Use of Tax Increment Revenues.

(a) All Tax Increment Revenues received by the Authority from the Certified Technology Park during the term of this Agreement may be expended by the Authority for only those purposes and in those amounts authorized under the Act and the TIFP, including, but not limited to, telecommunications infrastructure. The Authority may capture the maximum amount of School Taxes allowed under the Act for a period of five (5) years for levies imposed on or after July 1, 2022, subject to annual review by the MEDC. Said MEDC review shall be limited to assessment of consistency with the TIFP and the Act, and in the event that MEDC identifies material inconsistency/ies, it shall notify the City and the Authority of it and the Authority shall have the opportunity to respond in a manner consistent with Section 5.013(a) of this Agreement. Should the Authority fail to perform as described by Section 5.03(a), then the MEDC may exercise its options as provided for in Article V of this Agreement. Tax Increment Revenues shall be determined on the basis of an initial assessed value determined as of December 31, 2007, as authorized by the State Treasurer and pursuant to the TIFP and Ratification.

(b) Approval of 25% of the new State Tax Capture, while maintaining the last TIF year from the original TIF plan as the funding base, for the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq., and by local and intermediate school districts for up to 15 years, unless a re-evaluation by MEDC and Treasury staff determines that a different level of support is warranted. The MEDC shall conduct an annual review of the Authority's use and capture of Tax Increment Revenues, which shall be limited to assessment of consistency with the TIFP and the Act. In the event that the MEDC identifies one

or more material inconsistencies, it shall notify Treasury and the Local Representatives of the same and the Authority shall have the opportunity to respond in a manner consistent with Section 5.03(a) of this Agreement. Should the Authority fail to perform as described by Section 5.03(a), then such failure shall constitute an Event of Default and the MEDC shall have the right to exercise one or more of the remedies provided for in Article V of this Agreement. Tax Increment Revenues shall be determined on the basis of an Initial Taxable Value authorized by the President of MEDC and the State Treasurer and pursuant to the approved TIFP and the Ratification.

(c) The Authority may enter into a contract with an Affiliated Party to delegate, on behalf of the Authority, the responsibility of operating and planning the activities supported by the Authority, providing administrative services to the Authority, conducting an integrated marketing study, generating specific marketing plans, identifying methods of facilitating technology commercialization, and implementation of the integrated marketing program.

(d) The TIFP shall include local TIF if requesting state school TIF capture for the City of Lansing TIF Capture only. The City of East Lansing portion of the TIF capture excludes local capture due to the Authority District's overlap with the East Lansing Downtown Development Authority. To the extent the East Lansing Downtown Development Authority ceases to capture within the Authority District, those parcels subject to local capture of the East Lansing Downtown Development Authority shall be subject to local capture by the Authority. If in any year, the amount of Local TIF capture is reduced for any reason, the school taxes capture authorized under Section 3.02(a) above shall be proportionally reduced with such Local TIF capture reduction with exception of the City of East Lansing's portion of the TIF capture.

(e) The TIFP shall include local capture contribution at a proportional rate to state capture except for that portion of the TIF capture within the City of East Lansing. If the TIFP does not include proportional local capture for the City of Lansing's portion of the Authority District, the Authority will not be permitted to utilize reserves and any excess capture will be diverted back to all applicable taxing jurisdictions.

(f) If the TIFP includes reserves, the reserves shall not exceed 15% of total annual capture for the Authority if the TIFP includes both local and state proportional capture.

Section 3.03 Prohibited Uses of Tax Increment Revenues. Tax Increment Revenue proceeds shall not be used to fund the costs of:

- (a) direct subsidies,
- (b) programs or services provided to or for tenants in the Business Incubator such as research stipends or grants, employee compensation subsidies, or grant proposal assistance,
- (c) microloans or any funding directly provided to a business.

Section 3.04 Local Representative Programs and Participation. The Local Representatives shall seek to develop and implement strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone, as outlined in the SmartZone Plan, attached as **Appendix A.**

Section 3.05 SmartZone Plan Submission to the MEDC. The Authority:

- (a) Shall submit the SmartZone Plan to the MEDC.

Section 3.06 Incubator Programs and Participation. The Local Representatives shall develop and implement programs designed to foster the use of the Business Incubator, with support of tax

increment revenues and development of other high technology enterprises located within the SmartZone.

Section 3.07 Private Sector Participation. The Local Representatives shall develop and implement programs designed to foster partnerships with the private sector to support commercialization of technology and development of other high technology enterprises located within the SmartZone.

Section 3.08 University Programs and Participation. The Local Representatives collaborating with the University shall develop and implement programs designed to foster the use of talent resources, and technology at the University towards accelerating technology commercialization and the development of other high technology enterprises located within the SmartZone

Section 3.09 MEDC Membership on the Authority. The Local Representatives shall appoint a representative, selected by the MEDC, as an ex-officio, non-voting member to the Authority.

Section 3.10 Reporting Requirements.

(a) The Authority shall provide, or cause to be provided to, MEDC a report annually containing the following information due no later than April 15 for the previous calendar year data:

- (i) The amount and source of tax increment revenues received.
- (ii) The amount and purpose of expenditures of tax increment revenues.
- (iii) The initial assessed value of eligible property.
- (iv) The captured assessed value of the eligible property retained by the authority.
- (v) The number of high tech jobs created and retained including average wages of high tech jobs.
- (vi) The number of all other jobs created within the SmartZone.
- (vii) A summary of the SmartZone operations, including, but not limited to, number of high tech businesses assisted, number of high tech businesses locating or expanding in the SmartZone, number of private investment by high-tech companies, number of on-going and completed research projects, number of on-going and completed commercialization projects, and similar information for activity of the business incubator.
- (viii) The amount of new private and new public investment in the SmartZone, (including university investment within the SmartZone).
- (ix) Other money that has been leveraged throughout the year to attract and retain high tech industry.
- (x) The proposed purpose of Tax Increment Financing funds for the next year of the Authority.
- (xi) The amount of principal and interest on any outstanding bonded indebtedness of the authority.
- (xii) The amount in any bond reserve account.
- (xiii) Any other MEDC funding received for Incubator and/or high-tech activities.
- (xiv) Any other information requested by MEDC or Treasury.

Section 3.11 Approval of Amendments to the TIFP. The Authority and the Cities shall not amend the TIFP without the approval of the MEDC and the State Treasurer. Copies of any and all

proposed amendments shall be forwarded to the MEDC and Treasury.

Section 3.12 Use of SmartZone Service Mark. The Local Representatives shall use the SmartZone service mark and logo in accordance with the guidelines on <http://www.michiganbusiness.org/logo-request/> as may be amended from time to time.

Section 3.13 Statewide SmartZone Council. The Local Representatives agree to participate in the activities of the Statewide SmartZone Council, including, but not limited to, assisting the MEDC in developing a marketing plan for the SmartZone program.

ARTICLE IV INTELLECTUAL PROPERTY

Section 4.01 Service Mark. The MEDC owns the SmartZone service mark and grants a limited license to the Local Representatives and sublicensees of them for use in promoting the Lansing Regional SmartZone in accordance with guidelines established by the MEDC. The MEDC retains the exclusive right to revoke any license or sublicense authorized by this Agreement, or the SmartZone approval pursuant to Section 5.03 of this Agreement.

ARTICLE V TERM, TERMINATION, AND DEFAULT

Section 5.01 Termination. This Agreement shall terminate by the first to occur of the following:

- (a) Expiration of the Term.
- (b) An action, other than one caused by an Event of Default, by any of the following means that voids, suspends, terminates the Authority District as the area in which the Authority may establish a SmartZone or the authorization for the Authority to capture and use of Tax Increment Revenues for all purposes permitted under Section 3.02;
 - (i) Court order
 - (ii) Any ruling, bulletin, order, administrative or executive decision of the State, State Tax Commission, any State official, or State commission, authority, body or employee with authority to make such determination or take such action, or
 - (iii) State or federal legislative action.
- (c) The involuntary dissolution or liquidation of the Authority.
- (d) The voluntary termination of this Agreement by the MEDC and the Local Representatives. It is understood that the Parties shall not unreasonably withhold their consent to terminate this Agreement under this Section 5.01(d) if it should be in the best interest under good business practice standards to terminate this Agreement.

Section 5.02. Rights of the MEDC. The expiration of the Term shall not affect the rights of the MEDC in connection with its SmartZone service mark.

Section 5.03 Default.

(a) An event of default under this Agreement “Event of Default” or “Default” shall mean, whenever used in this Agreement, the failure by any of the Local Representatives to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of (45) days after receipt of written notice that specifies such failure and requests that it be remedied, shall have been given by the party providing notice of Default to all other Parties; provided, however, that if the failure is such that it can be corrected but not within such 45-day period, and corrective action is instituted within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent necessary to enable the Party failing to observe or perform any covenant, condition or agreement to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence. The MEDC is not bound by the period for cure described herein in the event of a failure by the Authority to comply with Section 3.02(a) of this Agreement.

(b) Except as provided in this Agreement upon the occurrence and during the continuance of an Event of Default, any non-defaulting Party may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of this Agreement.

(c) Whenever an Event of Default is caused by the failure of any of the Local Representatives, the MEDC may exercise any one or more of the following remedies:

- (i) Cease to market, as otherwise agreed to by the MEDC under Section 2.02, or revoke permission to market under Section 3.10, the Lansing Regional SmartZone as a SmartZone. If the MEDC exercises this remedy, the Local Representatives may continue to market and operate the SmartZone during the Term.
- (ii) Suspend or revoke of the limited license or sublicense(s) granted under Section 4.01 of the use of the “SmartZone” service mark to any of the Local Representatives or their authorized sublicensees.

(d) Whenever an Event of Default is caused by a failure of the Authority under Section 3.01 or 3.02(a), MEDC and Treasury shall have the right to suspend or revoke the capture of School Taxes, in whole or in part, to the extent that the School Taxes are not applied to satisfy existing outstanding obligations.

Section 5.04 Limitations on Obligations and Remedies.

(a) The amendment, revocation or suspension by the MEDC or State Treasurer of the ratification or any authorization conferred upon the Authority by Section 3.02 above, shall waive all obligations imposed upon Local Representatives under Article II above.

(b) If the State Treasurer refuses, for any reason whatsoever, to approve the capture of Tax Increment Revenues attributable to School Taxes, revokes or suspends its approval of such capture in whole or in part, or requires reimbursement, for any reason, from Local Representatives in connection with the capture of Tax Increment Revenues attributable to School Taxes which the State Treasurer subsequently determines to be impermissible, the MEDC will have no liability to Local Representatives for damages caused by such action of the State Treasurer and this Agreement will not be construed to impose any liability upon or require the MEDC to repay any

obligation or reimbursement.

(c) The authorization to use the MEDC's "SmartZone" service mark extended to the Local Representatives and their sublicensees shall cease immediately upon termination of this Agreement or dissolution of the MEDC, without requiring any action by the MEDC.

Section 5.06. Host Default.

If after approval of the respective TIFP, the Host SmartZone LDFA default and no longer exists, the survivor must submit an amended TIFP to be approved by the President of the MEDC and ratified by the State Treasurer that addresses a remedy to fulfilling the Legislative Criteria, MCL 125.2162(b).

ARTICLE VI
MISCELLANEOUS

Section 6.01 Designation of MEDC. The President of MEDC, or his designee, is designated as the authorized officer to make determinations and approvals on behalf of the MEDC related to the satisfaction of any condition imposed by this Agreement upon a Local Representative, the terms of any performance required by a Local Representative, or the terms of any agreement entered into between a Local Representative and another person or organization which is subject to MEDC approval.

Section 6.02 Entire Agreement. This Agreement, including all its Appendices and Exhibits, sets forth the entire agreement between the parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions contained in this Agreement are contractual and are not a mere recital, and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement except as expressly stated in this Agreement.

Section 6.03 No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 6.04 Severability of Provisions. If any provision of this Agreement, or its application to any Party or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Parties or circumstances is not affected but will be enforced to the extent permitted by law.

Section 6.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws.

Section 6.06 Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning or to be interpreted as part of this Agreement.

Section 6.07 Terminology. All terms and words used in this Agreement, regardless of the numbers or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 6.08 Cross-References. References in this Agreement to any Article include all sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 6.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to the court of claims of the State of Michigan.

Section 6.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of the Parties.

Section 6.11 Independent Contractor. The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Section 6.12 Counterpart Signatures. This Agreement may be signed in counterparts. The counterparts taken together shall constitute a single agreement.

Section 6.13 No Waiver. No waiver by MEDC or Local Representatives of any breach of obligations, agreements or covenants herein shall be a waiver of any subsequent breach of any obligation, agreement or covenant, nor shall any forbearance by the MEDC or Local Representatives to seek a remedy for any breach by the another Party to this Agreement be a waiver of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by the MEDC or Local Representatives be deemed to apply to any other existing or subsequent right to remedy any default another Party to this Agreement. No waiver by MEDC or Local Representatives of any default or breach by another Party to this Agreement in the performance of any of the covenants or obligations under this Agreement shall be deemed to have been made by the MEDC or Local Representatives unless contained in a writing executed by the waiving Party. The MEDC and the Local Representatives do not waive any immunity provided by law.

IN WITNESS WHEREOF, the Parties cause this Agreement to be executed by their duly authorized representatives as of the Agreement Date.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

DocuSigned by:
BY: Quentin L. Messer Jr.
Quentin L. Messer, Jr.

ITS: ~~President~~ Chief Executive Officer

DATE: 9/9/2022, 2022

CITY OF LANSING

BY: Andy Schor
Andy Schor

ITS: Mayor

DATE: 6/27/2022, 2022

Approved as to form

Gregory S. Venker
Gregory S. Venker P81780

And

BY: Chris Swope
for Chris Swope

6/29/2022

ITS: City Clerk

DATE: _____, 2022

CITY OF EAST LANSING

BY: Ron Bacon
Ron Bacon

ITS: Mayor

DATE: June 14, 2022

And

BY: Jennifer Shuster
Jennifer Shuster

ITS: City Clerk

DATE: June 28, 2022

LANSING REGIONAL LOCAL DEVELOPMENT FINANCE AUTHORITY

BY: Luke Hackney
Luke Hackney

ITS: Chairperson

DATE: June 28, 2022

APPENDICES

- Appendix A Tax Increment Financing Plan and Development Plan including Description of the Authority District
- Appendix B Ratification by MEDC and State Treasurer
- Appendix C LDFA Creation Resolution

**Appendix A -Tax Increment Financing Plan and Development Plan
including Description of the Authority District**

Lansing Regional SmartZone

Tax Increment Financing and Development Plan

April 18, 2022

Approved by the Local Development Finance Authority April 20, 2022
Approved by the City of East Lansing May 24, 2022
Approved by the City of Lansing June 27, 2022





**PUBLIC SECTOR
CONSULTANTS**

Prepared by

Public Sector Consultants
www.publicsectorconsultants.com

Prepared for

Lansing Economic Area Partnership
<https://www.purelansing.com/>

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Introduction

The Lansing Regional SmartZone (LRSZ) is a dynamic and collaborative partnership between the Cities of Lansing and East Lansing (COL and COEL), Michigan State University (MSU), the MSU Foundation, Ingham County, and the Michigan Economic Development Corporation (MEDC). Its mission is to foster the creation and attraction of technology-based businesses and jobs within the zone.

The LRSZ was officially launched in 2006 after jurisdictional authorities adopted resolutions that created a joint Local Development Financing Authority (LDFA) and an authority district. Subsequently, a Tax Increment Financing (TIF) and Development Plan was adopted for the LRSZ, allowing the capture of TIF revenue in downtown East Lansing and the area in and around the University Health Park (UHP) in the City of Lansing, formerly the University Corporate Research Park. The TIF plan allowed the LRSZ to capture this revenue for a 15-year period beginning in 2007 and concluding in 2021.¹ The LRSZ has used this TIF capture revenue to creatively achieve its mission and become a powerful tool for stimulating the growth of the technology economy across the region and the state. It leverages this revenue stream to provide valuable lab space, incubation, networking, mentoring, coaching, and other business development services to innovative technology-based businesses and entrepreneurs in the area. These supports drive the attraction, creation, and expansion of life sciences, advanced manufacturing, information technology (IT), and other businesses inside the LRSZ.

With the TIF plan's initial phase coming to an end, the LDFA is seeking to extend its TIF revenue capture for an additional five years under the regulations established in Public Act 57 of 2018.

The COEL and COL managed the LRSZ from its creation through 2014, but the Lansing Economic Area Partnership (LEAP) has managed the LRSZ since 2015 with ongoing oversight by the two cities and the LDFA board. Since its creation, the LRSZ has remained in compliance with the MEDC by providing timely and complete reports to the appropriate agency. These reports provide detailed information about the revenue captured, expenditures, and other required financial records.

This document is a comprehensive analysis of the LRSZ performance to date, along with an updated business plan for future performance. It also includes the amended TIF and Development Plan.

- **Past performance report:** Detailed review of the LRSZ's business support, job creation and retention, research and commercialization, and investment performance, as well as a breakdown of the use and outcomes of state funds and TIF revenue.
- **Business plan:** A comprehensive strategy for long-term growth and self-sufficiency during the extension period that includes an analysis of the LRSZ's overall contribution to the region and state's technology-based economy and a plan for future regional collaboration and performance.
- **Budget:** A breakdown of how the LRSZ plans to use projected TIF revenues over the next five years if an extension is granted.

¹ The LRSZ did not commence tax capture until 2008, effectively reducing the capture period under the original TIF plan to 14 years. This was due to the state treasurer's resolution establishing the initial assessed (base) value in 2008 instead of 2007.

Past Performance Report

Introduction

This past performance report provides a detailed look at the growth and evolution of the LRSZ’s impact over the last 15 years from an economic development and financial perspective.

Technology-based Economic Development Performance

The LRSZ’s technology-based economic development performance can be categorized in the following areas:

- Business development and job creation
- Research and commercialization
- Investment

Business Development and Job Creation

As the leading technology business support entity in the region, the LRSZ has progressed toward its mission by providing a wide range of supports and services. Since its creation, the LRSZ has assisted 642 businesses and supported the location or expansion of 84 businesses. They have also supported the creation or retention of 1,264 jobs, which have an average annual salary of \$42,986. Exhibit 1 provides detail on how this performance breaks down by type.

EXHIBIT 1. Business Development and Job Creation

Type	Businesses Assisted	Businesses Located or Expanded	Jobs Created or Retained	Average Salary of Jobs Created or Retained
Technology	598	84	1,264	\$42,986
Nontechnology	44	0	0	N/A
Total	642	84	1,264	\$42,986

Source: PSC compiled and analyzed LRSZ reporting data.

Since its creation, the LRSZ has almost exclusively targeted technology-related businesses to maximize its impact on this sector. These high-technology companies provide good jobs that can attract and retain talent in the area. These firms are in growing and innovative industries that have made significant high-tech job impacts in the region and the state. Industries supported include:

- Biosciences
 - Cloud services
 - E-accounting services
 - E-commerce
 - Engineering
 - Engineering arts (medical devices)
- Genetics testing
 - Healthcare technology
 - Homeland security
 - Media arts
 - Software development
 - Web-based learning

During the first five years of the LRSZ, TIF capture revenues were limited and declining. The lack of property taxable value growth was negatively impacted by the Great Recession. Despite these challenges, LRSZ served 83 companies, supported the retention of 189 jobs, and created an additional 167 jobs. Given the massive job losses occurring across the state at the time, these modest gains were important to the region's burgeoning technology sector and helped establish a foundation for future growth. The LRSZ's early efforts, combined with regional and national economic recovery, started providing the zone with additional capacity to expand its programs and services.

Since then, the LRSZ has increased its programming and supports with additional TIF capture. During the last five years alone, the LRSZ has supported the creation of 85 companies across many different high-technology fields. These efforts were successful during years of relatively steady growth, and LRSZ services were even more important when the devastating economic impacts of the coronavirus (COVID-19) pandemic struck. As shown in Exhibit 2, the LRSZ served 39 different companies during the first six months of the pandemic.

EXHIBIT 2. Companies Served by Industry Type (March–October 2020)

Type	Companies Served
Advanced Agriculture	2
Advanced Information Technology	18
Advanced Manufacturing	6
Advanced Materials	2
Mobility	1
Life Sciences	10
Total	39

Source: PSC compiled and analyzed LRSZ reporting data.

These efforts were critical for supporting business development and job creation during this period, and the LRSZ focused on serving those hardest hit by the pandemic and subsequent economic crisis. Of the companies served during the first half of 2020, regardless of type, 82 percent were located in economically disadvantaged areas and 42 percent were minority-, women-, or veteran-owned businesses.

Both in times of economic crisis and growth, the LRSZ's programs and services have driven business development and job creation and retention in the zone and supported the growth of the burgeoning high-technology sector in the region and across the state.

Research and Commercialization

In addition to creating jobs, LRSZ partners, which include higher-education institutions, economic development organizations, and municipalities, have focused on driving innovation through research and commercialization efforts. Strengthening collaborative partnerships has been central to this approach. For example, LEAP, the City of East Lansing, MSU, and the MSU Foundation have focused on enhancing their partnerships and deepening their program integrations over the last five years. By working together, these LRSZ partners have increased their capacity to build the next generation of technology entrepreneurs

through programs offered through MSU Foundation subsidiary companies Spartan Innovations, Red Cedar Ventures, and the Michigan Rise Pre-Seed Fund. These efforts are tailored to support on-campus researchers and entrepreneurs who develop and commercialize innovative technology-based products.

These partners have also supported the creation and growth of the East Lansing Technology Innovation Center (TIC), an incubator space which provides entrepreneurs and new companies with collaborative workspace, programmatic support, and other critical resources that can help them grow their technology-based startups and early-stage companies. The TIC has graduated dozens of businesses and received multiple awards (TIC 2013). The LRSZ has used TIF revenue to invest in the expansion and modernization of space and programs at the TIC, which is managed by the MSU Foundation.

EXHIBIT 3. Research and Commercialization Projects at the TIC (2008–2020)

Projects	Completed	Ongoing	Total
Research	31	10	41
Commercialization	105	22	127

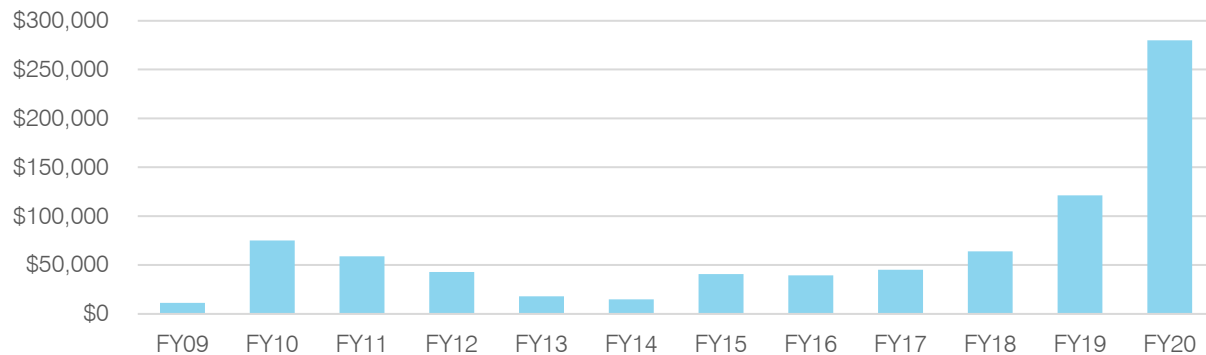
Source: PSC compiled and analyzed LRSZ reporting data.

The LRSZ has also leveraged the TIC to develop and coordinate a tech hub where members could share their ideas and articulate their needs. This hub has improved understanding and utilization of the Business Accelerator Fund (BAF), which provides businesses in the LRSZ with resources to secure support from specialists that can help them commercialize and grow their business.

Through these partnerships and efficient stewardship of increasing TIF revenue, the LRSZ has expanded its capacity to support research and commercialization efforts in growing technology sectors across the region and the state.

Investment

TIF revenue capture, the primary funding source for the LRSZ, supports the LRSZ’s economic development, research, and commercialization efforts. As Exhibit 4 shows, TIF capture has increased significantly over the past five years. After many years of relatively limited property tax capture, the annual amount eclipsed \$100,000 in FY 2019. In FY 2020, revenue capture nearly tripled in one year, reaching \$280,000. These gains in assessed value have allowed the LRSZ to expand its services and support more technology companies and workers.

EXHIBIT 4. LRSZ Property Tax Capture, Fiscal Years 2008–2020*

*NOTE: To date, all TIF capture has been generated via local schools, intermediate school district, and the state education tax. Local millages are being captured by other tax capture entities.

Source: City of East Lansing, Consolidated Annual Financial Reports, fiscal years 2009–2020

In addition to the TIF capture, the LRSZ has generated significant public and private investment within the zone through state and federal grants, angel and venture capital, loans, and revenue produced by new companies. As shown in Exhibit 5, more than \$53 million, including \$837,000 invested by owners of companies assisted by the LRSZ, has been invested. These funds have supported the growth of new companies and products, which in turn improve the local economy and provide funding for schools and other critical public services. As Exhibit 5 also shows, the LRSZ was able to generate over \$10.5 million in investment during the first six months of the COVID-19 pandemic, an important period when companies served by the LRSZ needed extra support.

EXHIBIT 5. Investment in the LRSZ by Type (2008–2020)

Investment Type	January 2008– March 2020	March 2020– October 2020	Total
Small Business Innovation Research (SBIR), Small Business Technology Transfer, and Other Federal Funding	\$11,600,760	\$525,000	\$12,125,760
MEDC Investments (grants, SBIR matches, etc.)	\$4,582,024	\$244,000	\$4,826,024
Venture Capital	\$8,595,000	\$3,615,000	\$12,210,000
Angel Funds	\$3,746,000	\$3,170,000	\$6,916,000
Bank Loan	\$2,035,000	\$10,000	\$2,045,000
Owner Investment	\$718,000	\$119,000	\$837,000
Other Total	\$8,085,180	\$113,000	\$8,198,180
New Sales	\$3,744,404	\$2,722,000	\$6,466,404
Total	\$43,106,368	\$10,518,000	\$53,624,368

Source: PSC compiled and analyzed LRSZ reporting data.

The strategic investment of TIF capture to support high-technology entrepreneurs and businesses has resulted in additional public and private investments in the sector, which have collectively strengthened the region's overall economic development.

Financial Performance

The LRSZ's economic development impacts were made possible through successful financial resource management. To explain the uses and outcomes of state funds and TIF capture, this section provides a detailed look at the revenues received, expenses paid by type, fund balances, and other obligations. LRSZ financial data for the LRSZ has been compiled from its inception through FY 2020.

LRSZ Financial Management and Data Gathering

Financial data was gathered from the COEL and LEAP. From FY 2007 to FY 2014, finances were managed by the COEL with oversight by the LDFA board. The COEL managed the finances during this time for two reasons. First, East Lansing was the only participating jurisdiction where tax increment financing revenue was generated. Second, the COEL was also solely funding and managing the TIC, the LRSZ's primary initiative at the time. When LEAP took over management of the TIC in fiscal year 2015, the responsibility for financial management fell under LEAP's purview with continued oversight by the LDFA board. To address the shift in financial reporting and the corresponding differences in reporting detail, the summary financial data has been split into two periods—2009 to 2014 and 2015 to 2019.

Fiscal Years 2009–2014

Exhibit 6 provides a summary of financial performance for fiscal years 2009 through 2014. Income during these years came primarily from property tax capture, state grants supporting TIC operations, and miscellaneous contributions. State grants were from the MEDC and supported TIC operations, while miscellaneous contributions included funding to support ancillary activities such as The Hatch, the student incubator. Expenses during this time primarily included professional staffing and operational expenses related to managing the TIC. The relatively low property tax capture required additional support from the City of East Lansing's Downtown Development Authority (ELDDA) to support costs of the TIC, particularly buildout and lease expenses. The ELDDA spent \$415,000 for TIC construction, fully financed through ELDDA debt. These costs are not reflected in Exhibit 6 as they were solely ELDDA expenses and not an obligation of the LRSZ.

EXHIBIT 6. LRSZ Financial Performance, Fiscal Years 2009–2014

	FY09	FY10	FY11	FY12	FY13	FY14
Revenue						
Property Tax Capture	\$11,243	\$75,032	\$58,863	\$42,766	\$17,896	\$14,834
State Grants				\$48,011	\$70,000	\$70,000
Other	\$15	\$189	\$602	\$327	\$396	\$158
Miscellaneous	\$8,855	\$52,229	\$118,179	\$26,392	\$31,519	\$23,231
Total Revenue	\$20,113	\$127,450	\$177,644	\$117,496	\$119,811	\$108,223

	FY09	FY10	FY11	FY12	FY13	FY14
Expenses	\$20,045	\$118,577	\$90,554	\$140,818	\$130,144	\$116,909
Net Income	\$68	\$8,873	\$87,090	(\$23,322)	(\$10,333)	(\$8,686)
Fund Balance	\$68	\$8,941	\$96,031	\$72,709	\$62,376	\$53,690

Source: PSC compiled and analyzed LRSZ reporting data.

Fiscal Years 2015–2020

Exhibit 7 provides financial performance data from fiscal years 2015 to 2020. FY 2015 and 2016 include a greater level of financial activity compared to the preceding and subsequent years. This is the result of the transfer of the TIC management from the COEL to LEAP and the need to reflect this transfer on the LRSZ financial statements. This transfer of assets resulted in a much higher fund balance due to the capital contribution of the TIC and the associated rental income. Since the TIC's physical assets were previously supported by the ELDDA, they were not reflected on prior years' LRSZ financial data. There was a subsequent and corresponding decline in financial activity in 2017 when the TIC transitioned again from LEAP to the MSU Foundation.

In fiscal year 2015 a substantial MEDC grant was awarded to cover the remaining debt service of \$644,000 (principal and interest) for the original TIC buildout. The debt itself was not on the LRSZ balance sheet, but relieved a significant financial obligation, allowing the ELDDA to direct resources to support LRSZ operations. Since 2017, income has been limited primarily to property tax capture, with that funding growing significantly due to the development of several large projects within the COEL portion of the tax capture district. Property tax capture through FY 2020 remains solely from the COEL since no growth in taxable value has occurred within the COL's portion of the capture district.

Total operating revenue during this period was just under \$1.2 million, with \$493,608 derived from LDFA property tax capture. Expenses from 2015 to 2020 were primarily focused on TIC operations and critical business support and development activities for companies within the LRSZ.

EXHIBIT 7. LRSZ Financial Performance, Fiscal Years 2015–2020

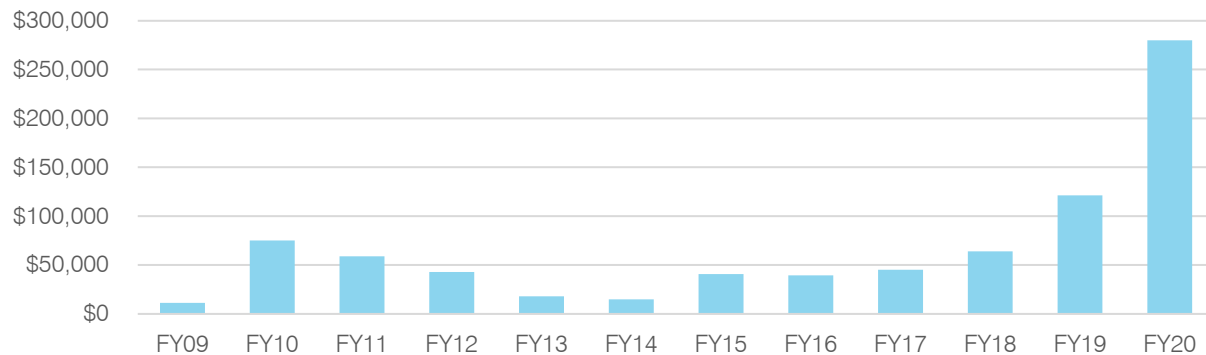
	FY15	FY16	FY17	FY18	FY19	FY20
Operating Revenues						
<i>Charges for Services:</i>						
Rental	\$305,379	\$346,026				
Other Tenant Fees	\$21,365	\$23,842				
Other	\$12	\$12	\$120			
Property Tax Capture		\$34,521	\$40,584	\$57,568	\$109,025	\$251,910
Total Operating Revenues	\$326,756	\$404,401	\$40,704	\$57,568	\$109,025	\$251,910
Operating Expenses						
Facilities	\$341,745	\$389,755				
Business Incubator	\$39,890	\$57,072	\$63,090	\$22,000	\$19,608	\$81,738
Contractual Services	\$28,600	\$29,991	\$11,010	\$8,820	\$9,124	\$13,968

	FY15	FY16	FY17	FY18	FY19	FY20
Operations	\$9,771	\$7,671	\$31			
Insurance	\$1,101	\$1,043	\$2,327	\$2,443	\$2,418	\$2,420
Depreciation	\$41,225	\$41,311				
Total Operating Expenses	\$462,332	\$526,843	\$76,458	\$33,263	\$31,150	\$98,127
Operating Gain or (Loss)	(\$135,576)	(\$122,442)	(\$35,754)	\$24,305	\$77,875	\$153,784
Nonoperating Revenues (Expenses)						
Grant Revenue	\$831,500	\$53,000				
Grant Expenses	(\$749,500)					
Sponsorships	\$74,500	\$20,000				
Contributions (Transfer of Operations)	\$53,373		(\$1,033,285)			
Property Tax Capture	\$42,404					
Total Nonoperating Revenues (Expenses)	\$252,277	\$73,000	(\$1,033,285)	\$0	\$0	\$0
Income or (Loss) Before Capital Contributions	\$116,701	(\$49,442)	(\$1,069,039)	\$24,305	\$77,875	\$153,784
Capital Contributions (Transfer of Operations)	\$1,110,845	\$4,976				
Change in Net Position	\$1,227,546	(\$44,466)	(\$1,069,039)	\$24,305	\$77,875	\$153,784
Fund Balance, Beginning of Year	\$0	\$1,227,546	\$1,183,080	\$114,041	\$138,346	\$216,221
Fund Balance, End of Year	\$1,227,546	\$1,183,080	\$114,041	\$138,346	\$216,221	\$370,005

Source: PSC compiled and analyzed LRSZ financial data.

Property Tax Capture

When the LRSZ was created, the LDFA and the Cities of Lansing and East Lansing expected TIF capture to serve as the primary funding resource for the LRSZ. The original LDFA TIF plan projected that the LRSZ would benefit from development within the two approved tax capture districts, one in the COEL and the other in the COL. However, development did not materialize as projected and TIF revenue was limited until recently. Exhibit 8 is a summary of the TIF revenue over the first 12 years of the LRSZ's operation.

EXHIBIT 8. LRSZ Property Tax Capture, Fiscal Years 2009–2020*

*NOTE: To date, all TIF capture has been generated via local schools, intermediate school district, and the state education tax. Local millages are being captured by other tax capture entities or excluded.

Source: City of East Lansing, Consolidated Annual Financial Reports, fiscal years 2009–2020

Property tax capture was minimal until FY 2019, when it finally surpassed \$100,000. FY 2020's revenue was nearly \$280,000, a more than fourfold increase from just two years earlier. The realization of this revenue in recent years is a significant turning point for the LRSZ. Annual revenue is now at a level that allows for greater entrepreneur and business support activities, and a five-year extension would allow the LRSZ to build on existing momentum and expand its reach. Total tax capture revenue during this period was \$493,608.

Plan for Future Performance

The LRSZ is currently located in downtown East Lansing and in and around the UHP in the City of Lansing. By building on the significant progress made during the last five years, the LRSZ can unlock additional growth and establish a sustainable path to long-term self-sufficiency while expanding outreach to underserved communities and regional entrepreneurship.

To do this, the LRSZ's business plan will focus its efforts on three key strategies over the next five years:

- **Driving growth in target parcels:** This plan identifies and describes the strategy for leveraging the value and utility of key parcels within the LRSZ where there is room for additional growth.
- **Fostering increased collaboration:** Building on previous collaborative efforts, this plan articulates a vision for deeper collaboration between the cities, local and regional economic development organizations, and higher education institutions and describes how these efforts will drive improved outcomes.
- **Ensuring sustainability and self-sufficiency:** With only an additional five years of TIF revenue capture available through this extension, this plan also provides a roadmap for how the LRSZ will develop a long-term and sustainable path for continued support for the region's businesses, entrepreneurial ecosystem, and technology-based industries in service of future economic and community development gains.

By focusing on these three core components, the LRSZ will maximize the impact of an additional five years of TIF capture and position itself well to provide continued support for the region's economic and high-tech industry growth moving forward.

Driving Growth in Target Parcels

Each of the municipalities have plans for additional growth within their respective development areas.

- City of Lansing—University Health Park:** The new \$600 million state-of-the-art McLaren hospital is now open within the UHP. While the hospital is not taxable, the investment by McLaren, their strategic partnership with MSU and the MSU Foundation and LEAP's focus on recruiting MedTech companies are all expected to drive ancillary medical industry growth. The LRSZ may see increased taxable value as nearby vacant parcels are developed, particularly the remaining 15 acres within the UHP that are owned by the MSU Foundation. LEAP recently received \$1.1 million in U.S. Economic Development Administration funding to grow the region's MedTech industry. This offers an opportunity to leverage McLaren's new hospital development and MSU partnerships to recruit additional medical users to the UHP while collaborating with the MSU Foundation to develop the parcels.
- City of East Lansing—Downtown Development Authority:** The ELDDA district has seen significant redevelopment in the past five years through projects including the Park District, Center City, and the Hub. While a number of these projects have utilized brownfield TIF and the LRSZ, there is the potential for further development that would result in additional TIF revenue for the LDFA. The most immediate prospect is Michigan State University Federal Credit Union's (MSUFCU's) proposed seven-story retail and office building at the corner of Albert Avenue and Evergreen Road. Adjacent to this property are several targeted parcels along Evergreen Avenue that are currently under purchase option for a proposed eight-story office complex. The MSUFCU site is currently a municipal parking lot, and the Evergreen Avenue parcels are occupied by soon-to-be demolished single-family structures. These are the only vacant parcels available for development within the East Lansing portion of the LRSZ. Any additional growth would be generated from redevelopment of existing parcels, which is possible on a limited basis throughout the ELDDA district, with greater likelihood in the Cedar Village area east of Bogue Street.

Fostering Increased Collaboration

Since 2014 the MSU Foundation has made significant investments to drive economic development at Michigan State University through the commercialization of intellectual property created by faculty, staff, and students. Given LEAP's previous investments and success in this area and MSU Foundation's significant progress in recent years, it makes sense to focus entrepreneurship programs on broader regional entrepreneurship and high-tech, high-growth entrepreneurship to avoid overlap and increase efficacy of efforts.

Another core component of the LRSZ's business plan moving forward is to increase municipal and higher-education collaboration through a new interlocal agreement and enhanced program coordination.

Interlocal Agreement

If an extension is approved, then the participating municipalities (COL and COEL) plan to update their existing interlocal agreement that would allow for increased resource sharing and deeper collaboration.

Currently, TIF capture is only allowed to be used in the municipality where the revenue is generated. This policy ensures that tax revenues are used locally. While this has been beneficial over the last 15 years, it also creates a barrier to greater collaboration, which is necessary given that the LRSZ is a network of partners working to support the high-technology industry from a regional perspective. To balance the LRSZ's intention to ensure most of the revenue is used locally, but also provide greater room for collaboration, a new local agreement will be signed by all municipalities that allows 10 percent of all TIF capture to enter a rising-tide fund. This fund would be administered by the LDFA, which would allocate these resources to eligible business support services and programming. For example, the LDFA could elect to provide commercialization services to a firm based in another jurisdiction that did not produce any TIF capture during that year. This new approach would keep 90 percent of TIF capture in the community where it accrued, but it would also expand the reach and scope of services that can be provided across the jurisdictions and within the LRSZ. This strategy is also seen as an effort to drive regional collaboration, engagement, and growth.

Enhanced Program Coordination

The LRSZ has made tremendous strides in developing impactful relationships amongst its partners, particularly between LEAP and the MSU Foundation. These partnerships have resulted in a wide range of interconnected programming to support high-technology companies during all three phases of the business cycle (ideation, startup, and growth), which are highlighted in Exhibit 9. Appendix C provides descriptions of all of these programs.

EXHIBIT 9. Lansing Regional SmartZone Programming by Provider and Business Cycle Phase

Idea		Startup		Growth	
The Hatching		STEM Forward (MEDC Partnership)			
Company Formation					
Internship Program			FDI Soft Landing/Attraction		
Strategyzer Training/Implementation		Site Search			
	Discretionary BAF (MEDC Partnership)				
BAF (MEDC Partnership)					
1-on-1 Consulting			Red Cedar Ventures (RCV) Pre-Seed and Opportunity Funds		
	Entrepreneur-in-Residence				
	Jumpstart grants		Sales Accelerator		
	One and All				
	TIC Incubator			VanCamp Incubator	
	Conquer Accelerator				
Gateway Representative Services (MEDC Partnership)					

Note: LRSZ programs are in yellow, LEAP in blue, MSU Foundation in green, and overlapping MSU Foundation and LEAP programs are in orange

Note: Italic text indicates that a program is currently under development.

If granted an extension, LEAP and the MSU Foundation would build on these previous successes by rolling out the programs under development and formalizing their partnership through a memorandum of understanding (MOU) that would document existing roles and responsibilities as well as outline future

expansion opportunities with the emphasis of the MSU Foundation focused on high-tech entrepreneurship related to MSU technologies and LEAP focused on regional entrepreneurship. For example, as documented in Exhibit 10, these entities regularly provide aligned services to entrepreneurs through their collaboration with MSU Foundation programs. During the next five years, they will expand these partnerships to continue elevating the university's technology commercialization efforts. Over the last two years, many entrepreneurs have worked with Spartan Innovations, Red Cedar Ventures, and the Michigan Rise Pre-Seed III Fund to secure early-stage capital investment and federal grants. With this funding secured, many of these entrepreneurs then need space and other key services to get their products to market and grow their business. At this point in the commercialization process and balancing the extensive real estate investments made by the MSU Foundation and the LRSZ to create spaces within the ecosystem, LEAP has begun to play a role providing site selection, technical assistance, and other support not only for new company formations, but for recruiting out of state companies to the region to leverage scientific and research community of the University. The MOU would provide a valuable opportunity to formalize, expand, and secure these partnerships to ensure impactful coordination and long-term sustainability.

These efforts would also be targeted in a way that encourages these emerging technology companies to stay in the region. With additional years of TIF revenue captures, the LRSZ would work to further integrate programming and services with the goal of providing a wider range of support to companies as they grow. For example, this would include helping existing and new LRSZ businesses navigate regulatory hurdles with agencies such as the Food and Drug Administration. Companies in industries like Medtech and Agtech/food would benefit from additional consulting support to address barriers to product and market development. Paired with existing entrepreneurial services offered through LEAP and the MSU Foundation, these additional services could make a major difference for these new companies and result in more capital investment and job creation. Also, as these businesses grow, so does the annual TIF capture, which, in turn, allows the LRSZ to support more businesses. This cycle will allow the region's high-technology sector to grow long into the future.

Ensuring Sustainability and Self-sufficiency

The third critical component of the LRSZ's business plan is the establishment of plans and programs to ensure that the zone is on a path to self-sufficiency and long-term success. To do this, the LRSZ will leverage LEAP's administrative capacity to execute the previously described business plan and effectively manage financial resources.

Administrative Capacity

Since 2015, LEAP has served as the leader of the LRSZ, and it would continue to do so if granted an additional five years of TIF capture. LEAP is the economic development organization serving the tri-county region, which includes Clinton, Eaton, and Ingham Counties. LEAP provides extensive support to entrepreneurs and works diligently to attract and retain businesses and talent within the Lansing area. These services are well aligned with the mission of the LRSZ, which is a major reason that the zone has been able to expand its reach and deepen its impact in the last five years.

From an organizational capacity standpoint, LEAP has sufficient administrative capacity to build on recent progress and implement the proposed business plan. From a programmatic standpoint, funds will be utilized to hire an additional support person dedicated to implementing SmartZone activities. This person will work closely with LEAP's economic development experts to maximize services. If granted a

five-year extension, LEAP will play a leading role as the LRSZ transitions into a self-sufficient and sustainable operation.

Staff capacity at LEAP is further supplemented by economic development staff at the COEL. In addition, the partnerships with MSU's Innovation Center and the MSU Foundation provide additional capacity.

Transition to Self-sufficiency

If granted an extension, the LRSZ will explore multiple funding streams and leverage its fund balance to establish a long-term sustainability strategy.

- Fundraising and grants:** While the majority of existing funds were generated through tax capture, the LRSZ will pursue business sponsorships, philanthropic donations, and other public grant funds to support its future efforts. The LRSZ can leverage its connections with corporate and philanthropic partners to provide additional resources to support its incubation and high-technology business support services, aligning partners' investment priorities with the needs of the LRSZ. Where appropriate, the LRSZ will also apply for state and federal grants to increase its capacity to foster business development and economic growth in the region. Since the LRSZ is now capturing enough funding to create supportive programming, there is increased likelihood of leveraging funding sources that require matching dollars. In addition, the LRSZ will explore the potential for a part-time or contractual fund development manager to be sponsored by a foundation or private sponsor. Leveraging professional fundraising services will increase the chance for successful fundraising. All fundraising will be closely coordinated with LEAP and the respective municipal partners to ensure alignment with their organizational priorities.
- Incubator revenue:** To date, the LRSZ has not generated net income from its incubator rentals or services, but this could change in the next five years if granted an extension. The TIC was historically burdened with debt service that is no longer in place and is now experiencing an increase in startup activity, both of which point to greater potential for full occupancy and higher rental rates. This reduced burden and increased activity offer some possibility of positive cashflow to be funneled back into the LRSZ.
- Soft-landing and coworking space:** The LRSZ will explore the potential for development of soft-landing and coworking space within the TIF district as a first priority. With the ongoing reduction of state office leases in the region, there is projected to be excess office space capacity in the coming years. This space may offer the potential to be master leased and then subleased for incubator graduates. In addition, other small businesses and solo entrepreneurs may have interest in coworking space. Both options offer potential to generate annual cashflow to LRSZ operations.
- Additional TIF capture:** The LRSZ will also consider additional opportunities to continue its tax revenue capture through potential opportunities for extensions and additions of parcels if this opportunity is available. This option would provide a stable base of revenue.

The exploration and pursuit of these opportunities offers the potential to diversify the funding sources for the LRSZ and inform the development of a more comprehensive plan for self-sufficiency if the LRSZ is granted an extension. The strategies proposed are consistent with research on the most common revenue sources for incubators and accelerators (GALI 2016). They also reflect the challenges in identifying and securing stable, long-term revenue sources.

Budget

Exhibit 10 provides detail on the LRSZ's projected budgets for the extension period. Revenue will primarily be from property tax capture with some expected revenue from sponsorships and other fundraising. In terms of expenses, funding will be focused on business incubator support and contractual services. There are currently no outstanding or projected obligations budgeted. The fund balance currently being carried by the LRSZ will be fully expended during the five proposed extension years.

EXHIBIT 10. Proposed Budget, Fiscal Years 2023–2027

	Proposed Extension Years				
	FY23	FY24	FY25	FY26	FY27
Operating Revenues					
Property Tax Capture	\$480,760	\$485,568	\$490,423	\$495,328	\$500,281
Sponsorships and Fundraising	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Operating Revenues	\$490,760	\$495,568	\$500,423	\$505,328	\$510,281
Operating Expenses					
Accelerator and Incubator Services ²	\$343,532	\$346,897	\$350,296	\$353,729	\$357,197
Attraction, Retention, and Marketing	\$98,152	\$99,114	\$100,085	\$101,066	\$102,056
LRSZ/LDFA Administration	\$49,076	\$49,557	\$50,042	\$50,533	\$51,028
Total Operating Expenses	\$490,760	\$495,568	\$500,423	\$505,328	\$510,281

² Exhibit 10 includes a full list of existing accelerator and incubator services.

Tax Increment and Financing Plan

Section I: Introduction

The State of Michigan, through Public Act (PA) 248 of 2000, amended the Local Development Financing Act (PA 281 of 1986) to broaden the use of tax increment financing techniques authorized under state law for the development of businesses engaged in “high technology activities.” PA 281 was later recodified into the Recodified Tax Increment Financing Act (PA 57 of 2018). When using the phrase “the Act,” this report is specifically referring to the recodified PA 57 of 2018.

The amended Act allows for:

- The creation of a Local Development Finance Authority
- Designation of an Authority District as the area or areas within which the authority exercises its powers
- The use of property tax capture from eligible property to finance development of public facilities to support the development of eligible property for a period of 15 years
- An additional five years of property tax capture if the LDFA agrees to additional reporting requirements and includes regional collaboration

The Act specifies that a tax increment financing plan shall be created that provides for the use of tax increment revenues to finance public facilities for the following:

- Eligible property in the “Authority District” whose captured assessed value produces the tax increment revenues
- Property located in a “Certified Technology Park” (SmartZone)
- For areas within a SmartZone, tax increment revenue is captured from all properties and includes both local taxes and 50 percent of school taxes. School taxes can only be captured for a maximum of 15 years.

Section II: Lansing Regional SmartZone

On October 16, 2000, the Cities of Lansing and East Lansing (the “Cities”) in collaboration with local partners, submitted an application to the Michigan Economic Development Corporation (the “MEDC”) to establish the Lansing Regional SmartZone (the “LRSZ”). The local partners being the Lansing Regional Chamber of Commerce, the County of Ingham, Michigan State University, Lansing Community College, the Michigan State University Foundation, and the University UHP.

On April 11, 2001, the MEDC announced its intent to designate the LRSZ subject to a development agreement between MEDC, Lansing, East Lansing, and a joint Local Development Finance Authority (the “LDFA”).

On May 2, 2005, and May 3, 2005, Lansing and East Lansing, respectively adopted a resolution creating a joint LDFA and Authority District. As a multiple-jurisdictional LDFA, County of Ingham approval was required for the LDFA’s creation. The resolution was approved on April 26, 2005.

Also in accordance with Act 281 of 1986, as amended, the Cities entered into an agreement governing the composition and appointment of members of the governing body of the LDFA (the “LDFA Board”). The area established as the authority district includes portions of downtown Lansing and East Lansing, and land in and near the University Health Park (UHP).

On November 30, 2005, the Cities, LDFA, and MEDC entered into the Lansing Regional SmartZone Agreement designating the authority district as a Certified Technology Park and established the terms and conditions of this designation.

The LDFA Board has determined that the LRSZ plays an important role in supporting the development of high-tech businesses in the region and should continue to do so for the foreseeable future. In support of the LRSZ’s ongoing efforts, the LDFA Board has crafted this updated tax increment financing plan.

Section III: Tax Increment Financing Plan—Lansing Regional SmartZone

On December 5, 2006, the East Lansing City Council approved the Tax Increment Financing and Development Plan for the Lansing Regional SmartZone. On December 11, 2006, the Lansing City Council also approved the plan. The LDFA Board has determined that to achieve the purposes of the Act, an amended tax increment financing plan should be created for an additional five years and submitted to the Cities for their approval.

A. Statement

The LRSZ is geographically located in downtown East Lansing and in and around the University UHP in the City of Lansing.

The Lansing Regional SmartZone’s mission is to foster the creation and attraction of technology-based businesses and jobs within the Lansing Regional SmartZone. The SmartZone partners are doing this by encouraging technology-based entrepreneurial activities, providing value to technology-based businesses and stakeholders, and focusing on wealth generation, including jobs, income, and investment.

To achieve the LRSZ’s mission, the Cities of Lansing and East Lansing, along with their SmartZone Partners are creating an innovative approach to the commercialization process. The SmartZone provides physical amenities such as incubator and wet lab space along with business accelerator services throughout the life cycle of technology-based businesses. The SmartZone will continue to leverage private investment and generate new jobs and income.

B. Estimate of the Captured Assessed Value

Table 1 sets forth estimates of captured assessed value and tax revenues for each year of the plan. Insofar as the LDFA Board views the improvements and activities described in the Development Plan as a major contributing factor to renewed growth in the SmartZone property values, the assumptions embodied in the projections are considered appropriate.

TABLE 1. Estimates of Taxable Value and Captured Assessed Values, 2022–2026

Tax Year	City of Lansing		City of East Lansing		Totals	
	Taxable Value	Captured Value	Taxable Value	Captured Value	Taxable Value	Captured Value
Base Value*	\$11,404,458		\$46,458,837			
2020 Actual	\$3,841,869	\$0	\$78,317,081	\$31,858,244	\$82,158,950	\$31,858,244
2021 Projection	\$3,880,288	\$0	\$78,727,159	\$32,268,322	\$82,607,447	\$32,268,322
2022 Estimate	\$3,919,091	\$0	\$79,514,431	\$33,055,594	\$83,433,521	\$33,055,594
2023 Estimate	\$3,958,281	\$0	\$80,309,575	\$33,850,738	\$84,267,856	\$33,850,738
2024 Estimate	\$3,997,864	\$0	\$81,112,671	\$34,653,834	\$85,110,535	\$34,653,834
2025 Estimate	\$4,037,843	\$0	\$81,923,797	\$35,464,960	\$85,961,640	\$35,464,960
2026 Estimate	\$4,078,221	\$0	\$82,743,035	\$36,284,198	\$86,821,257	\$36,284,198

* Base value for Lansing and East Lansing was established in 2007.

C. Estimated Tax Increment Revenues

Based on the taxable value and captured value estimates in Table 1, tax revenue estimates for the LDFA were calculated using 2020 tax rates. Estimates are subject to change based on actual captured values and future changes in millage rates. Table 2 provides revenue for each jurisdiction's respective parcels included within the plan and the overall total. Total new tax capture growth on an annual basis is not projected to increase more than 9 percent (2026) from the last year of the current plan (2021).³

TABLE 2. Estimates of Tax Increment Revenues, 2022–2026

Tax Year	City of Lansing	City East of Lansing	Totals
2022 Estimate	\$0	\$480,760	\$480,760
2023 Estimate	\$0	\$485,568	\$485,568
2024 Estimate	\$0	\$490,423	\$490,423
2025 Estimate	\$0	\$495,328	\$495,328
2026 Estimate	\$0	\$500,281	\$500,281
Totals	\$0	\$2,452,359	\$2,452,359
Millage Rates	54.6156	15.1192	

D. Explanation of Tax Increment Procedure

LDFA tax increment financing is a mechanism whereby a development area is established within an Authority District. Tax increment revenues generated from property within the District are allocated to the Authority to finance development plans directly or to retire debt or other obligations incurred by the

³ Per the MEDC's December 2016 SmartZone Evaluation Policy and TIF Policy, annual new tax capture cannot exceed 25 percent growth for any additional years as calculated from the last year of tax capture.

Authority to carry out its plans. Tax increment revenues are amounts determined by the application of local property tax millages levied by taxing units within the development area on captured assessed value within the development area. Captured assessed value is calculated as the difference between the yearly assessed value of property within the development area, and the initial assessed value of that property which is the assessed value of the property at the time of the establishment of the tax increment financing plan.

Tax increment financing authorizes the use of tax revenues derived from an increase in the assessed value of a specific development area to finance public improvements within that area. Some details of this process are presented here:

- The Authority must prepare a development plan and tax increment financing plan for a specific development area within the district. The development plan describes the location, character, and extent of the proposed development, and the tax increment financing plan outlines in detail how tax increments are to be spent and over what period of time they are to be spent.
- Upon adoption of a development plan and a tax increment financing plan by the Cities, the assessed valuation of real and personal property at the last equalized tax roll is calculated. This is known as the Initial Assessed Value of the Development Area. Each of the taxing jurisdictions will continue to receive 90 percent of their respective share of taxes collected on the initial assessed value of property in the development area as long as the Tax Increment Financing Plan is in effect. The remaining 10 percent will be pooled and spent across the entire LRSZ as determined by approval of the LDFA Board.
- Development outlined in the Plan may be financed by the LDFA through a variety of funding mechanisms. For example, tax increment bonds may be sold to raise capital, tax increment revenue may fund lease payments or other obligations, or annual tax increment revenues may be spent directly on public improvements in the development area as they are received. However, this plan does not anticipate any issuance of bonded indebtedness.
- New taxes, or tax increments, are derived from assessed value increases due to new development. The difference between the initial assessed value of real and personal property in the development area and the current assessed value is the captured assessed value. Tax increment revenues based on the captured assessed value may be used for development plans and related activities. In all cases, tax increment revenues are spent in accordance with the Tax Increment Financing Plan.
- The Plan includes personal property tax capture for the City of Lansing. The City of East Lansing is excluding all personal property from capture. In addition, the City of Lansing proposes to capture all eligible taxes, while the City of East Lansing proposes to only capture the 50 percent of eligible school taxes due to the presence of other capture districts within portions of the LRSZ.

As indicated above, taxing jurisdictions continue to collect property tax revenues based on the initial assessed value of property in the development area while the tax increment financing plan is in effect. The jurisdictions are asked to forego that portion of the revenues resulting from the captured assessed value generated in the area for the duration of the financing period.

When the development program described in the development plan has been completed in accordance with the tax increment financing plan, taxing units resume collecting property tax revenues based on the full value of property in the development area.

E. Amount of Indebtedness

The Authority on behalf of the City of Lansing and City of East Lansing will not incur any debt obligations during the duration of the plan.

F. Sources and Uses of Revenues

The sources and uses of funds for the plan are detailed in Table 3. Funding will be utilized for LRSZ administration; attraction, retention, and marketing efforts; and accelerator and incubator services.

TABLE 3. Sources and Uses of Funds

	Lansing Tax Increment Financing Revenue	East Lansing Tax Increment Financing Revenue	Total
LRSZ/LDFA Admin. (10%)	\$0	\$245,236	\$245,236
Attraction, Retention, and Marketing (10%)	\$0	\$490,472	\$490,472
Accelerator and Incubator Services (80%)	\$0	\$1,716,651	\$1,716,651
Total	\$0	\$2,452,359	\$2,452,359

Note: Columns may not total due to rounding.

Tax increment revenues based on the annual captured assessed value will be fully utilized as necessary to fund activities detailed in Table 3. Excess funds not used for the foregoing purposes may be used for other purposes determined by resolution of the LDFA Board to further the development program as described in the Development Plan; excess funds not so used shall revert proportionately to the respective taxing bodies.

G. Costs of the Plan from Tax Increment Revenue

The total cost of the plan derived from tax increment revenue is estimated to be \$2,452,359. The amounts by category of expenditure are detailed in Table 3.

H. Duration of the Development Plan and Tax Increment Financing Plan

The development and tax increment financing plan is an extension of the original plan approved by the City of East Lansing on December 5, 2006, and the City of Lansing on December 11, 2006. The original plan was 15 years and expires December 31, 2021. This plan shall be for a period of five years starting on January 1, 2022, and ending on December 31, 2026.

I. Estimate of the Impact of Tax Increment Financing on Taxing Jurisdiction Revenue

Table 4 details the total amount of estimated tax capture for the duration of the plan extension. These figures were calculated for the applicable taxing jurisdiction within the City of East Lansing and City of

Lansing. The table includes all the ad valorem millages in each taxing jurisdiction, excluding debt millages, which are not capturable. Categories classified as not applicable (N/A) are due to the respective jurisdictions not having that millage or option to not capture that millage.

TABLE 4. Tax Revenue Impact by Taxing Jurisdiction

Total Revenue	City of Lansing	City of East Lansing
City and Township Tax Revenue		
Operating	\$0	N/A
Solid Waste	N/A	N/A
Library	N/A	N/A
Community Services	N/A	N/A
CATA Redi-Ride	N/A	N/A
Parks/Recreation	N/A	N/A
Police and Fire Protection	N/A	N/A
Debt (Fire Station)	N/A	N/A
Pathways	N/A	N/A
Land Preservation	N/A	N/A
Fire Protection	N/A	N/A
Police Protection	N/A	N/A
County Tax Revenue		
Operating	\$0	N/A
Potter Park Zoo	\$0	N/A
Public Transit	\$0	N/A
Animal Control	\$0	N/A
Juvenile Justice	\$0	N/A
Elder Care	\$0	N/A
Health Services	\$0	N/A
Parks/Trails	\$0	N/A
Farmland Preservation	\$0	N/A
911 System	\$0	N/A
Jail/Justice	\$0	N/A
Other Jurisdictions Tax Revenue		
Capital Region Airport Authority	\$0	N/A
Capital Area District Library	\$0	N/A
Capital Area Transportation Authority	\$0	N/A
Lansing Community College	\$0	N/A
State-authorized Tax Capture		
State Education Tax	\$0	\$486,605

Total Revenue	City of Lansing	City of East Lansing
Intermediate School District	\$0	\$505,939
Local Schools Operating	\$0	\$1,459,815
Total Revenue	\$0	\$2,452,359

J. Legal Descriptions

Appendix A gives the legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.

K. Jobs Created

The estimate of the number of jobs to be created because of implementation of the tax increment financing plan is 350.

L. Certified Technology Park (SmartZone) Boundaries

The boundaries of a certified technology park and identification of the real property within the certified technology park to be included in the tax increment financing plan for purposes of determining tax increment revenues are given in Appendix A (legal definitions of parcels) and Appendix B (maps of Lansing Regional SmartZone). The TIF plan will capture property taxes from real and personal property within:

1. An area bordered by Collins Road to the east, Dunkel Road to the south, I-496 to the west, and the City of Lansing boundary to the north and northeast.
2. An area as defined by the East Lansing Downtown Development Authority District per Ordinance 1106, with the exception of properties north of Grand River Avenue and east of Collingwood Drive. The East Lansing portion will exclude personal property taxes.

Section IV: Development Plan

Development Projects

The LRSZ includes technology-based business development within each area of the SmartZone. A key component to each of these efforts is the significant role of Michigan State University, particularly leveraging the tools of the MSU Foundation and the MSU Innovation Center.

City of Lansing

The Lansing component has been historically centered around the University UHP and MBI International, the LRSZ's original wet lab incubator. The \$600 million McLaren Greater Lansing Hospital will drive future development activities in this area that may include a multi-tenant medical services building occupied by a variety of for-profit, patient-facing specialty practice groups. Additionally, there are 18 acres of land directly adjacent to the new hospital that are currently owned by the MSU Foundation, providing the potential for MedTech startup companies and established life sciences companies that collaborate with MSU and McLaren.

City of East Lansing

The East Lansing SmartZone component will continue to be centered around the MSU Innovation Center, which is comprised of MSU's broad portfolio of innovation efforts. The MSU Innovation Center combines innovation, technology transfer, startup support, and a portfolio of dedicated business and community partnerships to bring cutting-edge ideas to the marketplace. The MSU Innovation Center includes the Technology Innovation Center, which offers 7,500 sq. ft. of shared office and coworking space for technology startups. Co-located with the TIC is the student-based incubator, the Hatch. Other groups within the MSU Innovation Center include MSU Technologies, which focuses on technology transfer through licensing intellectual property, as well as Business-CONNECT, which links companies with university resources to foster innovation. The MSU Foundation is also located within the MSU Innovation Center and includes its subsidiary organizations: Spartan Innovations, creating new businesses from university research; Red Cedar Ventures, an early-stage venture investment fund; the Michigan Rise Pre-Seed III Fund, a statewide early-stage venture fund and the foundation's real estate arm which owns and manages strategic assets that complement the university's commercialization efforts.

The TIC will continue to provide incubator space and business support services. Business support services will be contracted through existing service providers, including LRSZ partners MSU Foundation, LEAP, and the MSU Innovation Center. Business support services will include a renewed focus on retaining businesses developed in the TIC within the region to maximize local job creation and economic impact. Retention support will be provided in the form of soft-landing space. This will be affordable business space outside of the TIC but within the LRSZ boundaries to help businesses make the transition from incubation to self-sufficiency in the marketplace. In addition, enhanced business attraction activities will be developed and implemented to complement retention activities.

A. Property Description

See Appendix A for a list of the Lansing and East Lansing properties to which LRSZ's Plan applies in relation to the boundaries of the authority district and a legal description of each property.

B. Boundaries of Property Included

The Lansing portion of the boundaries of the property to which the Plan applies can more generally be described as all real and personal property within an area bounded by Collins Road to the east, Dunkel Road to the south, I-496 to the west, and the City of Lansing boundary to the north and northeast.

The East Lansing portion of the boundaries of the property to which the Plan applies can more generally be described as the area defined by the East Lansing Downtown Development Authority District per Ordinance 1106, with the exception of properties north of Grand River Avenue and east of Collingwood Drive.

See Appendix B for a map of the development areas within the Cities.

C. Description of Land Uses and Property Characteristics

City of Lansing: The Lansing portion in the development area primarily consists of the UHP, zoned for multi-building and multi-user facilities primarily for research, education, development of innovations, controlled environment production, and a health care complex including a hospital, cancer center and medical office buildings and in each case, having significant relationships to science, technology and

health care. This area is in proximity to the Dunkel Road exit of US 127 and is accessed primarily via Collins Road and Forest Road.

City of East Lansing: East Lansing's portion of the development area consists of the core downtown area along Grand River Avenue, zoned for mixed-use commercial and residential. The other development area, commonly known as Cedar Village, is also zoned for mixed-use commercial and residential. These areas are primarily accessed by Grand River Avenue, Abbot Road, and Hagadorn Road. Land uses include a mix of low- and high-density residential and commercial uses. Commercial uses include both office and retail.

D. Public Facilities to be Acquired

While no public facilities are expected to be acquired, excess SmartZone captured property taxes not used for the purposes in Table 3 of the Tax Increment Financing Plan may be used for other purposes determined by resolution of the LDFA board to further the SmartZone project. Funds may also be used for additional projects, including the building, acquiring, and/or equipping of one or more business incubators within the Lansing Regional SmartZone as allowed by Public Act 57 of 2018 as amended.

E. Public Facilities Estimated Costs

While no public facilities are expected to be acquired or leased by the LRSZ, excess SmartZone captured property taxes not used for the purposes in Table 3 of the Tax Increment Financing Plan may be used for other purposes determined by resolution of the LDFA board to further the SmartZone project and for additional projects, including constructing additional public facilities as allowed by Public Act 57 of 2018 as amended.

F. Construction Schedule

The McLaren hospital within the Lansing development area opened on March 6, 2022. Several proposed projects in downtown East Lansing, including the Michigan State University Federal Credit Union office building and redevelopment of the Evergreen Avenue parcels, are projected for 2022 to 2024.

G. Property Transactions

While no property is expected to be leased or purchased by the LRSZ, SmartZone captured property taxes not used for the purposes in Table 3 of the Tax Increment Financing Plan may be used for other purposes determined by resolution of the LDFA board to further the SmartZone project. Funds may also be used for additional projects, including the buying, selling, donating, exchanging, or leasing of property to or from the Cities of Lansing or East Lansing.

H. Zoning and Infrastructure Changes

The LRSZ is not requesting any zoning changes or planning to effectuate any infrastructure changes as part of this plan.

I. Public Facility Costs

The LRSZ has no planned public facility costs.

J. Public Facility Lease Entities

The LRSZ does not plan to own or lease any public facilities. However, the LRSZ does plan to support the operations and business support services of the East Lansing Technology Innovation Center, which is operated by the MSU Foundation.

Spaces in this incubator are and will continue be leased to a wide range of high-tech businesses. From a business support perspective, the MOU between the LRSZ, LEAP and MSU Foundation will guide how programmatic services incubate, accelerate, and improve entrepreneurship and leverage and link technology innovators and Michigan State University to the private sector to create the conditions for greater productivity, innovation, and job creation. Startup and existing small businesses operating in these spaces will continue to have access to these business support services at no cost. These services are more fully described in Appendix C.

Operationally, the LDFA will continue to provide a \$10,000 annual sponsorship to support the TIC and is obligated to provide an additional \$10,000 sponsorship if the MSU Foundation has an operating shortfall that cannot be covered by the ELDDA. The LRSZ may also utilize funding to defray the costs of soft-landing space for TIC and SmartZone clients after they graduate from the incubators. In addition, the LRSZ plans to hire a full-time economic development staff person dedicated to assisting SmartZone entrepreneurs navigate available business support programs, identify, retain, and recruit companies to the SmartZone, and provide overall marketing and communications support for LRSZ business development activities.

K. Procedures for Leasing, Purchasing, or Conveying Public Facilities

The LRSZ is not planning to own, lease, purchase, or convey the use of any public facilities. However, excess SmartZone captured property taxes not used for the purposes in Table 3 of the Tax Increment Financing Plan may be used for other purposes determined by resolution of the LDFA board to further the SmartZone project. Funds may also be used for additional projects, including constructing additional public facilities and/or a business incubator as allowed by Public Act 57 of 2018 as amended.

L. Estimate of Displaced Persons

There are no persons residing within the development area that will be displaced or have their properties acquired by the LRSZ.

M. Displaced Persons Relocation Plan

There is no planned relocation of residents.

N. Displaced Persons Relocation Costs

There are no expected costs to relocate residents.

O. Compliance with Act 227 of 1972

There is no planned relocation of residents.

Appendix A: Parcels and Legal Descriptions

City of Lansing

Tax ID Number	Legal Description
33-01-01-36-351-002	COM 37.62 FT W OF NE COR OF W 1/2 OF SW 1/4, TH S 89DEG 46MIN 59SCD W 445.10 FT, S 04DEG 39MIN 20SCD W 42.22 FT, S 40DEG 45MIN 47SCD E 210.65 FT, S 86DEG 09MIN 45SCD E 185.37 FT, N 47DEG 24MIN 45SCD E 174.71 FT, N 01DEG 31MIN 45SCD W 95.5 FT TO BEG; SEC
33-01-01-36-102-032	COM 1307.16 FT E & 825.06 FT N OF W 1/4 COR, TH W 969.42 FT TO E LINE HWY US-127, N 10DEG 12MIN 40SCD W 167.3 FT, N 00DEG 23MIN 21SCD E 493.42 FT ALONG SAID R/W, E 994.22 FT, S 657.81 FT TO BEG; SEC 36 T4N R2W
33-01-01-36-102-063	COM 1307.16 FT E & N 00DEG 07MIN 51 SCD W 371.75 FT FROM W 1/4 COR SEC 36, TH N 89DEG 26MIN 28SCD W 90.6 FT, N 00DEG 07MIN 51SCD W 40.99 FT, N 89DEG 26MIN 28SCD W 173.74 FT, S 53DEG 54MIN 26SCD W 328.97 FT TO E LINE US-127 R/W, TH N 43DEG 58MIN 12SCD W 4
33-01-01-36-102-092	COM INTN E-W LINE SEC 36 & E LINE US-127 R/W, TH ALONG R/W N 04DEG 59MIN 51SCD W 157.35 FT AND N 43DEG 58MIN 12SCD W 83.41 FT, N 53DEG 54MIN 26SCD E 328.97 FT, S 89DEG 26MIN 28SCD E 173.74 FT, S 00DEG 07MIN 15SCD E 40.99 FT, S 89DEG 26MIN 28SCD E 90.6 FT
33-01-01-36-102-002	NW 1/4 OF NW 1/4 E OF I-496 R/W SEC 36 T4N R2W
33-01-01-25-151-011	COM 660 FT E OF W 1/4 POST, TH N 165 FT, W 115.5 FT, S 165 FT, E 115.5 FT TO BEG; SEC 25 T4N R2W
33-01-01-25-151-002	PARTS SEC 25 & 26 COM W 1/4 POST SEC 25, TH W 345.49 FT TO E LINE US-127 R/W, N 500 FT, E 345.07 FT TO E LINE SEC 26, CONTINUING E 544.5 FT, S 29DEG 19MIN 06SCD W 314.9 FT TO BLDG COR, ALONG BLDG WALL 3 COURSES: S 14DEG 30MIN 41SCD W 76.04 FT, N 75DEG 29
33-01-01-25-151-023	PARTS NE 1/4 SEC 26 LYING E OF US-127 R/W EXC S 500 FT, ALSO PARTS NW 1/4 OF SW 1/4 SEC 25 LYING N OF N'LY LINE RELOCATED FOREST RD, ALSO SW1/4 OF NW 1/4 SEC 25 EXC PARTS LYING W'LY OF A LINE COM 544.5 FT E OF W 1/4 COR SEC 25, TH N 59.56 FT, N 75DEG 29
33-01-01-25-301-401	PARTS SE 1/4 SEC 26 & SW 1/4 SEC 25 LYING: E OF I-496 R/W, S'LY & W'LY OF C/L'S RELOCATED FOREST & COLLINS RDS; EXC ALLIANCE DR & TECHNOLOGY BLVD R/W'S, ALSO EXC LEASED LANDS; SEC 25 T4N R2W
33-01-01-25-301-022	COM 513.6 FT E OF W 1/4 COR, TH S 195.46 FT, SE'LY 162.45 FT ALONG 387 FT RADIUS CURVE TO LT CHORD BEARING S 11DEG 48MIN 51SCD E 161.26 FT, S 23DEG 50MIN 22SCD E 139.84 FT, SE'LY 214.41 FT ALONG 433 FT RADIUS CURVE TO RT CHORD BEARING S 9DEG 39MIN 13SCD
33-01-01-25-301-080	COM AT POINT ON W 1/8 LINE OF SEC 25 813.2 FT N OF S SEC LINE, TH W 213.78 FT, N 67DEG 49MIN 57SCD W 138.58 FT, N 44DEG 36MIN 34SCD W 350.85 FT TO S'LY LINE TECHNOLOGY BLVD, NE'LY 162.5 FT ALONG 367 FT RAD CURVE TO RT CHORD BEARING N 45DEG 38MIN 40SCD E 1
33-01-01-25-301-090	COM AT A POINT ON W 1/8 LINE OF SEC 25 127.87 FT N OF S SEC LINE, TH N 685.33 FT, W 213.78 FT, N 67DEG 49MIN 57SCD W 134.62 FT, S 157.77 FT, S 38DEG 11MIN 31SCD W 166.1 FT TO E'LY LINE TECHNOLOGY BLVD, S'LY ALONG R/W S 52DEG 03MIN 30SCD E 99.57 FT AND 43

Tax ID Number	Legal Description
33-01-01-25-301-801	BUILDING ON LEASED LAND COM AT POINT ON W 1/8 LINE OF SEC 25 813.2 FT N OF S SEC LINE, TH W 213.78 FT, N 67DEG 49MIN 57SCD W 138.58 FT, N 44DEG 36MIN 34SCD W 350.85 FT TO S'LY LINE TECHNOLOGY BLVD, NE'LY 162.5 FT ALONG 367 FT RAD CURVE TO RT CHORD BEARING N 45DEG 38MIN 40SCD E 161.18 FT, NE'LY 163.84 FT ALONG 292 FT RAD CURVE TO RT CHORD BEARING N 74DEG 18MIN 58SCD E 161.7 FT, E 237.72 FT, SE'LY 78.54 FT ALONG 50 FT RAD CURVE TO RT CHORD BEARING S 44DEG 36MIN 34SCD E 70.71 FT TO W LINE COLLINS RD, E 33 FT TO SAID 1/8 LINE, S 407.74 FT TO BEG; SEC 25 T4N R2W PARCEL CODE OF LAND: 33-01-01-25-301-080
33-01-01-25-301-802	BUILDING ON LEASED LAND COM AT A POINT ON W 1/8 LINE OF SEC 25 127.87 FT N OF S SEC LINE, TH N 685.33 FT, W 213.78 FT, N 67DEG 49MIN 57SCD W 134.62 FT, S 157.77 FT, S 38DEG 11MIN 31SCD W 166.1 FT TO E'LY LINE TECHNOLOGY BLVD, S'LY ALONG R/W S 52DEG 03MIN 30SCD E 99.57 FT AND 434.72 FT ALONG 383 FT RADIUS CURVE TO RT CHORD BEARING S 19DEG 33MIN 37SCD E 411.78 FT TO POINT DUE W OF BEG, E 221.14 FT TO BEG; SEC 25 T4N R2W PARCEL CODE OF LAND: 33-01-01-25-301-090

Note: These parcels reflect the original parcels at the time of adoption of the original LRSZ Tax Increment Financing and Development Plan. Any subsequent combinations or splits reflected in the addition of new parcels are not included herein but should be incorporated into calculations of taxable values, as necessary. Personal parcels within these real parcels should also be included.

City of East Lansing

Tax ID Number	Legal Description
33-20-01-13-226-001	THAT PART OF LOTS 17, 18, & 19 LYING N OF A LINE DRAWN DUE W FROM A PT 28 1/2 FT S OF NE COR OF LOT 17. OAKWOOD
33-20-01-13-227-004	E'LY 50 FT IN WIDTH OF LOT 2 & LOT 3 ENTIRE OAKWOOD
33-20-01-13-227-005	W 40 1/2 FT OF LOT 4 OAKWOOD, ALSO THE S 1/2 OF VACATED ALLEY.
33-20-01-13-227-006	LOT 5 ENTIRE & E 25 1/2 FT OF LOT 4 OAKWOOD, ALSO THE S1/2 OF VACATED ALLEY.
33-20-01-13-227-011	PART OF LOT 14-COM AT SE COR OF LOT 14-W'LY ALONG N LINE OF GD RIVER AVE 23 1/2 FT -N'LY AT RT ANGLES TO GD RIVER AVE 90 FT E'LY PLL TO GD RIVER AVE TO EVERGREEN AVE-S'LY ALONG EVERGREEN AVE. TO BEG OAKWOOD
33-20-01-13-227-012	PART OF LOT 14-COM. 23 1/2 FT. NW OF SE COR. OF LOT 14-NE AT RT ANG TO GD RIVER AVE 90 FT-NW PLL TO GD. RIVER AVE. 21 1/2 FT- SW AT RT ANG TO GD RIVER AVE 90 FT SE ALONG N. LINE OF GR.RIVER AVE. 21 1/2 FT. TO BEG OAKWOOD
33-20-01-13-227-013	PART OF LOT 14-COM. 45 FT. NW OF SE COR OF LOT 14-NE AT RT ANG TO GD RIVER AVE 90 FT. NW PLL. TO GD. RIVER AVE. 21 1/2 FT - SW AT RT ANG TO GD RIVER AVE 90 FT SE ALONG N. LINE OF GD. RIVER AVE. 21 1/2 FT. TO BEG. OAKWOOD
33-20-01-13-227-016	PART OF LOT 13-COM. 109 1/2 FT NW OF SE COR OF LOT 14 -NE AT RT ANG TO SAID GRAND RIVER AVE. 90 FT-NW PLL TO GD RIVER AVE 22 1/2 FT-SW AT RT ANG TO SAID GRAND RIVER AVE 90 FT SE ALONG N.LINE OF GD RIVER AVE. TO BEG. OAKWOOD

Tax ID Number	Legal Description
33-20-01-13-227-017	COM AT THE SE COR OF LOT 14 OAKWOOD PART OF THE NE 1/4 OF SEC 13 CITY OF EAST LANSING TH W'LY PLL WITH GRAND RIVER AVE 66.5 FT TO POB TH CONT W'LY PLL WITH GRAND RIVER AVE 43 FT TH N'LY PLL WITH E LOT LN OF LOT 13 OAKWOOD 90 FT TH W'LY PLL WITH GRAND RIVER AVE 22.5 FT TH N'LY PLL WITH W LOT LN OF LOT 13 OAKWOOD 75 FT TH E'LY PLL WITH GRAND RIVER AVE 63.822 FT TH S'LY ALONG THE W'LY LN OF EVERGREEN AVE TO A PT 92.75 FT N OF THE SE COR OF LOT 14 OAKWOOD TH W'LY PLL TO GRAND RIVER AVE 58.5 FT M OR L TH S'LY PLL WITH W'LY LOT LN OF LOT 14 OAKWOOD 90 FT TO POB
33-20-01-13-227-019	BEGINNING AT THE SW CORNER OF THE PLAT OF OAKWOOD AS RECORDED IN LIBER 2 OF PLATS, PAGE 33 INGHAM COUNTY RECORDS ALSO BEING THE SE CORNER OF COLLEGE HEIGHTS SUBDIVISION AS RECORDED IN LIBER 3 OF PLATS, PAGE 13, INGHAM COUNTY RECORDS, THENCE N70 ^ 00'00W ALONG THE S LINE OF COLLEGE HEIGHTS SUBDIVISION 158.00' TO THE SW CORNER OF LOT 1 OF SAID COLLEGE HEIGHTS SUBDIVISION; THENCE N12 ^ 11'00"E ALONG THE E LINE OF SAID LOT 1 90.00'; THENCE S82 ^ 30'53"E 130.59' TO THE E LINE OF SAID COLLEGE HEIGHTS SUBDIVISION
33-20-01-13-228-007	LOT 32 OAKWOOD
33-20-01-13-228-008	LOT 30 OAKWOOD
33-20-01-13-228-014	COM AT THE NW COR OF LOT 28 OF OAKWOOD SUBD TH E 100 FT TH S 45 FT TH W TO EVERGREEN AVE TH N'LY ALONG SAID AVE TO PLACE OF BEG SEC 13 T4NR2W
33-20-01-13-228-015	LOTS 26 AND 28 OAKWOOD SUB EXC COM AT NW COR OF LOT 28 TH E 100' TH S45' TH W TO EVERGREEN AVE, TH N'LY ALG SAID AVE TO POB SEC 13 T4N, R1W.
33-20-01-13-229-010	LOTS 27 & 29 OAKWOOD
33-20-01-13-230-001	N 44 FT OF LOT 23 & S 16 FT OF LOT 24 OAKWOOD
33-20-01-13-230-004	LOTS 21 AND 22, ALSO S 22' OF LOT 23 OAKWOOD
33-20-02-18-136-001	N.68 FT OF LOTS 1 & 2 & N 68 FT OF W . 6.7 FT OF LOT 3 RESUB OF LOTS 6 TO 29 IN- CLUSIVE OF ANGELL'S SUB OF LOT 80 AND PORTION OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-136-002	S 22 FT OF LOTS 1&2 & W 11.7 FT OF S 22 FT OF LOT 3 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-003	LOT 3 EXC N 68 FT OF W 6.7 FT & EXC S 22 FT OF W 11.7 FT RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-004	LOTS 4 & 5 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-005	LOT 6 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-006	LOT 7 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-007	N 1/2 OF LOTS 8 & 9 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE
33-20-02-18-136-008	S 1/2 OF LOTS 8 & 9 RESUB OF LOTS 6 TO 29 INCLUSIVE OF ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 & 79 COLLEGE GROVE

Tax ID Number	Legal Description
33-20-02-18-136-010	BEG AT A PT 45 FT S OF NE COR OF LOT 5 W 105.9 FT S 45 FT E 105.9 FT N 45 FT TO BEG ANGELL'S SUB OF LOT 80 & PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-136-011	BEG AT SE COR OF LOT 5, N 107.2 FT W 105.9 FT S 68.5 FT TO ALBERT AVE SE'LY 114 FT TO BEG ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-136-017	LOT 3 N 45 FT OF LOTS 4 AND 5, ALSO BEG 114 FT NW OF SE COR OF LOT 5, TH NW'LY 55 FT, TH N 94.9 FT TH E TO PT DIRECTLY N OF POB, TH S 113.5 FT TO POB, ANGELL'S SUB. OF LOT 80 AND PORTIONS OF LOT 78 AND 79 COLLEGE GROVE
33-20-02-18-136-018	N 38 FT OF LOT 1 AND N 38 FT OF W 20.5 OF LOT 2 ALSO E 59 FT OF LOT 2 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-137-002	W 1/2 OF LOT 30 & 32 COLLEGE GROVE
33-20-02-18-137-003	W 1/2 OF E 1/2 OF LOTS 30 & 32 COLLEGE GROVE
33-20-02-18-137-004	E 1/2 OF E 1/2 OF LOTS 30 & 32 COLLEGE GROVE
33-20-02-18-138-001	LOT 41 COLLEGE GROVE
33-20-02-18-138-002	LOT 39 COLLEGE GROVE
33-20-02-18-138-004	E 1/2 OF LOTS 31 & 33 COLLEGE GROVE
33-20-02-18-138-005	W 1/2 OF LOTS 31 & 33 COLLEGE GROVE
33-20-02-18-139-001	N 39 FT OF W 110.5 FT OF LOT 52 COLLEGE GROVE
33-20-02-18-139-002	N 11 FT OF LOT 50 & S 27 FT OF W 110.5 FT OF LOT 52 COLLEGE GROVE
33-20-02-18-139-003	E 38 FT OF LOT 52 COLLEGE GROVE
33-20-02-18-139-004	LOT 50 EXC N 11 FT & S 16 1/2 FT COLLEGE GROVE
33-20-02-18-139-005	N 1/2 OF LOT 48 & S 16 1/2 FT OF LOT 50 COLLEGE GROVE
33-20-02-18-139-006	N 1/4 OF LOT 46 & S 1/2 OF LOT 48 COLLEGE GROVE
33-20-02-18-139-008	LOT 44 COLLEGE GROVE
33-20-02-18-139-013	LOT 42 EXC THE N 17' COLLEGE GROVE ALSO THE W 1/2 OF VACATED ALLEY, ALSO BEG AT THE SW COR OF SAID LOT 42 TH S 9.91', TH S40°54'30"W 19.64' ALONG THE E'LY LINE OF M.A.C. AVE TH E'LY 169.61' TO THE C.L. EXTENDED OF THE ALLEY LYING EAST OF LOT 42
33-20-02-18-152-001	LOT 17 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-152-002	LOT 18 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-152-003	LOT 19 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-152-004	LOT 20 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-152-005	LOT 21 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-152-006	LOT 22 AND 23 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE

Tax ID Number	Legal Description
33-20-02-18-154-001	LOT 43 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-154-002	W 46 FT OF LOT 45 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-154-003	E 28.8 FT OF LOT 45 AND W 11.2 FT OF LOT 47 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-154-004	E 46.1 FT OF W 57.3 FT OF LOT 47 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-154-005	E 17.5 FT OF LOT 47 AND W 28.6 FT OF LOT 49 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-154-006	E 46.1 FT OF LOT 49 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-162-001	W 96 FT OF LOT 2 COLLEGE GROVE
33-20-02-18-162-003	LOT 14 EXC S 53 FT 3 IN COLLEGE GROVE
33-20-02-18-162-004	N 33 FT 3 IN OF S 53 FT 3 IN OF LOT 14 COLLEGE GROVE
33-20-02-18-162-005	S 20 FT OF E 30 FT OF LOT 12 & S 20 FT OF LOT 14 COLLEGE GROVE
33-20-02-18-163-001	LOT 1 EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-002	LOT 3 & W 1/2 OF LOT 5 EXC S 3 FT THEREOF COLLEGE GROVE
33-20-02-18-163-003	E 1/2 OF LOT 5 EXC S 3 FT & W 1/2 OF LOT 7 EXC E 3 IN OF W 1/2 OF LOT 7 & EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-004	E 1/2 OF LOT 7 EXC S 3 FT & E 3 IN OF W 1/2 OF LOT 7 EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-005	LOT 9 & W 22 FT OF LOT 11 EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-006	W 25 1/2 FT OF E 60 1/2 FT LOT 11 EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-007	W 15 1/2 FT OF E 35 FT OF LOT 11 COLLEGE GROVE
33-20-02-18-163-009	E 64 1/2 FT OF N 26 FT OF LOT 13 COLLEGE GROVE
33-20-02-18-163-010	COM 3 FT N OF SE COR OF LOT 13-N TO NE COR OF LOT-W 73 1/2 FT-S 69 FT-E 40 FT-S 60 FT-E'LY TO BEG EX E 64 1/2 FT OF N 26 FT OF LOT 13 COLLEGE GROVE
33-20-02-18-163-011	E 19.5 FT OF LOT 11 EXC S 3 FT ALSO W 3.3 FT LOT 13 EXC S 3 FT COLLEGE GROVE
33-20-02-18-163-013	E 5.7 FT OF W 9 FT & E'LY 16.57 FT OF W'LY 25.57 FT OF S'LY 63 FT OF LOT 13 EXC S 3 FT THEREOF COLLEGE GROVE
33-20-02-18-163-014	THE E'LY 23.43 FT OF THE W'LY 49 FT OF THE S 63 FT EXC S 3 FT OF LOT 13 COLLEGE GROVE
33-20-02-18-164-101	UNIT NUMBER 1 EAST LANSING CITY CENTER CONDOMINIUMS, ALSO THE SURFACE AREA OF LOT 18 EXCEPT THE WEST 31.54 FT AND THE WEST 21.79 FT OF LOT 20, PLAT OF COLLEGE GROVE, CITY OF EAST LANSING, INGHAM COUNTY MICHIGAN, ACCORDING TO THE RECORDED PLAT AS RECORDED IN LIBER 3 OF PLATS, PAGE 4, INGHAM COUNTY RECORDS TOGETHER WITH THE VERTICAL AREA ABOVE THE SURFACE AREA UP TO A HEIGHT OF FOURTEEN AND ONE HALF (14 1/2) FEET TO THE UNDERSIDE SURFACE OF THE MUNICIPAL PARKING STRUCTURE WHICH IS LOCATED ABOVE THE SURFACE AREA REFERED TO ABOVE.

Tax ID Number	Legal Description
33-20-02-18-164-102	UNIT #2 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-103	UNIT #3 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-104	UNIT #4 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-105	UNIT #5 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-106	UNIT #6 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-107	UNIT #7 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-108	UNIT #8 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-109	UNIT #9 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-110	UNIT #10 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-111	UNIT #11 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-112	UNIT #12 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-113	UNIT #13 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-114	UNIT #14 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-115	UNIT #15 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-116	UNIT #16 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-117	UNIT #17 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-118	UNIT #18 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-119	UNIT #19 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-120	UNIT #20 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-121	UNIT #21 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-122	UNIT #22 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-123	UNIT #23 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-124	UNIT #24 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-125	UNIT #25 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-126	UNIT #26 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-127	UNIT #27 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-128	UNIT #28 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-131	UNIT #31 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-132	UNIT #32 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-133	UNIT #33 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-134	UNIT #34 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-135	UNIT #35 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-136	UNIT #36 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-137	UNIT #37 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-138	UNIT #38 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-139	UNIT #39 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-140	UNIT #40 EAST LANSING CITY CENTER CONDOMINIUMS

Tax ID Number	Legal Description
33-20-02-18-164-141	UNIT #41 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-142	UNITS 29 AND 30 EAST LANSING CITY CENTER CONDOMINIUMS
33-20-02-18-164-201	SUITE 1- 7,041 SQ FT RETAIL SPACE IN CITY CENTER RAMP
33-20-02-18-164-202	SUITE 2- 9,546 SQ FT RETAIL SPACE IN CITY CENTER RAMP
33-20-02-18-165-002	E 18 FT OF LOT 15 COLLEGE GROVE
33-20-02-18-165-004	LOT 19 EXC E 48 1/2 FT COLLEGE GROVE
33-20-02-18-165-005	E 48 1/2 FT OF LOT 19 ENTIRE LOTS 21 & 23 COLLEGE GROVE
33-20-02-18-165-006	THE WLY 26 FT OF LOT 17 COLLEGE GROVE
33-20-02-18-165-007	THE E'LY 24 FT OF THE WLY 50 FT OF LOT 17 COLLEGE GROVE
33-20-02-18-165-008	THE E'LY 32.5 FT OF LOT 17 COLLEGE GROVE
33-20-02-18-166-003	W 31 FT OF LOT 39 AND E 8 FT OF LOT 37 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-166-004	LOT 39 EXC E 10 FT AND EXC W 31 FT ANGELL'S SUBD OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-166-005	E 10 FT OF LOT 39 AND ALL OF LOT 41 ANGELL'S SUB OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE
33-20-02-18-166-009	LOT 35, ALSO LOT 37 EXC E 8' ANGELL'S SUBD OF LOT 80 AND PORTIONS OF LOTS 78 AND 79 COLLEGE GROVE.
33-20-02-18-166-100	SUITE A-5,000 SQ FT RETAIL SPACE IN ALBERT ST PARKING RAMP
33-20-02-18-166-101	SUITE B-CITY PORTION-3,900 SQ FT RETAIL SPACE IN ALBERT ST PARKING RAMP
33-20-02-18-167-003	LOT 14 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-167-004	LOT 13 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-167-009	LOTS 15 AND 16 ASSESSORS PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-167-010	LOT 9 THRU 12 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-168-001	LOT 1 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE
33-20-02-18-168-008	PT OF LOTS 6 AND 8 AND ENTIRE LOT 7, ASSESSOR'S PLAT OF CHASE SUB, OF PT OF LOT 78 OF COLLEGE GROVE, CITY OF E LANS, ING CO, MI ACCORDING TO THE REC PLAT THEREOF, AS REC IN LIBER 12 OF PLATS, PG 2, ING CO REC, DESC AS: BEG AT THE SE COR OF LOT 6, TH N70°01'15W
33-20-02-18-168-009	BEG AT SE COR OF LOT 8, TH N70°01'15W 48.70' ALG THE N LN OF GRAND RIV AVE
33-20-02-18-168-010	LOT 2 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE EXC BEG AT SE COR OF LOT 2 ON GRAND RIVER AVE TH NWLY 0.30' ON N LN OF GRAND RIVER AVE TH NE'LY 132.20' AND ALG AN EXTERIOR WALL LN OF AN EXISTING BLDG ON LOT 2 AND THE EXTENSION OF SD LN TO A POINT 0.37' NWLY OF THE NE COR OF LOT 2; TH SE'LY 0.37' TO THE NE COR OF SD LOT 2, TH SWLY 132.20' ON THE E LN OF LOT 2 TO POB.

Tax ID Number	Legal Description
33-20-02-18-168-011	THAT PART OF LOT 2 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 OF COLLEGE GROVE, CITY OF EAST LANSING, ING CO., MI DESC AS: BEG AT THE SE COR OF LOT 2 ON GRAND RIVER AVE, TH NW'LY 0.30' ON THE N LN OF GRAND RIVER AVE; TH NE'LY 132.20' AND ALG AN EXTERIOR WALL LN OF AN EXISTING BLDG ON LOT 2 AND THE EXTENSION OF SAID LN TO A POINT 0.37' NW'LY OF THE NE COR OF LOT 2; TH SE'LY 0.37' TO THE NE COR OF SD LOT 2; TH SW'LY 132.20' ON THE E LN OF LOT 2 TO THE POB. ALSO LOT 3 AND LOT 4 EXC THE E'LY 8.4' IN WIDTH THEREOF, ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE, CITY OF EAST LANSING, ING CO, MI.
33-20-02-18-168-012	LOT 4 EXC THE E'LY 8.4' IN WIDTH, ALSO LOT 5 ENTIRE, AND LOT 6 ASSESSOR'S PLAT OF CHASE SUB OF PART OF LOT 78 COLLEGE GROVE, EXC THAT PART OF LOT 6 DESC AS BEG AT SE COR OF LOT 6, TH N 70 ^ 01'15W 0.28'
33-20-02-18-169-001	LOT 42 & S 1 RD OF LOT 44 FIRST ADDITION TO FAIRVIEW
33-20-02-18-169-002	LOT 40 FIRST ADDITION TO FAIRVIEW
33-20-02-18-170-001	LOTS 1 & 2 FAIRVIEW
33-20-02-18-172-003	LOT 4 FAIRVIEW
33-20-02-18-172-004	LOT 5 FAIRVIEW
33-20-02-18-172-005	LOT 6 & 7 FAIRVIEW
33-20-02-18-172-007	N 50 FT OF LOT 3 FAIRVIEW
33-20-02-18-172-008	LOT 3 EXC N 50 FT FAIRVIEW
33-20-02-18-172-009	LOT 3 FAIRVIEW
33-20-02-18-405-006	N 65 FT OF E 22 FT OF LOT 28 ALSO N 65 FT OF LOT 29 FAIRVIEW
33-20-02-18-414-007	LOT 8 SUPERVISOR'S PLAT NO 5 OF MERIDIAN TOWNSHIP
33-20-02-18-414-018	LOT 4 COLLEGEDALE
33-20-02-18-415-008	LOT 60, 61 & 62 COLLEGEDALE
33-20-02-18-419-001	LOT 37 EXC N 18.37 FT & PART OF LOTS 38 & 39 BEG AT SW COR OF LOT 39-N ON W LINE OF LOT 39 114.3 FT-S 86 ^ 01' 25 E 102.51 FT-S 69 ^ 13' E 22 FT TO E'LY LINE OF LOT 38 AT PT 18.37 FT S OF NE COR THEREOF-S TO SE COR LOT 38-NW'LY TO BEG FAIRVIEW"
33-20-02-18-419-002	LOT 35 & 36 EXC N 12.70 FT OF LOT 35 MEASURED AT RIGHT ANGLES TO GRAND RIVER AVE EAST LANSING MI FAIRVIEW
33-20-02-18-419-801	BUILDING ON LEASED LAND LOT 37 EXC N 18.37 FT & PART OF LOTS 38 & 39 BEG AT SW COR OF LOT 39-N ON W LINE OF LOT 39 114.3 FT-S 86 ^ 01' 25 E 102.51 FT-S 69 ^ 13' E 22 FT TO E'LY LINE OF LOT 38 AT PT 18.37 FT S OF NE COR THEREOF-S TO SE COR LOT 38-NW'LY TO BEG FAIRVIEW. PARCEL NUMBER 33-02-18-419-001."
33-20-02-18-420-001	LOTS 1 & 3 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-420-004	S 50 FT OF LOT 7 (INCL THAT PT OF VACATED ALLEY ON THE S) ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-420-005	LOT 9 & N 41 FT OF LOT 11 (INCL THAT PT OF VACATED ALLEY TO THE N) ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-420-006	S 25 FT OF LOT 11 ENTIRE LOT 13 & N 1/2 OF LOT 15 ELMWOOD ADDITION TO FAIRVIEW

Tax ID Number	Legal Description
33-20-02-18-420-007	S 1/2 OF LOT 15 & N 49 1/2 FT OF LOT 17 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-420-008	LOT 19 & S 16 1/2 FT OF LOT 17 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-420-009	LOT 5 AND THE N 22 FT OF LOT 7 ELMWOOD ADDITION TO FAIRVIEW.
33-20-02-18-421-001	LOT 2 & N 33 FT OF LOT 4 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-421-002	S 2 RDS OF LOT 4 & LOT 6 ENTIRE ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-421-003	LOTS 8 & 10 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-421-004	LOT 12 ENTIRE & N 3 FT OF LOT 14 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-421-005	LOT 14 EXC N 3 FT & N 6 FT OF LOT 16 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-421-006	LOTS 16, 18 & 20 EXC N 6 FT OF LOT 16 ELMWOOD ADDITION TO FAIRVIEW
33-20-02-18-422-003	LOTS 30 & 31 FAIRVIEW
33-20-02-18-422-004	LOT 32, ALSO LOTS 33 AND 34 EXC N 12.70 FT MEASURED AT RIGHT ANGLES TO GRAND RIVER AVE FAIRVIEW SUB.
33-20-02-18-423-001	LOT 1 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-002	LOT 2 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-003	LOT 3 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-004	LOT 4 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-005	LOT 5 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-006	LOT 6 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-007	LOT 7 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-008	LOT 8 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-009	LOTS 9-12 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-010	LOT 22 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-011	LOT 21 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-012	N 7 FT OF LOT 19 AND ALL OF LOT 20 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-013	LOT 19 EXC N 7 FT RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-014	LOT 18 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-015	LOT 17 RIVERDALE ADDITION TO FAIRVIEW
33-20-02-18-423-016	LOT 16 RIVERDALE ADD TO FAIRVIEW
33-20-02-18-423-017	LOTS 13-15 AND N 15 FT OF W 145.5 FT OF E 183 FT OF OUTLOT A RIVERDALE ADD TO FAIRVIEW
33-20-02-18-424-001	LOTS 1, 2 AND 3 EXC S 15 FT OF EA LOT AND EXC N 18.37 FT OF EACH LOT ASSESSOR'S PLAT OF CHERRY LAWN
33-20-02-18-424-002	LOT 4 AND S 15 FT OF LOTS 1, 2 AND 3 ASSESSOR'S PLAT OF CHERRY LAWN
33-20-02-18-424-003	LOT 5 ASSESSOR'S PLAT OF CHERRY LAWN
33-20-02-18-424-004	LOT 6 EXC S .74 FT ASSESSOR'S PLAT OF CHERRY LAWN

Tax ID Number	Legal Description
33-20-02-18-424-005	S .74 FT OF LOT 6 AND ALL OF LOT 7 EXC BEG AT SE COR NWLY ON LOT LINE 57.69 FT E 54.05 FT TO E LINE OF LOT 7 S 20.47 FT TO BEG ASSESSOR'S PLAT OF CHERRY LAWN
33-20-02-18-424-006	PART OF LOT 10 COM AT NW COR THEREOF-S 70° 01' E ON N'LY LOT LINE 74.71 FT-S 89° 12' W 69.85 FT TO E'LY LINE OF RIVER STREET-N 0° 48' W 26.51 FT TO BEG EAST LAWN (THIS PARCEL OWNED WITH LAND ADJOINING IN CITY OF EAST LANSING) EAST LAWN
33-20-02-18-424-007	BEG 15 FT S OF NW COR OF LOT 11 OF EAST LAWN SUBD-N 60 FT-E 123.5 FT-S PLL WITH RIVER ST TO PT E OF BEG-W TO BEG EAST LAWN & PT OF ASSESSOR'S PLAT OF CHERRY LAWN (OCC AS ONE PARCEL) EAST LAWN
33-20-02-18-424-008	LOT 8, 9, 12, 13 & LOT 11 EXC N 15 FT EAST LAWN
33-20-02-18-424-009	W 31 FT OF LOT 4 EAST LAWN
33-20-02-18-424-010	LOT 3 & LOT 4 EXC W 31 FT EAST LAWN
33-20-02-18-424-011	LOT 5 & LOT 6 EXC S 54 FT EAST LAWN
33-20-02-18-424-012	N 11 FT OF LOT 7 & S 54 FT OF LOT 6 EAST LAWN
33-20-02-18-424-013	LOT 7 EXC N 11 FT EAST LAWN
33-20-02-18-425-001	LOT 21 ELMWOOD ADD TO FAIRVIEW AND W 145.5 FT OF OUTLOT A RIVERDALE ADD TO FAIRVIEW AND THAT PT OF SEC 18 LYING S OF ELMWOOD ADD TO FAIRVIEW N OF RED CEDAR RIVER E TO BOGUE ST AND W OF RIVERDALE ADD TO FAIRVIEW EXC WATERS EDGE DR (OWNED AND OCCUPIED AS ONE PARCEL) SEC 18 T4NR1W
33-20-02-18-425-002	LOT 1, 2 & 3 CANDY CARVER A REPLAT ON OUTLOT A" OF RIVERDALE ADD TO FAIRVIEW"
33-20-02-18-425-003	LOT 14 EAST LAWN
33-20-02-18-425-004	LOTS 15 & 16 EAST LAWN
33-20-02-18-426-001	LOTS 1 & 2 ALSO LOT 21 EAST LAWN
33-20-02-18-426-002	LOTS 17, 18, 19 & 20 EAST LAWN
33-20-02-18-426-003	LOT 75 SUPERVISORS PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-004	LOTS 76 & 77 SUPERVISORS PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-005	COM AT NW COR OF LOT 78 S'LY ALONG LOT LN TO CEDAR RIVER E'LY ALONG RIVER 57.5 FT N'LY TO A POINT IN A N LOT LN THAT IS 77.53 FT E'LY OF BEG W'LY BEG BEING PARTS OF LOTS 78 & 79 SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-006	COM AT A POINT IN N LOT LN OF LOT 79 THAT IS 77.53 FT E'LY OF NW COR OF LOT 78 S'LY TO A POINT IN S LOT LN OF LOT 78 THAT IS 57.5 FT E'LY OF SW COR OF LOT 78 E'LY ALONG S LOT LN TO A POINT 33 FT E'LY OF SW COR OF LOT 80 N'LY TO N LOT LN OF LOT 81 AT A POINT 86 1/5 FT E'LY OF NW COR OF LOT 80 W'LY ALONG N LOT LN TO BEG BEING PART OF LOTS 78 79 80 & 81 SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-007	W 1/2 OF FOLLOWING DESC PART OF LOTS 80 & 81 & 82 COM IN S'LY LN OF GRAND RIVER AVE AT A PT N 69° 28' W 1003.2 FT FROM ITS INT WITH E LINE OF SEC 18 N 69° 28' W 144.8 FT S 13° 42' W 231 FT TO N BANK OF RED CEDAR RIVER E'LY ALONG N BANK 126 FT M/L N 19° 16' E 221.7 FT TO BEG SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP

Tax ID Number	Legal Description
33-20-02-18-426-008	E 1/2 OF FOLLOWING DESC PART OF LOTS 80 81 & 82 COM IN S'LY LN OF GRAND RIVER AVE AT PT N 69 ^ 28' W 1003.2 FT FROM ITS INTERSECTION WITH E LN OF SEC 18 N 69 ^ 28' W 144.8 FT S 13 ^ 42' W 231 FT TO N BANK OF RED CEDAR RIVER E'LY ALONG N BANK 126 FT M/L N 19 ^ 16' E 221.7 FT TO BEG SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-009	LOT 83 ENTIRE & PARTS OF LOTS 81 82 & 84 COM ON S LN OF GRAND RIVER AVE AT PT N 69 ^ 28' W 852.6 FT FROM ITS INT WITH E LN OF SEC 18 N 69 ^ 28' W 150.6 FT S 19 ^ 16' W 221.7 FT TO N BANK OF RED CEDAR RIVER E'LY ALONG N BANK 162 FT M/L N 16 ^ 19' E 222.3 FT TO BEG SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-010	COM AT INT OF C/L OF M 43 & E LN OF SEC 18 N 69 ^ 28' W ON CENTER OF HWY 705.6 FT TO POB S 16 ^ 19' W 279.8 FT TO RED CEDAR RIVER NW'LY ON RIVER 138.8 FT N 16 ^ 19' E 255.8 FT TO C/L OF HWY S 69 ^ 28' E 135 FT TO POB SEC 18 T4NR1W PART OF SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-012	COM IN THE CENTER OF GRAND RIVER AVE AT PT 428.9 FT NW'LY FROM ITS INTERSECTION WITH E LN OF SEC 18 T4NR1W S 6 ^ 45' W 289.0 FT TO N BANK OF RED CEDAR RIVER W ON N BANK OF RIVER 86.3 FT N 15 ^ 15' E 116.5 FT N 6 ^ 07' E 170 FT TO CENTER OF GRAND RIVER AVE SE'LY 70 FT TO BEG BEING PART OF LOTS 89, 90 & 91 SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP EXC LAND TAKEN FOR US16 HWY
33-20-02-18-426-013	COM AT PT IN CENTER OF GRAND RIVER AVE 247.5 FT NW'LY FROM ITS INTERSECTION WITH E LN OF SEC 18 T4NR1W S PLL WITH E SEC LN 290.3 FT TO N BANK OF RED CEDAR RIVER W'LY ALONG N BANK OF RIVER 213.7 FT N 6 ^ 45' E 289 FT TO CENTER OF GRAND RIVER AVE SE'LY 181.4 FT TO BEG EXC HY RIGHTS BEING PARTS OF LOTS 90 & 91 & ALL OF LOTS 92 & 93 SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP
33-20-02-18-426-014	LOTS 94 & 95 EXC E 53.5 FT OF LOT 95 SUPERVISOR'S PLAT NO 2 OF MERIDIAN TOWNSHIP

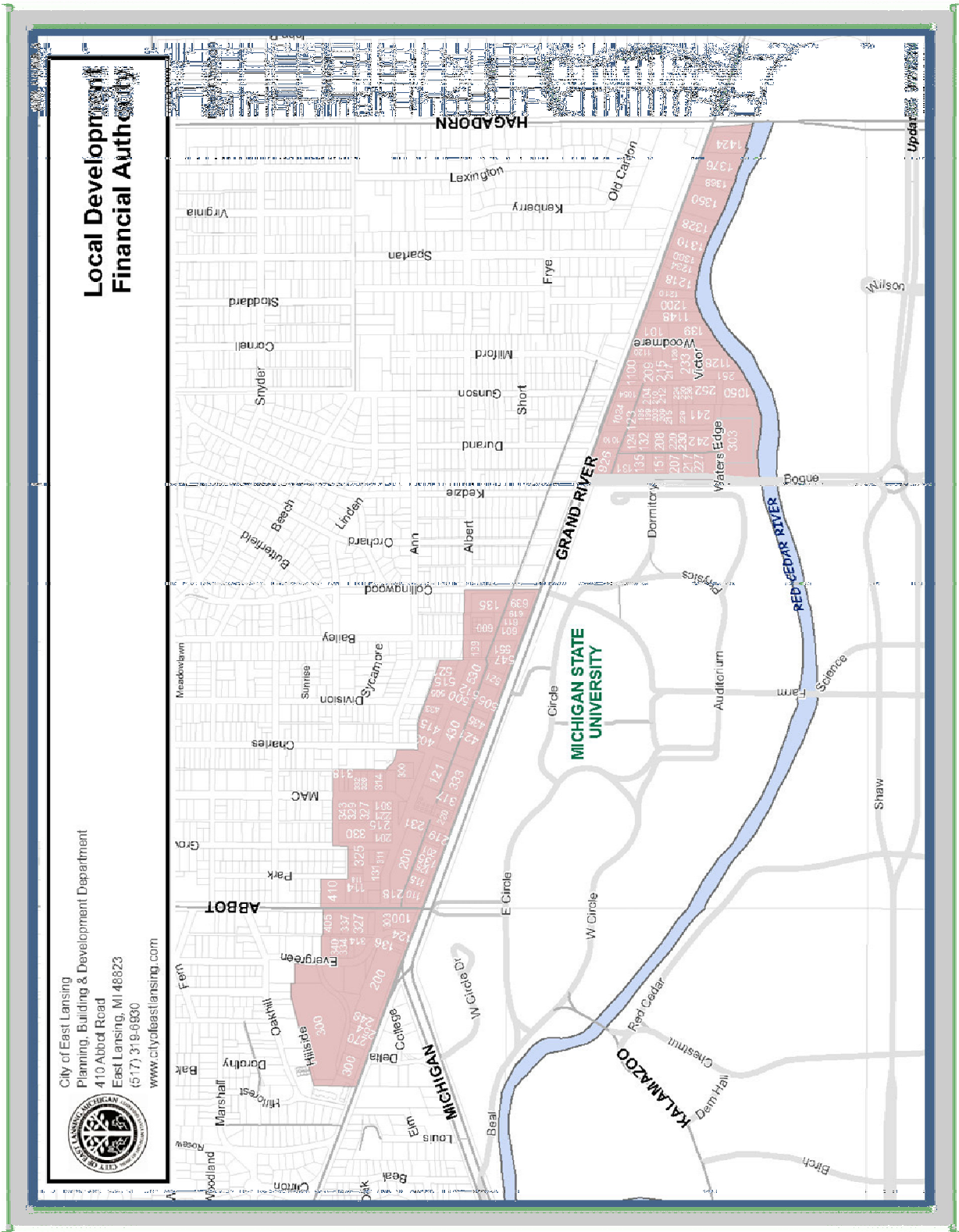
Note: These parcels reflect the original parcels at the time of adoption of the original LRSZ Tax Increment Financing and Development Plan. Any subsequent combinations or splits reflected in the addition of new parcels are not included herein but should be incorporated into calculations of taxable values, as necessary.

Appendix B: Maps

City of Lansing SmartZone Development Area



City of East Lansing SmartZone Development Area



Appendix C: Program Descriptions

Below is a list of programs offered by the LRSZ, LEAP, and the MSU Foundation. Italics indicate that the program is currently under development.

LRSZ Programs

- **East Lansing Technology Innovation Center:** A business incubator for technology startups and professionals in the Greater Lansing region managed by the MSU Foundation. The TIC has 7,000 square feet of office space, which includes 19 standard offices, two conference rooms, and a 3-D printer room. Economic development and business support services are provided at this coworking space, which also serves as the host for events.
- **Internship program:** *This tech-oriented apprenticeship program will have two tracks, each with its own purpose. The first track will serve primarily as a workforce development program that is dedicated to helping people reskill and change careers. The second track will be focused on providing students with an opportunity to get valuable working experience at a tech company.*
- **Foreign direct investment soft landing/attraction:** *This program will provide business attraction services and help locate more companies within the LRSZ, with a focus on those that need support securing foreign direct investment.*

LEAP Programs

- **Gateway:** Through a partnership with the MEDC, the Gateway program supports the continued economic growth and stimulation of the entrepreneurial ecosystems. This program serves as a single point of contact for startups as they work to navigate the available local and state resources.
- **One-on-one Consulting:** LEAP staff provides direct one-on-one consulting to companies in the region that need economic development support or help addressing challenges that are not covered by other available programming.
- **The Hatching:** The Hatching is a pitch competition to help idea-stage entrepreneurs. Participants have the opportunity to win a \$2,000 grant, as well as connect to free company formation and the broader business ecosystem. This is one of the longest-running programs of its type in the state.
- **Strategyzer Training/Implementation:** *This program's training curriculum provides a clear path for entrepreneurs and business owners to design and validate their business models.*
- **One and All:** Companies that are founded and/or owned by entrepreneurs living under the Asset Limited, Income Constrained, Employed (ALICE) threshold face many additional barriers to growth and success. This program is designed to provide foundational support as well as seed money to these emerging leaders and companies to help them achieve their potential.
- **Jumpstart:** Jumpstart is a quarterly LEAP-funded program to help entrepreneurs meet a significant milestone in the growth of their businesses. Funds can have a variety of uses, including legal and marketing services. Entrepreneurs are eligible for up to a \$2,500 cash grant in support.
- **Sales accelerator:** *This program will serve as a follow-up to other services and will work with companies to help them grow through design and launch an effective sales approach. Through this effort, entrepreneurs and firms will be able to secure their first sales or customer feedback.*
- **Business Accelerator Fund (BAF):** LEAP provides services through the BAF to support early-stage companies achieve a business milestone, such as investment, partnership, or sales. Interested

technology firms can apply to receive these funds, which they can use to secure specialized services that are not typically offered by business accelerators.

- **Michigan STEM Forward:** This program is designed to support the STEM-related talent needs of companies and future career success of university students. Through a partnership with the MEDC, this program connects college students with opportunities to intern at innovative, STEM-driven companies.
- **Site search:** Once companies have reached the startup stage of their cycle, this program offers support identifying the best site for their company, ideally within the SmartZone. Through this service, LEAP works with these companies to find a location that meets their space, equipment, and other needs to support their continued growth and development.
- **Company formation services:** LEAP staff provide services designed to guide entrepreneurs as they work to start new companies.

MSU Foundation Programs

Venture Creation through Spartan Innovations

- **Technology and Intellectual Property Assessments:** MSU Technologies, the patent office at Michigan State University, assists with identifying new inventions that could be the basis of a startup company.
- **Technology Mining:** Leveraging relationships and partnerships with MSU researchers and local health care systems, corporate innovations partners and worldwide users of special equipment only available at MSU such as the FRIB to find new discoveries, inventions and ideas that could form the bases of a startup company.
- **Business/Mentoring/Coaching:** Helping coach scientist/inventors on all aspects of business formation, strategy, partnering, fundraising, governance, and conflict management
- **Business Plan Writing and strategy:** Assisting business plan development, pitch decks, financial modelling, and strategies to go to product, go to market and go to scale
- **Networking Events:** Leveraging placemaking manager activities to bring together individuals and companies within the innovation ecosystem to specific topics and technologies of interest
- **Grant Writing for GAP Funding:** Preparing materials to pursue gap and non-dilutive funding sources such as MGD, Advance Grant, SPG, TSGTD, T3N, MTRAC, PFI Grants, Regional iCorps, BAF, SBIR/STTR, and other sources
- **Entrepreneur-in-Residence (EIR) Program:** Entrepreneurs who are selected to participate in this program work to support a startup for 12 to 18 months before taking over the management of the company independently. While EIRs receive a stipend while in the program, they are can also draw a salary and take equity in the company they are leading.
- **Conquer Accelerator:** This ten-week accelerator emphasizes planning and growth through mentorship and a tailored curriculum. This program is designed to help startups and established companies overcomes challenges. Participants receive investment, space, and additional resources to help their firms grow. The Conquer Accelerator also includes the CADE (Conquer Accelerator Diversity in Entrepreneurship) Program
- **Burgess Institute for Entrepreneurship:** An MSU Foundation and donor funded institute that manages the undergraduate minor at Michigan State University with a combination of classroom and real world experiences.**Student Venture Capital Fund:** An MSU Foundation funded initiative to

give a venture investing experience to undergraduate finance students at MSU that includes a real-world venture assessment exercise with an annual cohort of startups from the community.

Venture Investing through MSU Foundation Captive Venture Funds and Network

- **Red Cedar Ventures:** The Red Cedar Ventures Pre-Seed and Opportunity Fund funds offer investment in startups from both the university and the broader community. The only venture fund in greater Lansing, it has deployed over \$8.5M.
- **Michigan Rise Pre-Seed III Fund:** A \$20+M Pre-Seed Fund that was capitalized by the MSU Foundation and Michigan Strategic Fund to provide early stage investing to high tech high growth startup companies in close collaborations with all State of Michigan SmartZones.
- **Alumni Venture Network:** An informal network of MSU alumni that continue to collaborate with the entrepreneurial ecosystem providing value added inputs and willingness to invest in select ecosystem opportunities.
- **State of Michigan Venture Community:** With the MSU Foundation as a limited partner with two state of Michigan based venture funds and member of the Michigan Venture Capital Association, startup companies have access to a broad array of venture investors across the state through our partnerships.
- **Access to National Venture Firms:** With the MSU Foundation as a limited partner in over 40 firms throughout the world, the MSU Foundation has extensive relationships with venture capital, private equity and alternative private asset managers looking for deal flow. Additionally, the Executive Director of the MSU Foundation serves as an ex-officio member of the Investment Advisory Committee of the \$4B Michigan State University endowment fund which is a limited partner in over 100 venture and private equity funds.

Placemaking through Select Real Estate Investments

- **University Health Park:** The UHP is home to the McLaren Greater Lansing hospital, Karmanos Cancer Institute and 160,000 sf of medical office buildings. Working with LEAP to recruit strategic medical technology partners to the University Health Park on the remaining 15 developable acres, all with the SmartZone
- **VanCamp Incubator:** Developer and owner of the VanCamp Incubator facility in Meridian Township, a 20,000 s.f. wet lab incubator facility that houses life sciences startup companies that spin out of the ecosystem.
- **Crescent Road Development:** Developer and owner of the TechSmith world headquarters in the Crescent Road neighborhood, formerly known as Spartan Village.
- **Events Management:** The MSU Foundation is investing in programs that bring entrepreneurs, faculty, students and corporate innovation professionals together through a series of events designed to foster introductions, create collaboration relationships, and provide opportunities to connect.

References

East Lansing Technology Innovation Center (TIC). 2013. *2008–2013 Overview and Dashboard*. East Lansing: East Lansing Technology Innovation Center.

Global Accelerator Learning Initiative (GALI). 2016. “The Accelerator Landscape.” *GALI*. Accessed March 5, 2021. <https://www.galidata.org/accelerators/>



230 N. Washington Square
Suite 300
Lansing, MI 48933

Appendix B - Ratification by MEDC and State Treasurer

**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

MEMORANDUM

Date: July 27, 2022

To: Quentin L. Messer Jr., President and Chief Executive Officer
Michigan Economic Development Corporation

From: Fred Molnar, Senior VP, Entrepreneurial Services and Innovation
Rob Garza, Manager, Statutory Analysis

Subject: Lansing Regional SmartZone (SZ) Tax Increment Financing (TIF) and
Development Plan Amendment Request

Summary

The Lansing Regional SZ is seeking the approval of an amended TIF and Development Plan (Plan) which includes an additional 5 years of State Tax Increment Revenue (TIR) capture. The Michigan Economic Development Corporation (MEDC) and the Lansing Regional SZ entered into an agreement effective November 30, 2005, with school tax capture beginning after January 1, 2007, and commencing for 15 years ending on December 31, 2021.

The city of Lansing and the city of East Lansing comprise the Lansing Regional SZ and approved the amended TIF and Development Plans via resolution on June 13, 2022, and May 24, 2022, respectively. The Joint Local Development Finance Authority (LDFA) for the cities of East Lansing and Lansing approved the amended TIF and Development Plan April 20, 2022.

Tax Increment Financing Plan Summary

The amended plan anticipates tax capture for the 5-year extension will be \$2,452,359 consisting of state TIR only. The extension of tax capture will begin in 2022 and will continue for 5 years. The original plan anticipated total tax capture over 15 years at \$5,349,408 with approximately \$3,347,285 in school tax capture and \$2,002,123 in local tax capture. Actual capture for the SZ through fiscal year 2022 is \$1,746,085 consisting of only school tax capture. Ratification by Treasury that allowed the Lansing Regional SZ to capture state school tax capture ended December 31, 2021, and, as shown above actual capture was far lower than the original projection.

Actual TIR generated over the first 15 years of the plan was significantly lower because the city of Lansing properties, originally anticipated to generate a total of \$2,912,574, never had an assessed value that exceeded the base value established in 2007. If the assessed property tax values of the city of Lansing properties generate positive TIR, then the appropriate state and local TIR will be collected by the LDFA for use by the Lansing Regional SZ.

The city of East Lansing properties experienced an increase in assessed value, but not at the rate originally anticipated. The original Plan reflected no local TIR contribution from the downtown portion of the city of East Lansing properties due to the Downtown Development Authority (DDA) having the priority for local tax capture. The easternmost portion of the East Lansing properties are also within the DDA boundary, although no local capture was identified because the city wanted to have the option to support a project not associated with the SmartZone with local tax capture. MEDC program and legal staff are



comfortable with the interpretation that Act 57 (effective January 1, 2019) allows for this opting out of local tax capture. Furthermore, staff feels the performance of the SmartZone, as well as its anticipated future performance, is sufficient to proceed without the local capture from these properties.

Staff was concerned about the greater Lansing ecosystem and the working relationship between the SmartZone partners (LEAP, MSU, MSU Foundation). Staff believes there was a lack of communication between the partners that impacted the overall performance of the SmartZone. Staff requested the three entities come together and define through a MOU what activities fall to each partner in the formation of an early-stage tech company. Staff is satisfied that the MOU is integrated into the amendment and has clearly defined LEAP, MSU and MSU Foundation responsibilities, which will allow the Lansing Regional SmartZone to perform in a more efficient and comprehensive manner.

The Lansing Regional SZ has identified a 5-year budget that totals \$2,502,360 and is comprised of the proposed property tax capture and sponsorship/fundraising. Regularly occurring annual costs that are anticipated over the 5-year extension period include Accelerator and Incubator services; attraction, retention, and marketing services; and LDFA administration.

The original plan anticipated the creation of approximately 1000 high-tech jobs. As of June 2022, approximately 1,264 high-tech jobs have been created in the SZ since inception. Approximately 598 technology-based businesses have been assisted and 84 have been located or expanded within the Lansing Regional SZ over the first 15 years. The amended plan identifies the creation of 350 high-tech businesses and 350 associated high-tech jobs over 55 years. Staff is satisfied that the projections are reasonable based on past and current performance.

Recommendation

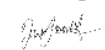
Based on the approval of the SZ designation request and completion of the statutory requirements of the TIF and Development Plans, staff recommends the following:

1. Approval of 25% of the new State Tax Capture, while maintaining the last TIF year from the original TIF plan as the funding base, for the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq., and by local and intermediate school districts for up to 5 years, unless a re-evaluation by MEDC and Treasury staff determines that a different level of support is warranted.

Approval Authority- Act 281 Briefing Memo

Michigan Economic Development Corporation

DocuSigned by:



By: Quentin L. Messer, Jr.

Its: President and Chief Executive Officer

7/27/2022

Date

Attachments:

Lansing Regional SmartZone TIF and Development Plan

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

SmartZone Tax Increment Financing (TIF) Extension Application

Michigan SmartZones, allowed under Act 57 of Michigan of 2018 as amended, provide distinct geographical locations where technology-based firms, entrepreneurs and researchers locate in close proximity to all of the community assets that assist in their endeavors. The Act allows for a certified technology park to capture Tax Increment Revenue (TIR) for an additional 5 years upon approval by the state treasurer and the president of the Michigan Economic Development Corporation (MEDC) contingent upon the authority agreeing to additional reporting requirements and a modification of its TIF plan to include regional collaboration.

The SmartZone TIF extension process will begin with MEDC consideration of the SmartZone TIF extension request. The MEDC will then enter into a formal agreement with the SmartZone to extend tax capture contingent upon MEDC leadership support. Finally, documentation will be submitted to Treasury for ratification contingent upon MEDC leadership support.

SmartZone Information

Lansing Regional SmartZone	SmartZone Name
----------------------------	----------------

Past Performance

Year Tax Capture Began	<input type="text" value="2007"/>	Year Agreement Signed	<input type="text" value="2006"/>
High-Tech Jobs Projected	<input type="text" value="1,000"/>	High-Tech Jobs Created	<input type="text" value="1,264"/>
Anticipated State TIR	<input type="text" value="\$3,347,285"/>	State TIR Collected	<input type="text" value="\$810,859"/>
Initial Taxable Value	<input type="text" value="\$57,863,295"/>	Current Taxable Value	<input type="text" value="\$82,158,950"/>
Current Reporting Cycle	<input type="text" value="LRSZ Annually (Gateway program semi-annual)"/>		
Current Reporting Due Date(s)	<input type="text" value="LRSZ January 1 (Gateway September 30 and March 31)"/>		
Number of Ongoing Research Projects	<input type="text" value="10"/>		
Number of Completed Research Projects	<input type="text" value="31"/>		
Number of Ongoing Commercialization Projects	<input type="text" value="22"/>		
Number of Completed Commercialization Projects	<input type="text" value="105"/>		
Amount of Investments by the SmartZone	<input type="text" value="53,624,368"/>		



Number and Type of Businesses Assisted (attach additional pages if necessary)

Type	Businesses Assisted
Technology	598
Nontechnology	44
Total	642

Number and Type of Businesses locating or expanding (attach additional pages if necessary)

Type	Businesses Located or Expanded
Technology	84
Nontechnology	0
Total	84

Primary Contact Information

Primary Contact

Organization

Mailing Address

City State Zip

Phone Email


Please provide the type, amount and status of all financial incentives previously awarded by the Michigan Economic Development Corporation (MEDC)

MEDC has provided company investments in the form of grants, SBIR matches, and other entrepreneurial support totaling \$4,826,024. In addition, the MEDC provided \$750,000 in funding to address the Technology Innovation Center debt related to the original buildout.

2. Required Application Attachments

TIF and Development Plan (the plan should include the following):

- ☐ Business plan establishes a clear strategy for long-term growth and self-sufficiency
- ☐ Budget which includes the proposed use of TIF revenues
- ☐ Past Performance:
 - Compliance with Agreement, including but not limited to, reporting fully and timely
 - Number and type of businesses assisted
 - Number and type of businesses locating or expanding
 - Number and type of jobs created/retained
 - ☐ Average wage by type
 - ☐ High tech job impact on the region and state
 - ☐ Nature and extent of any nontechnology businesses operating within the zone.
 - Number of on-going and completed research projects
 - Number of on-going and completed commercialization projects
 - Amount of investments by Zone and companies assisted by Zone
 - Use and outcomes of any state money and TIF made available to the zone
 - ☐ Revenues received
 - ☐ Expenses paid by type of funding
 - ☐ Fund balances
 - ☐ The amount and maturity date for all outstanding obligations
 - ☐ The amount paid on outstanding obligations
 - ☐ A list of all the parcels included in each TIF district allocation area and the base assessed value and incremental assessed value for each parcel in the list
- ☐ An analysis of the Zone's overall contribution to the technology-based economy in Michigan and the region to be provided by the SmartZone
- ☐ Plan for future performance
 - The proposed use of the Tax Increment Financing fund for the extension by year including map identifying targeted parcels for growth within existing boundaries
 - Demonstration of Regional Cooperation and local support, including but not limited to, interlocal agreements, local planning strategies highlighting SmartZone focus, and required local approvals
 - Submission of an updated business plan with a clear strategy for growth during the extension period and how they will continue to attract specific high-tech business. This will include information on how the institution of higher education will be involved in the implementation of this plan. Demonstration of administrative capacity to continue to implement the business plan and how the zone will transition to become self-sufficient.

DocuSigned by:

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6/28/2022

SmartZone Applicant Signature

Date

**If you have any questions,
please contact Fredrick Molnar,
Entrepreneurship and Innovation
molnarf@michigan.org**

RATIFICATION AGREEMENT BY THE STATE TREASURER

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) has been authorized by Public Act 281 of 1986, as amended, being MCL 125.2151 et seq. (the “Act”) to designate a certain number of areas within districts of a local development finance authority (“LDFA”) created under the Act as certified technology parks (“Smart Zone”), and;

WHEREAS, the Michigan Economic Development Corporation (MEDC) and the Lansing Regional Smart Zone entered into an agreement effective November 30, 2005, with school tax capture beginning after January 1, 2007, and commencing for 15 years ending on December 31, 2021, and;

WHEREAS, the Lansing Regional Smart Zone was authorized to capture up to 50% of the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq., and by local and intermediate school districts for the first 15 years ending on December 31, 2021, and;

WHEREAS, The original plan anticipated total tax capture over 15 years at \$5,349,408 with approximately \$3,347,285 in school tax capture and \$2,002,123 in local tax capture. Actual capture for the Smart Zone through fiscal year 2022 is \$1,746,085 consisting of only school tax capture, and;

WHEREAS, the city of Lansing and the city of East Lansing comprise the Lansing Regional Smart Zone and approved the amended Tax Increment Finance Plan (TIFP) and Development Plans via resolution on June 13, 2022, and May 24, 2022, respectively, the Joint Local Development Finance Authority (LDFA) for the cities of East Lansing and Lansing approved the amended TIF and Development Plan on April 20, 2022, and the amended plan anticipates capture for the 5-year extension of \$2,452,359 consisting of state tax increment revenue only, and;

WHEREAS, the State Capture may be authorized under the Act to fund costs of public facilities related to or for the benefit of eligible property located within the Smart Zone if those public facilities have been included in the Smart Zone Agreement and if the State Treasurer determines that the State Capture is necessary to reduce unemployment, promote economic growth, and increase capital investment in the cities, and;

WHEREAS, under policy changes developed by MEDC and the Michigan Department of Treasury, time extensions for existing Host Smart Zones (5 or 15 years) would limit new growth to 25% of new tax capture, while maintaining the last TIFP year as their funding base unless a re-evaluation by MEDC or Michigan Department of Treasury staff determines that a different level of support is warranted and the proposed plan amendment is consistent with these policies, and;

WHEREAS, the State Treasurer has made no determination of the validity, adequacy, or sufficiency of the TIFP or the Smart Zone Agreement for purposes of this ratification or compliance therewith or with the Act.

NOW THEREFORE, the State Treasurer makes the following determination:

1. The State Capture is necessary to reduce unemployment, promote economic growth, and increase capital investment in the cities subject to the following conditions:
 - a. The State Capture shall be determined from those ad valorem and specific tax levies by the State of the State Education Tax and by local and intermediate school districts that may be included as tax increment revenues under the Act and the TIFP. The State Capture shall be based upon the captured assessed value of all property that is identified within the SmartZone and included in the TIFP.
 - b. New State Capture of up to 25% is authorized, while maintaining the last TIFP year from the original TIFP as the funding base, for the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq and by local and intermediate school districts for up to 5 years, unless a re-evaluation by MEDC and Michigan Department of Treasury staff determines that a different level of support, is warranted.
 - c. All costs of public facilities, as defined by section (aa)(v) of the Act, have been approved by the MEDC.
 - d. Except as provided by subdivision (e) below, the Smart Zone will not capture the TIFP other than those taxes comprising the State Capture for the purposes authorized under the TIFP and the Smart Zone Agreement as in effect on the date of this Ratification.
 - e. This Ratification does not prohibit the Smart Zone from amending the TIFP to capture local non-educational taxes ("Local Taxes") for the purposes authorized under the TIFP and the SmartZone Agreement, provided that the Smart Zone may not capture Local Taxes and State Capture from any one parcel in an amount in excess of the total taxes assessed against such parcel, and provided further that the Smart Zone submit to the State Treasurer such documentation as the State Treasurer may deem necessary or appropriate to verify compliance with this subparagraph.
 - f. The approval by the State Treasurer of the request from the Smart Zone for a five-year extension of State Capture shall not be construed as the expression of any opinion concerning whether the approved extension can be made retroactive by the Smart Zone to December 31, 2021.

Approved on this 22nd day of August, 2022.

BY: Rachael Eubanks

Rachael Eubanks, State Treasurer

Appendix C - LDFA Creation Resolution

LANSING REGIONAL SMARTZONE AGREEMENT

This Lansing Regional SmartZone Agreement (hereinafter called "Agreement") is entered into as of this 30th day of Nov., 2005, by and among the Michigan Economic Development Corporation, a public body corporate, with offices at 300 N. Washington Square, Lansing, Michigan 48913 (hereinafter called "MEDC"), the City of Lansing, a Michigan Municipal Corporation, with offices at 124 W. Michigan Avenue, Lansing, Michigan 48933-1694, the City of East Lansing, a Michigan Municipal Corporation, with offices at 410 Abbott Street, East Lansing, Michigan 48823 (hereinafter called, at times, the "Cities"), the Cities' Joint Local Development Finance Authority, a Michigan public body corporate, with offices at 300 N. Washington Lansing, Michigan (hereinafter called the "Authority")

RECITALS

WHEREAS, the Michigan Legislature has enacted Public Act 248 of 2000 to promote, inter alia, the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the MEDC has been authorized by Public Act 281 of 1986, as amended, codified as MCL 125.2151 et seq., to designate a certain number of certified technology parks ("Certified Technology Parks") within the State of Michigan, by December 31, 2002; and

WHEREAS, the MEDC, for strategic marketing purposes, has chosen to designate the aforementioned Certified Technology Parks as "SmartZones"; and

WHEREAS, on July 26, 2000, the MEDC issued a request for proposals for SmartZone designation; and

WHEREAS, on October 16, 2000, the Cities submitted a proposal to the MEDC requesting designation as a SmartZone of certain areas located within the Cities', respective, jurisdictions (the "Proposal"); and

WHEREAS, on May 2, 2005 and May 3, 2005, the City of Lansing and the City of East Lansing, respectively, adopted a resolution creating the Authority, the creation of which was also approved by the County of Ingham on April 26, 2005, and the Cities have entered into an agreement governing the composition and appointment of members of the governing body of the Authority; and

WHEREAS, Michigan State University has committed to participate in the SmartZone and committed to responsibilities and activities outlined in their letter, Appendix G; and

WHEREAS, MBI has committed to participate in the SmartZone and committed to responsibilities and activities outlined in their letter, Appendix G; and

WHEREAS, the Foundation has committed to participate in the SmartZone and committed to responsibilities and activities outlined in their letter, Appendix G; and

WHEREAS, the University Corporate Research Park has committed to participate in the SmartZone and committed to responsibilities and activities outlined in their letter, Appendix G; and

WHEREAS, the MEDC, the Cities and the Authority have entered into productive discussions regarding the Proposal; and

WHEREAS, the MEDC, the Cities and the Authority desire to enter into this Agreement to designate the Authority District (as herein after defined) as a Certified Technology Park and to establish terms and conditions of this designation.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the MEDC, the Cities and the Authority (collectively referred to hereinafter, at times, as the “Parties”) agree as follows:

ARTICLE I DEFINITIONS

The Parties agree that the following words and expressions, as used in this Agreement, whenever initially capitalized, whether used in the singular or plural, possessive or non-possessive, either within or without quotation marks, shall be defined and interpreted as follows:

Section 1.01 Act. “Act” means 1986 PA 281, as amended, codified as MCL 125.2151 et seq.

Section 1.02 Affiliated Parties. “Affiliated Parties” means public and private individual(s), business(es) and organizations with which the Local Representatives or the Lansing Regional SmartZone may enter into letters of intent, memoranda of understanding, contractual agreements or other types of arrangements to provide, or induce opportunities for, support, market access, assistance or other types of direct or in-kind assistance for tenants of the Business Incubator or to the development of high technology activity within the Certified Technology Park.

Section 1.03 Agreement. “Agreement,” “herein,” “hereby,” “hereunder,” or other like terms shall mean this Lansing Regional SmartZone Agreement.

Section 1.04 Agreement Date. “Agreement Date” means the date set forth above as the date as of which this Agreement is entered into by the Parties.

Section 1.05 Appendix(es). “Appendix(es)” means the appendix(es) serially identified in this Agreement and attached hereto and incorporated herein by this reference.

Section 1.06 Authority. “Authority” means the Cities’ joint Local Development Finance Authority.

Section 1.07 Authority District. “Authority District” means that area or areas within the Cities as described in the resolutions establishing the Authority within which the Authority may exercise its powers.

Section 1.08 Business Incubator. “Business Incubator” means that facility or facilities identified in the Tax Increment Financing Plan (TIFP) and used in a manner provided by the TIFP and authorized by the Act for a business incubator.

Section 1.09 Certified Technology Park. “Certified Technology Park,” means the area or the areas established within the Authority District by agreement with MEDC as a certified technology park under the Act within which the Authority may exercise its power.

Section 1.10 Cities. “Cities” means the City of Lansing and the City of East Lansing.

Section 1.11 County. “County” means the County of Ingham, a political subdivision of the State of Michigan, created pursuant to Act No. 293, of Public Acts of 1966, being MCL 45.501 et seq., with offices at 341 S. Jefferson, Mason, MI 48854.

Section 1.12 Foundation. “Foundation” means the Michigan State University Foundation, a Michigan Nonprofit Corporation, with offices at 4700 S. Hagadorn Rd., Suite 220, East Lansing, MI 48823.

Section 1.13 Initial Taxable Value. “Initial Taxable Value” means the taxable value of that property identified in the Authority’s TIFP as property as included within the Plan for purposes of determining tax increment revenues for the Authority.

Section 1.14 Lansing Regional SmartZone. “Lansing Regional SmartZone” means that area designated by Sections 2.01 and 4.01 below as a SmartZone in which the Authority may establish a Certified Technology Park.

Section 1.15 Local Representatives. “Local Representatives” means the City of Lansing, the City of East Lansing, and the Authority.

Section 1.16. MBI. “MBI” means the Michigan Biotechnology Institute, a Michigan Nonprofit Corporation, with offices at 3900 Collins Road, Lansing, MI 48910.

Section 1.17 MEDC. “MEDC” means the Michigan Economic Development Corporation, a public body corporate created under section 28 of Article VII of the State Constitution of 1963 and the Urban Cooperation act of 1967, 1967 PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999 between participating local economic development corporations created under 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan Strategic Fund, or its successor as provided for in the Act.

Section 1.18 Operating Costs. “Operating Costs” means business incubator expenses, and other operational and planning costs authorized by the Act and Public Act 291 of 2000, including, but not limited to, executive management and other expenses directly related to the central administration of the Business Incubator such as expenses for insurance, salaries, repairs and maintenance, marketing, supplies, and utilities.

Section 1.19 Public Facilities. “Public Facilities” means the public facilities described for which the Authority is authorized by this Agreement to use tax increment revenues, as described in Appendix A.

Section 1.20 Ratification. “Ratification” means the document, attached hereto as Appendix C, evidencing the State Treasurer’s approval of the Authority’s TIFP and of the capture by the Authority tax increment revenues authorized by the TIFP.

Section 1.21 Resolution. “Resolution” means the document creating the Authority and filed with the Michigan Secretary of State, a copy of which is attached hereto as Appendix D.

Section 1.22 School Taxes. “School Taxes” means the amounts levied by the State pursuant to the state education act, Public Act 331 of 1993, MCL 211.901 to 211.906, and operating levies of local and intermediate school districts.

Section 1.23 State. “State” means the State of Michigan.

Section 1.24 SmartZone or SmartZones. “SmartZone” or “SmartZones” means the Service Mark designation owned and adopted by the MEDC that designates a “Certified Technology Park” or “Certified Technology Parks,” respectively.

Section 1.25 SmartZone Plan. “SmartZone Plan” means the description of activities to be undertaken by the Authority in operation of the SmartZone.

Section 1.26 Statewide SmartZone Council. “Statewide SmartZone Council” means the SmartZone advisory group comprised of representatives of each SmartZone and MEDC representatives.

Section 1.27 Tax Increment Revenues. “Tax Increment Revenues” means that term as defined by the Act.

Section 1.28 TIFP. “TIFP” means the Tax Increment Financing Plan to be approved by the Authority and the Cities and to be reviewed by the MEDC and forwarded to Treasury.

Section 1.29 Treasury. “Treasury” means the State of Michigan Department of Treasury.

Section 1.30 University. “University” shall mean Michigan State University.

Section 1.31 UCRP. “University Corporate Research Park”, a Michigan Nonprofit Corporation, with offices at 4700 S. Hagadorn Rd., Suite 220, East Lansing, MI 48823.

ARTICLE II RIGHTS AND OBLIGATIONS OF THE MEDC

Section 2.01 Designation of the Authority’s Certified Technology Park. The MEDC designates the Authority District, as described in Appendix A, as the area in which the Authority may establish one

Certified Technology Park; which shall be known as the “Lansing Regional SmartZone.”

Section 2.02 Marketing of the Authority’s Certified Technology Park by MEDC. The MEDC shall market the Certified Technology Park within the Lansing Regional SmartZone as one of the certified technology parks authorized under the Act. All marketing of the Certified Technology Park and the Lansing Regional SmartZone by MEDC shall be consistent with the TIFP and the purposes and objectives of the Authority. It is understood that the marketing funds to be expended by the MEDC in fulfillment of its obligation under this Section 2.02 shall be determined by the MEDC.

Section 2.03 Role of the MEDC. The MEDC shall play no role in policy development or decision-making of the Authority including, but not limited to, the areas of zoning, acquisition and disposal of interests in real and personal property, and land development.

Section 2.04. No Approval of Other Tax Incentives. By signing this Agreement, the MEDC has not signified approval for any state incentives that the Authority may seek, or opined on the Authority's eligibility for these incentives. As described in its SmartZone Plan, attached as Appendix E, the Authority has indicated that it may seek assistance in the form of state incentives including, but not limited to, Brownfield redevelopment tax incentives, obsolete property redevelopment tax abatement, and other grants and loans to support business development.

Section 2.05 Ratification by State Treasurer. The MEDC will use its best efforts to obtain Treasury ratification of the Lansing Regional Certified Technology Park and the TIFP.

ARTICLE III RIGHTS AND OBLIGATIONS OF THE LOCAL REPRESENTATIVES

Section 3.01 Authorized Capture and Use of Tax Increment Revenues.

(a) All Tax Increment Revenues received by the Authority from the Certified Technology Park during the term of this Agreement may be expended by the Authority for all purposes and in those amounts authorized under the Act and the TIFP. The Authority may capture the maximum amount of School Taxes allowed under the Act for purposes authorized by this Agreement and the TIFP for a period of fifteen (15) years for levies imposed on or after adoption of the TIFP. The MEDC shall conduct an annual review of the Authority’s use and capture of Tax Increment Revenues, which shall be limited to assessment of consistency with the TIFP and the Act. In the event that the MEDC identifies one or more material inconsistencies, it shall notify Treasury and the Local Representatives of it and the Authority shall have the opportunity to respond in a manner consistent with Section 5.03(a) of this Agreement. Should the State Treasurer determine that the Authority has failed to perform as described by Section 5.03(a), then such failure shall constitute an Event of Default and the MEDC shall have the right to exercise one or more of its remedies as provided for in Article V of this Agreement. Tax Increment Revenues shall be determined on the basis of an initial taxable value authorized by the State Treasurer and pursuant to the TIFP and the Ratification.

(b) The Authority may enter into a contract with a Local Representative, an Affiliated Party, or both,

to delegate, on behalf of the Authority, the responsibility of operating and planning the activities supported by the Authority, providing administrative services to the Authority, conducting an integrated marketing study, generating specific marketing plans, identifying methods of facilitating technology commercialization, and implementation of the integrated marketing program.

Section 3.02 Prohibited Uses of Tax Increment Revenues. Tax Increment Revenue proceeds shall not be used to fund the costs of direct subsidies, programs or services provided to or for tenants in the Business Incubator such as research stipends or grants, employee compensation subsidies, or grant proposal assistance.

Section 3.03 Local Representative Programs and Participation. The Local Representatives shall seek to develop and implement strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone as outlined in Appendices E and G.

Section 3.04 University Programs and Participation. The University will be a partner in developing and implementing strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone as outlined in Appendices E and G.

Section 3.05 MBI Programs and Participation. MBI will be a partner in developing and implementing strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone as outlined in Appendices E and G.

Section 3.06 Foundation Programs and Participation. The Foundation will be a partner in developing and implementing strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone as outlined in Appendices E and G.

Section 3.07 UCRP Programs and Participation. The UCRP will be a partner in developing and implementing strategies to facilitate the commercialization of technologies in the Lansing Regional SmartZone as outlined in Appendices E and G.

Section 3.08 MEDC Membership on the Authority. The Local Representatives shall appoint an MEDC representative, selected by the MEDC, as an ex-officio, non voting member to the governing body of Authority.

Section 3.09 Reporting Requirements. The Authority shall provide, or cause to be provided to, MEDC with semiannual reports containing the following information:

(a) A summary of the Lansing Regional SmartZone operations, including, but not limited to, number of businesses assisted, number of businesses locating or expanding in the Lansing Regional SmartZone, number of jobs created/retained, number of on-going and completed research projects, number of on-going and completed commercialization projects, and amount of investments in the Lansing Regional SmartZone.

(b) The use of Tax Increment Financing funds during the prior fiscal year of the Authority.

- (c) The proposed use of Tax Increment Financing funds for the next fiscal year of the Authority.
- (d) Any modifications sought to this Agreement or to the TIFP.

Section 3.10 Use of SmartZone Service Mark. The Local Representatives shall use the SmartZone Service Mark in conformity with the specifications set forth in the document attached as Appendix F.

Section 3.11 Amendments to the TIFP. The Authority and the Cities shall not amend the TIFP without the approval of the State Treasurer. Copies of any and all proposed amendments shall be forwarded to the MEDC and Treasury.

Section 3.12 Statewide SmartZone Council. The Local Representatives agree to participate in the activities of the Statewide SmartZone Council, including, but not limited to, assisting the MEDC in developing a marketing plan for the SmartZone program.

ARTICLE IV INTELLECTUAL PROPERTY

Section 4.01 Service Mark. The MEDC owns the service mark SmartZone and SmartZones and hereby grants a limited license to use the mark SmartZones, in accordance with guidelines established by the MEDC, attached as Appendix F, to the Cities, the Authority, and the University and the Lansing Regional Certified Technology Park. The MEDC retains the exclusive right to revoke the service mark license or to suspend or revoke the designation of SmartZone to any Certified Technology Park pursuant to Section 5.03 of this Agreement.

ARTICLE V TERM, TERMINATION, AND DEFAULT

Section 5.01 Term. The term of this Agreement shall commence on the Agreement Date and shall expire on December 31, 2021 and shall continue until termination by the first to occur of the following:

- (a) Expiration of the Term of the Agreement.
- (b) An action, other than one caused by an Event of Default by any of the Parties, by any of the following means that voids, suspends, terminates or revokes the approval by MEDC of the Authority District as the area in which the Authority may establish a Certified Technology Park or the authorization for the Authority to capture and use of Tax Increment Revenues for all purposes permitted under Section 3.01.
 - (i) Court order;
 - (ii) Any ruling, bulletin, order, administrative or executive decision of the State, State Tax Commission, any State official, or State commission, authority, body or employee with

authority to make such determination or take such action;
(iii) State or federal legislative action.

- (c) The involuntary dissolution or liquidation of the Authority.
- (d) The voluntary termination of this Agreement by the MEDC and the Local Representatives. It is understood that none of the Parties shall unreasonably withhold their consent to terminate this Agreement under this Section 5.01 (d), if it should be in the best interest, under good business practice standards, to terminate this Agreement.
- (e) Withdrawal from this Agreement by any Party pursuant to Section 5.06.

Section 5.02. Rights of the MEDC. The expiration of the Term of this Agreement shall not affect the rights of the MEDC in connection with its SmartZone Service Mark.

Section 5.03 Default.

- (a) An event of default under this Agreement and the term "Event of Default" or "Default" shall mean, whenever they are used in this Agreement, the failure by any of the Local Representatives to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of forty-five (45) days after written notice, specifying such failure and requesting that it be remedied, shall have been given by the party providing notice of Default to all other parties; provided, however, that if the failure is such that it can be corrected but not within such 45-day period, and corrective action is instituted within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent necessary to enable the party failing to observe or perform any covenant, condition or agreement to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence. The MEDC is not bound by the period for cure described herein in the event of a failure by the Authority to comply with Section 3.01(a) of this Agreement.
- (b) Except as provided herein, whenever an Event of Default referred to in Section 5.03(a) above shall have occurred and be continuing, any non-defaulting party may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of this Agreement.
- (c) Subject to Section 5.04 of this Agreement, whenever an Event of Default is caused by the failure of any of the Local Representatives, the MEDC shall have the right to exercise any one or more of the following remedies:
 - (i) Suspend or revoke of the SmartZone Service Mark designation granted to the Lansing Regional Certified Technology Park or any portion thereof.
 - (ii) Cease to market, as otherwise agreed to by the MEDC under Section 2.02, or revoke permission to market, under Section 3.10, the Lansing Regional Certified Technology Park as a SmartZone. If the MEDC exercises this remedy, the Local Representatives

shall be able to continue to market and operated the Lansing Regional SmartZone as the Lansing Regional Certified Technology Park during the term of this Agreement.

- (iii) Suspend or revoke of the limited license granted under Section 4.01, above, of the use of the Service Mark "SmartZone" to any of the local Representatives, or the Lansing Regional SmartZone.

(d) Subject to section 5.04 of this Agreement, whenever an Event of Default is caused a failure of the Authority under Section 3.01(a), the Department of Treasury, shall have the right to suspend or revoke the capture of School Taxes, in whole or in part, to the extent that said School taxes are not applied to satisfy existing outstanding obligations.

Section 5.04 Dispute Resolution. If a dispute arises under this Agreement, which cannot be resolved within the period for cure provided in Section 5.03(a), subject to the exception provided therein, before exercising any of the rights contained in Section 5.03(c), the Parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator in Lansing, Michigan, prior to exercising any rights or remedies under Section 5.03. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the Parties. If the Parties cannot agree on the selection of a mediator within ten (10) calendar days, then the Parties shall ask the American Arbitration Association to appoint a mediator to serve them in resolving their dispute.

Section 5.05 Limitations upon Obligations and Remedies.

(a) The amendment, revocation or suspension by the State Treasurer of the Ratification or any authorization conferred upon the Authority by Section 3.01 above, shall waive all obligations imposed upon a Local Representative under Sections 3.01 or 3.02 above.

(b) If the State Treasurer refuses, for any reason whatsoever, to approve the capture of Tax Increment Revenues attributable to School Taxes, revokes or suspends its approval of such capture in whole or in part, or requires reimbursement, for any reason, from a Local Representative in connection with the capture of Tax Increment Revenues attributable to School Taxes which the State Treasurer subsequently determines to be impermissible, the MEDC will have no liability to a Local Representative for damages caused by such action of the State Treasurer and this Agreement will not be construed to impose any liability upon or require the MEDC to repay any obligation or reimbursement.

(c) The authorization to use the MEDC's Service Mark "SmartZone" extended to the Cities, the Authority, and the University shall cease immediately upon termination of this Agreement or dissolution of the MEDC, without requiring any action of the MEDC.

Section 5.06 Withdrawal. Any Party to this Agreement shall have the right to withdraw from this Agreement if the Cities or the County fail to approve the TIFP by December 31, 2007.

ARTICLE VI MISCELLANEOUS

Section 6.01 Designation of MEDC Chief Executive Officer. The Chief Executive Officer of MEDC, or his designee, is designated as the authorized officer to make determinations and approvals on behalf of the MEDC related to the satisfaction of any condition imposed by this Agreement upon a Local Representative, the terms of any performance required by a Local Representative, or the terms of any agreement entered into by a Local Representative with another person or organization which is subject to MEDC approval.

Section 6.02 Entire Agreement. In accordance with section 6.10 below, this Agreement, including all its Appendixes and Exhibits, sets forth the entire agreement between the parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.

Section 6.03 No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 6.04 Severability of Provisions. If any provision of this Agreement, or its application to any Party or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Parties or circumstances is not affected but will be enforced to the extent permitted by law.

Section 6.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 6.06 Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and not to be interpreted as part of this Agreement.

Section 6.07 Terminology. All terms and words used in this Agreement, regardless of the numbers or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 6.08 Cross-References. References in this Agreement to any Article include all Sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 6.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to the courts of the State of Michigan.

Section 6.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of the Parties.

Section 6.11 Independent Contractor. The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Section 6.12 Counterpart Signatures. This Agreement may be signed in counterpart. The counterparts taken together shall constitute a single agreement.

Section 6.13 No Waiver. No waiver by MEDC or a Local Representative of any breach of obligations, agreements or covenants herein shall be a waiver of any subsequent breach of any obligation, agreement or covenant, nor shall any forbearance by the MEDC or a Local Representative to seek a remedy for any breach by the another party to this Agreement be a waiver of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by the MEDC or a Local Representative be deemed to apply to any other existing or subsequent right to remedy any default by another party to this Agreement. nor shall any waiver by MEDC or a Local Representative of any default or breach by another party to this Agreement in the performance of any of the covenants or obligations under this Agreement be deemed to have been made by the MEDC unless contained in a writing executed by the waiving party. The MEDC does not waive any immunity provided by law.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Address: *300 N. Washington; Lansing, MI 48913*

WITNESSES:

BY:

ITS:

DATE:

[Signature]
President & CEO
11/30/05

CITY OF LANSING

Address: 124 W. MICHIGAN

WITNESSES:

BY: By Benavides

ITS: MAYOR

DATE: 11/17/05

CITY OF EAST LANSING

Address: 410 ABBOTT RD. EAST LANSING, MI 48823

WITNESSES: Tony H. Denny

BY: Jim Chaudhry

ITS: MAYOR

DATE: 11/7/05

LOCAL DEVELOPMENT FINANCE AUTHORITY

Address:

WITNESSES: Tony H. Denny

BY: Jim Chaudhry

ITS: CHAIRPERSON

Appendixes

Appendix A Description of the Authority District, Certified Technology Park and Public Facilities.

Appendix B Development & TIF Plan

Appendix C Ratification by State Treasurer

Appendix D Copy of Resolutions creating the Authority

Appendix E SmartZone Plan

Appendix F Service Mark Specifications

Appendix G Letters of Commitments from Michigan State University, MBI, UCRP and Foundation

Appendix A – Authority District & Certified Technology Park

Description of Authority District and Certified Technology Park

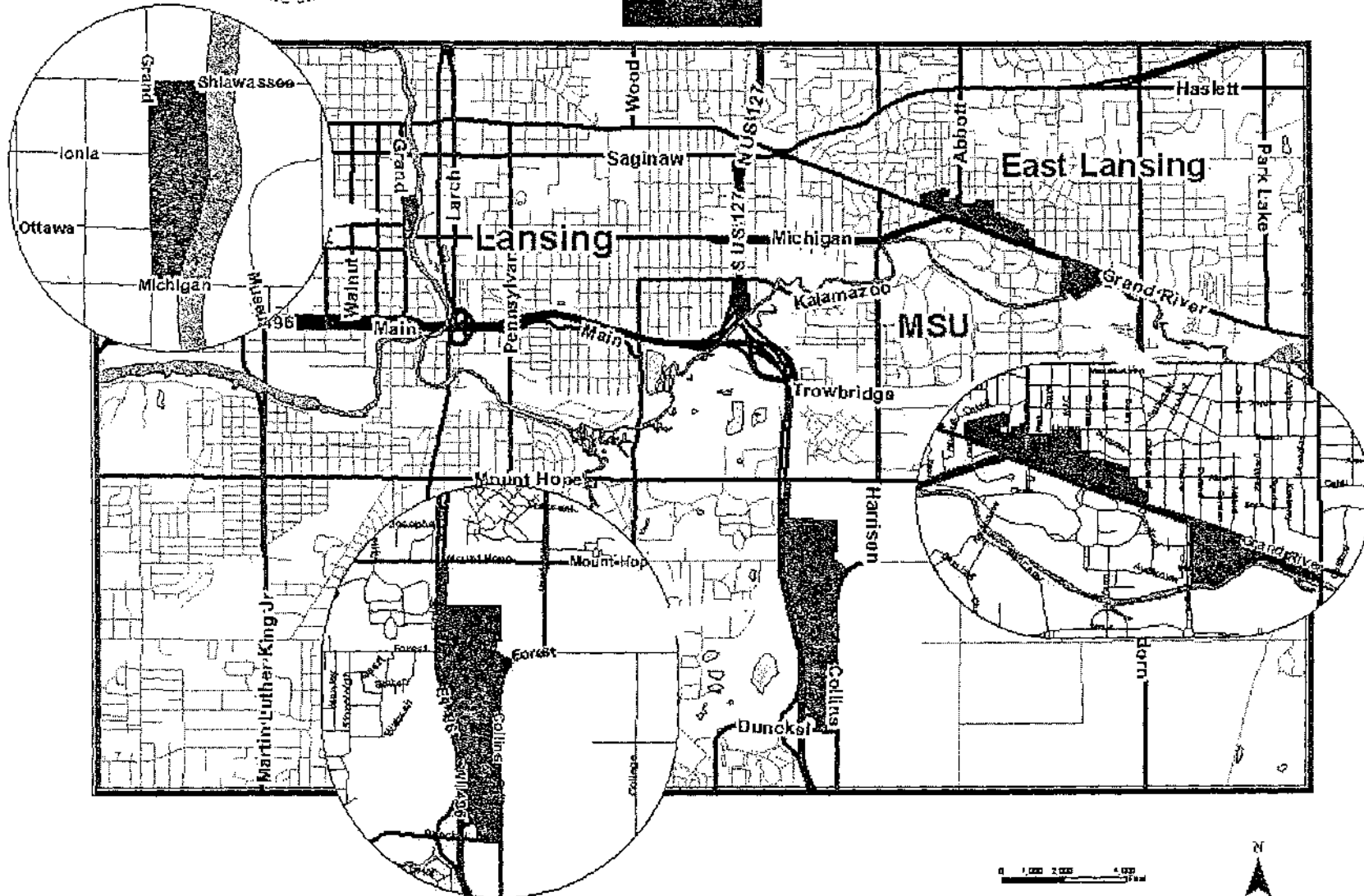
The Lansing Regional SmartZone is divided into four distinct geographic areas:

1. The area in downtown Lansing bounded by Grand Avenue to the west, Michigan Avenue to the south, the Grand River to the east and Shiawassee Street to the north.
2. The area in Lansing bounded by I-496 to the west, the Lansing Corporate City Limit to the north and northeast, Collins Road to the east and Dunkel Road to the south.
3. The area in East Lansing bounded by Bogue Street to the west, Grand River Avenue to the north, Hagadorn to the east, and the Red Cedar River to the south.
4. The area in downtown East Lansing contained within the East Lansing Downtown Development Authority District as adopted by the East Lansing City Council by Ordinance 635 on June 17, 1986 and amended by Ordinance 889 adopted on February 18, 1997.



Lansing Regional SmartZone

Lansing and East Lansing Subzones



Appendix B – Development and TIF Plan

(The Development and TIF Plan will be completed by December 31, 2007 as indicated in
Section 5.06 of this Agreement)

Appendix C

RATIFICATION AGREEMENT BY THE STATE TREASURER

WHEREAS, the Michigan Legislature passed and the Governor signed Public Act 248 of 2000 to promote, *inter alia*, the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the Michigan Economic Development Corporation ("MEDC") has been authorized by Public Act 281 of 1986, as amended, being MCL 125.2151 et seq. (the "Act"), to designate a certain number of areas within districts of a local development finance authority created under the Act as certified technology parks, by December 31, 2002; and

WHEREAS, the MEDC has been authorized by Public Act 365 of 2004 to extend the deadline for designation to December 31, 2005; and

WHEREAS, the MEDC, for strategic marketing purposes, has chosen to designate certain of the aforementioned certified technology parks as "SmartZones"; and

WHEREAS, the MEDC issued a Request for Proposals for SmartZone designation; and

WHEREAS, the City of Lansing and City of East Lansing ("Cities"), submitted a Proposal to the MEDC requesting designation as a Certified Technology Park of a certain area located within the Cities' jurisdiction; and

WHEREAS, on _____, 2005, the MEDC, the Cities, and the Local Development Finance Authority have entered into an agreement ("The Lansing Regional SmartZone Agreement"); and

WHEREAS, on _____, 2005, the Cities and the Local Development Finance Authority ("Authority") approved the tax increment financing plan ("TIFP"), pursuant to the Act; which contemplated the capture of fifty percent (50%), of the amounts levied by the State pursuant to the state education act, Public Act 331 of 1993, being MCL 211.901 to 211.906, and by local and intermediate school districts for a period of fifteen (15) years for levies imposed on or after _____, (such levies collectively referred to as the "Capture"), on the basis of an initial taxable value determined as of _____, for all purposes and in those amounts authorized under the Act by the TIFP; and

WHEREAS, a condition of the effectiveness of the Capture under the Act is that the State Treasurer would accept and approve the Capture, as set forth in the TIFP, for the purpose of reducing unemployment, promoting economic growth, and increasing capital investment in the City, as determined by the State Treasurer; and

WHEREAS, the State Treasurer has reviewed the terms and conditions of the Capture and found them to be acceptable.

NOW THEREFORE, the State Treasurer, ratifies, confirms and agrees by this instrument to accept and approve the Capture under the following terms and conditions:

1. The Lansing Regional SmartZone shall be allowed to capture fifty percent (50%), of the amounts levied by the State pursuant to the state education act, Public Act 331 of 1993, being MCL 211.901 to 211.906, and local and intermediate school districts for a period of fifteen (15) years for levies imposed on or after _____ on the basis of an initial taxable value determined as of _____ for all purposes and in those amounts as detailed in the TIFP and authorized under the Act.

Signed on behalf of the Michigan Department of Treasury this ____ day of _____, 2005.

MICHIGAN DEPARTMENT OF TREASURY

By: _____
Jay B. Rising
State Treasurer

This ratification is agreed to and accepted this ____ day of _____, 2005 in full compliance with Section 2 of Public Act 281 of 1986, as amended, being MCL 125.2151 et seq.

THE LOCAL DEVELOPMENT FINANCE AUTHORITY

By: _____

Chair

THE CITY OF LANSING

By: _____

Mayor

THE CITY OF EAST LANSING

By: _____

Mayor

Appendix D – Copies of Resolutions Creating the Authority

**CITY OF EAST LANSING
EAST LANSING CITY COUNCIL**

**RESOLUTION ESTABLISHING A LOCAL DEVELOPMENT
FINANCE AUTHORITY WITH THE CITY OF LANSING AND
DESIGNATION OF THE BOUNDARIES OF THE AUTHORITY
DISTRICT.**

WHEREAS, the City of East Lansing ("East Lansing" or "City") and the City of Lansing ("Lansing") are authorized by the provisions of Act 281, Public Act of Michigan, 1986, as amended ("Act 281"), to create a multi-jurisdictional local development finance authority to be known as the Local Development Finance Authority of the Cities of Lansing and East Lansing (the "Authority"), Counties of Clinton and Ingham, Michigan, which exercises its powers within an Authority District designated by the Cities (the "Authority District"); to be known as the Lansing Regional SmartZone more particularly described as four separate areas:

- A. The area in downtown Lansing bounded by Grand Avenue to the west, Michigan Avenue to the south, the Grand River to the east and Shiawassee Street to the north.
- B. The area in Lansing bounded by I-496 to the west, the Lansing Corporate City Limit to the north and northeast, Collins Road to the east and Dunkel Road to the south.
- C. The area in East Lansing bounded by Bogue Street to the west, Grand River Avenue to the north, Hagadorn to the east, and the Red Cedar River to the south.
- D. The area in downtown East Lansing contained within the East Lansing Downtown Development Authority District as adopted by the East Lansing City Council by Ordinance 635 on June 17, 1986 and amended by Ordinance 889 adopted on February 18, 1997; and

WHEREAS, the City Council of the City of East Lansing (the "City Council"), after notice duly published and mailed as required by subsection 4(2) of Act 281, held a public hearing on Monday, December 21, 2004, a date not less than 60 days prior to the date of this resolution on establishment of the Authority and designation of the Authority District; and

WHEREAS, the City Council intends to proceed to establish the Authority and the Authority District; and

WHEREAS, the City desires to enter into an Agreement ("Agreement") with Lansing to determine provisions governing the number of members on the governing board of the Authority ("Authority Board") and the method of their appointment, the terms of initial and subsequent appointments to the Authority Board, the manner in which a member of the Authority Board may Approved for placement on the City Council Agenda be removed before the expiration of his or her

term, the power of the Board, the manner in which the Authority may be dissolved, and the disposition of assets upon dissolution;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Determination of Necessity; Purpose. In order to eliminate the conditions of unemployment, underemployment and joblessness, and to promote economic growth in the City, the City Council hereby determines that it is necessary for the public welfare of the City to create the Authority, which shall be a multi-jurisdictional local development finance authority pursuant to Act 281.

2. Creation of Authority. The City hereby jointly creates the Authority with Lansing. The Authority shall be a public body corporate pursuant to Act 281 and shall be known and exercise its powers under title of the "Local Development Finance Authority of the Cities of Lansing and East Lansing." The Authority may adopt a seal, may sue and be sued in any court of this state, and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this resolution and Act 281. The enumeration of a power in this resolution or in Act 281 shall not be construed as a limitation upon the general powers of the Authority.

3. Designation of Authority District. The four separate areas of property described on page one (1) of this resolution.

4. Powers of Authority. Except as specifically otherwise provided in this resolution, the Authority shall have all powers provided by law.

5. Approval of Agreement Pursuant to Act 281. The City Council hereby expressly approves the Agreement attached hereto as Exhibit A. The City Council hereby authorizes the Mayor and the City Clerk to execute and deliver the Agreement and any certificates or other documents as may be required by Act 281 to properly and fully establish the Authority.

6. Fiscal Year; Adoption of Budget.

a) The fiscal year of the Authority shall begin on July 1 of each year and end on June 30 of the following year.

b) The Authority Board shall annually prepare a budget which shall contain the information and be prepared in the manner set forth in the Agreement. The Authority Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the Lansing and East Lansing City Councils independently. The Authority Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the resolution authorizing the revenue bonds.

c) The Authority shall submit financial reports to Lansing and East Lansing pursuant to the Agreement. The Authority shall be audited annually by an independent


auditor as designated in the Agreement.

7. Termination. Upon completion of its purposes, or as otherwise provided in the Agreement, the Authority may be dissolved.

8. Repealer. All resolutions and parts of resolutions in conflict herewith are hereby repealed.

9. Publication, Recording and Filing. This resolution shall be published in full once after its adoption in a newspaper of general circulation in the municipality and the City Clerk is requested to promptly file a certified copy of the resolution with the Michigan Secretary of State after its adoption.

10. Effective Date. This resolution shall not take effect until publication.


Mark S. Meadows, Mayor
Dated: May 3, 2005

Moved by Council Member: Sharp

Supported by Council Member: Loomis

ADOPTED: Yeas: 5
Nays: 0

CLERKS CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the East Lansing City Council at its regular meeting held on Tuesday, May 3, 2005, the original of which is part of the Council's minutes.


Sharon A. Reid, City Clerk

EXHIBIT A

**AGREEMENT REGARDING THE OPERATION OF THE
LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE
CITIES OF LANSING AND EAST LANSING**

The City of Lansing, State of Michigan ("Lansing"), and the City of East Lansing, State of Michigan ("East Lansing") (collectively the "Cities"), enter into this Agreement (the "Agreement") as of May 3, 2005, pursuant to the authority granted to them by 1986 PA 281, as amended ("Act 281").

PREMISES

WHEREAS, the Cities are authorized by the provisions of Act 281 to create a multi-jurisdictional local development finance authority in order to encourage local development to prevent conditions of unemployment and promote economic growth;

WHEREAS, the Cities have determined that it is in the best interests of the residents of their respective communities to establish a local development finance authority to eliminate the conditions of unemployment, underemployment and joblessness and to promote economic growth in Lansing and East Lansing; and

WHEREAS, the City Councils of the Cities have acted to establish the "Local Development Finance Authority of the Cities of Lansing and East Lansing" (the "Authority") which exercises its powers within an Authority District designated by the Cities (the "Authority District"); and

WHEREAS, under Act 281 the Authority may exercise its powers in a certified technology park which may comprise all or a portion of the Authority District, and the Cities wish to enter into this Agreement to establish certain provisions regarding the members of the Authority Board and operation of the Authority.

NOW, THEREFORE, the Cities agree as follows:

1. **Authority Board; Appointments.** The governing body of the Authority (the "Authority Board") shall consist of 7 members, appointed as follows:

(a) The Mayor of the City of Lansing shall appoint, subject to the approval of the City Council, three (3) members of the Authority Board, one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2007, one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2008 and one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2009.

(b) The Mayor of the City of East Lansing shall appoint, subject to the approval of the City Council three, (3) members of the Authority Board, one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2007,

one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2008, and one (1) whose initial term shall begin as of the Effective Date of this Agreement and shall expire on June 30, 2009.

(c) One (1) member who shall be appointed by the Ingham County Board of Commissioners

2. **Authority Board; Terms and Removal.**

(a) Except as provided by Sections 1(a) and (b) above for the initial appointments to the Authority Board, members of the Authority Board appointed under Sections 1(a), (b) and (c) shall serve for terms of four (4) years expiring June 30th. However, upon expiration of a member's term, the member appointed shall continue serving as a member of the Authority Board until the appointment of their successor.

(b) An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only.

(c) Subject to notice and an opportunity to be heard, a member of the Authority Board appointed pursuant to Sections 1(a), (b) or (c) above may be removed before the expiration of his or her term for cause by the governing body appointing the member. Removal of a member appointed pursuant to Sections 1(a), (b) or (c) above is subject to review by the circuit court.

3. **Budget, Financial Records of the Authority, Audit.** The Authority staff shall annually prepare and submit by April 30 for the approval of the Authority Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information generally required of the municipal departments of the Cities. Before the Authority Board may adopt the budget, it must first be approved by the City Councils of the Cities. The Authority Board shall submit annual financial reports to the Cities at the same time and on the same basis as required of municipal departments. The Authority shall be audited annually by an independent auditor and copies of the audit report shall be filed not later than November 30 after the close of the fiscal year with the Cities and, if required by Act 281 or any other law, with the State Tax Commission and with any other entity as may be required by state law or agreement entered into by the Authority. All financial records of the Authority shall be open to the public pursuant to the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, as amended.

The budget of the Authority shall allocate tax increment revenues received pursuant to an approved tax increment financing plan on a pro rata basis based upon the actual tax increment revenues received from captured values of property located in each City. If the captured value of property located in either City is negative in any year and that negative value reduces the tax increment revenues otherwise available to be captured by the Authority based on the captured value of property located in the other City, this shortfall shall be reimbursed from the next tax

increment revenues of the Authority generated from captured value of the City that had negative captured values.

4. **Powers of the Board.** The Authority Board shall have and exercise all of the powers vested in it by section 7 of Act 281 and all of the general powers that may be exercised by a Michigan public body corporation as provided by law, except that the Authority may only exercise its powers relating to in a Certified Technology Park designated in an agreement made with the Michigan Economic Development Corporation under Section 12a of Act 281.

5. **Appointment of Directors and Officers.** Subject to the prior separate approval of the City Councils of the Cities, the Authority Board may employ and fix the compensation of the director, and such other officers as provided by section 6 of Act 218. The director shall serve at the pleasure of the Authority Board. A member of the Authority Board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath of office and shall furnish bond in an amount determined by prior separate resolution of the City Councils of the Cities. Except as otherwise provided in this Agreement, the director shall have all the powers and duties as provided by section 6 of Act 281.

6. **Dissolution of the Authority.** The Authority may be dissolved and this Agreement may be terminated by resolution of the City Council of either City. Prior to the dissolution becoming effective, all expenses and liabilities of the Authority must be paid and all obligations issued by or on behalf of the Authority must be satisfied, retired or defeased. Thereafter, the Authority shall distribute and convey all real property rights and interests owned by the Authority in Lansing to the City of Lansing, and all real property rights and interests owned by the Authority in East Lansing to the City of East Lansing. All other tangible and intangible assets of the Authority, other than unexpended tax increment revenues, shall be distributed and conveyed by the Authority between Lansing and East Lansing, after any adjustment required to compensate for any shortfall reimbursement pursuant to section 3 of this Agreement, on a pro-rata basis based over the period the Authority captured tax increment revenues, on the aggregate captured values of property located in each city that was subject to the Authority's tax increment financing plan for purposes of determining tax increment revenues. All unexpended and unencumbered tax increment revenues of the Authority upon dissolution shall be remitted to each taxing jurisdiction in proportion to their millage subject to capture.

7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

8. **Severability.** If any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

9. **Execution in Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed and all of which shall constitute one and the same

agreement, and the signature of any party to any counterpart shall be deemed a signature to and may be appended to any other counterpart.

IN WITNESS WHEREOF, the Cities have caused this Agreement to be duly executed as of the date first written above.

CITY OF LANSING

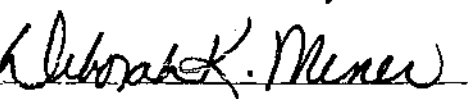
By 

Its: Mayor, Tony Benavides

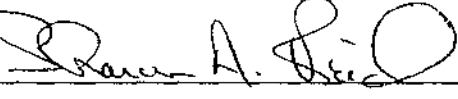
CITY OF EAST LANSING

By 

Its: Mayor, Mark S. Meadows

By 

Its: Clerk, Debbie Miner

By 

Its: Clerk, Sharon A. Reid

I, Sharon A. Reid, City Clerk of the City of East Lansing, Counties of Ingham and Clinton, State of Michigan, do hereby certify that the attached copy of the Resolution is a true and correct copy of the Resolution on file in the city Clerk's office.

I hereunto set my hand and affix the seal of the City of East Lansing, Michigan this 7th day of June, 2005.

A handwritten signature in black ink, appearing to read "Sharon A. Reid", written over a horizontal line.

Sharon A. Reid, City Clerk
City of East Lansing
Ingham & Clinton County, Michigan

I, M. DENISE GRIFFIN, CHIEF DEPUTY CITY CLERK of the City of Lansing, Michigan, do hereby certify that I have compared the annexed copy of Resolution #189, Agreement between the City of Lansing and E. Lansing to create a multi-jurisdictional local development finance authority to be known as the Lansing Regional SmartZone, was adopted by the City Council of the City of Lansing at their regular meeting held Monday, May 2, 2005, with the original now on file in my office, and that it is a correct copy thereof, and of the whole of such original.



SEAL

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Lansing this 6th Day of June, A.D. 2005



M. Denise Griffin, Chief Deputy City Clerk

From the desk of...

M. Denise Griffin
Chief Deputy City Clerk
City of Lansing
124 W. Michigan Ave.
Lansing, MI 48933

(517) 483-4131
Fax: (517) 377-0068

RESOLUTION #189

BY THE INTERGOVERNMENTAL RELATIONS COMMITTEE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing (the "City") and the City of East Lansing ("East Lansing") are authorized by the provisions of Act 281, Public Act of Michigan, 1986, as amended ("Act 281"), to create a multi-jurisdictional local development finance authority to be known as the Local Development Finance Authority of the Cities of Lansing and East Lansing (the "Authority"), Counties of Clinton and Ingham, Michigan, which exercises its powers within an Authority District designated by the Cities (the "Authority District"); to be known as the Lansing Regional SmartZone more particularly described as four separate areas:

- A. The area in downtown Lansing bounded by Grand Avenue to the west, Michigan Avenue to the south, the Grand River to the east and Shiawassee Street to the north.
- B. The area in Lansing bounded by I-496 to the west, the Lansing Corporate City Limit to the north and northeast, Collins Road to the east and Dunkel Road to the south.
- C. The area in East Lansing bounded by Bogue Street to the west, Grand River Avenue to the north, Hagadorn to the east, and the Red Cedar River to the south.
- D. The area in downtown East Lansing contained within the East Lansing Downtown Development Authority District as adopted by the East Lansing City Council by Ordinance 635 on June 17, 1986 and amended by Ordinance 889 adopted on February 18, 1997; and

WHEREAS, the City Council of the City of Lansing (the "City Council"), after notice duly published and mailed as required by subsection 4(2) of Act 281, held a public hearing on Monday, December 13, 2004, a date not less than 60 days prior to the date of this resolution on establishment of the Authority and designation of the Authority District; and

WHEREAS, the City Council intends to proceed to establish the Authority and the Authority District; and

WHEREAS, the City desires to enter into an Agreement ("Agreement") with East Lansing to determine provisions governing the number of members on the governing board of the Authority ("Authority Board") and the method of their appointment, the terms of initial and subsequent appointments to the Authority Board, the manner in which a member of the Authority Board may be removed before the expiration of his or her term, the power of the Board, the manner in which the Authority may be dissolved, and the disposition of assets upon dissolution;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Determination of Necessity; Purpose. In order to eliminate the conditions of unemployment, underemployment and joblessness, and to promote economic growth in the City, the City Council hereby determines that it is necessary for the public welfare of the City to create the Authority, which shall be a multi-jurisdictional local development finance authority pursuant to Act 281.
2. Creation of Authority. The City hereby jointly creates the Authority with East Lansing. The Authority shall be a public body corporate pursuant to Act 281 and shall be known and exercise its powers under title of the "Local Development Finance Authority of the Cities of Lansing and East Lansing." The Authority may adopt a seal, may sue and be sued in any court of this state, and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this resolution and Act 281. The enumeration of a power in this resolution or in Act 281 shall not be construed as a limitation upon the general powers of the Authority.
3. Designation of Authority District. The four separate areas described on page one of this resolution.
4. Powers of Authority. Except as specifically otherwise provided in this resolution, the Authority shall have all powers provided by law.
5. Approval of Agreement Pursuant to Act 281. The City Council hereby expressly approves the Agreement attached hereto as Exhibit A. The City Council hereby authorizes the Mayor and the City Clerk to execute and deliver the Agreement and any certificates or other documents as may be required by Act 281 to properly and fully establish the Authority.
6. Fiscal Year; Adoption of Budget.
 - (a) The fiscal year of the Authority shall begin on July 1 of each year and end on June 30 of the following year.
 - (b) The Authority Board shall annually prepare a budget which shall contain the information and be prepared in the manner set forth in the Agreement. The Authority Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the Lansing and East Lansing City Councils independently. The Authority Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the resolution authorizing the revenue bonds.
 - (c) The Authority shall submit financial reports to Lansing and East Lansing pursuant to the Agreement. The Authority shall be audited annually by an independent auditor as designated in the Agreement.
7. Termination. Upon completion of its purposes, or as otherwise provided in the Agreement, the Authority may be dissolved.
8. Repealer. All resolutions and parts of resolutions in conflict herewith are hereby repealed.
9. Publication, Recording and Filing. This resolution shall be published in full once after its adoption in the Lansing State Journal, a newspaper of general circulation in the County of Ingham, which is the county in which a majority of the Authority District is located, and the City Clerk is requested to promptly file a certified copy of the resolution with the Michigan Secretary of State after its adoption.
10. Effective Date. This resolution shall not take effect until publication.

By Councilmember Jeffries

Carried Unanimously

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION CONDITIONALLY APPROVING THE ESTABLISHMENT OF A JOINT LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA) TAX INCREMENT FINANCING AREA BY THE CITY OF EAST LANSING AND THE CITY OF LANSING, TO BE KNOWN AS THE LANSING REGIONAL SMARTZONE

RESOLUTION #05-108

WHEREAS, the Cities of Lansing and East Lansing in Ingham County are authorized under Michigan Public Act 281 of 1986, as amended, to create a multi-jurisdictional Local Development Finance Authority (LDFA) with the approval of the Ingham County Board of Commissioners; and

WHEREAS, both the City of Lansing and the City of East Lansing have notified the County of their intent to create a multi-jurisdictional LDFA to be known as the Local Development Finance Authority of the Cities of Lansing and East Lansing ("the Authority"), County of Ingham, Michigan, which will exercise its powers within an Authority District designated by the Cities (the "Authority District"), which Authority District is to be known as the Lansing Regional SmartZone, more particularly described as four separate areas; and

WHEREAS, the proposed Authority District would have geographical boundaries as follows:

- A. The area in downtown Lansing bounded by Grand Avenue to the west, Michigan Avenue to the south, the Grand River to the east, and Shiawassee Street to the north.
- B. The area in Lansing bounded by I-496 to the west, the Lansing Corporate City Limit to the north and northeast, Collins Road to the east, and Dunckel Road to the south.
- C. The area in East Lansing bounded by Bogue Street to the west, Grand River Avenue to the north, Hagadorn Road to the east, and the Red Cedar River to the south.
- D. The area in downtown East Lansing contained within the East Lansing Downtown Development Authority District as adopted by the East Lansing City Council by Ordinance 635 on June 17, 1986, and amended by Ordinance 889 adopted on February 18, 1997; and

WHEREAS, the County of Ingham agrees that the creation of the Authority, in partnership or cooperation with others, including Michigan Biotechnology Incorporated, Michigan State University, Michigan State University Foundation, and others, will help eliminate the causes of unemployment, underemployment, and joblessness, and will promote economic growth in the County; and

WHEREAS, State law provides that if the Authority is operating within a district which is also designated by the Michigan Economic Development Corporation (MEDC) as a "Certified Technology Park," the County cannot opt out of having its ad valorem property taxes captured by the Authority.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners approves the establishment of the Local Development Finance Authority of the Cities of Lansing and East Lansing for the purpose of operating within the Lansing Regional SmartZone, but only if and when the MEDC has designated the Authority District as a Certified Technology Park under Public Act 281 of 1986, as amended.

RESOLUTION #05-108

COUNTY SERVICES: Yeas: Celentino, Copedge, De Leon, Schor, Severino, Vickers
Nays: None Absent: None Approved 4/19/05

FINANCE: Yeas: Dedden, Swope, Hertel, Schor
Nays: Thomas Absent: Dougan Approved 4/20/05

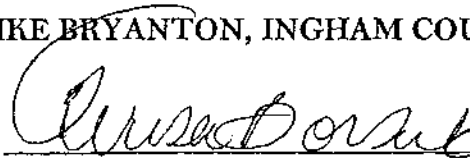
STATE OF MICHIGAN }
COUNTY OF INGHAM }

I, Mike Bryanton, Clerk for the County of Ingham, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the Board of Commissioners of the County of Ingham, Michigan on April 26, 2005 as appears on record in my office, and that I have compared the same with the original and that it is a true transcript therefrom and of the whole thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said county at Mason, Michigan this 3rd day of June, 2005.

MIKE BRYANTON, INGHAM COUNTY CLERK

by



Deputy Clerk



Appendix E
Lansing Regional SmartZone Plan
Draft - September 29, 2005

Introduction

The SmartZone program is based on P.A. 248 of 2000 and administered statewide by the Michigan Economic Development Corporation (MEDC). MEDC selected 11 locations statewide to create SmartZones, one of these being the Lansing Regional SmartZone. In order to be formally designated as a Michigan SmartZone, the Cities of Lansing and East Lansing were required to create a joint Local Development Finance Authority (SmartZone LDFA). Now that the SmartZone LDFA has been created, the LDFA and the two Cities must enter into a formal agreement with the MEDC to be designated as a SmartZone. One of the required components of the SmartZone agreement is a written plan indicating how the SmartZone will achieve its' mission and measure its' successes. This document is the Lansing Regional SmartZone Plan.

Lansing Regional SmartZone Mission

Mission: *To foster the creation and attraction of technology based businesses and jobs within the Greater Lansing Regional SmartZone.*

Main Objectives:

1. Encourage technology based entrepreneurial activities
2. Provide value to technology based businesses and stakeholders
3. Focus on wealth generation including jobs, income and investment

Geographic Area of the Lansing Regional SmartZone

The Lansing Regional SmartZone is divided into four distinct geographic areas:

1. The area in downtown Lansing bounded by Grand Avenue to the west, Michigan Avenue to the south, the Grand River to the east and Shiawassee Street to the north.
2. The area in Lansing bounded by I-496 to the west, the Lansing Corporate City Limit to the north and northeast, Collins Road to the east and Dunkel Road to the south.
3. The area in East Lansing bounded by Bogue Street to the west, Grand River Avenue to the north, Hagadorn to the east, and the Red Cedar River to the south.

4. The area in downtown East Lansing contained within the East Lansing Downtown Development Authority District as adopted by the East Lansing City Council by Ordinance 635 on June 17, 1986 and amended by Ordinance 889 adopted on February 18, 1997.

SmartZone Resources and Services

To achieve its mission, the operational functions of the Lansing Regional SmartZone will be divided into two components: The SmartZone LDFA and the SmartZone Consortium.

Both the SmartZone LDFA and Consortium will utilize MBI International as its initial primary incubator facility. MBI has the readymade capacity to provide incubator space and services to develop, prove and accelerate the commercialization of new technologies. Firms that “graduate” from MBI will be encouraged to locate in other areas of the SmartZone. The SmartZone LDFA can use a wide range of business development incentives to retain and attract businesses to the SmartZone including:

- Tax increment financing of infrastructure
- Grants and loans to support business development
- Property tax abatement
- Brownfield redevelopment incentives
- Obsolete property redevelopment tax abatement
- Small business loans

The SmartZone LDFA and Consortium will also support the future creation of a incubator in downtown East Lansing. This facility will cater towards developing MSU spin-offs, while also supporting other local high tech ventures. The initial facility will be located within existing downtown office space with the future goal of expanding or relocating it into the designated East Village redevelopment project area. The East Lansing Incubator will be phased in over the next two to three years.

To maximize the likelihood of achieving its mission, the SmartZone will utilize a SmartZone Consortium to handle promotion and coordination activities that will be composed of individuals who are:

- possessed of business, higher education, and/or governmental expertise, and
- willing to volunteer their time in support of the SmartZone Mission:

A majority (eleven of twenty-one) of the members of the Consortium Board will be drawn from the for-profit private sector; such members are termed “business members” below. Ten other “institutional representatives” will be appointed by and serve at the pleasure of their respective “institutional members” to complete the Consortium Board. The perspective of the region’s higher education sector will be represented by one Board representative from each of MSU and LCC. The governmental perspective will be

provided by one Board representative from each of Ingham County, Lansing, and East Lansing and MEDC. Additionally, the Lansing Regional Chamber of Commerce, the MSU Foundation, MBI International, and the University Corporate Research Park will each hold one seat.

Initially, individuals will be nominated to become business members of the Consortium Board by any of the institutional members, and the order of invitation shall be established by the full set of institutional representatives. Business members will serve two year terms. Once seats are initially filled, vacancies in the business member seats shall be filled by vote of the full Consortium Board.

To ensure efficiency and responsiveness, the Consortium Board will select a five-member Executive Committee from its membership, with three members drawn from the business members and two from the institutional representatives. The Executive Committee will be responsible for developing and implementing plans that reflect strategic directions and objectives established by the Board. The purposes of the Consortium will also be advanced through the use of small, functionally targeted committees, consistent with the practice of many leading volunteer organizations.

The Consortium will be responsible for promotion of the Lansing Regional SmartZone. It will serve as the clearinghouse and primary source of information to the public on the SmartZone. It will be the first point of contact for those seeking out SmartZone resources and will facilitate connections between those who wish to access SmartZone resources and the consortium members who provide them.

There is no intention for the Consortium to replicate services that are already provided by consortium members. The Consortium will seek to ensure that key services appropriate to the SmartZone mission are available from some source, should they not be provided by consortium members. Without predetermining or limiting their scope, the range of such services might include:

- Business feasibility studies
- Business planning
- Entrepreneurial training
- Incubator space and services
- Management recruitment
- Market analysis
- Mentoring
- Product development
- Promotion of collaborations with researchers or other experts
- Public relations or advertising campaigns
- Recruitment of student interns and employees
- SBIR, SSTR Assistance
- Technology commercial potential assessments
- Technology mining

- Venture capital preparation and introductions

Business members and institutional representatives may choose to assist directly in the provision of such services on behalf of Consortium, acting as volunteers and in the absence of a personal conflict of interest.

Support services on behalf of Consortium have been committed by MBI International for a period of two years at no cost. These will include staffing and secretarial support, telephone, meeting space, and assistance with development and production of promotional items. Through letters of commitment, institutional members may elect to provide the time of specific personnel, contribute funding, or otherwise offer defined support to the activities of the Consortium in support of its Fundamental Mission.

Through one or more institutional members willing to act as its agent, the Consortium Board may elect to enter into formal agreements with the LDFA. Such agreements may entail supplemental funding or functions for the Consortium. It is understood that, acting jointly or with others, Consortium institutional members may also seek project funding from the LDFA separately from the Consortium, as may entities not directly affiliated with the Consortium.

SmartZone Measures of Success

The SmartZone's success will be measured by several parameters:

1. # of new firms incubated
2. # of firms graduated from the incubators to SmartZone
3. # of firms graduated from incubators to Lansing Region
4. # of firms graduated from incubators to Michigan
5. # of firms attracted to the SmartZone
6. # of startup firms located in the SmartZone
7. \$ amount of private investment generated
8. \$ amount of public grants, loans and contracts
9. # number of direct and indirect jobs created or retained
10. \$ average pay of jobs created or retained
11. \$ Increase in Tax Value of property in the SmartZone
12. # of firms served by SmartZone LDFA and Consortium

The LDFA Board will be responsible for reporting results semi-annually to the Michigan Economic Development Corporation.

Appendix F
SmartZonesSM
SERVICE MARK HANDBOOK

This Service Mark handbook has been developed to answer basic questions about Service Mark usage in connection with the Michigan SmartZones.

What is a Service Mark?

A service mark is a word, phrase, symbol or design, or combination of those, which identifies and distinguishes the source of a service of one party from those of others. It is the same thing as a trademark, except it is for a service rather than a product.

Examples of Service Marks:

- Two Men and a Truck
- Comerica
- Tuffy Auto Service Centers
- Stanley Steamer
- SmartZone, SmartZones

How do you get a Service Mark?

There are two ways to get a Service Mark. One is to simply use the mark commercially. The second is to file an application with the Patent and Trademark Office and use the mark in commerce across state lines.

The MEDC has done both. We are using the mark commercially and we have filed an application with the Patent and Trademark Office.

What are the benefits of a Service Mark?

Establishing Service Mark rights gives the owner the ability to keep others from trading off of the value it builds up in the mark and the value of public recognition of the owner's services.

Using the examples of Service Marks from above most people know:

- that Two Men and a Truck is a moving service,
- that Comerica is a bank,
- that Tuffy Auto Service Centers are known for their mufflers,
- that Stanley Steamer is associated with rug cleaners

Our goal is that SmartZones be associated with very innovative clusters of technology-based businesses and research institutions throughout the state.

When do you use a Service Mark?

Use the Service Mark any time you want the public to identify the services being offered with the owner of the mark.

You should use the SM symbol any time the mark stands out as the source of the services, such as in:

Advertising	Letterhead
Headings	Business Cards
Titles	Signs

The broader the public exposure, the more you should prominently display the SM.

In longer marketing material, the use of the Service Mark symbol every time "SmartZone" (known as "the mark") is used in a document can disrupt the flow of normal text. Therefore, use an * after the mark and denote at the bottom that "SmartZone" is a Service Mark of The Michigan Economic Development Corporation.

Why did the MEDC Service Mark SmartZones?

In two words: Quality and Innovation

SmartZones are a very innovative approach to stimulating and supporting the growth of technology-based businesses and jobs. These technology clusters, building on Michigan's strong scientific, engineering, educational, and research capabilities, will bring to market the application of scientific and technological innovation to help drive Michigan's economic development strategy for years to come. Therefore, it is critical that each SmartZone reflect a high level of quality in its businesses, research activities, training and support services, and marketing. It is necessary, then, to ensure that quality services are offered under a Service Mark the public recognizes.

Can we name the SmartZone?

During the selection process and awarding of the SmartZone designation, the MEDC and the local applicants have already agreed to the name of the SmartZone. The approved names of the local SmartZones are:

Battle Creek Aviation and e-Learning	Muskegon Lakeshore
Grand Rapids	Oakland Automation Alley
Kalamazoo	Pinnacle
Lansing Regional	Ann Arbor/Ypsilanti
Michigan Tech Enterprise	Woodward Technology Corridor
Mount Pleasant	

The use of the local name combined with the SmartZone service mark is allowed but must meet Service Mark criteria by visually separating SmartZone through spacing, different font, a line, etc. from the name when used in a title, logo, or other identifier.

The following example would **meet** the Service Mark criteria for the use of the local identifier with the SmartZone Service Mark:

Battle Creek Aviation and e-Learning
SmartZoneSM

Battle Creek Aviation and e-Learning
SmartZoneSM

In this example, Battle Creek Aviation and e-Learning is on a different line than SmartZone, it is separated by a line, it is in italics and in a different font.

The following examples would not meet the Service Mark criteria when used in a title, logo, or other identifier.

Battle Creek Aviation and e-Learning SmartZoneSM
Battle Creek Aviation and e-Learning SmartZoneSM

In each of these examples Battle Creek Aviation and e-Learning is on the same line as SmartZone, which can lead the reader to believe the whole line is Service Marked, not just the SmartZone.

Can we use the business, research or governmental entities in identifying the SmartZone?

SmartZones are associated with an educational institution or a private research institution ("University"). Therefore, it is not unreasonable to identify the university with the SmartZone. In order to meet the Service Mark criteria, the following format must be used:

Kalamazoo SmartZone^{SM*} at Western Michigan University

*SmartZones is a Service Mark of The Michigan Economic Development Corporation.

Can you combine Trademarks with Service Marks?

Yes, this is done frequently. A good example is Microsoft® and their various software programs. Microsoft is Service Marked and the software programs are Trademarked.

A number of the educational institutions involved with the SmartZones have logos that are Service Marked as well as some of the major contributors to the SmartZones. These various logos can be combined in marketing material and signage. We request that the SmartZone logo be the predominate image/wording.



The MEDC is willing to work with you on these issues, but we want to review all marketing materials, including signage, prior to their publication, per your SmartZone agreement.

What is the difference between an SM and a ®?

Once the Service Mark application has been through the process at the Patent and Trademark Office and an official Registration Certificate has been issued, the owner may use the ® at the end of the mark instead of SM.

Will signs and other marketing materials have to be changed from SM to ®?

Signs are of a permanent nature and usually very costly to change. We will not require the centers to change the SM to a ®. You can still use the SM even after it is registered. The ® indicates it is on the Patent and Trademark Office Register.

As you update or reprint marketing material the SM should be changed to the ®.

Who owns the Service Mark for the SmartZones?

The Michigan Economic Development Corporation owns the Service Marks and contractually licenses individual SmartZones to use them.

How do we give attribution to the MEDC that is a requirement of our contracts?

Please use the following:

SmartZones is a Service Mark of The Michigan Economic Development Corporation.

Appendix G – Letters of Commitments for MSU, MBI, MSU Foundation & UCRP

MICHIGAN STATE
UNIVERSITY

October 19, 2005

Mr. Karl R. Dorshimer
Lansing EDC
309 North Washington Square
Suite 016
Lansing, Michigan 48933

BY FAX: (517) 483-6057

Dear Karl:

On behalf of Michigan State University, I write to endorse the application of Lansing and East Lansing for formal designation as a SmartZone by the Michigan Economic Development Corporation. Since President Lou Anna K. Simon's announcement of institutional support for the initiative in the April 19, 2005 press conference with Dr. David Hollister, the Director of the Michigan Department of Labor and Economic Growth, personnel acting on behalf of the University have consistently advocated for and sought to assist its creation. This endorsement is the natural culmination of that process.

Under the proposal being submitted by Lansing and East Lansing, the SmartZone initiative will be pursued through two venues: a Local Development Financing Authority (LDFA) and the SmartZone Consortium. MSU appreciates the burden local government will shoulder in staffing and operating the LDFA. In addition, the University looks forward to being an institutional member of the SmartZone Consortium.

To assist the SmartZone Consortium in its activities, MSU will commit the one-time sum of \$40,000 to this initiative, drawing on an appropriate combination of MSU resources and extramural grants. These funds will be expended for any purpose approved by the Consortium that does not controvert University policy, applicable regulations, law, or the provisions under which the funds were initially provided to my office. For example, the Consortium Board may wish to hire outside consultants, develop publicity materials, hold training conferences for potential or existing area entrepreneurs, and so forth – in principle, such uses should all be possible. The Consortium Board might also wish to hire an MSU student (such as an

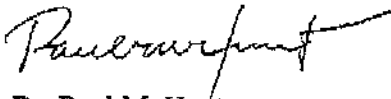
**ASSOCIATE VICE
PRESIDENT FOR
RESEARCH**

Michigan State University
239 Administration Building
East Lansing, MI
48824-1046
(517) 432-4459
FAX: (517) 432-3880

MBA student from the Broad School) or "buy out" all or part of the time of an MSU staff member. The funds would also be available for those purposes. MSU will not charge overhead against the \$40,000, but fringe benefit costs would be charged if the funding is used for personnel.

Ultimately, Michigan State University's most important contribution to the SmartZone will be the creativity and entrepreneurship of its researchers who can be recruited to start or join endeavors within it. I look forward to the synergies that this initiative should create with great enthusiasm.

Sincerely,



Dr. Paul M. Hunt
Associate Vice President for
Research & Graduate Studies
Professor of Chemistry
Michigan State University

Cc: President Lou Anna K. Simon
Vice President Steven M. Webster
Ms. Loraine J. Hudson, Director, OIP



MBI INTERNATIONAL
3900 Collins Road
Lansing, MI 48910-8396

October 11, 2005

Ms. Cindy Douglas
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Dear Ms. Douglas:

MBI International is pleased to support the creation of the Lansing Regional SmartZone (LRSZ) by the Michigan Economic Development Corporation. MBI and its wholly owned subsidiary, the BioBusiness Incubator of Michigan (BBIM), have supported technology and commercial development in the greater Lansing area for the past twenty plus years. Over ten new companies were spawned in the MBI laboratories during that time. The development of a cohesive and committed economic development initiative in the Lansing area will provide an economic boost to the technology rich mid-Michigan region.

MBI is a unique organization to the region and the nation. MBI is positioned as an accelerator of product development and a multiplier of value as technical and business risk is reduced through its development, scale up and business activities. For example, MBI screens basic or early stage technology from universities and federal laboratories for market opportunity and if they meet certain criteria they are licensed at a relatively low cost. MBI uses its team of scientists and engineers to develop and optimize the licensed technology and to demonstrate technical feasibility at a commercial scale. MBI simultaneously uses its business acumen and resources to assess commercial feasibility – product pricing, margin analysis, product positioning, market size and growth rates, production costs, competitors and potential customers. Over the course of two to three years, MBI can take a technology that might provide a 1% return to a university and transform it into a) a free standing business providing venture capital-like returns or b) create joint venture entities whereby part of the business is owned by MBI or c) establish a strategic alliance with a major industrial company whereby a long term product development relationship can be forged. MBI, through BBIM, also provides follow on business and technical support to any of the potential commercial outcome(s). This commercial model linked to emerging MSU technology offers a significant advantage to the LRSZ and economic development in the region.

Considerable effort has been devoted to the creation of an organization to provide policy and strategy, leadership, and operations support to the LRSZ so that MBI, MSU and other technology can be developed and commercialized here in mid-Michigan. The responsibilities for the management of the LRSZ have been delegated to the Lansing Regional SmartZone Consortium (LRSZC) Board, Executive Committee, and Support Organization. MBI has been actively engaged in the organizational meetings of the LRSZ and has agreed to participate as a member of LRSZC Board and as the Support Organization for the Lansing Regional SmartZone (LRSZ).

In its role as the Support Organization for the LRSZ, MBI will provide support services to the LRSZ in the form of staffing, secretarial support, telephone, meeting place and assistance with

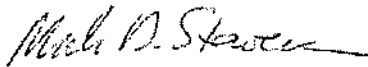
Douglas, Cindy
MEDC
October 11, 2005
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development and production of promotional items at no cost for a period of two years. MBI or BBIM support of the LRSZ will be directed by the LRSZC Board and coordinated by Dr. Mark Stowers, President and CEO of MBI International. MBI will serve during the early stages of the LRSZ as the primary spokesperson for business, technical, government and media contact.

In addition, as a LRSZ resource, MBI will develop, prove and scale up technologies originated from MSU from within MBI and other institutions. MBI will evaluate the commercial potential of new technologies and position them for commercialization. MBI, through BBIM, will also provide incubator space and business/technical services for pre-seed and other early stage enterprises. MBI will undertake contract manufacturing for the industry in its 20,000 square feet biomanufacturing center. Lastly, MBI will secure private sector funds to finance technology and commercial development.

MBI intends on playing a critical role in the LRSZ through its direct support of this important economic development initiative, the use of its existing infrastructure for new technologies and businesses and its position as a leader in acceleration of technology and commercial development.

Sincerely,

A handwritten signature in cursive script, reading "Mark D. Stowers".

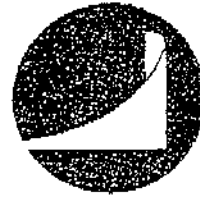
Mark D. Stowers, Ph.D.
President & Chief Executive Officer

MICHIGAN STATE UNIVERSITY FOUNDATION

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October 11, 2005

Ms. Cindy Douglas
Vice President Technology Acceleration
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

Dear Ms. Douglas:

Recognizing the Lansing Region SmartZone's strategic importance to future economic development in our communities, I am pleased to convey the Michigan State University Foundation's commitment to support its creation and advancement.

The Foundation's commitment will encompass programs in which it has made substantial investments and which impact technology creation, tech transfer and economic development:

- Expansion of programs within the Foundation's subsidiary enterprises – MBI International and University Corporate Research Park – related to commercial development of technology and providing services to science-based ventures (the Foundation's present investment in both exceeds \$7,000,000).
- Ongoing support in the following areas within the University:
 - Staffing and operations of tech transfer activities (currently funded at \$500,000 annually).
 - Patenting of MSU inventions and protection of intellectual property rights (currently funded at \$900,000 annually).
 - Providing grants in support of research initiatives at MSU (currently funded in excess of \$5,000,000 annually)

In addition, the Foundation, MBI International and University Corporate Research Park are working with MSU to develop strategies that will optimize their combined resources in the area of technology development and new-enterprise creation. Under

Ms. Cindy Douglas
Page Two

consideration is establishment of a comprehensive program to create and advance new enterprises based on technologies developed at MSU and MBI, including:

- Direct investment in individual startups, which presently range up to \$250,000 per enterprise, through the Foundation's subsidiary, LP Ventures,
- Development of a network of private investors and venture capitalists,
- Development of strategic co-investments with venture-capital partnerships that specialize in seed-stage technology companies and who will actively evaluate MSU/MBI technologies and startups for investment, and
- A proposed Strategic Accelerator which would provide startup enterprises with access to specialists and consultants who are expert in placing new technologies in the marketplace and creating product-development strategies for these nascent enterprises.

MBI International and the University Corporate Research Park will provide you with separate outlines of initiatives they are undertaking on behalf of the SmartZone. It is important to stress that the Foundation, MBI International and the Research Park believe it is imperative to work closely with Michigan State University to maximize our combined value to the SmartZone and the advancement of local economic development.

We are glad to be a part of this very important initiative. I would like to thank you and your associates at MEDC for the time, effort and creativity you have put into facilitating establishment of the Lansing Regional SmartZone and strengthening the relationships among its principals.

Sincerely yours,



Edward R. James
Board Chair

University
Corporate
Research
Park



October 11, 2005

Ms. Cindy Douglas
Vice President Technology Acceleration
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

Dear Ms. Douglas:

Pursuant to its mission to be a strategic resource for technology enterprises and to develop linkages between them and Michigan State University, the University Corporate Research Park at MSU offers its commitment in support of the Lansing Regional SmartZone.

In addition to its existing initiatives to attract businesses that wish to take advantage of close proximity to MBI and MSU, the Research Park is considering two undertakings that may move to implementation in the near future:

Research Village

With substantial new-enterprise creation already under way in the SmartZone, demand for existing multi-tenant rental space in the Research Park could exceed supply within the next two years.

To meet this demand, the Research Park is prepared to expand its infrastructure to the south to accommodate construction of approximately 120,000 square feet of multi-tenant rental space. Designated as the Research Village, its layout would be campus-like, with open areas and extensive landscaping. Buildings would be constructed and owned by a private developer, and designed to accommodate growing technology enterprises that need 5,000 square feet of space or more.

As the final phase of Research Park infrastructure development, this also would tie MBI International into the Park complex.

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Total project cost should fall between \$1,200,000 and \$1,500,000. Application for matching funds would be made to the Federal Economic Development Administration and the LDFA.

Strategic Accelerator

The Strategic Accelerator program is being proposed by the Research Park board as part of a shared strategy with MSU, the MSU Foundation and MBI to develop new enterprises, residing primarily, but not exclusively, at MBI and the Research Park.

The purpose of the Strategic Accelerator would be to speed the development of technology-based startups and increase the probability of their success. Participant enterprises would reside in 3,000 square feet of low-cost incubator space in the Research Park's Innovation Tech Center, within the Bio Business Incubator of Michigan at MBI International, or at any other location within the SmartZone.

Participant enterprises would be assigned a consultant or consulting team with specialized knowledge in new-product development to take them through the acceleration process. The program would be designed to dramatically shorten the cycle from intellectual discovery to commercial success by determining a venture's real marketability at the earliest possible stage. Each new-enterprise technology would be taken through an exhaustive vetting process in the marketplace to determine where demand resides and how the technology must be fitted to that demand. From this an assessment could be made regarding economic feasibility of the enterprise - before significant capital is raised and prototypes are developed. The objective would be to cut months, even years, out of the process, with the expectation that enterprises that affiliate with the Strategic Accelerator should know if they are viable in eighteen months or less.

In addition to specialized focus on market feasibility, the Strategic Accelerator also would provide its participant enterprises with access to a full range of support, including SBIR/STTR assistance, access to venture and private investors, business plan and strategy development, mentoring, and management/staff recruiting. Core business support services would be provided through the Bio Business Incubator of Michigan at MBI International.

Assessment of the Accelerator's feasibility will be done over the next six months as part of the broader initiative to develop a coordinated strategy for technology development among MSU, MBI International, the MSU Foundation and Research Park.

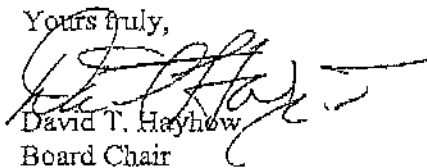
Ms. Cindy Douglas
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The Lansing Regional SmartZone promises to be an important catalyst for technology-based economic development. Collaboration among participating institutions will be the key to success in this effort, and the University Corporate Research Park looks forward to making a meaningful contribution.

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

Yours truly,



David T. Hayhoe
Board Chair