

AMENDED AND RESTATED MICHIGAN TECH ENTERPRISE SMARTZONE
AGREEMENT

This SmartZone Agreement (“Agreement”), dated March 20, 2017, is between the Michigan Economic Development Corporation (“MEDC”), the City of Hancock, the City of Houghton (both cities hereinafter collectively called the “Cities”), and the Local Development Finance Authority of the Cities of Houghton and Hancock, (hereinafter called the “Authority”). 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;

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;

WHEREAS, on February 7, 2002, the MEDC, the Cities, and the Authority entered into the Michigan Tech Enterprise SmartZone Agreement, which designated certain areas within the Cities and the Authority both as a Certified Technology Park, and as a SmartZone and established terms and conditions of such designation, and

WHEREAS, Pursuant to MCL 125.2162b the Cities entered into an Agreement dated August 20, 2014 with the City of Marquette Local Development Finance Authority (“Satellite LDFA”) to designate a distinct geographic area within the Satellite LDFA as a SmartZone Satellite. The Designation includes provisions agreeing to the identification of criteria required by MCL 125.2162(b):

- a. Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- b. Identify the benefits to regional cooperation and collaboration.
- c. Identify how the Satellite SmartZone adds value to the mission of the Host SmartZone

WHEREAS, the Authority resolved to extend the Tax Increment Financing and Development Plan for an additional 15 years;

WHEREAS, pursuant to 1986 PA 281, the President of the MEDC and State Treasurer have ratified the extension of TIF capture by the Michigan Tech enterprise SmartZone;

WHEREAS, the Parties entered into the Michigan Tech Enterprise SmartZone Agreement on or about August 20, 2014 to extend the designation to coincide with the extended TIF capture period;

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 1986 PA 281, 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 Local Development Finance Authority of the Cities of Houghton and Hancock.

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 commissions 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 a Tax Increment Financing Plan (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 12a of the Act. The area is described in the document attached hereto as **Appendix A**.

Section 1.10 Cities. "Cities" means the Cities of Hancock and Houghton.

Section 1.11 County. "County" means the County of Houghton.

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 Local Representatives. “Local Representatives” means the Cities and the Authority.

Section 1.14 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 1.15 Michigan Tech Enterprise SmartZone. “Michigan Tech Enterprise SmartZone” means the area in which the Authority may establish a Certified Technology Park.

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 C** 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 D**.

Section 1.20 Reserves. “Reserves” means captured Tax Increment Revenue that the Authority and 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, another municipality, and a local development and finance authority as permitted by Section 12b 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 B**.

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, 2033, 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 B**.

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

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

ARTICLE II RIGHTS AND OBLIGATIONS OF THE MEDC

Section 2.01 Designation of the Authority’s SmartZone. The MEDC designates the Michigan Tech Enterprise 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 Michigan Tech Enterprise 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 . 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 fifteen (15) years for levies imposed on or after January 1, 2003 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 1, 2001, as authorized by the State Treasurer and pursuant to the TIFP and Ratification.

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.

(b) 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.

(c) The TIFP shall include local TIF if requesting state school TIF capture. 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.

(d) The TIFP shall include local capture contribution at a proportional rate to state capture. If the TIFP does not include proportional local capture, the Authority will not be permitted to utilize reserves and any excess capture will be diverted back to all applicable taxing jurisdictions.

(e) 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.

(f) The TIFP shall reference fulfilling the provisions agreed to in the Designation to the identification of criteria required by MCL 125.2162b:

- a. Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- b. Identify the benefits to regional cooperation and collaboration.
- c. Identify how the Satellite SmartZone adds value to the mission of the Host SmartZone.

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 . The Local Representatives shall seek to develop and implement strategies to facilitate the commercialization of technologies in the Michigan Tech Enterprise SmartZone, as outlined in the SmartZone Plan, attached as **Appendix B**.

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

- (a) Shall submit the SmartZone Plan to the MEDC.
- (b) The SmartZone Plan shall reference fulfilling the provisions agreed to in the Designation to the identification of criteria required by MCL 125.2162b:
 - a. Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
 - b. Identify the benefits to regional cooperation and collaboration.
 - c. Identify how the Satellite SmartZone adds value to the mission of the Host SmartZone.

Section 3.06 ation. 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 Michigan Tech Enterprise 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 Michigan Tech Enterprise 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 or Satellite Default.

If after approval of the respective TIFP, either the Host SmartZone or the Satellite 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 E D PMENT CORPORATION

BY:

ITS: President

DATE: *5 0* 2017

CITY OF HANCOCK

BY:

ITS: Mayor

DATE 2017

And

BY:

ITS

DATE: 2017

CITY OF HOUGHTON

BY:

J Backon

ITS: Mayor

DATE: 2017

And

BY:

ITS: City Clerk

DATE: *-31-1* 2017

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF HOUGHTON
AND HANCOCK

BY: 

ITS: Chairperson

DATE:

APPENDICES

- Appendix A Host – Satellite Designation Agreement including Description of the Certified Technology Park
- Appendix B Tax Increment Financing Plan and Development Plan including Description of the Authority District
- Appendix C Ratification by MEDC and State Treasurer
- Appendix D LDFA Creation Resolution

Appendix A - Host – Satellite Designation Agreement including Description of the Certified
Technology Park

APPENDIX B

Property Description and Map

Map showing the boundaries of the Cities of Houghton and Hancock, MI.



The TIF district for the Houghton and Hancock LDFA includes the entire city limits of both the City of Houghton and City of Hancock as depicted with the map attached to this plan in Appendix B, except for the following exclusions:

1. The Michigan Tech Lakeshore Center (formerly known as the Upper Peninsula Power Company Headquarters) located at 600 East Lakeshore Drive, Houghton, MI, with legal description: Frl. Lots 1,2,3,4 & 5, Blk. D Lying N of MR RR Right of Way City of Houghton; And the 2007 PA 425 Jukuri Parcel that was annexed in 2007.
2. Citizens Bank Building (formerly known as the Republic BanCorp Property) located at 400 Quincy Street, Hancock, MI with legal description: Lots 1,2,3,4,5,6,7,17,18,19,20,21,22,23,24,25 & 26, Blk. 1, First Addition to Village of Hancock.

CITY OF HANCOCK
REVISED LEGAL DESCRIPTION (1994)
OF BOUNDARIES OF CITY OF HANCOCK

The land embraced by the City of Hancock lies in the Sections 21, 22, 25, 26, 27, 28, 34, 35, all in T55N, R34W of the Principal Meridian of Michigan and is described as follows:

Commencing at the Section corner common to Sections 22, 23, 26, 27, T55N, R34W, said section corner being also the Point of Beginning of corporate parcel; Thence North, along the East line of said Section 22, also East line of Old Apostolic Lutheran Church parcel, 1320 feet more or less to the NE corner of the SE ¼ of the SE ¼ of said Section 22; Thence West, Along the North line of the SE ¼ of the SE ¼ of said Section 22, also North line of Old Apostolic Lutheran Church parcel, 950 feet more or less to the SE R/W line of DNR snowmobile trail; Thence Southwesterly (at approximate bearing S49°09'W), along the SE R/W line of DNR snowmobile trail (also SE R/W line of former Soo Line Railroad), also NW line of Old Apostolic Lutheran Church parcel, 489 feet more or less to the West line of the SE ¼ of the SE ¼ of said Section 22; Thence South, along the West line of the SE ¼ of the SE ¼ of said Section 22, also West line of Old Apostolic Lutheran Church parcel, 1000 feet more or less to the North line of said Section 27; Thence N89°01'W, along the North line of said Section 27, 3850 feet more or less to the section corner common to said Sections 21, 22, 27, 28; Thence North, along the East line of the SE ¼ of the SE ¼ of said Section 21, also East line of Cemetery parcel, 1326 feet more or less to the NE corner of the SE ¼ of the SE ¼ of said Section 21; Thence West, along the North line of the SE ¼ of the SE ¼ of said Section 21, also North line of Cemetery parcel, 1320 feet more or less to the NW corner of the SE ¼ of the SE ¼ of said Section 21; Thence West, along the North line of Government Lot 8 of said Section 21, also North line of Cemetery parcel, 713.4 feet; Thence S29°53'45"E, along the West boundary of Cemetery parcel, 435.4 feet; Thence S02°22'45"E, Along the West boundary of Cemetery parcel, 120.9 feet; Thence S34°57'30"E, along the West boundary of Cemetery parcel, 204.2 feet; Thence S40°18'E, along the West boundary of Cemetery parcel, 324.5 feet; Thence S56°33'30"W, along the West boundary of Cemetery parcel, 313.9 feet; Thence S25°14'30"E, along the West boundary of Cemetery parcel, 166.0 feet; Thence S48°20'E, along the West boundary of Cemetery parcel, 119.0 feet; Thence S58°48'30"E, along the West boundary of Cemetery parcel, 143.7 feet; Thence S11°05'E, along the West boundary of Cemetery parcel, 123.9 feet to the North line of said Section 28; Thence N89°01'W, along the North line of said Section 28, 753.3 feet more or less to the intersection of the North line of said Section 28 with the U.S. Harbor Line; Thence S17°43'E, (previously recorded as S17°43'W), 3433.36 feet along the U.S. Harbor Line; Thence S35°19'E, 2525 feet along the U.S. Harbor Line; Thence S77°56'E, 1480 feet along the U.S. Harbor Line; Thence S62°16'E, 3895 feet along the U.S. Harbor Line; Thence N89°15'E, (previously recorded as S89°15'E), 1210 feet along the U.S. Harbor Line; Thence N76°44'E, 1170 feet along the U.S. Harbor Line; Thence N88°32'E, 580 feet along the U.S. Harbor Line; Thence S81°10'E, 2135 feet along the U.S. Harbor Line; Thence NS6°50'E, 76 feet to intersect the East line of Section 35, T55N, R34W; Thence N06°10'E, along the East line of said Section 35, 820 feet to

Section corner common to said Sections 25, 26, 35, 36 (this section corner is also the SW corner of Plat of East Hancock); Thence S84°48'E, 424 feet on the section line common to said Sections 25 and 30 (previously recorded as Sections 25 and 26), this section line is also the South line of Plat of East Hancock; Thence N05°12'E, 339.06 feet (previously recorded as 339.6 feet), along the East line of Plat of Hancock; Thence N84°48'W, 20 feet along the East line of Plat of Hancock; Thence N14°20'W (previously recorded as N15°12'W), 341.03 feet along the East line of Plat of Hancock; Thence N84°48'W, 279.9 feet along the North line of East line of Plat of Hancock; Thence N06°04'E, on the section line common to said Sections 25 and 26, 286.49 feet; Thence N89°12'W, 1031.39 feet; Thence S00°48'W, 160 feet; Thence S83°32'W (previously recorded as N83°32'W), 346.62 feet; Thence N69°12'W, 340 feet; Thence N59°57'W, 1057.5 feet; Thence N03°50'E, along the N-S ¼ line of said Section 26, 1632.54 feet (previously recorded as 2266.75 feet), to the Center of said Section 26;

Citizens Bank Building (formerly known as the Republic DanCorp Property) located at 400 Quincy Street, Hancock, MI with legal description: Lots 1,2,3,4,5,6,7,17,18,19,20,21,22,23,24,25 & 26, Blk. 1, First Addition to Village of Hancock.

A BOUNDARY DESCRIPTION OF THE
CITY OF HOUGHTON
MAY 01, 2001

THAT PART OF: SECTIONS 5 AND 6 T54N, R33W; SECTIONS 1, 2 AND 3 T54N, R34W; SECTIONS 31 AND 32 T55N, R33W AND SECTIONS 34, 35, AND 36, T55N, R34W, CITY OF HOUGHTON, HOUGHTON COUNTY, MICHIGAN, COMMENCING AT THE SOUTH ¼ CORNER OF SECTION 36, T55N, R34W; THENCE N89°44'16"W, ALONG THE SOUTH LINE OF SAID SECTION 36, 703.12 FEET TO THE NORTHEAST CORNER OF THE PLAT OF THE HOUGHTON DEVELOPMENT PARK; THENCE THE FOLLOWING TWO (2) COURSES ALONG THE EAST BOUNDARY OF SAID PLAT OF THE HOUGHTON DEVELOPMENT PARK; S30°12'30"W 565.79 FEET; THENCE S59°47'30"E 250.00 FEET TO THE POINT OF BEGINNING; THENCE THE FOLLOWING SEVENTEEN (17) COURSES ALONG THE BOUNDARY OF SAID PLAT OF THE HOUGHTON DEVELOPMENT PARK; S30°12'30"W 350.00 FEET; THENCE N59°47'30"W 250.00 FEET; THENCE S30°12'30"W 367.30 FEET; THENCE N59°47'30"W 50.00 FEET; THENCE S30°12'30"W 400.00 FEET; THENCE N50°02'45"W 358.07 FEET; THENCE N10°09'30"W 278.91 FEET; THENCE S89°57'30"E 15.00 FEET; THENCE N10°09'30"W 65.00 FEET; THENCE N89°57'30"W 15.00 FEET; THENCE N10°09'30"W 276.09 FEET; THENCE N20°00'30"E 121.45 FEET; THENCE N89°57'30"E 74.78 FEET; THENCE N10°09'30"W 97.78 FEET; THENCE N89°57'30"W 16.60 FEET; THENCE N20°00'00"E 358.13 FEET; THENCE NORTH 33.00 FEET TO THE SOUTH LINE OF SAID SECTION 36; THENCE N89°55'18"W, ALONG THE SOUTH LINE OF SAID SECTION 36, 857.16 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 36, T55N, R34W; THENCE N89°57'30"W, ALONG THE SOUTH LINE OF SECTION 35, T55N, R34W, 1702.25 FEET; THENCE S00°00'30"W 608.09 FEET; THENCE S89°57'30"E 499.86 FEET TO THE WEST LINE OF THE PLAT OF THE VILLAGE OF HURON; THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID WEST LINE OF THE PLAT OF HURON S10°09'30"E 988.61 FEET; THENCE N79°53'33"E 363.79 FEET TO THE NORTHEAST CORNER OF LOT 50 OF THE PLAT OF HURON CREEK; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE BOUNDARY OF SAID PLAT OF HURON CREEK S04°50'07"W 792.46 FEET; THENCE S85°10'48"E 540.10 FEET; THENCE S04°50'43"W 200.00 FEET TO THE EAST ¼ CORNER OF SECTION 2, T54N, R34W; THENCE S05°09'07"E, ALONG THE EAST LINE OF SAID SECTION 2, 1805.63 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE OF COUNTY ROAD P651; THENCE SOUTHWEST ALONG THE NORTHWESTERLY RIGHT OF WAY LINE OF COUNTY ROAD P651, 1332.20 FEET (MORE OR LESS) TO THE SOUTH LINE OF SAID SECTION 2; THENCE S87°37'00"W, ALONG THE SOUTH LINE OF SAID SECTION 2, 610.30 FEET; THENCE N45°32'30"W 83.45 FEET; THENCE S44°27'30"W 89.43 FEET TO THE SOUTH LINE OF SAID SECTION 2; THENCE S87°37'00"W, ALONG SAID SOUTH LINE OF SECTION 2, 635.82 FEET TO THE SOUTH ¼ CORNER OF SECTION 2, T54N, R34W; THENCE N83°38'27"W, ALONG SAID SOUTH LINE OF SECTION 2, 1637.77 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE ¼), OF THE SOUTHWEST QUARTER (SW ¼) OF SAID SECTION 2; THENCE N04°07'16"W 1336.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER (NW ¼), OF THE SOUTHWEST QUARTER (SW ¼) OF SAID SECTION 2; THENCE N86°01'30"W 365.22 FEET ALONG

THE SOUTH LINE OF SAID NORTHWEST ¼ OF THE SOUTHWEST ¼, THENCE N07°11'W 1048.80 FEET TO THE (FORMER) SOUTHEASTERLY RIGHT OF WAY LINE OF HIGHWAY M-26, (100 FEET FROM THE CENTERLINE THEREOF), THENCE ALONG THE SAID RIGHT OF WAY LINE NORTHEASTERLY 510.11 FEET ALONG THE ARC OF A 438.27 FOOT RADIUS CURVE TO THE LEFT WHOSE CHORD BEARS N26°17'23"E 481.80 FEET, THENCE N89°22'30"W 1347.40 FEET TO THE WEST LINE OF SAID SECTION 2, THENCE S08°11'19"W, ALONG THE WEST LINE OF SAID SECTION 2, 171.98 FEET TO THE ¼ CORNER COMMON TO SECTION 2 AND SECTION 3, T54N, R34W; THENCE S87°43'40"W, ALONG THE EAST-WEST QUARTER LINE OF SAID SECTION 3, 622.98 FEET; THENCE S01°14'31"E 843.26 FEET; THENCE S87°27'36"W 653.09 FEET; THENCE N01°39'50"E 647.66 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST ¼, OF THE NORTHEAST ¼, OF SAID SECTION 3; THENCE N04°18'24"E 1259.20 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST ¼, OF THE NORTHEAST ¼, OF SAID SECTION 3; THENCE S88°54'46"W 1279.76 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 3; THENCE S02°25'00"W 1282.56 FEET TO THE CENTER ¼ CORNER OF SAID SECTION 3; THENCE S88°39'25"W, ALONG THE EAST-WEST ¼ LINE OF SAID SECTION 3, 1292.14 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE N01°59'30" E 1298.41 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE N01°23'00"E 1308.19 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE S89°30'23"E, ALONG THE SOUTH LINE OF SECTION 34, 1317.04 FEET TO THE SOUTH ¼ CORNER OF SECTION 34, T65N, R34W; THENCE N00°49'52" E 1378.85 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 34; THENCE N00°50'38"E 1380.08 FEET TO THE CENTER ¼ CORNER OF SAID SECTION 34; THENCE N00°50'36"E, ALONG THE NORTH-SOUTH ¼ LINE OF SAID SECTION 34, 940 FEET (MORE OR LESS) TO THE SOUTHERLY WATER'S EDGE OF PORTAGE LAKE; THENCE SOUTHEASTERLY ALONG SAID WATER'S EDGE, 1450 FEET (MORE OR LESS) TO THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 34; THENCE S00°47'00"W, ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 34, 830 FEET (MORE OR LESS) TO THE NORTHWEST CORNER OF THE PLAT OF SPRINGWOOD ESTATES; THENCE EAST 411.79 FEET, THENCE S68°58'E 536.0 FEET, THENCE S78°05'E 410.0 FEET TO THE WEST LINE OF SECTION 35, T55N, R34W, THENCE ALONG SAID WEST LINE S00°47'W 400.0 FEET, THENCE N86°47'59"E 1193.83 FEET TO THE WEST LINE OF DAKOTA HEIGHTS, AS RECORDED IN PLAT CABINET 1 ON PAGE 56, HOUGHTON COUNTY RECORDS, THENCE ALONG THE BOUNDARY OF SAID DAKOTA HEIGHTS THE FOLLOWING FIVE COURSES: S00°08'W 172.57 FEET, THENCE S89°54'E 270.0 FEET, THENCE S00°08'W 417.42 FEET, THENCE S89°54'E 1165.85 FEET TO THE NORTH-SOUTH ¼ LINE OF SECTION 35, T55N, R34W, THENCE ALONG THE NORTH-SOUTH ¼ LINE (EAST LINE OF SAID DAKOTA HEIGHTS) N00°08'E 1433.20 FEET; THENCE CONTINUING ALONG BOUNDARY LINE OF THE PLAT OF DAKOTA HEIGHTS THE FOLLOWING SIX (6) COURSES S65°17'30"W 153.16 FEET; THENCE N30°07'00"W 236.31 FEET; THENCE N51°05'00"W 117.84 FEET; THENCE S25°00'00"E 40.97 FEET; THENCE S88°27'00"W 364.00 FEET; THENCE S74°44'00"W 211.28 FEET TO THE SOUTHEAST CORNER OF LOT 17 OF

THE PLAT OF NAUMKEAG SHORES; THENCE THE FOLLOWING FOUR (4) COURSES ALONG THE BOUNDARY LINES OF LOT 16 AND LOT 17 OF SAID PLAT OF NAUMKEAG SHORES; S74°40'45"W 349.55 FEET; THENCE 185.54 FEET ALONG A 7639.44 FOOT RADIUS CURVE TO THE LEFT WITH A DELTA ANGLE OF 01°23'30" AND HAVING A CHORD BEARING S78°17'21"W 185.54 FEET; THENCE S77°35'40"W 258.65 FEET; THENCE NORTH 148.96 FEET (MORE OR LESS) TO THE WATER'S EDGE OF PORTAGE LAKE, THENCE EASTERLY ALONG SAID WATER'S EDGE TO THE EAST LINE OF SECTION 31, T55N, R33W, THENCE ALONG SAID EAST SECTION LINE S00°12'W 200 FEET MORE OR LESS TO A TRAVERSE POINT, THENCE ALONG A TRAVERSE LINE THE FOLLOWING ELEVEN COURSES: S78°59'30"E 740.2 FEET, THENCE N88°51'30"E 567.1 FEET, THENCE S69°38'30"E 393.4 FEET, THENCE S60°55'30"E 841.4 FEET, THENCE S49°10'30"E 735.3 FEET, THENCE S73°25'30"E 697.9 FEET, THENCE S64°47'E 1174.3 FEET, THENCE S32°12'30"E 415.35 FEET, THENCE S05°50'30"E 570.3 FEET, THENCE S28°11'40"E 1032.41 FEET, THENCE S55°36'44"W 723.41 FEET; THENCE LEAVING THE TRAVERSE LINE N89°55'46"W 878.01 FEET, THENCE N35°32'13"W 511.31 FEET, THENCE S21°30'00"W 200.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF THE SOO LINE RAILROAD, SAID POINT BEING 291.1 FEET SOUTH AND 3604.6 FEET EAST OF THE WEST ¼ CORNER OF SAID SECTION 5, THENCE ALONG SAID RIGHT OF WAY LINE NORTHWESTERLY 4591 FEET MORE OR LESS TO THE WEST LINE OF SAID SECTION 5, THENCE SOUTH ALONG SAID WEST SECTION LINE TO THE NORTHERLY RIGHT OF WAY OF HIGHWAY US-41, (33 FEET FROM THE CENTERLINE THEREOF), THENCE ALONG SAID RIGHT OF WAY LINE FOLLOWING TWO COURSES: N39°12'45"W 2059.68 FEET, THENCE N58°12'45"W TO THE CENTERLINE OF THE FIRST STREET EXTENDED NORTHERLY, (FIRST BEING PLATTED IN THE SHELDON AND DOUGLASS LAKEVIEW ADDITION), THENCE S28°47'15"W ALONG SAID CENTERLINE AND ITS EXTENSION TO THE SOUTHERLY LINE OF SAID SHELDON AND DOUGLASS LAKEVIEW ADDITION, THENCE ALONG SAID SOUTHERLY LINE THE FOLLOWING TWO COURSES: S58°12'45"E 607.73 FEET, THENCE S39°12'45"E 2371.08 FEET, THENCE S50°47'15"W 5.20 FEET, THENCE N82°08'24"W 109.10 FEET, THENCE S64°42'53"W 488.35 FEET, THENCE N39°13'W 1864.70 FEET, THENCE N00°17'W 271.0 FEET, THENCE S89°40'55"W 488.0 FEET, THENCE N00°10'05"W 110.0 FEET, THENCE S69°40'55"W 127.0 FEET, THENCE S00°19'16"E 110.0 FEET, THENCE S89°40'55"W 47.0 FEET, THENCE N00°21'40"W 33.0 FEET, THENCE S89°20'50"W 663.0 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE FOREST HILL CEMETERY; THENCE S00°40'E 693.0 FEET TO A POINT ON THE SOUTH LINE OF SECTION 31, T55N, R33W, THENCE SOUTH 233.84 FEET, THENCE S81°13'30"E 197.4 FEET, THENCE S66°57'30"E 380.0 FEET, THENCE S72°28'30"E 149.0 FEET TO THE NORTH-SOUTH ¼ LINE OF SECTION 6, T54N, R33W, BEING S00°32'30"E 519.0 FEET FROM THE NORTH ¼ CORNER OF SAID SECTION 6, THENCE ALONG SAID NORTH-SOUTH ¼ LINE S00°32'30"E 2241.11 FEET TO THE CENTER OF SAID SECTION 6, THENCE N89°44'30"W 2514.1 FEET TO THE WEST ¼ CORNER OF SAID SECTION 6, THENCE S00°39'50"E 1315.82 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6; THENCE S89°50'46"E 1306.38 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6; THENCE S00°41'05"E, ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6, 716.38 FEET; THENCE N89°51'12"W 1306.64

FEET TO THE WEST LINE OF SAID SECTION 8; THENCE S00°39'50"E 400.11 FEET TO THE SOUTHEAST CORNER OF SECTION 1, T55N, R34W, THENCE N00°41'16"W 2646.54 FEET TO THE SOUTH ¼ CORNER OF SAID SECTION 1, THENCE N00°20'40"W 2653.42 FEET TO THE CENTER OF SAID SECTION 1, THENCE N68°15'W 746.8 FEET, THENCE N30°10'30"E 710.78 FEET, THENCE N56°40'30"W 100.0 FEET, THENCE N30°10'30"E 90.0 FEET, THENCE N50°49'30"W 110.0 FEET, THENCE S30°10'30"W 90.0 FEET, THENCE N50°40'30"W 891.6 FEET, THENCE N30°12'30"E 094.33 FEET, ALONG THE SOUTHEASTERLY RIGHT OF WAY LINE OF PORTAGE STREET (33 FEET FROM THE CENTERLINE THEREOF), THENCE N59°47'30"W 50.00 FEET TO THE POINT OF BEGINNING, CONTAINING APPROXIMATELY 2716 ACRES.

Except the Michigan Tech Lakeshore Center (formerly known as the Upper Peninsula Power Company Headquarters) located at 600 East Lakeshore Drive, Houghton, MI, with legal description: Ptl. Lots 1,2,3,4 & 5, Dtk. D Lying N of MR RR Right of Way City of Houghton; and the 2007 PA 425 Jukuri parcel that was annexed in 2007.

And the 2007 PA 425 Jukuri parcel that was annex in 2007 described as:

Section 33, T55N, R34W, Adams Township, Houghton County, Michigan, Government Lot 1 lying North of County Road 554, Except commencing at the North ¼ corner; thence South 320 feet to P.O.B.; thence Southeasterly 90.18 feet; thence Northeasterly 569.59 feet; thence North 202.57 feet; thence Southeasterly 410.48 feet to South right-of-way of Canal Road; thence Southeasterly along Canal Road 888 feet more or less; thence South 676 feet to South line of Government Lot 1; thence Southwesterly 1692 feet to the West line of Government Lot 1; thence North 980.78 feet to P.O.B.

And

Section 34, T55N, R34W, Adams Township, Houghton County, Michigan, Government Lot 3 lying North of County Road 554, also West 121.90 feet of Government Lot 4 lying North of County Road

A parcel of land situated within Government Lot 4, Section 28, Township 55 North, Range 34 West, Houghton County, Michigan and described as follows: Commencing North 00° 34' 31" West 35.08 feet from South ½ corner; Thence North 00° 34' 31" West 1252.70 feet, Thence South 89° 33' 12" East 102.60 feet, Thence South 89° 35' 56" East 151.39' to shore, Thence South 46° 13' 52" East 804.26 feet, Thence South 55° 13' 38" East 1279.14 feet, Thence West 713.78', Thence North 46° 48' 32" West 766.52 feet, Thence S 43° 09' 07" West 66 feet; Thence South 01° 45' 30" East 57.69 feet, Thence South 08° 31' 32" West 141.99 feet; Thence South 10° 03' 39" West 69.72 feet; Thence South 71° 33' 12" West 552.04 feet to point of beginning.

EXCEPT:

Commencing at the South Quarter (S1/4) corner of said Section 28, thence go East along the South line of said Section 28 a distance of 1397.37 feet; thence North a distance of 152.19 feet to a ½" capped rebar and the Point of Beginning of the parcel to be described; thence North 46° 44' 14" West a distance of 115.72 feet to a ½" capped rebar; thence North 49° 04' 11" East a distance of 202.70 feet to a ½" capped rebar on the shore of the Portage Lake Ship Canal; thence South 63° 51' 34" East along said shore a distance of 125.00 feet to a ½" capped rebar; thence South 49° 04' 11" West a distance of 239.69 feet to the Point of Beginning.

Appendix A : Host-Satellite Designation Agreement

AGREEMENT PURSUANT TO ACT 281 BETWEEN THE CITY OF HOUGHTON, CITY OF HANCOCK, CITY OF MARQUETTE, AND THE CITY OF MARQUETTE LEDA.

PREMISES

Having determined that it is in the best interest of the residents of their respective communities and in an effort to eliminate the conditions of unemployment, under-employment and joblessness and to promote economic growth in Houghton, Hancock and Marquette, the governing bodies of the Parties have acted to establish a SmartZone Satellite to the City of Marquette pursuant to Act 281 of the Public Acts of Michigan 1996 as amended (the "Act").

Under the Act, the Marquette LEDA may exercise its powers in a certified technology park designated pursuant to the Act. A certified technology park may comprise all or a portion of the Marquette LEDA District as such district is described by the resolutions establishing the Authority. The Parties have entered into this Agreement to outline certain provisions as they relate to the membership and operation of this SmartZone Satellite.

Therefore, the Parties agree as follows:

- 1. The parties agree to work together for the purpose of creating and retaining technology enterprises and employment through commercialization of research and emerging technology within a regional strategy, currently referred to as Innovation Shore.
- 2. Response to the legislative criteria:
 - A. The unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone. The unique characteristics and specialties of the Marquette Satellite include: Northern Michigan University and the College of Human Medicine at Michigan State University partnering with the Marquette Satellite SmartZone and having expertise in medical devices, healthcare, natural resources, energy, IT, social media, food processing, applied technology and business management.
 - B. The benefits to regional cooperation and collaboration. The benefit of regional cooperation and collaboration created by the Satellite SmartZone partnership will provide greater momentum for complimentary development that is already taking place throughout the region. The Innovation Shore concept combines, skills, talent and resources between MTEC and the Marquette Satellite, which in turn becomes

the catalyst for innovation and partnership. It is anticipated that the Satellite Board will provide industry leaders that will provide leadership for their technology companies. In addition, this public/private partnership will greatly enhance the capacity of the SmartZone to attract and retain top research talent, expand the capacity, and increase the participation by financial institutions in the SmartZone.

The Marquette Satellite SmartZone adds value to the operation of MTEC SmartZone and increased opportunities for MTEC companies through access to experienced business leadership, a growing number of technology companies, and expands access to regional finance partners. These networks along with new academic partners like Northern Michigan University and Michigan State University and capital providers like Northern Initiatives bring new resources to significantly broaden the talent and resource base for MTEC companies.

3. The City of Marquette and the Marquette LDFA agree to approve a Tax Incremental Financing Plan that includes capturing a portion of the City of Marquette General Fund millage.
4. The City of Marquette and the Marquette LDFA agree to guarantee a minimum yearly operation budget for the SmartZone of \$200,000.
5. The MTEC SmartZone and the Marquette Satellite SmartZone agree to the monthly reporting as required by MEDC.
6. The City of Marquette and the Marquette LDFA agree to a SmartZone and Development Plan that promotes high tech business and job growth by collaboration with Northern Michigan University, Michigan State University, Michigan Technological University, Michigan Tech Enterprise Corporation, and private sector community partners.
7. The Parties hereby designate the Marquette LDFA District as a Satellite certified Technology Park of the Houghton/Hancock SmartZone pursuant to Section 12b of the Act.

City of Houghton

By:
Robert

LDFA

ette

Chair

layer

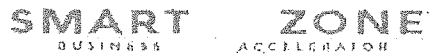
Ann Vollrath, Clerk:

Elizabeth Kotler
Elizabeth Kotler, Sec.

By:

David Gleason
David Gleason, Clerk

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



TAX INCREMENT FINANCING PLAN
AND DEVELOPMENT PLAN

ORIGINAL PERIOD FISCAL YEARS
2002/03 to 2017/18

EXTENSION PERIOD FISCAL YEARS
2018/19 to 2032/33

FOR THE HOUGHTON/HANCOCK, MI
SMARTZONE

UPDATED August 19, 2016

Table of Contents

Contents

Section I. Introduction.....	3
Section II. Tax Increment Financing Plan Under PA 281 and 1986.....	6
(1)(a) Reason Captured Assessed Value Would Not Be Expected Without the TIFD.....	7
(1)(b) and (c) Estimate of the Captured Assessed Value and Tax Increment Revenues.....	8
(1)(d) Tax Increment Procedure.....	
(1)(e) Note or Bonded Indebtedness.....	10
(1)(f) Amount of Operating and Planning Expenditures.....	10
(1)(g) Cost of Plan Anticipated to Be Paid From TIF Revenue.....	11
(1)(h) Duration of the Plan.....	12
(1)(i) Impact of TIF on Revenues of Taxing Jurisdictions.....	12
(1)(j) Legal Description of the Property Applicable to TIFD.....	12
(1)(k) Jobs Created.....	12
(1)(l) Boundaries.....	13
Section III. Development Plan.....	14
(2)(a) and (b) Property Description and Boundaries.....	15
(2)(c) Location and Description of Existing Property.....	16
(2)(d) and (e) Public Facilities and Anticipated Improvements.....	16
(2)(f) Planned Construction.....	17
(2)(g) Property Sale, Donation, Exchange or Lease.....	17
(2)(h) Desired Zoning, Streets, Intersections, and Utilities Changes.....	17
(2)(i) Public Facility Cost.....	17
(2)(j) and (k) Lease, Sell, Convey or Transfer Public Facilities.....	18
(2)(l) Through (o) Displaced Residents.....	18
(2)(p) Other Pertinent Information.....	18
APPENDIX A.....	19
Proposed Budget.....	19
APPENDIX B.....	20
Property Description and Map.....	20
APPENDIX C.....	27
Estimate of the Captured Assessed Value and Tax Increment Revenues.....	27
APPENDIX D.....	28
Agreement to Establish a SmartZone Satellite in the City of Marquette.....	28
SMARTZONE PLAN.....	30
2002 – 2015 Milestones in Review.....	30

**Local Development Finance Authority of the
Cities of Houghton and Hancock
County of Houghton
State of Michigan**

**Tax Increment Financing and Development Plan
for the Houghton and Hancock SmartZone**

Section I. Introduction

On April 11, 2001, the Michigan Economic Development Corporation (MEDC) approved the SmartZone designation for the authorized Tax Increment Financing (TIF) district including the Cities of Houghton and Hancock.

Designation of a SmartZone is governed by Public Act 281 of 1986, as amended, by Public Act 248 of 2000 and others. According to PA 281 of 1986, as amended, the designation qualifies a Local Development Finance Authority (LDFA), by agreement with the MEDC and its incorporating municipalities, to implement a "certified technology park" (commonly known as a SmartZone.) With its designation, the LDFA utilizes TIF to develop eligible projects within the SmartZone in accordance with an agreement with MEDC (the "Development Agreement") under which the LDFA District has its designation.

The original Tax Increment Financing and Development Plan (TIFDP) were adopted by the Houghton Hancock LDFA on April 30, 2001. Tax capture for that plan began in 2003 and expires in the year 2017. This amendment and update to that plan has the purpose of securing an additional 15 year extension of the allowable TIF tax capture through the year 2033.

Recognizing the opportunities provided by PA 290 of 2012, the Cities of Houghton and Hancock ("the Cities") separately adopted resolutions affirming the continuing public purpose of the Houghton/Hancock SmartZone LDFA to facilitate the development and support of new and existing technology based businesses within the Cities and partnering with a Satellite SmartZone for greater regional collaboration. On recommendation of the Houghton/Hancock LDFA the cities approved the selection of Marquette as a Satellite SmartZone, citing the following as the basis of their selection:

- The selection of Marquette as a satellite provides unique characteristics offered by the public and private resources in the Satellite SmartZone

including, Northern Michigan University and the College of Human Medicine at Michigan State University partnering with the Marquette Satellite SmartZone and having expertise in medical devices, healthcare, natural resources, energy, information technology, social media, food processing, applied technology and business management.

- The selection of Marquette as a satellite provides regional cooperation and collaboration benefits for greater momentum of complementary development already started in the region. The Innovation Shore (as it is called) concept combines skills, talent and resources between MTEC and the Marquette Satellite, which in turn, become the catalyst for innovation and partnership. It is anticipated that the satellite Board will attract energetic industry leaders that will provide inspired leadership for their technology clusters. When successful, this public/private relationship will greatly enhance the attraction of top talent, expand entrepreneurial capacity, provide a natural nexus for participation by financial interests and lead to business expansion and job growth.

The selection of Marquette as a satellite provides value and support to the mission of MTEC SmartZone and increased opportunities for MTEC companies through access to experienced business leadership, a growing number of technology companies, and expands access to regional finance partners. These networks along with new academic partners like Northern Michigan University and Michigan State University and capital partners like Northern Initiatives bring new resources to significantly broaden the talent and resource base for MTEC companies.

On August 20, 2014, the Cities of Houghton and Hancock entered into an agreement (attached as Appendix D) with the Marquette LDFA District as a Satellite certified Technology Park of the Houghton/Hancock SmartZone pursuant to Section 12b of Act 281 of the Public Acts of Michigan 1986 as amended. The Agreement between the Cities and the Satellite LDFA, which incorporates the proposed SmartZone Plan, includes provisions agreeing to the identification of legislative criteria required by MCL 125.2162(b) ("Legislative Criteria") in the Satellite SmartZone Plan specifically:

- Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
- Identify the benefits to regional cooperation and collaboration.
- Identify how the Satellite SmartZone adds value to the mission of the Host (e.g., Cities) SmartZone.

In order to best utilize its resources, the Marquette SmartZone will focus its efforts on industries with high potential for utilizing at least one of the area's core competencies. The following technology areas have been identified as having particular strengths in the Marquette area:

- Medical devices
- Healthcare
- Natural resources
- Energy
- Information technology, including social media
- Food processing
- Applied technology

The Original TIFDP specified that it would *“provide capital needed for the facilitation of the commercialization of research products being developed at Michigan Technological University and the development of private high technology enterprises that, but for this Plan, would be deferred or located outside of the Cities and this State. The activities detailed in the Development Plan, and financed by this LDFA, will introduce the growth and retention of technology led economic development, benefitting citizens with new opportunity and increasing property values to taxing jurisdictions in the region.”* From 2001 to 2018, estimated revenue capture specified in the Plan was \$5,653,309. It also specified revenues anticipated from leasing of the incubator and grants to be utilized for purposes consistent of the Plan as authorized. The estimate given for jobs created in the Original Plan was 550.

Table: Actual tax capture during the period 2003 to 2015 was \$ 5,651,473

Hancock LDFA Capture	Houghton LDFA Capture	TOTALS
\$25,113.27	\$60,927.60	\$86,040.87
\$40,993.87	\$97,121.89	\$138,115.76
\$63,021.16	\$163,138.66	\$226,159.82
\$171,081.05	\$292,159.00	\$463,240.05
\$131,200.22	\$302,701.38	\$433,901.60
\$178,358.11	\$193,467.63	\$371,825.74
\$215,326.13	\$333,522.29	\$548,848.42
\$231,067.71	\$337,737.28	\$568,804.99
\$251,142.89	\$405,753.04	\$656,895.93
\$259,098.02	\$368,744.28	\$627,842.30
\$266,661.24	\$373,353.10	\$640,014.34
\$525,260.58	\$364,522.36	\$889,782.94
\$480,651.03	\$480,214.12	\$960,865.15
\$2,358,324.25	\$3,293,148.51	\$5,651,472.76

During the first 12 years of the Original TIFDP, over 500 new jobs have been created by companies served, succeeded and stayed in the State. Both the tax capture amounts and the job creation results are consistent with and on track with the original plan.

The additional 15 years is projected to capture approximately \$19 million in TIF. The extension period will also allow for 206 companies to be created by 2033 and about 792 jobs to be created, added and attracted to the region with served companies.

Section II. Tax Increment Financing Plan Under PA 281 and 1986

Statutory Requirements

This TIFDP will authorize the capture of certain tax increment revenues by the LDFA for the purposes of funding the elements included in the plan. PA 281 of 1986, as amended, establishes and defines the activities that may be undertaken within such a plan. The Houghton and Hancock TIFDP follows the statutory requirements of PA 281, specifically Section 12(1)(a) through (l) as stated below.

- (1) If the board determines that it is necessary for the achievement of the purposes of this act, the board shall prepare and submit a Tax Increment Financing Plan to the governing body. The plan shall be in compliance with PA 281, Section 13 and shall include a Development Plan as provided in Section 15. The plan shall also contain the following:
 - a. A statement of the reasons that the plan will result in the development of captured value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
 - b. An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set for the

- method for excluding growth in property value resulting solely from inflation.
- c. The estimated tax increment revenues for each year of the plan.
 - d. A detailed explanation of the tax increment procedure.
 - e. The maximum amount of note or bonded indebtedness to be incurred, if any.
 - f. The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
 - g. The costs of the plan anticipated to be paid from tax increment revenues as received.
 - h. The duration of the Development Plan and the tax increment plan.
 - i. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
 - j. A legal description of the eligible property to which the Tax Increment Financing Plan applies or shall apply upon qualification as an eligible property.
 - k. An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.
 - l. The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, or of a certified alternative energy park to be created under an agreement proposed to be entered into pursuant to section 12c, or of a next Michigan development area designated under section 12e, an identification of the real property within the certified technology park, the certified alternative energy park, or the next Michigan development area to be included in the Tax Increment Financing Plan for purposes of determining tax increment revenues and whether personal property located in the certified technology park, the certified alternative energy park, or the next Michigan development area is exempt from determining tax increment revenues.
- The response to PA 281 of 1986, as amended Section 12(1)(a) through (l) are addressed below:

(1)(a) Reason Captured Assessed Value Would Not Be Expected Without the TIFD

The economic development activities that are supported with the revenue generated by the TIFDP are not available from any other source.

(1)(b) and (c) Estimate of the Captured Assessed Value and Tax Increment Revenues

LDA TAX CAPTURE

	Houghton								Total		New 25%	
	PRE	PRE Base	Capture	Amount	NON-PRE	Base Non	Capture	Amount	Capture	Amount		Houghton
2019	61,830,709	28,876,641	22,954,388	98,842	72,250,413	40,374,979	21,884,444	382,813	5,090,108	12,942	514,417	504,725
2020	63,067,324	28,876,641	34,110,662	102,572	74,708,841	40,374,979	43,319,532	192,956	5,600,112	33,601	536,428	514,638
2021	64,328,070	28,876,641	45,453,022	106,456	75,178,763	40,374,979	44,801,724	411,945	5,712,114	84,273	558,223	529,730
2022	65,615,243	28,876,641	56,718,602	110,216	76,682,217	40,374,979	45,307,298	435,888	5,826,457	69,916	585,826	554,426
2023	66,927,548	28,876,641	68,050,902	114,154	78,219,524	40,374,979	47,849,246	454,091	5,942,884	71,315	609,559	569,345
2024	68,265,099	28,876,641	79,185,458	118,168	79,786,241	40,374,979	49,405,262	472,863	6,061,241	71,241	667,227	579,451
2025	69,631,421	28,876,641	90,754,780	122,264	81,329,896	40,374,979	51,030,667	492,010	6,182,926	74,195	688,426	586,801
2026	71,021,050	28,876,641	102,149,409	126,442	83,003,163	40,374,979	52,628,884	511,044	6,305,636	75,880	718,652	601,932
2027	72,444,541	28,876,641	113,582,890	130,704	84,864,490	40,374,979	54,285,451	531,461	6,432,268	77,193	749,458	618,245
2028	73,913,421	28,876,641	125,016,780	135,050	86,756,093	40,374,979	55,981,716	551,291	6,561,424	78,737	785,569	629,350
2029	75,428,191	28,876,641	136,494,459	139,484	88,682,893	40,374,979	57,708,854	571,506	6,692,652	80,312	792,302	642,712
2030	76,979,641	28,876,641	148,032,074	144,006	90,645,510	40,374,979	59,470,531	592,646	6,826,105	81,918	819,521	656,351
2031	78,416,299	28,876,641	159,535,669	148,619	92,642,429	40,374,979	61,267,441	615,229	6,962,935	83,566	847,385	670,298
2032		28,876,641	171,007,275	153,324	94,679,268	40,374,979	63,100,280	637,202	7,102,296	85,128	875,255	684,644
2033		28,876,641	182,707,662	158,123	96,744,721	40,374,979	64,969,294	659,836	7,244,342	86,932	904,693	698,912

Hancock

PRE	PRE Base	Capture	Amount	NON-PRE	Base Non	Capture	New 25%
52,444,834	26,737,248	25,797,586	77,123	58,596,592	29,692,104	37,814,468	561,477
53,493,751	26,737,248	36,755,483	80,269	59,876,723	29,692,104	38,984,819	578,465
54,563,605	26,737,248	47,826,352	83,478	60,870,258	29,692,104	40,178,184	579,632
55,654,677	26,737,248	58,917,629	86,753	62,087,664	29,692,104	41,395,059	609,886
56,767,975	26,737,248	70,030,727	90,092	63,325,418	29,692,104	42,637,312	619,842
57,903,334	26,737,248	81,166,086	93,498	64,596,005	29,692,104	43,904,561	629,598
59,061,401	26,737,248	92,334,154	96,972	65,897,925	29,692,104	45,195,821	640,256
60,242,629	26,737,248	103,505,361	100,516	67,205,683	29,692,104	46,518,529	650,922
61,447,482	26,737,248	114,710,334	104,131	68,549,797	29,692,104	47,872,693	661,689
62,676,431	26,737,248	125,939,194	107,818	69,920,793	29,692,104	49,248,689	672,691
63,929,560	26,737,248	137,192,712	111,578	71,319,291	29,692,104	50,647,109	683,904
65,208,559	26,737,248	148,471,311	115,414	72,743,593	29,692,104	52,068,489	695,340
66,512,730	26,737,248	159,775,982	119,326	74,200,505	29,692,104	53,508,401	707,005
67,842,985	26,737,248	171,105,732	123,317	75,688,815	29,692,104	54,962,641	718,964
69,199,845	26,737,248	182,462,592	127,386	77,199,205	29,692,104	56,436,101	731,041

(1)(d) Tax Increment Procedure

Tax Increment Financing for a SmartZone or “certified Technology Park” permits the LDFA to capture tax revenues attributable to the increase in the taxable value of all real and personal property that is within the SmartZone and that has been made subject to the tax increment revenue calculation (the Captured Property under this Plan.) The tax increment finance procedure is governed by Act 281. These procedures outlined below are effective as the date the Plan is adopted, but are subject to any changes imposed by future amendments to Act 281.

The amount by which the aggregate Current Taxable Value of Captured Property exceeds its Initial Taxable Value in any one year is the “Captured Taxable Value” of the SmartZone (LDFA). The Houghton/Hancock LDFA has set 2000 as the taxable value base year for all properties listed in the TIF Plan and will capture 50% of the local school tax (9 mills), and 50% of the state education tax (3 mills) on any increase in taxable value after 2000 until 2018 under this TIF Plan. Then starting 2019, until 2033, the LDFA will capture 25% of the school tax over the amount collected for 2017-2018 (base to start new 15 year tax capture.)

Tax increment revenues authorized to be captured under this Plan from the Captured Property may be used and subject to approvals of the MEDC to assure conformance with PA 281, as amended.

Local match for the LDFA tax capture will be the local tax capture from both cities’ non LDFA TIF Districts. The following chart shows the local tax capture used for economic development.

(Continued on next page.)

Matching from TIF Districts

Houghton DDA	Houghton TIFA	Hancock DDA	TOTAL	LDFA TAX CAPTURE
287,456	830,249	166,413	1,284,117	1,124,393
294,642	855,156	169,741	1,319,539	1,164,874
302,008	880,811	173,136	1,355,955	1,282,926
309,558	907,235	176,598	1,393,392	1,326,578
317,297	934,452	180,130	1,431,880	1,371,102
325,230	962,486	183,733	1,471,449	1,416,517
333,361	991,361	187,408	1,512,129	1,462,841
341,695	1,021,101	191,156	1,553,952	1,510,090
350,237	1,051,734	194,979	1,596,950	1,558,285
358,993	1,083,287	198,878	1,641,158	1,607,444
367,968	1,115,785	202,856	1,686,609	1,657,586
377,167	1,149,259	206,913	1,733,339	1,708,730
386,596	1,183,736	211,051	1,781,384	1,760,898
396,261	1,219,249	215,272	1,830,782	1,814,109
406,167	1,255,826	219,578	1,881,571	1,868,384
6,490,106	19,244,025	3,662,771	29,396,351	27,676,756

lebledness
that major
TIFA or
ess its
unt of
on from the

zone is
who are
expenses,

it or be

(1)(h) Duration of the Plan

The anticipated duration of the SmartZone Development and Tax Increment Finance Plan is the original fifteen (15) year maximum allowed by PA 281, as amended, plus the additional 15 year extension. Tax capture for the original plan began in 2003 and continues through June 30, 2018. The updated plan is expected to expire at the end of fiscal year June 30, 2033.

(1)(i) Impact of TIF on Revenues of Taxing Jurisdictions

There will not be any impact on any local taxing jurisdictions as both Houghton and Hancock schools are in formula and get a set amount of money from the State based on enrollment and not based on local taxable value. The LDFA will not be capturing any local taxes.

(1)(j) Legal Description of the Property Applicable to TIFD

The TIF district for the Houghton and Hancock LDFA includes the entire city limits of both the City of Houghton and City of Hancock as depicted with the map attached to this plan in Appendix B, except for the following exclusions:

1. The Michigan Tech Lakeshore Center (formerly known as the Upper Peninsula Power Company Headquarters) located at 600 East Lakeshore Drive, Houghton, MI, with legal description: Fr. Lots 1,2,3,4 & 5, Blk. D Lying N of MR RR Right of Way City of Houghton; and the 2007 PA 425 Jukuri parcel that was annexed in 2007.
2. Citizens Bank Building (formerly known as the Republic BanCorp Property) located at 400 Quincy Street, Hancock, MI with legal description: Lots 1,2,3,4,5,6,7,17,18,19,20,21,22,23,24,25 & 26, Blk. 1, First Addition to Village of Hancock.

Full metes and bounds description of the TIF boundaries is in Appendix B.

(1)(k) Jobs Created

The total jobs created due to the SmartZone program is anticipated to be over 1,250 starting with 2015 through 2033. This reflects one job with seven new startups each year; two of those add a job in the 2nd year and three jobs in the 3rd year. This growth projection is achievable based on prior performance of job creation in the Houghton and Hancock region.

Table: Projected Jobs and Companies during 2019-2033 with a 25% tax capture

Jobs	2019-23	2024-28	2029-33	Total
			27	77
			160	504
			70	210
			256	791
			3-33	Total
				77
				120
	3			
	67			206

new Startup company;
 1 Growth companies
 reporting year;
 ch 1 attracted company

re not previously reported;
 per year that

years.

its of both the City of
 ns. See Appendix B for a

Section III. Development Plan

Statutory Requirement

The presentation of the Development Plan follows the statutory requirements of PA 281, specifically Section 15(2)(a) through (p) as stated below.

- (1) To the extent necessary to accomplish the proposed development program to the Development Plan shall contain:
 - (a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.
 - (b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.
 - (c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational and other uses.
 - (d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.
 - (e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.
 - (f) A statement of the construction or states of construction planned, and the estimated time of completion of each stage.
 - (g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to from the municipality and the proposed terms.
 - (h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.
 - (i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.
 - (j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

- (k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.
- (l) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a Development Plan shall include a survey of the families and individuals being displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
- (m) A plan for establishing priority for the relocation of persons displaced by the development.
- (n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.
- (o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
- (p) Other material which the authority or governing body considers pertinent.

The response to PA 281 of 1986, as amended Section 15(2)(a) through (p) are addressed here:

(2)(a) and (b) Property Description and Boundaries

The TIF district for the Houghton and Hancock LDFA includes the entire city limits of Houghton and Hancock as depicted with the map attached to this plan in Appendix B, except for the following exclusions:

1. The Michigan Tech Lakeshore Center (formerly known as the Upper Peninsula Power Company Headquarters) located at 600 East Lakeshore Drive, Houghton, MI, with legal description: Frl. Lots 1,2,3,4 & 5, Blk. D Lying N of MR RR Right-of-Way City of Houghton; and the 2007 PA 425 Jukuri Parcel that was annexed in 2007.
2. Citizens Bank Building (formerly known as the Republic BanCorp Property) located at 400 Quincy Street, Hancock, MI with legal description: Lots 1,2,3,4,5,6,7,17,18,19,20,21,22,23,24,25 & 26, Blk. 1, First Addition to Village

of Hancock.

Full metes and bounds description of the TIF boundaries is in Appendix B.

(2)(c) Location and Description of Existing Property

The specified TIF district is bounded by the city limits of Houghton and Hancock.

(2)(d) and (e) Public Facilities and Anticipated Improvements

The properties and facilities that are included with this plan are

- **The Powerhouse Business Incubator** at 101 West Lakeshore Drive, Houghton Michigan – the entire property and improvements are controlled by the LDFA. This property will revert to the City of Houghton at such time the LDFA is dissolved. The property is built out to its best use potential with about 30,000 square feet. MTEC SmartZone administers all building management including improvements, utilities and tenant leases.
- **Jutila Center UNIT 2** at 200 Michigan Street, Hancock, Michigan – The Houghton Hancock LDFA holds title to the 4th floor with about 14,000 (with 7,500 leasable) square feet (11% of square footage) of the nine story condominium building. The remaining 89% of the building's square footage, plus appurtenances and surrounding property is owned by Finlandia University. The Finlandia Campus Condominium Association (FCCA), Inc., manages the elements in common for the condominium. MTEC SmartZone administers all management of UNIT 2 including tenant leases, improvements and utility expenses. MTEC SmartZone has 11% of the voting rights in the FCCA and pays the same proportion of condominium operating expenses. This property will revert to the City of Hancock at such time the LDFA is dissolved.
- **Michigan Tech Lakeshore Center** at 600 East Lakeshore Drive, Houghton, Michigan – the entire property is owned by Michigan Technological University. MTEC SmartZone has a 20 year lease as a matter of the building's acquisition that included financing from the U.S. Economic Development Administration, originating in November 2008, having about 9,000 rentable square feet on the first floor. All facility improvements and utilities are managed by Michigan Tech. Incubator tenant subleases are managed by MTEC SmartZone.

All facilities are in good operating condition for business incubator use with major building upgrades to be completed as needed. The LDFA is currently looking into upgrades to the lighting, heating and cooling systems at the Jutila Center. It is anticipated that facility improvements and/or changes will be necessary to accommodate different high tech companies' needs. The determination to make improvements in order to maintain the use of the facilities in light of technical advancements is evaluated on an ongoing basis. Depending on demand, additional

incubator facilities within the LDFA district or on the Michigan Tech University campus may be acquired or leased. MTEC proposes to extend the lease on the Lakeshore Center until 2033.

(2)(f) Planned Construction

Currently no addition of incubator facilities or major redevelopment is planned, although future needs will be assessed on an ongoing basis and any future development will be managed according to the fiduciary responsibilities and procedures of the LDFA and MTEC SmartZone.

(2)(g) Property Sale, Donation, Exchange or Lease

Currently no reduction of incubator facilities or major repurpose is planned, although future needs will be assessed on an ongoing basis and any future development will be managed according to the fiduciary responsibilities and procedures of the LDFA and MTEC SmartZone.

(2)(h) Desired Zoning, Streets, Intersections, and Utilities Changes

The LDFA district is properly zoned for purposes of implementing this Development Plan and no zoning changes are anticipated for the execution of this TIF Plan. Expenses to replace water mains, remove sewer lines, improve roadways, and make changes to signage, gas, electric and design are expected throughout the duration of this plan. While these expenditures are anticipated, they will be implemented by the Cities of Houghton and Hancock and handled outside the scope of the LDFA and this plan. It will be the sole discretion of the Cities of Houghton and Hancock to determine how public improvements are paid for.

(2)(i) Public Facility Cost

The activities of the LDFA and SmartZone shall be financed from one or more of the following sources:

- Tax Increment Financing
- Private cooperation in the District
- In-kind Contributions
- Funding received through grants
- Bonds

Major infrastructure improvements are not anticipated but will be considered principally driven according to growth of Michigan Technological University and market demand. The Cities of Houghton and Hancock will determine how to finance public infrastructure improvements outside of the LDFA.

(2)(j) and (k) Lease, Sell, Convey or Transfer Public Facilities

This project is being undertaken for the benefit of the Cities of Houghton and Hancock, MI in their entirety to create jobs and employment opportunities. The taxes captured will be used to stimulate economic development and provide key services to entrepreneurs. If any public facilities are determined to be leased, sold, conveyed, or transferred, MTEC SmartZone will work with the Cities of Houghton and Hancock to determine a process and fair value with the interest of all parties protected.

(2)(l) Through (o) Displaced Residents

There are no plans to remove or relocate residents in the Cities of Houghton or Hancock anticipated with this plan; therefore the Development Plan does not include a process for priority of relocation, costs, or compliance to Michigan laws relevant to the relocation of residents.

(2)(p) Other Pertinent Information

The primary goal of this plan is to provide tools and services that will help existing companies grow, foreign firms start up enterprises and develop manufacturing facilities by reducing barriers, and to provide incubator and acceleration support. To facilitate this, MTEC SmartZone will work with the Cities of Houghton and Hancock to coordinate city and SmartZone efforts. The SmartZone is expected to utilize existing facilities in the city for its programs and operations.

Regular reports will be prepared for the LDFA to ensure the programs developed and offered are fulfilling the goals of renewing and growing the industrial base. In addition, MTEC SmartZone will meet with the LDFA board not less than annually to review the plan and make adjustments as necessary. As required, the LDFA shall submit amendments to the Development Plan or TIF Plan to the City Councils of Houghton and Hancock for review and approval.

APPENDIX A

Proposed Budget

The MTEC Operating Budget Projection is provided on the following worksheet.

2007	
12-18	
1	\$ 1,029,664
2	\$ 690,192
3	\$ 1,649,797
4	\$ 191,567
Total: \$ 3,561,220	
5	\$ 661,674
6	\$ 114,451
7	\$ 100,148
8	\$ 100,387
9	\$ 77,051
10	\$ 16,021
11	\$ 1,115,198

20-30	40-51	62-72	80-89
891,169	\$ 717,028	\$	\$
690,352	\$ 690,768	\$	\$
1,151,002	\$ 1,377,815	\$	\$
210,277	\$ -210,277	\$	\$ 210,277

1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$

APPENDIX B

Property Description and Map

Map showing the boundaries of the Cities of Houghton and Hancock, MI.

City of

of Houghton

the Republic BanCorp Property
6/2/12

Cities of Houghton and Hancock
Location Map

A includes the entire city limits depicted with the map attached
exclusions:
rly known as the Upper
cated at 600 East Lakeshore
7rl. Lots 1,2,3,4 & 5, Blk. D Lying
id the 2007 PA 425 Jukuri

he Republic BanCorp Property)
th legal description: Lots
5, Blk. 1, First Addition to Village

CITY OF HANCOCK
REVISED LEGAL DESCRIPTION (1994)
OF BOUNDARIES OF CITY OF HANCOCK

The land embraced by the City of Hancock lies in the Sections 21, 22, 25, 26, 27, 28, 34, 35, all in T55N, R34W of the Principal Meridian of Michigan and is described as follows:

Commencing at the Section corner common to Sections 22, 23, 26, 27, T55N, R34W, said section corner being also the Point of Beginning of corporate parcel; Thence North, along the East line of said Section 22, also East line of Old Apostolic Lutheran Church parcel, 1320 feet more or less to the NE corner of the SE ¼ of the SE ¼ of said Section 22; Thence West, Along the North line of the SE ¼ of the SE ¼ of said Section 22, also North line of Old Apostolic Lutheran Church parcel, 950 feet more or less to the SE R/W line of DNR snowmobile trail; Thence Southwesterly (at approximate bearing S49°09'W), along the SE R/W line of DNR snowmobile trail (also SE R/W line of former Soo Line Railroad), also NW line of Old Apostolic Lutheran Church parcel, 489 feet more or less to the West line of the SE ¼ of the SE ¼ of said Section 22; Thence South, along the West line of the SE ¼ of the SE ¼ of said Section 22, also West line of Old Apostolic Lutheran Church parcel, 1000 feet more or less to the North line of said Section 27; Thence N89°01'W, along the North line of said Section 27, 3850 feet more or less to the section corner common to said Sections 21, 22, 27, 28; Thence North, along the East line of the SE ¼ of the SE ¼ of said Section 21, also East line of Cemetery parcel, 1326 feet more or less to the NE corner of the SE ¼ of the SE ¼ of said Section 21; Thence West, along the North line of the SE ¼ of the SE ¼ of said Section 21, also North line of Cemetery parcel, 1320 feet more or less to the NW corner of the SE ¼ of the SE ¼ of said Section 21; Thence West, along the North line of Government Lot 8 of said Section 21, also North line of Cemetery parcel, 713.4 feet; Thence S29°53'45"E, along the West boundary of Cemetery parcel, 435.4 feet; Thence S02°22'45"E, Along the West boundary of Cemetery parcel, 120.9 feet; Thence S34°57'30"E, along the West boundary of Cemetery parcel, 204.2 feet; Thence S40°18'E, along the West boundary of Cemetery parcel, 324.5 feet; Thence S56°33'30"W, along the West boundary of Cemetery parcel, 313.9 feet; Thence S25°14'30"E, along the West boundary of Cemetery parcel, 166.0 feet; Thence S48°20"E, along the West boundary of Cemetery parcel, 119.0 feet; Thence S58°48'30"E, along the West boundary of Cemetery parcel, 143.7 feet; Thence S11°05"E, along the West boundary of Cemetery parcel, 123.9 feet to the North line of said Section 28; Thence N89°01'W, along the North line of said Section 28, 753.3 feet more or less to the intersection of the North line of said Section 28 with the U.S. Harbor Line; Thence S17°43'E, (previously recorded as S17°43'W), 3433.36 feet along the U.S. Harbor Line; Thence S35°19'E, 2525 feet along the U.S. Harbor Line; Thence S77°56'E, 1480 feet along the U.S. Harbor Line; Thence S62°16'E, 3895 feet along the U.S. Harbor Line; Thence N89°15'E, (previously recorded as S89°15'E), 1210 feet along the U.S. Harbor Line; Thence N76°44'E, 1170 feet along the U.S. Harbor Line; Thence N88°32'E, 580 feet along the U.S. Harbor Line; Thence S81°10'E, 2135 feet along the U.S. Harbor Line; Thence N56°50'E, 76 feet to intersect the East line of Section 35, T55N, R34W; Thence N06°10'E, along the East line of said Section 35, 820 feet to

Section corner common to said Sections 25, 26, 35, 36 (this section corner is also the SW corner of Plat of East Hancock); Thence S84°48'E, 424 feet on the section line common to said Sections 25 and 30 (previously recorded as Sections 25 and 26), this section line is also the South line of Plat of East Hancock; Thence N05°12'E, 339.06 feet (previously recorded as 339.6 feet), along the East line of Plat of Hancock; Thence N84°48'W, 20 feet along the East line of Plat of Hancock; Thence N14°20'W (previously recorded as N15°12'W), 341.03 feet along the East line of Plat of Hancock; Thence N84°48'W, 279.9 feet along the North line of East line of Plat of Hancock; Thence N06°04'E, on the section line common to said Sections 25 and 26, 286.49 feet; Thence N89°12'W, 1031.39 feet; Thence S00°48'W, 160 feet; Thence S83°32'W (previously recorded as N83°32'W), 346.62 feet; Thence N69°12'W, 340 feet; Thence N59°57'W, 1057.5 feet; Thence N03°50'E, along the N-S ¼ line of said Section 26, 1632.54 feet (previously recorded as 2266.75 feet), to the Center of said Section 26;

Citizens Bank Building (formerly known as the Republic Bancorp Property) located at 400 Quincy Street, Hancock, MI with legal description: Lots 1,2,3,4,5,6,7,17,18,19,20,21,22,23,24,25 & 26, Blk. 1, First Addition to Village of Hancock.

A BOUNDARY DESCRIPTION OF THE
CITY OF HOUGHTON
MAY 01, 2001

THAT PART OF: SECTIONS 5 AND 6 T54N, R33W; SECTIONS 1, 2 AND 3 T54N, R34W; SECTIONS 31 AND 32 T55N, R33W AND SECTIONS 34, 35, AND 36, T55N, R34W, CITY OF HOUGHTON, HOUGHTON COUNTY, MICHIGAN, COMMENCING AT THE SOUTH ¼ CORNER OF SECTION 36, T55N, R34W; THENCE N89°44'18"W, ALONG THE SOUTH LINE OF SAID SECTION 36, 703.12 FEET TO THE NORTHEAST CORNER OF THE PLAT OF THE HOUGHTON DEVELOPMENT PARK; THENCE THE FOLLOWING TWO (2) COURSES ALONG THE EAST BOUNDARY OF SAID PLAT OF THE HOUGHTON DEVELOPMENT PARK; S30°12'30"W 565.79 FEET; THENCE S59°47'30"E 250.00 FEET TO THE POINT OF BEGINNING; THENCE THE FOLLOWING SEVENTEEN (17) COURSES ALONG THE BOUNDARY OF SAID PLAT OF THE HOUGHTON DEVELOPMENT PARK; S30°12'30"W 350.00 FEET; THENCE N59°47'30"W 250.00 FEET; THENCE S30°12'30"W 387.30 FEET; THENCE N59°47'30"W 50.00 FEET; THENCE S30°12'30"W 400.00 FEET; THENCE N50°02'45"W 358.07 FEET; THENCE N10°09'30"W 278.91 FEET; THENCE S89°57'30"E 15.00 FEET; THENCE N10°09'30"W 65.00 FEET; THENCE N89°57'30"W 15.00 FEET; THENCE N10°09'30"W 276.09 FEET; THENCE N20°00'30"E 121.45 FEET; THENCE N89°57'30"E 74.78 FEET; THENCE N10°09'30"W 97.78 FEET; THENCE N89°57'30"W 16.80 FEET; THENCE N20°00'00" E 358.13 FEET; THENCE NORTH 33.00 FEET TO THE SOUTH LINE OF SAID SECTION 36; THENCE N89°55'18"W, ALONG THE SOUTH LINE OF SAID SECTION 36, 857.16 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 36, T56N, R34W; THENCE N89°57'30"W, ALONG THE SOUTH LINE OF SECTION 35, T55N, R34W, 1702.25 FEET; THENCE S00°00'30"W 608.09 FEET; THENCE S89°57'30"E 499.85 FEET TO THE WEST LINE OF THE PLAT OF THE VILLAGE OF HURON; THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID WEST LINE OF THE PLAT OF HURON S10°09'30"E 988.61 FEET; THENCE N79°53'33"E 363.79 FEET TO THE NORTHEAST CORNER OF LOT 50 OF THE PLAT OF HURON CREEK; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE BOUNDARY OF SAID PLAT OF HURON CREEK S04°50'07"W 792.46 FEET; THENCE S85°10'48"E 540.10 FEET; THENCE S04°50'43"W 200.00 FEET TO THE EAST ¼ CORNER OF SECTION 2, T54N, R34W; THENCE S05°09'07"E, ALONG THE EAST LINE OF SAID SECTION 2, 1605.83 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE OF COUNTY ROAD P651; THENCE SOUTHWEST ALONG THE NORTHWESTERLY RIGHT OF WAY LINE OF COUNTY ROAD P651, 1332.20 FEET (MORE OR LESS) TO THE SOUTH LINE OF SAID SECTION 2; THENCE S87°37'00"W, ALONG THE SOUTH LINE OF SAID SECTION 2, 610.30 FEET; THENCE N45°32'30"W 83.45 FEET; THENCE S44°27'30"W 89.43 FEET TO THE SOUTH LINE OF SAID SECTION 2; THENCE S87°37'00"W, ALONG SAID SOUTH LINE OF SECTION 2, 835.82 FEET TO THE SOUTH ¼ CORNER OF SECTION 2, T54N, R34W; THENCE N83°38'27"W, ALONG SAID SOUTH LINE OF SECTION 2, 1637.77 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE ¼), OF THE SOUTHWEST QUARTER (SW ¼) OF SAID SECTION 2; THENCE N04°07'18"W 1336.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER (NW ¼), OF THE SOUTHWEST QUARTER (SW ¼) OF SAID SECTION 2; THENCE N86°01'30"W 365.22 FEET ALONG

THE SOUTH LINE OF SAID NORTHWEST ¼ OF THE SOUTHWEST ¼, THENCE N07°11'W 1048.98 FEET TO THE (FORMER) SOUTHEASTERLY RIGHT OF WAY LINE OF HIGHWAY M-26, (100 FEET FROM THE CENTERLINE THEREOF), THENCE ALONG THE SAID RIGHT OF WAY LINE NORTHEASTERLY 510.11 FEET ALONG THE ARC OF A 438.27 FOOT RADIUS CURVE TO THE LEFT WHOSE CHORD BEARS N26°17'23"E 481.80 FEET, THENCE N89°22'30"W 1347.40 FEET TO THE WEST LINE OF SAID SECTION 2, THENCE S08°11'19"W, ALONG THE WEST LINE OF SAID SECTION 2, 171.98 FEET TO THE ¼ CORNER COMMON TO SECTION 2 AND SECTION 3, T54N, R34W; THENCE S87°43'40"W, ALONG THE EAST-WEST QUARTER LINE OF SAID SECTION 3, 622.98 FEET; THENCE S01°14'31"E 843.26 FEET; THENCE S07°27'35"W 653.89 FEET; THENCE N01°39'50"E 847.66 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST ¼, OF THE NORTHEAST ¼, OF SAID SECTION 3; THENCE N04°16'24"E 1259.20 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST ¼, OF THE NORTHEAST ¼, OF SAID SECTION 3; THENCE S88°54'46"W 1279.78 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 3; THENCE S02°25'00"W 1282.56 FEET TO THE CENTER ¼ CORNER OF SAID SECTION 3; THENCE S88°39'25"W, ALONG THE EAST-WEST ¼ LINE OF SAID SECTION 3, 1292.14 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE N01°59'30" E 1298.41 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE N01°23'00"E 1308.19 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 3; THENCE S89°30'23"E, ALONG THE SOUTH LINE OF SECTION 34, 1317.04 FEET TO THE SOUTH ¼ CORNER OF SECTION 34, T55N, R34W; THENCE N00°49'52" E 1379.85 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 34; THENCE N00° 50'36"E 1380.08 FEET TO THE CENTER ¼ CORNER OF SAID SECTION 34; THENCE N00°50'36"E, ALONG THE NORTH-SOUTH ¼ LINE OF SAID SECTION 34, 940 FEET (MORE OR LESS) TO THE SOUTHERLY WATER'S EDGE OF PORTAGE LAKE; THENCE SOUTHEASTERLY ALONG SAID WATER'S EDGE, 1450 FEET (MORE OR LESS) TO THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 34; THENCE S00°47' 00"W, ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 34, 630 FEET (MORE OR LESS) TO THE NORTHWEST CORNER OF THE PLAT OF SPRINGWOOD ESTATES; THENCE EAST 411.79 FEET, THENCE S88°56'E 535.0 FEET, THENCE S79°05'E 410.0 FEET TO THE WEST LINE OF SECTION 35, T55N, R34W, THENCE ALONG SAID WEST LINE S00°47'W 400.0 FEET, THENCE N86°47'59"E 1193.63 FEET TO THE WEST LINE OF DAKOTA HEIGHTS, AS RECORDED IN PLAT CABINET 1 ON PAGE 56, HOUGHTON COUNTY RECORDS, THENCE ALONG THE BOUNDARY OF SAID DAKOTA HEIGHTS THE FOLLOWING FIVE COURSES: S00°06'W 172.57 FEET, THENCE S89°54'E 270.0 FEET, THENCE S00°06'W 417.42 FEET, THENCE S89°54'E 1165.95 FEET TO THE NORTH-SOUTH ¼ LINE OF SECTION 35, T55N, R34W, THENCE ALONG THE NORTH-SOUTH ¼ LINE (EAST LINE OF SAID DAKOTA HEIGHTS) N00°08'E 1433.20 FEET; THENCE CONTINUING ALONG BOUNDARY LINE OF THE PLAT OF DAKOTA HEIGHTS THE FOLLOWING SIX (6) COURSES S65°17'30"W 153.16 FEET; THENCE N30°07'00"W 236.31 FEET; THENCE N51°05'00"W 117.84 FEET; THENCE S25°00'00"E 40.97 FEET; THENCE S86°27'00"W 364.00 FEET; THENCE S74°44'00"W 211.28 FEET TO THE SOUTHEAST CORNER OF LOT 17 OF

THE PLAT OF NAUMKEAG SHORES; THENCE THE FOLLOWING FOUR (4) COURSES ALONG THE BOUNDARY LINES OF LOT 16 AND LOT 17 OF SAID PLAT OF NAUMKEAG SHORES; S74°40'45"W 349.55 FEET; THENCE 185.54 FEET ALONG A 7639.44 FOOT RADIUS CURVE TO THE LEFT WITH A DELTA ANGLE OF 01°23'30" AND HAVING A CHORD BEARING S78°17'21"W 185.54 FEET; THENCE S77°35'40"W 258.65 FEET; THENCE NORTH 148.96 FEET (MORE OR LESS) TO THE WATER'S EDGE OF PORTAGE LAKE, THENCE EASTERLY ALONG SAID WATER'S EDGE TO THE EAST LINE OF SECTION 31, T55N, R33W, THENCE ALONG SAID EAST SECTION LINE S00°12'W 200 FEET MORE OR LESS TO A TRAVERSE POINT, THENCE ALONG A TRAVERSE LINE THE FOLLOWING ELEVEN COURSES: S78°59'30"E 740.2 FEET, THENCE N88°51'50"E 567.1 FEET, THENCE S89°38'30"E 393.4 FEET, THENCE S80°55'30"E 841.4 FEET, THENCE S49°16'30"E 735.3 FEET, THENCE S73°25'30"E 597.9 FEET, THENCE S64°47'E 1174.3 FEET, THENCE S32°12'30"E 415.35 FEET, THENCE S05°50'30"E 579.3 FEET, THENCE S28°11'46"E 1032.41 FEET, THENCE S58°36'44"W 723.41 FEET; THENCE LEAVING THE TRAVERSE LINE N89°55'48"W 878.01 FEET, THENCE N35°32'13"W 511.31 FEET, THENCE S21°30'00"W 200.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF THE SOO LINE RAILROAD, SAID POINT BEING 281.1 FEET SOUTH AND 3694.6 FEET EAST OF THE WEST ¼ CORNER OF SAID SECTION 5, THENCE ALONG SAID RIGHT OF WAY LINE NORTHWESTERLY 4591 FEET MORE OR LESS TO THE WEST LINE OF SAID SECTION 5, THENCE SOUTH ALONG SAID WEST SECTION LINE TO THE NORTHERLY RIGHT OF WAY OF HIGHWAY US-41, (33 FEET FROM THE CENTERLINE THEREOF), THENCE ALONG SAID RIGHT OF WAY LINE FOLLOWING TWO COURSES: N39°12'45"W 2059.68 FEET, THENCE N56°12'45"W TO THE CENTERLINE OF THE FIRST STREET EXTENDED NORTHERLY, (FIRST BEING PLATTED IN THE SHELDON AND DOUGLASS LAKEVIEW ADDITION), THENCE S26°47'15"W ALONG SAID CENTERLINE AND ITS EXTENSION TO THE SOUTHERLY LINE OF SAID SHELDON AND DOUGLASS LAKEVIEW ADDITION, THENCE ALONG SAID SOUTHERLY LINE THE FOLLOWING TWO COURSES: S56°12'45"E 807.73 FEET, THENCE S39°12'45"E 2371.08 FEET, THENCE S50°47'15"W 5.20 FEET, THENCE N82°08'24"W 198.10 FEET, THENCE S84°42'53"W 488.35 FEET, THENCE N39°13'W 1864.70 FEET, THENCE N00°17'W 271.0 FEET, THENCE S89°40'55"W 488.0 FEET, THENCE N00°19'05"W 110.0 FEET, THENCE S89°40'55"W 127.0 FEET, THENCE S00°19'16"E 110.0 FEET, THENCE S89°40'55"W 47.0 FEET, THENCE N00°21'40"W 33.0 FEET, THENCE S89°28'50"W 663.0 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE FOREST HILL CEMETERY; THENCE S00°40'E 693.0 FEET TO A POINT ON THE SOUTH LINE OF SECTION 31, T55N, R33W, THENCE SOUTH 233.84 FEET, THENCE S81°13'30"E 197.4 FEET, THENCE S66°57'30"E 380.0 FEET, THENCE S72°28'30"E 149.0 FEET TO THE NORTH-SOUTH ¼ LINE OF SECTION 6, T54N, R33W, BEING S00°32'30"E 519.0 FEET FROM THE NORTH ¼ CORNER OF SAID SECTION 6, THENCE ALONG SAID NORTH-SOUTH ¼ LINE S00°32'30"E 2241.11 FEET TO THE CENTER OF SAID SECTION 6, THENCE N89°44'30"W 2514.1 FEET TO THE WEST ¼ CORNER OF SAID SECTION 6, THENCE S00°39'50"E 1315.82 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6; THENCE S89°50'46"E 1308.38 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6; THENCE S00°41'05"E, ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6, 716.38 FEET; THENCE N89°51'12"W 1306.64

FEET TO THE WEST LINE OF SAID SECTION 6, THENCE 099°39'59" E 505.14 FEET TO THE SOUTHEAST CORNER OF SECTION 1, T54N, R34W, THENCE N89°11'16" W 668.84 FEET TO THE SOUTH ¼ CORNER OF SAID SECTION 1, THENCE N90°29'10" W 353.12 FEET TO THE CENTER OF SAID SECTION 1, THENCE N88°15'41" W 468.8 FEET, THENCE S89°10'30" E 216.78 FEET, THENCE N59°40'30" W 180.0 FEET, THENCE N09°16'30" E 90.0 FEET, THENCE N59°45'39" W 110.0 FEET, THENCE S49°10'30" W 80.0 FEET, THENCE N59°45'30" W 591.6 FEET, THENCE N03°12'00" E 394.32 FEET, ALONG THE SOUTHEASTERLY RIGHT OF WAY LINE OF PORTAGE STREET (30 FEET FROM THE CENTERLINE THEREOF), THENCE N55°47'30" W 85.00 FEET TO THE POINT OF BEGINNING, CONTAINING APPROXIMATELY 273.8 ACRES.

Except the Michigan Tech Lakeshore Center (formerly known as the Upper Peninsula Power Company Headquarters) located at 600 East Lakeshore Drive, Houghton, MI, with legal description: Plt. Lots 1, 2, 3, 4 & 5, B1K 0 Lying N of RR RR Right of Way City of Houghton; and the 2007 PA 425 Jukuri parcel that was annexed in 2007.

And the 2007 PA 425 Jukuri parcel that was annex in 2007 described as

Section 33, T55N, R34W, Adams Township, Houghton County, Michigan, Government Lot 1 lying North of County Road 554, Except commencing at the North ¼ corner; thence South 320 feet to P.O.B.; thence Southeasterly 90.18 feet; thence Northeasterly 569.59 feet; thence North 202.57 feet; thence Southeasterly 410.48 feet to South right-of-way of Canal Road; thence Southeasterly along Canal Road 888 feet more or less; thence South 676 feet to South line of Government Lot 1; thence Southwesterly 1692 feet to the West line of Government Lot 1; thence North 980.78 feet to P.O.B.

And

Section 34, T55N, R34W, Adams Township, Houghton County, Michigan, Government Lot 3 lying North of County Road 554, also West 121.90 feet of Government Lot 4 lying North of County Road

A parcel of land situated within Government Lot 4, Section 28, Township 55 North, Range 34 West, Houghton County, Michigan and described as follows: Commencing North 00° 34' 31" West 35.08 feet from South ¼ corner; Thence North 00° 34' 31" West 1252.70 feet, Thence South 89° 33' 12" East 102.60 feet, Thence South 89° 35' 56" East 151.39' to shore, Thence South 46° 13' 52" East 804.26 feet, Thence South 55° 13' 38" East 1279.14 feet, Thence West 713.78', Thence North 46° 48' 32" West 766.52 feet, Thence S 43° 09' 07" West 66 feet; Thence South 01° 45' 30" East 57.69 feet, Thence South 08° 31' 32" West 141.99 feet; Thence South 10° 03' 39" West 69.72 feet; Thence South 71° 33' 12" West 552.04 feet to point of beginning EXCEPT:

Commencing at the South Quarter (S1/4) corner of said Section 28, thence go East along the South line of said Section 28 a distance of 1397.37 feet; thence North a distance of 152.19 feet to a ½" capped rebar and the Point of Beginning of the parcel to be described; thence North 46° 44' 14" West a distance of 115.72 feet to a ½" capped rebar; thence North 49° 04' 11" East a distance of 202.70 feet to a ½" capped rebar on the shore of the Portage Lake Ship Canal; thence South 63° 51' 34" East along said shore a distance of 125.00 feet to a ½" capped rebar; thence South 49° 04' 11" West a distance of 239.69 feet to the Point of Beginning.

APPENDIX C

Estimate of the Captured Assessed Value and Tax Increment Revenues

IDEA TAX CAPTURE

Year	Assessed Value	IDEA Tax	Total Tax
1999	61,870,000	28,875,547	
1999	63,069,315		5,551,205
2000	64,328,098		5,500,117
2001	65,655,182		5,351,114
2002	67,065,549		5,195,057
2003	68,560,929		5,031,884
2004	70,140,424		4,861,781
2005	71,804,039		4,684,735
2006	73,551,673		4,500,726
2007	75,383,325		4,308,747
2008	77,300,000		4,108,787
2009	79,302,700		3,900,845
2010	81,391,425		3,684,975
2011	83,567,175		3,461,175
2012	85,830,950		3,229,442
2013	88,182,750		2,989,775
2014	90,623,575		2,742,175
2015	93,154,425		2,486,642
2016	95,775,300		2,223,075
2017	98,486,200		1,951,475
2018	101,287,125		1,671,842
2019	104,178,075		1,384,175
2020	107,159,050		1,088,575
2021	110,230,050		804,042
2022	113,391,075		530,575
2023	116,642,075		278,075
2024	120,083,050		42,542
2025	123,714,025		
Total	647,201,425	429,634	2,348,242

Year	Assessed Value	IDEA Tax	Total Tax
1999	61,870,000	28,875,547	
1999	63,069,315		5,551,205
2000	64,328,098		5,500,117
2001	65,655,182		5,351,114
2002	67,065,549		5,195,057
2003	68,560,929		5,031,884
2004	70,140,424		4,861,781
2005	71,804,039		4,684,735
2006	73,551,673		4,500,726
2007	75,383,325		4,308,747
2008	77,300,000		4,108,787
2009	79,302,700		3,900,845
2010	81,391,425		3,684,975
2011	83,567,175		3,461,175
2012	85,830,950		3,229,442
2013	88,182,750		2,989,775
2014	90,623,575		2,742,175
2015	93,154,425		2,486,642
2016	95,775,300		2,223,075
2017	98,486,200		1,951,475
2018	101,287,125		1,671,842
2019	104,178,075		1,384,175
2020	107,159,050		1,088,575
2021	110,230,050		804,042
2022	113,391,075		530,575
2023	116,642,075		278,075
2024	120,083,050		42,542
2025	123,714,025		
Total	647,201,425	429,634	2,348,242

APPENDIX D

Agreement to Establish a SmartZone Satellite in the City of Marquette

See agreement dated August 20, 2014 attached on following pages.

AGREEMENT PURSUANT TO ACT 281 BETWEEN THE CITY OF HOUGHTON, CITY OF HANCOCK, CITY OF MARQUETTE, AND THE CITY OF MARQUETTE LDFA .

The City of Houghton, County of Houghton, State of Michigan ("Houghton"), the City of Hancock, County of Houghton, State of Michigan ("Hancock"), the city of Marquette, County of Marquette, State of Michigan ("Marquette") and the City of Marquette Local Development Finance Authority, County of Marquette, State of Michigan ("Marquette LDFA") enter into this Agreement (the "Agreement") as of Aug 20, 2014.

PREMISES

Having determined that it is in the best interest of the residents of their respective communities and in an effort to eliminate the conditions of unemployment, underemployment and joblessness and to promote economic growth in Houghton, Hancock and Marquette, the governing bodies of the Parties have acted to establish a SmartZone Satellite in the City of Marquette pursuant to Act 281 of the Public Acts of Michigan 1986 as amended (the "Act").

Under the Act, the Marquette LDFA may exercise its powers in a certified technology park designated pursuant to the Act. A certified technology park may comprise all or a portion of the Marquette LDFA District as such district is described by the resolutions establishing the Authority. The Parties have entered into this Agreement to outline certain provisions as they relate to the membership and operation of this SmartZone Satellite.

Therefore, the Parties agree as follows:

1. The parties agree to work together for the purpose of creating and retaining technology enterprise and employment through commercialization of research and emerging technology within a regional strategy, currently referred to as Innovation Shore.
2. Response to the legislative criteria:
 - A. The unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone. The unique characteristics and specialties of the Marquette Satellite include: Northern Michigan University and the College of Human Medicine at Michigan State University partnering with the Marquette Satellite SmartZone and having expertise in medical devices, healthcare, natural resources, energy, IT, social media, food processing, applied technology and business management
 - B. The benefits to regional cooperation and collaboration. The benefit of regional cooperation and collaboration created by the Satellite SmartZone partnership will provide greater momentum for complimentary development that is already taking place throughout the region. The Innovation Shore concept combines, skills, talent and resources between MTEC and the Marquette Satellite, which in turn becomes

the catalyst for innovation and partnership. It is anticipated that the Satellite Board will attract energetic industry leaders that will provide inspired leadership for their technology clusters. When successful, this public/private partnership will greatly enhance the attraction of top research talent, expand entrepreneurial capacity, provide a natural nexus for participation by financial interests, and lead to business expansion and job growth.

- C. The Marquette Satellite SmartZone adds value to the mission of MTEC SmartZone; and increased opportunities for MTEC companies through access to experienced business leadership, a growing number of technology companies, and expands access to regional finance partners. These networks along with new academic partners like Northern Michigan University and Michigan State University and capital providers like Northern Initiatives bring new resources to significantly broaden the talent and resource base for MTEC companies.
- 3. The City of Marquette and the Marquette LDFA agree to approve a Tax Increment Financing Plan that includes capturing a portion of the City of Marquette General Fund millage.
- 4. The City of Marquette and the Marquette LDFA agree to guarantee a minimum yearly operation budget for the SmartZone of \$200,000.
- 5. The MTEC SmartZone and the Marquette Satellite SmartZone agree to the monthly reporting as required by MEDC.
- 6. The City of Marquette and the Marquette LDFA agree to a SmartZone and Development Plan that promotes high tech business and job growth by collaboration with Northern Michigan University, Michigan State University, Michigan Technological University, Michigan Tech Enterprise Corporation, and private sector community partners.
- 7. The Parties hereby designate the Marquette LDFA District as a Satellite certified Technology Park of the Houghton/Hancock SmartZone pursuant to Section 12b of the Act.

<p>City</p> <p>Robert Backon, Mayor</p>	<p>City of Hancock</p>	<p>LDFA</p> <p>By:</p>	<p>Marquette</p> <p><i>[Signature]</i> si, Mayor</p> <p><i>[Signature]</i> u, Clerk</p>
---	------------------------	------------------------	---