

**APPLICATION FOR  
BUSINESS FINANCING ASSISTANCE PROGRAM**

**LANSING ECONOMIC DEVELOPMENT CORPORATION  
401 S. Washington Square  
Suite 100  
Lansing, Michigan 48933  
(517) 483-4140 FAX (517) 483-6057**

*InPore Technologies, Inc.*

*Equipment Purchase*

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LANSING CITY CLERK

September 6, 2011

The following information is submitted in response to the requirements of Section 8(4) of the Economic Development Corporations Act, No 338 of 1974, as amended, and this information accurately presents the intent of this enterprise to pursue and complete this project in the project area approved on August 28, 2009 by the Economic Development Corporation of the City of Lansing.

**THE ACT REQUIRES THAT A PROJECT PLAN CONTAIN THE FOLLOWING INFORMATION:**

**A. THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE PROJECT DISTRICT AREA, AND SHALL DESIGNATE THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES THEN EXISTING AND PROPOSED FOR THE PROJECT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL AND OTHER USES, AND SHALL INCLUDE A LEGAL DESCRIPTION OF THE PROJECT AREA. [Section 8 (4) (a)].**

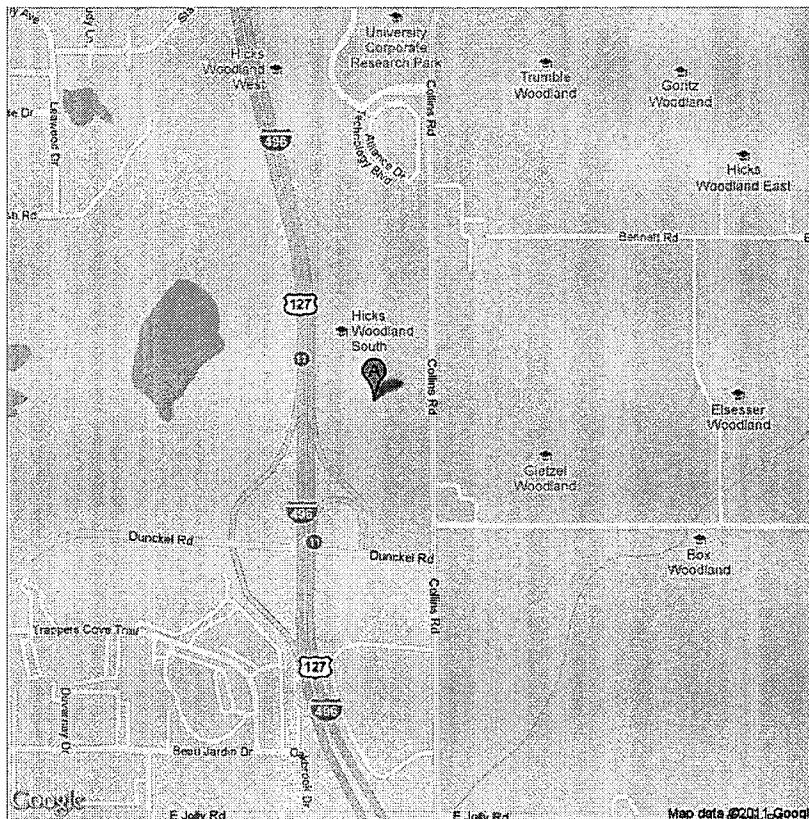
**1. Location and extent of existing streets and other public facilities within the project area:**

**3900 Collins Rd., Lansing, Michigan 48910**



**2. Designation of the location, character and extent of the public and private land uses for the project area:**

*Property located on Collins Road on the southernmost border of the Michigan State University Corporate Research Park. The facility, known as MBI, is a multi-tenant, high technology, commercial building consisting of laboratories and office for use by young bio-technology companies. The property is bordered by agricultural land to the east, U.S. 127 to the west, commercial properties to the north, and commercial properties to the south.*



**3. Legal description of the project area:**

Parcel # 33-01-01-36-102-032

COM 1307.16 FT E & 825.06 FT N OF W 1/4 COR, TH W 969.42 FT TO E LINE HWY US-127, N 10DEG 12MIN 40SCD W 167.3 FT, N 00DEG 23MIN 21SCD E 493.42 FT ALONG SAID R/W, E 994.22 FT, S 657.81 FT TO BEG; SEC 36 T4N R2W

**B. A DESCRIPTION OF EXISTING IMPROVEMENTS IN THE PROJECT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED. A DESCRIPTION OF REPAIRS AND ALTERNATIONS, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION. [Section 8 (4) (b)].**

**1. Existing improvements to be demolished, repaired or altered:**

**Not Applicable. Although, in the growth of InPore Technologies will eventually require a larger building it is the intent of the company to place the equipment being considered for purchase in their existing facility located at MBI International.**

**2. Estimate of time for completion of repairs, alterations and improvements:**

**Not Applicable. LEDC funds will be used solely for the purchase of machinery and equipment and applicable installation costs.**

**C. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE IMPROVEMENTS, INCLUDING REHABILITATION CONTEMPLATED FOR THE PROJECT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION. [Section 8 (4) (c)].**

**1. Location of improvements:**

**Not Applicable.**

**2. Description of extent and character of improvements:**

**Not Applicable. Improvements will not be made to the facility using LEDC funds.**

**LEDC funds will be used for the addition of new capital equipment to support the growth of materials production. InPore's products are the result of work over many years and reliant on over 40 issued, pending, and provisional patents. The new equipment will enable InPore to produce much larger quantities of material enabling market growth.**

**3. Estimate of time required for completion:**

**Not Applicable. Improvements will not be made to the facility using LEDC funds.**

**It is anticipated that the use of LEDC funds for equipment and machinery purchases will occur in Quarter 3 and Quarter 4 of 2011.**

**4. Estimated cost of improvements:**

**Not Applicable. Improvements will not be made to the facility using LEDC funds.**

**D. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE. [Section 8 (4) (d)].**

**Not Applicable.**

**E. A DESCRIPTION OF THE PARTS OF THE PROJECT AREA TO BE LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE. [Section 8 (4)(e)].**

**Not Applicable.**

**F. A DESCRIPTION OF PORTIONS OF THE PROJECT AREA WHICH THE CORPORATION DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS. [Section 8 (4) (f)].**

**Not Applicable.**

**G. A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.  
[Section 8 (4) (g)].**

**1. A description of desired zoning changes:**

**Not Applicable.**

**2. A description of desired changes in streets, street levels, intersections, and utilities:**

**Not Applicable.**

**H. THE STATEMENT OF THE PROPOSED METHOD OF FINANCING THE PROJECT INCLUDING A STATEMENT BY A PERSON DESCRIBED IN SUBPARAGRAPH (J) INDICATING THE PAYMENT TO ALL PERSONS PERFORMING WORK ON THE CONSTRUCTION PROJECT OF THE PREVAILING WAGE AND FRINGE BENEFIT RATES (IF REQUIRED BY LAW) FOR THE SAME OR SIMILAR WORK IN THE LOCALITY IN WHICH THE WORK IS TO BE PERFORMED AND A STATEMENT OF THE ABILITY OF THE CORPORATION TO ARRANGE THE FINANCING. THE PREVAILING WAGE AND FRINGE BENEFIT RATES SHALL BE DETERMINED PURSUANT TO ACT NO. 166 OF THE PUBLIC ACTS OF 1965, AS AMENDED, BEING SECTIONS 408.551 TO 408.558 OF THE MICHIGAN COMPILED LAWS. [Section 8 (4) (h)].**

- 1. The statement of the proposed method of financing the project, and the ability of the Corporation to arrange the financing:**

**Due to the complexity of the current credit markets, especially in regards to the purchase of manufacturing equipment, the LEDC is planning on taking a primary loan position for a period of four (4) years.**

**Details of this financial package would be as follows.**

**Equipment: \$37,326**

**Installation: \$13,025**

**Total: \$50,351**

- 2. A statement by person described in (J), below, indicating the payment to all persons performing work on the construction project of the prevailing wage and fringe benefit rates for the same or similar work in the locality in which the work is to be performed (if required by law):**

**Not Applicable.**

**I. A LIST OF PERSONS WHO WILL MANAGE OR BE ASSOCIATED WITH THE MANAGEMENT OF THE PROJECT FOR A PERIOD OF NOT LESS THAN ONE YEAR FROM THE DATE OF APPROVAL OF THE PROJECT PLAN. [Section 8 (4) (i)].**

**Gerald Roston      Chief Executive Officer**

**J. DESIGNATION OF THE PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM THE PROJECT IS TO BE LEASED, SOLD, OR CONVEYED IN ANY MANNER AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN IF THAT INFORMATION IS AVAILABLE TO THE CORPORATION. [Section 8 (4) (j)].**

**InPore Technologies, Inc.**

**K. IF THERE IS NOT AN EXPRESS OR IMPLIED AGREEMENT BETWEEN THE CORPORATION AND PERSONS, NATURAL OR CORPORATE, THAT THE PROJECT WILL BE LEASED, SOLD, OR CONVEYED TO THOSE PERSONS, THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING IN ANY MANNER OF THE PROJECT UPON ITS COMPLETION. [Section 8 (4) (k)].**

**Not Applicable.**

- L. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE PROJECT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED. IF OCCUPIED RESIDENCES ARE DESIGNATED FOR ACQUISITION AND CLEARANCE BY THE CORPORATION, A PROJECT PLAN SHALL INCLUDE A SURVEY OF THE FAMILIES AND INDIVIDUALS TO BE 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 UNITS 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. [Section 8 (4) (I)].**

**Not Applicable.**

**M. A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE PROJECT IN NEW HOUSING IN THE PROJECT AREA. [Section 8 (4) (m)].**

**Not Applicable.**

- N. PROVISIONS FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE PROJECT 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. [Section 8 (4) (n)].**

**Not Applicable.**

- O. A PLAN FOR COMPLIANCE WITH ACT NO. 227, OF THE PUBLIC ACTS OF 1972 (AN ACT TO PROVIDE FINANCIAL ASSISTANCE, ADVISORY SERVICES AND REIMBURSEMENT OF CERTAIN EXPENSES TO PERSONS DISPLACED FROM REAL PROPERTY OR DEPRIVED OF CERTAIN RIGHTS IN REAL PROPERTY), BEING SECTIONS 213.321 TO 213.332 OF THE MICHIGAN COMPILED LAWS. [Section 8 (4) (o)].**

**Not Applicable.**

**P. OTHER MATERIAL AS THE CORPORATION, LOCAL PUBLIC AGENCY, OR GOVERNING BODY CONSIDERS PERTINENT. [Section 8 (4) (p)].**

- 1. See Exhibit 2, Transfer of Employment Certificate.**

**EXHIBIT 1**  
**Legal Description of Project Area**

**Land in the City of Lansing, County of Ingham, Michigan, more particularly described as:**

3900 Collins Road

Parcel # 33-01-01-36-102-032

COM 1307.16 FT E & 825.06 FT N OF W 1/4 COR, TH W 969.42 FT TO E LINE HWY US-127, N 10DEG 12MIN 40SCD W 167.3 FT, N 00DEG 23MIN 21SCD E 493.42 FT ALONG SAID R/W, E 994.22 FT, S 657.81 FT TO BEG; SEC 36 T4N R2W

**EXHIBIT 2**

Transfer of Employment Certificate

The undersigned, Gerald Roston of InPore Technologies Inc., a Michigan Company, hereby certifies on behalf of said Company to the City of Lansing as follows:

The InPore Technologies Loan project (Name of "Project"), of the Economic Development Corporation of the City of Lansing shall not result in the transfer of the employment of more than 20 full-time persons from any municipality of the State of Michigan to the City of Lansing by reason of the use of the Project by the Company, or any other person, firm or entity presently anticipated by any officer, employee or other representative of the Company to be a potential user of any portion of the Project.

InPore Technologies, Inc.  
a Michigan Corporation

X By: [Signature]

X Dated: Sept. 9, 2011

Its: CEO

Prevailing Wage Certificate

On behalf of InPore Technologies, Inc., (the "Company"), which is the person for whose benefit the InPore Technologies, Inc. Loan project is being undertaken, hereby certifies that all persons performing work on the construction of the Project will be paid the prevailing wage and fringe benefits for the same or similar work in the locality in which the work is to be performed. The prevailing wage and fringe benefit rates shall be determined pursuant to the City of Lansing's Ordinance Section 206.18.

InPore Technologies, Inc.

X By: [Signature]

X Dated: Sept. 9, 2011

Its: CEO

## **Executive Summary – Business Loan InPore Technologies, Inc.**

### **Company & Loan Background:**

A critical element of the LEDC's and the State of Michigan's approach to economic development is to diversify our economy. In particular, the LEDC wishes to place special emphasis on successful commercialization of new technologies from MSU into the business world – particularly within the City of Lansing. In this light, InPore Technologies has developed and is marketing an innovative polymer additive technology, which is a result of MSU research and patents. The product, called Silapore, when added to polymers, can provide unique characteristics including better flame retardation, improved strength and stiffness, as well as greater durability. The polymer additive market consists of sales in excess of \$66 billion annually and InPore products are being warmly received by the industry. In order to scale up operations to produce larger quantities of product InPore Technologies is seeking the following funding structure:

LEDC Loan Amount: \$50,500 (not to exceed)

Term: 4 years

Interest Rate: 6.25%

Payments: 2 years interest only, full payback in years 3 & 4.

InPore Technologies is a small company, but the loan will allow for the creation of 3-5 new jobs and the company's future is strong and robust. Importantly, the loan from the LEDC represents a path to successful commercialization from our regional asset, MSU, and provides a path that other companies can follow through the LEDC and City of Lansing.

### **Management Team:**

**Gerald P. Roston, PhD, PE – Chief Executive Officer:** Gerry has a long history of establishing and growing start-up companies, and decades of experience leading cross-functional product development teams.

**Thomas Pinnavaia, PhD - Executive VP and CSO, MSU Distinguished Professor:** Thomas is an internationally recognized expert in the field of inorganic materials chemistry.

### **Business Financials / Dunn & Bradstreet Report:**

LEDC staff has reviewed the company's financial reports and spoken with InPore management. InPore Technologies is in a start up growth phase at this time and is still operating at a loss. The loan will allow InPore to purchase the equipment necessary to

move into larger batch production and in turn increase revenue generated by the company. InPore's management has presented a solid growth strategy for the company and it is anticipated that additional revenue growth will cover the agreed upon debt service.

LEDC has worked in conjunction with the MEDC to review a Dunn & Bradstreet Risk Management Report on InPore Technologies. The company scored low to moderate risk in regards to all categories related to possible default. Overall Financial Stress Score was 2 with 1 being lowest and 5 being highest. Furthermore, InPore Technologies, was rated at a lower risk than other companies of there size and in their industry.

**Collateral:**

InPore Technologies will permit for a lien on \$62,325 worth of equipment which is owned out right by the company.

**Staff Recommendation:**

Approval of loan.

# LANSING ECONOMIC DEVELOPMENT CORPORATION

## Resolution Designating Project Area and Recommending Project Plan

### InPore Technologies Equipment Purchase 3815 Technology Blvd., Lansing, MI 48910

At a special meeting of the Board of Directors of the Lansing Economic Development Corporation, Lansing, Michigan, held on the 9<sup>th</sup> day of September, 2011, at 7:45 a.m., pursuant to notice duly given:

Members Present: Greg Ward, Calvin Jones, Kelly Rossmann-McKinney, Kim Coleman, Pierre LaVoie, Bo Garcia, Julian Darden (Temporary)

Members Absent: James Butler, Mayor Virg Bernero, Charles Janssen (Temporary)

The following preamble and resolution was offered by:

Member: Kim Coleman

Member: Kelly Rossmann-McKinney

WHEREAS, The Lansing Economic Development Corporation (LEDC) (the "Issuer") has prepared a project plan (the "Plan"), a copy of which has been presented to this meeting for InPore Technologies Equipment Purchase (the "Project") in accordance with Public Act No. 338, Public Acts of Michigan, 1974, as amended (the "Act"); and

WHEREAS, the LEDC Board of Directors has duly considered such Plan and has found same to be in compliance with the provision of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:

1. In accordance with Section 8 (1) of the Act, the Project Area is designated as follows:

Parcel # 33-01-01-36-102-032

COM 1307.16 FT E & 825.06 FT N OF W 1/4 COR, TH W 969.42 FT TO E LINE HWY US-127, N 10DEG 12MIN 40SCD W 167.3 FT, N 00DEG 23MIN 21SCD E 493.42 FT ALONG SAID R/W, E 994.22 FT, S 657.81 FT TO BEG; SEC 36 T4N R2W

2. The Project Plan meets all the requirements set forth in Section 8 (4) of the Act.

3. Based upon the information contained in the Project Plan and all other information heretofore brought to the attention of this Board of Directors, the Issuer hereby certifies that the Project shall not have the effect of transferring employment of more than 20 full-time persons from any municipality of the State of Michigan to the City of Lansing, except for such transfers as may be consented to by the governing bodies of any affected municipalities prior to closing, and the Issuer hereby approves the Project in accordance with Section 8 (3) of the Act.
  
4. The City Council of the City of Lansing is hereby requested, following a public hearing in accordance with the Act to determine that the Plan constitutes a public purpose, to approve the Plan and to authorize the Issuer to take such steps as are necessary to implement the Project.

YEAS: Greg Ward, Calvin Jones, Kelly Rossmann-McKinney, Kim Coleman,  
Pierre LaVoie, Bo Garcia, Julian Darden (Temporary)

NAYS: None

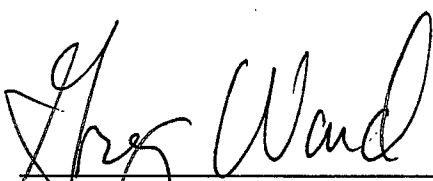
ABSTENTIONS: None

ABSENT: James Butler, Mayor Virg Bernero, Charles Janssen (Temporary)

STATE OF MICHIGAN    )  
                                  )    SS.  
COUNTY OF INGHAM    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a special meeting of the Lansing Economic Development Corporation held on the 9th day of September, 2011, and said resolution is on file in the LEDC Office and is available to the public. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the LEDC's By-laws.

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

  
\_\_\_\_\_  
Greg Ward, Chairman  
  
9/9/2011  
\_\_\_\_\_  
Date