

LDFA Board Meeting

April 27, 2010

8:15 am to 10:15 am

SPARK Central Incubator

330 E. Liberty Street, Ann Arbor, MI 48104

Agenda

- I. Call to Order**
- II. Public Comment**

Public comment shall be allowed at all meetings. An individual may speak for up to three (3) minutes on any item listed on the Agenda. The Chair may extend an individual's speaking time in his/her discretion. Public comment on non-agenda items may be limited in the Chair's discretion.
- III. Approval of the Agenda**
- IV. Approval of the Minutes of the March 16, 2010 Regular Board Meeting**
- V. LDFA Chair's Report**
- VI. LDFA Treasurer's Report**
 - a. Approval of the LDFA Financial Report – 3rd Quarter**
- VII. Reports from Service Providers**
 - a. Acceptance of SPARK Report - 3rd Quarter**
- VIII. Other Business**
- IX. Motion to Adjourn**



**MINUTES – REGULAR BOARD MEETING
March 16, 2010**

Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority

**SPARK Central Incubator
330 E. Liberty Street, Ann Arbor, MI 48104**

Members Present: Richard Beedon, Theresa Carroll, Darryl Daniels, Lisa Kurek, Mark Maynard, Stephen Rapundalo, Phil Tepley, Tom Crawford-Ex-officio, Skip Simms-Accelerator Ex-officio

Members Excused: Michael Korybalski, Ned Staebler-MEDC-Ex-officio

Others Present: Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Kurt Riegger-SPARK

CALL TO ORDER:

Rapundalo called the meeting to order at 3:05 pm. A quorum was present.

APPROVAL OF THE AGENDA:

Rapundalo moved, seconded by Maynard, to approve the Agenda for this meeting in the form presented at this meeting, with one addition. A resolution in support of "Google Fiber for Communities" was added to Other Business. Motion approved unanimously.

MOTIONS & RESOLUTIONS:

Minutes of the January 26, 2010 Regular Board Meeting:

Daniels moved, seconded by Maynard, to approve the Minutes of the January 26, 2010 regular board meeting in the form presented at this meeting. Motion approved unanimously.

LDFA CHAIR'S REPORT:

Rapundalo had nothing to report.

LDFA TREASURER'S REPORT:

Daniels presented the Budget Committee's recommended FY 2011 budget. Crawford recommended changing the estimated tax revenues to \$1,400,000; and eliminating the incubator rent revenue, which will be shown as a credit to the incubator rent subsidy on future SPARK invoices. Daniels moved, seconded by Beedon to approve the budget as revised. Motion approved unanimously. A copy of the approved budget is attached.

REPORTS FROM SERVICE PROVIDERS:

Simms presented an update of SPARK activities.

DRAFT

OTHER BUSINESS:

a. Cantillon:
Nothing to report.

b. Discussions with SPARK clients:
Discussions were held following adjournment of the meeting.

c. Resolution in support of the selection of the City of Ann Arbor as a "Google Fiber for Communities" trial location:
Rapundalo presented the resolution and recommended some wording changes, and a pledge of \$100,000 in support, for the installation conduit. Crawford stated the City of Ann Arbor may support conduit installation totaling up to \$750,000 and would like the SmartZone LDFA Board to consider a pledge of \$250,000 to bring the total up to a possible \$1,000,000. Maynard moved, seconded by Daniels to approve the amendment. After discussion the Board approved the wording changes and the \$250,000 unanimously.

Maynard moved, seconded by Daniels to approve the amended resolution. The motion was approved unanimously. A copy of the resolution is attached.

MOTION TO ADJOURN:

Daniels moved, seconded by Maynard, to adjourn the meeting at 4:58 pm. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford

**RESOLUTION IN SUPPORT OF THE SELECTION OF THE CITY OF
ANN ARBOR AS A "GOOGLE FIBER FOR COMMUNITIES" TRIAL
LOCATION**

WHEREAS, Google Inc. is planning to build and provide ultra-high speed broadband networks in one or more communities in the United States, which networks would consist of 1 Gbps, fiber-to-the-home ("FTTH") connections and would provide Internet service to residents at a competitive price;

WHEREAS, One of Google's stated criteria for selection is a community which has the resources and trained work force to create new applications which can utilize the higher bandwidth;

WHEREAS, The Ann Arbor/Ypsilanti SmartZone was established, in response to the collaborative efforts of the cities of Ann Arbor and Ypsilanti, and a variety of partners, including the Washtenaw Development Council, University of Michigan, Eastern Michigan University, Ann Arbor and Ypsilanti Downtown Development Authorities, Small Business Development Center and Ann Arbor IT Zone, to enhance existing efforts in high technology business formation and attraction and to foster the development of high technology enterprises in the designated SmartZone;

WHEREAS, The Tax Increment Financing (TIF) Plan funding the SmartZone identified investment in the installation or expansion of public-owned and maintained conduit for telecommunications purposes as one of several approved uses of funds;

WHEREAS, The City of Ann Arbor in partnership with the University of Michigan have announced their intent to respond to the "Google Fiber for Communities" Request For Information (RFI) issued by Google, Inc.;

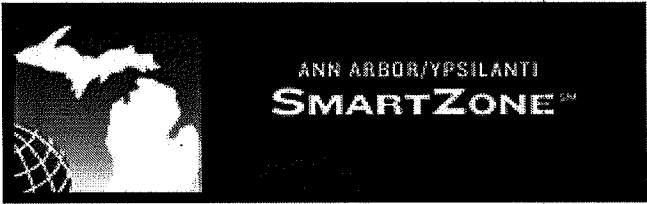
RESOLVED, That the LDFA Board as the governing body of the Ann Arbor/Ypsilanti Smartzone enthusiastically supports the application of the City of Ann Arbor to be selected as a "Google Fiber for Communities" Trial Location;

RESOLVED, That if so selected, the LDFA Board wishes to state its continued interest and support in partnering with the City of Ann Arbor to encourage telecommunication technologies and TIF eligible projects in the designated Smartzone in accordance with PA 281 of 1986.

RESOLVED, that as an expression of support and encouragement for Google to select Ann Arbor for its ultra-fast fiber installation, the LDFA Board will commit \$250,000 towards TIF eligible projects including, but not limited to, technology infrastructure improvements such as installing public conduit.

Sponsored by: Stephen Rapundalo, Chair

Date: March 16, 2010



FINANCIAL SUMMARY

as of March 31, 2010

Smart Zone LDFA
DELIVERABLES
as of March 31, 2010

	<u>ACTUAL</u> <u>Q1</u>	<u>ACTUAL</u> <u>Q2</u>	<u>ACTUAL</u> <u>Q3</u>	<u>Estimate</u> <u>Q4</u>	<u>Full Year</u>
Phase II (Due Diligence)					
<u>Number of Clients (external to SPARK)</u>					
Actual/Forecast	22	15	35	15	87
Budget/Proposed	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>44</u>
Actual Over/(Under) Target	11	4	24	4	43
<u>Hours per Client (Avg) (external to SPARK)</u>					
Actual/Forecast	6.8	7.0	1.8	2.0	2.0
Budget/Proposed	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
Actual Over/(Under) Target	(3.2)	(3.0)	(8.2)	(8.0)	(8.0)
Memo: Total Phase II Hours	149	105	64	30	348
Phase III (Intensive Service)					
<u>Number of Client Engagements</u>					
Actual/Forecast	33	33	35	35	136
Budget/Proposed	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>68</u>
Actual Over/(Under) Target	16	16	18	18	68
<u>Hours per Client Engagement (Avg)</u>					
Actual/Forecast	36.3	40.0	21.2	40.0	40.0
Budget/Proposed	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>
Actual Over/(Under) Target	(3.7)	-	(18.8)	-	-
Memo: Total Phase III Hours	1,197	1,320	743	1,400	4,660

Smart Zone LDFA
FY 2010 FINANCIAL SUMMARY
as of March 31, 2010

						<u>BUDGET</u>	
	<u>ACTUAL</u> Q1	<u>ACTUAL</u> Q2	<u>ACTUAL</u> Q3	<u>Est</u> Q4	<u>Full Year</u>	<u>Amount</u>	<u>Forecast (Over)/Under Budget</u>
INCOME STATEMENT							
Revenues:							
Tax Revenue	\$ 58,279	\$ 796,785	\$ 232,902	\$ 146,660	\$ 1,234,626	\$ 1,330,000	\$ (95,374)
Miscellaneous	-	-	-	-	-	-	-
Investment Income	4,366	1,458	2,184	3,770	11,778	-	11,778
Total Revenues	\$ 62,645	\$ 798,243	\$ 235,086	\$ 150,430	\$ 1,246,404	\$ 1,330,000	\$ (83,596)
Expenditures:							
Contracted Services							
SPARK BA Direct Staffing	\$ (50,001)	\$ (70,001)	\$ (80,001)	\$ (79,997)	\$ (280,000)	\$ (280,000)	\$ -
Phase II (Due Diligence)	(14,269)	(5,330)	(1,100)	(3,000)	(23,699)	(25,000)	1,301
Phase III (Intensive Service)	(112,593)	(78,013)	(70,954)	(140,000)	(401,560)	(420,000)	18,440
Micro Loan Program for Entrepreneurs	(137,500)	(137,500)	-	-	(275,000)	(275,000)	-
A2 Angels	-	(9,000)	(15,487)	(514)	(25,000)	(25,000)	-
Bus. Network Events-Hosted	(4,150)	(8,286)	(6,117)	(1,448)	(20,000)	(20,000)	-
Bus. Network Events-Sponsorships	-	-	(500)	(1,000)	(1,500)	(20,000)	18,500
Entrepreneur Educ.-Bootcamp & Grants	(13,000)	(1,000)	(18,000)	(13,000)	(45,000)	(45,000)	-
Tuition Matching	-	(10,000)	-	(10,000)	(20,000)	(20,000)	-
Cantillon Web Based Education	(6,375)	(200)	(2,000)	(10,000)	(18,575)	(40,000)	21,425
Total Contracted Services	(337,888)	(319,330)	(194,158)	(258,959)	(1,110,335)	(1,170,000)	59,666
Other Projected Services							
Marketing - P/R, Print, Websites	(12,550)	(24,404)	(10,703)	(17,343)	(65,000)	(65,000)	-
Business Incubator	(41,332)	(33,243)	(34,916)	(30,509)	(140,000)	(140,000)	-
SPARK Accounting	(11,250)	(11,250)	(11,250)	(11,250)	(45,000)	(45,000)	-
Legal & Admin. Support	(1,924)	(14)	-	(25,500)	(27,438)	(65,000)	37,562
Other Contingency	-	-	-	-	-	-	-
Total Other Projected Services	\$ (67,055)	\$ (68,910)	\$ (56,870)	\$ (84,602)	\$ (277,438)	\$ (315,000)	\$ 37,562
Total Expenditures	\$ (404,943)	\$ (388,240)	\$ (251,028)	\$ (343,560)	\$ (1,387,773)	\$ (1,485,000)	\$ 97,228
Net Increase/Decrease	\$ (342,298)	\$ 410,003	\$ (15,942)	\$ (193,130)	\$ (141,368)	\$ (155,000)	\$ 13,633
Memo:							
Fund Balance (6/30/2009)	\$ 468,240						
Fund Balance - Operations (Qtr End)	\$ 125,942	\$ 535,945	\$ 520,003	\$ 326,873			

Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
Phase III (Intensive Service)	July 09	1	2010	1	Hours	1.00	\$ 100.00
Legal & Admin. Support	July 09	1	2010	1	Meeting Exp.	1.00	\$ (16.98)
Legal & Admin. Support	July 09	1	2010	1	Legal	6.00	\$ (1,893.00)
SPARK BA Direct Staffing	July 09	1	2010	1	Direct Staff	1.00	\$ (16,667.00)
Phase II (Due Diligence)	July 09	1	2010	1	Hours	51.50	\$ (5,150.00)
Phase III (Intensive Service)	July 09	1	2010	1	Hours	479.25	\$ (48,431.00)
Business Incubator	July 09	1	2010	1	Facility Exp	1.00	\$ (12,778.43)
Bus. Network Events-Hosted	July 09	1	2010	1	Events	1.00	\$ (147.94)
SPARK Accounting	July 09	1	2010	1	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	July 09	1	2010	1	Marketing	1.00	\$ (2,573.94)
Cantillon Web Based Education	July 09	1	2010	1	Consult & Mentors	1.00	\$ (1,475.00)
Micro Loan Program for Entrepreneurs	July 09	1	2010	1	Micro Loan - First Tranche	1.00	\$ (137,500.00)
Phase II (Due Diligence)	Aug. 09	1	2010	1	Hours	(2.00)	\$ 200.00
Phase III (Intensive Service)	Aug. 09	1	2010	1	Hours	(24.75)	\$ 2,475.00
SPARK BA Direct Staffing	Aug. 09	1	2010	1	Direct Staff	1.00	\$ (16,667.00)
Phase II (Due Diligence)	Aug. 09	1	2010	1	Hours	50.90	\$ (5,090.00)
Phase III (Intensive Service)	Aug. 09	1	2010	1	Hours	423.31	\$ (38,474.00)
Business Incubator	Aug. 09	1	2010	1	Facility Exp	1.00	\$ (13,720.74)
Bus. Network Events-Hosted	Aug. 09	1	2010	1	Events	1.00	\$ (2,553.79)
SPARK Accounting	Aug. 09	1	2010	1	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Aug. 09	1	2010	1	Marketing	1.00	\$ (3,220.47)
Cantillon Web Based Education	Aug. 09	1	2010	1	Consult & Mentors	1.00	\$ (2,650.00)
SPARK BA Direct Staffing	Sept. 09	1	2010	1	Direct Staff	1.00	\$ (11,916.00)
SPARK BA Direct Staffing	Sept. 09	1	2010	1	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Sept. 09	1	2010	1	Hours	45.79	\$ (4,229.00)
Phase III (Intensive Service)	Sept. 09	1	2010	1	Hours	294.96	\$ (28,263.00)
Business Incubator	Sept. 09	1	2010	1	Facility Exp	1.00	\$ (14,832.99)
Bus. Network Events-Hosted	Sept. 09	1	2010	1	Events	1.00	\$ (1,447.80)
SPARK Accounting	Sept. 09	1	2010	1	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Sept. 09	1	2010	1	Marketing	1.00	\$ (6,755.09)
Entrepreneur Educ.-Bootcamp & C	Sept. 09	1	2010	1	Classes	1.00	\$ (3,000.00)
Cantillon Web Based Education	Sept. 09	1	2010	1	Consult & Mentors	1.00	\$ (600.00)
Cantillon Web Based Education	Sept. 09	1	2010	1	Consult & Mentors	1.00	\$ (1,650.00)
Entrepreneur Educ.-Bootcamp & C	Sept. 09	1	2010	1	Bootcamp	1.00	\$ (10,000.00)
Legal & Admin. Support	Sept. 09	1	2010	1	Meeting Exp.	1.00	\$ (13.77)

Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
Legal & Admin. Support	Oct. 09	2	2010	2	Meeting Exp.	1.00	\$ (13.77)
SPARK BA Direct Staffing	Oct. 09	2	2010	2	Direct Staff	1.00	\$ (11,916.00)
SPARK BA Direct Staffing	Oct. 09	2	2010	2	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Oct. 09	2	2010	2	Hours	44.00	\$ (2,400.00)
Phase III (Intensive Service)	Oct. 09	2	2010	2	Hours	322.46	\$ (30,251.00)
Business Incubator	Oct. 09	2	2010	2	Facility Exp	1.00	\$ (12,631.49)
Bus. Network Events-Hosted	Oct. 09	2	2010	2	Events	1.00	\$ (3,361.05)
SPARK Accounting	Oct. 09	2	2010	2	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Oct. 09	2	2010	2	Marketing	1.00	\$ (7,587.75)
Entrepreneur Educ.-Bootcamp & C	Oct. 09	2	2010	2	Classes	1.00	\$ (1,000.00)
Cantillon Web Based Education	Oct. 09	2	2010	2	Consult & Mentors	1.00	\$ (200.00)
Micro Loan Program for Entreprene	Oct. 09	2	2010	2	Micro Loan - Second Tranche	1.00	\$ (137,500.00)
SPARK BA Direct Staffing	Nov. 09	2	2010	2	Direct Staff	1.00	\$ (21,916.00)
SPARK BA Direct Staffing	Nov. 09	2	2010	2	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Nov. 09	2	2010	2	Hours	17.30	\$ (1,730.00)
Phase III (Intensive Service)	Nov. 09	2	2010	2	Hours	398.83	\$ (30,710.00)
A2 Angels	Nov. 09	2	2010	2	A2 Angels	1.00	\$ (9,000.00)
Business Incubator	Nov. 09	2	2010	2	Facility Exp	1.00	\$ (11,206.90)
Bus. Network Events-Hosted	Nov. 09	2	2010	2	Events	1.00	\$ (2,581.85)
SPARK Accounting	Nov. 09	2	2010	2	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Nov. 09	2	2010	2	Marketing	9.00	\$ (5,924.17)
Tuition Matching	Nov. 09	2	2010	2	Bootcamp	112.81	\$ (10,000.00)
SPARK BA Direct Staffing	Dec. 09	2	2010	2	Direct Staff	1.00	\$ (21,916.00)
SPARK BA Direct Staffing	Dec. 09	2	2010	2	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Dec. 09	2	2010	2	Hours	12.00	\$ (1,200.00)
Phase III (Intensive Service)	Dec. 09	2	2010	2	Hours	188.58	\$ (17,052.00)
Business Incubator	Dec. 09	2	2010	2	Facility Exp	1.00	\$ (9,404.21)
Bus. Network Events-Hosted	Dec. 09	2	2010	2	Events	1.00	\$ (2,342.92)
SPARK Accounting	Dec. 09	2	2010	2	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Dec. 09	2	2010	2	Marketing	9.00	\$ (10,892.15)

Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
SPARK BA Direct Staffing	Jan 10	3	2010	3	Direct Staff	1.00	\$ (21,916.00)
SPARK BA Direct Staffing	Jan 10	3	2010	3	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Jan 10	3	2010	3	Hours	11.00	\$ (1,100.00)
Phase III (Intensive Service)	Jan 10	3	2010	3	Hours	367.67	\$ (33,598.00)
A2 Angels	Jan 10	3	2010	3	A2 Angels	1.00	\$ (3,731.00)
Business Incubator	Jan 10	3	2010	3	Facility Exp	1.00	\$ (12,921.62)
Bus. Network Events-Hosted	Jan 10	3	2010	3	Events	1.00	\$ (1,855.03)
SPARK Accounting	Jan 10	3	2010	3	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Jan 10	3	2010	3	Marketing	1.00	\$ (1,205.63)
Entrepreneur Educ.-Bootcamp & C	Jan 10	3	2010	3	Classes	1.00	\$ (3,000.00)
SPARK BA Direct Staffing	Feb 10	3	2010	3	Direct Staff	1.00	\$ (21,916.00)
SPARK BA Direct Staffing	Feb 10	3	2010	3	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Feb 10	3	2010	3	Hours	-	\$ -
Phase III (Intensive Service)	Feb 10	3	2010	3	Hours	112.35	\$ (12,335.00)
A2 Angels	Feb 10	3	2010	3	A2 Angels	1.00	\$ (11,400.00)
Business Incubator	Feb 10	3	2010	3	Facility Exp	1.00	\$ (12,312.81)
Bus. Network Events-Hosted	Feb 10	3	2010	3	Events	1.00	\$ (1,775.86)
SPARK Accounting	Feb 10	3	2010	3	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Feb 10	3	2010	3	Marketing	1.00	\$ (3,463.08)
Entrepreneur Educ.-Bootcamp & C	Feb 10	3	2010	3	Bootcamp	1.00	\$ (3,000.00)
SPARK BA Direct Staffing	Mar 10	3	2010	4	Direct Staff	1.00	\$ (21,916.00)
SPARK BA Direct Staffing	Mar 10	3	2010	4	Direct Staff	1.00	\$ (4,751.00)
Phase II (Due Diligence)	Mar 10	3	2010	4	Hours	-	\$ -
Phase III (Intensive Service)	Mar 10	3	2010	4	Hours	263.45	\$ (25,021.00)
A2 Angels	Mar 10	3	2010	4	A2 Angels	1.00	\$ (355.50)
Business Incubator	Mar 10	3	2010	4	Facility Exp	1.00	\$ (9,681.99)
Bus. Network Events-Hosted	Mar 10	3	2010	4	Events	1.00	\$ (2,485.72)
Bus. Network Events-Sponsorship:	Mar 10	3	2010	4	Events	1.00	\$ (500.00)
SPARK Accounting	Mar 10	3	2010	4	Accting Svc	1.00	\$ (3,750.00)
Marketing - P/R, Print, Websites	Mar 10	3	2010	4	Marketing	1.00	\$ (6,034.77)
Entrepreneur Educ.-Bootcamp & C	Mar 10	3	2010	4	Classes	1.00	\$ (2,000.00)
Cantillon Web Based Education	Mar 10	3	2010	4	Consult & Mentors	1.00	\$ (2,000.00)
Entrepreneur Educ.-Bootcamp & C	Mar 10	3	2010	4	Bootcamp	1.00	\$ (10,000.00)

Ann Arbor-Ypsilanti SmartZone
Local Development Finance Authority

Ann Arbor SPARK

Quarterly Report

January 1, 2010 through March 31, 2010

Work Accomplished

Number and identity of companies in each phase, plus relevant aspects of commercialization

86 entrepreneurs with companies or business ideas sought business accelerator services this quarter vs. 42 during the same period last year. 22 of the 86 entrepreneurs were outside the city of Ann Arbor.

The following companies were in Phase II Due Diligence this quarter but have not reached Phase III

Account Name	Account Description	Opportunity Description
Century Media LLC	Forum to upload, customize, and create mobile multimedia	Legal organization review, transactional approach
Dental Adhesive Products LLC	Dental product: patented time release polymer-based dental adhesive	Business planning: identify primary market
EFM Waste Management	Medical waste disposal equipment	Expertise on starting up a company in the medical industry
Monarch Antenna Inc.	Self-Structuring Antenna for wireless applications	Market research
Plumtrail	New kind of e-commerce web site where people can win 10% of the time when they buy from us.	Product to Market
Reveal Design Automation, Inc.	Faster and more effective Integrated Circuit (IC) design quality control software.	Business planning, corporate identity
Roomations LLC	Home improvement customization	Market research

