



L DFA Board Meeting
January 13, 2015
8:15 am to 10:15 am
City of Ann Arbor
301 E. Huron 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**
 - a. October 14, 2014 Regular Board Meeting**
- V. LDFA Chair's report**
 - a. Introduction of new board member Graydon Krapohl**
- VI. LDFA Treasurer's Report**
 - a. FY2015 2nd quarter financial report**
 - b. FY2016 Budget timing and projected tax capture**
- VII. Reports from Service Providers**
 - a. SPARK FY2015 2nd quarter report**
- VIII. Other Business**
 - a. LDFA approval of TIF extension**
- IX. Motion to Adjourn**



Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority
MINUTES for October 17, 2014 – REGULAR BOARD MEETING

Ann Arbor City Hall Council Chambers
301 E. Huron Street, Ann Arbor, MI 48104

Members Present: Caryn Charter, Vince Chmielewski, Carrie Leahy, Stephen Rapundalo, Sally Petersen, Ned Staebler, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio, Paula Sorrell-MEDC Ex-officio

Members Excused: Richard Beedon, Eric Jacobson, Bilal Saeed,

Others Present: Ken Bogan - City of Ann Arbor, Kurt Riegger-Business Engines, Representatives of SPARK

I. CALL TO ORDER:

Chair Leahy called the meeting to order at 8:27 am. A quorum was present.

II. PUBLIC COMMENT:

None.

III. APPROVAL OF THE AGENDA:

Added to VII. Reports from Service Providers item b. Integrated Marketing Plan. Petersen moved to approve the agenda with this change, seconded by Rapundalo. Motion approved unanimously.

IV. MOTIONS & RESOLUTIONS:

Minutes of the September 16, 2014 Regular Board Meeting:

Charter moved, seconded by Rapundalo, to approve the minutes of the meeting in the form presented at this meeting. Motion approved unanimously.

V. LDFA CHAIR'S REPORT:

Chair Leahy delivered the Chair's report, which included a briefing on the TIF extension plan. It was noted that to remain on schedule for Council approval of the revised TIF plan a special meeting of the LDFA Board would be required to officially approve the revised TIF plan. The Board agreed to schedule a special meeting on Wednesday, November 12, 2014 at 8:15am.

VI. LDFA TREASURER'S REPORT:

Treasurer Rapundalo presented the Treasurer's report for the 1st quarter of FY2015. It was noted the audit of the SPARK contract concluded with no material concerns.

VII. REPORTS FROM SERVICE PROVIDERS:

- a. **SPARK Report 1st quarter FY2015** - Simms presented the report.
- b. **Integrated Marketing Plan** - Donna Doleman, SPARK presented the SPARK Integrated Marketing Plan. A copy of the Integrated Marketing Plan is attached.

VIII. OTHER BUSINESS:

- a. **LDFA TIF extension update** – Discussed during Chair's Report.

IX. ADJOURNMENT:

Petersen moved to adjourn the meeting, seconded by Chmielewski. Motion approved unanimously. Meeting was adjourned at 9:44 am.

Respectfully Submitted,
Ken Bogan, for Recording Secretary Tom Crawford

Smart Zone LDFA
FY 2015 FINANCIAL SUMMARY
 December 31, 2014

						<u>BUDGET</u>	
	<u>ACTUAL</u> Q1	<u>ACTUAL</u> Q2	<u>Estimate</u> Q3	<u>Estimate</u> Q4	<u>Full Year</u>	<u>Amount</u>	<u>Forecast vs Budget Good/(Bad)</u>
<u>INCOME STATEMENT</u>							
Revenues:							
Tax Revenue	\$ 1,352,180	\$ 56,390	\$ 582,845	\$ 339,965	\$ 2,331,380	\$ 2,058,192	\$ 273,188
Miscellaneous	-	-	-	-	-	-	\$ -
Investment Income	99	3,870	3,960	4,432	12,361	12,940	\$ (579)
Total Revenues	\$ 1,352,280	\$ 60,260	\$ 586,805	\$ 344,397	\$ 2,343,741	\$ 2,071,132	\$ 272,609
Expenditures:							
<u>Contracted Services</u>							
SPARK BA Direct Staffing	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 420,000	\$ 420,000	\$ -
Phase II (Due Diligence)	4,200	2,200	6,250	6,250	18,900	25,000	\$ 6,100
Phase III (Intensive Service)	125,850	78,348	137,500	137,500	479,198	550,000	\$ 70,802
Phase IV (Accelerating Opportunities)	26,775	850	18,750	18,750	65,125	75,000	\$ 9,875
Business Networking Events	11,430	9,938	10,000	10,000	41,368	40,000	\$ (1,368)
Entrepreneurial Education	2,907	6,770	15,625	15,625	40,927	62,500	\$ 21,573
Entrepreneurs Bootcamp	12,500	6,000	12,500	12,500	43,500	50,000	\$ 6,500
Internship Support & Talent Training	36,650	56,730	50,000	50,000	193,379	200,000	\$ 6,621
Business Software for Clients	5,247	6,449	5,000	5,000	21,696	20,000	\$ (1,696)
Total Contracted Services	330,558	272,285	360,625	360,625	1,324,094	\$ 1,442,500	\$ 118,406
<u>SPARK Indirect Services</u>							
SPARK Central Business Incubator	47,557	56,966	50,000	50,000	204,523	\$ 200,000	\$ (4,523)
SPARK Central Incubator Expansion	-	-	7,500	7,500	15,000	\$ 30,000	\$ 15,000
SPARK Accounting	17,125	17,125	17,125	17,125	68,500	68,500	\$ 0
SPARK Marketing	17,866	27,809	37,500	37,500	120,675	150,000	\$ 29,325
	82,548	101,900	112,125	112,125	408,698	\$ 448,500	\$ 39,802
<u>City of Ann Arbor Services</u>							
Legal & Admin. Support	12,774	9,804	10,834	23,406	56,818	89,271	\$ 32,453
Total Expenditures	\$ 425,881	\$ 383,989	\$ 483,584	\$ 496,156	\$ 1,789,610	\$ 1,980,271	\$ 190,661
Net Increase/Decrease	\$ 926,399	\$ (323,729)	\$ 103,221	\$ (151,759)	\$ 554,132	\$ 90,861	\$ 463,271
Memo:							
Fund Balance (6/30/2014)	\$ 905,766						
Fund Balance - Operations (Qtr End)	\$ 1,832,165	\$ 1,508,436	\$ 1,611,657	\$ 1,459,898	\$ 1,459,898	\$ 996,627	
Microloan: available to be loaned	\$ 237,245	\$ 248,285	\$ 237,374	\$ 164,849			

Category	Mo.	Fiscal Year		Qtr	Measureable		Amount
		Incurred	Billed		Unit Descrip.	Number	
SPARK BA Direct Staffing	July	1	2014	1	Direct Staff		\$ 35,000.00
Phase II (Due Diligence)	July	1	2014	1	Hours	32.00	\$ 3,200.00
Phase III (Intensive Service)	July	1	2014	1	Hours	296.15	\$ 29,727.50
Phase IV (Accelerating Opportuniti	July	1	2014	1	Hours	250.00	\$ 25,000.00
SPARK Central Business Incubato	July	1	2014	1	Facility Exp		\$ 12,786.44
SPARK Accounting	July	1	2014	1	Accting Svc		\$ 5,708.33
SPARK Marketing	July	1	2014	1	Marketing		\$ 3,138.76
Entrepreneurial Education	July	1	2014	1	Events		\$ 448.00
Business Networking Events	July	1	2014	1	Events		\$ 4,085.61
Internship Support & Talent Trainir	July	1	2014	1			\$ 14,016.23
Legal & Admin. Support	July	1	2014	1	Legal - TIF extension		\$ 1,770.00
SPARK BA Direct Staffing	Aug	1	2014	1	Direct Staff		\$ 35,000.00
Phase II (Due Diligence)	Aug	1	2014	1	Hours	32.00	\$ 1,000.00
Phase III (Intensive Service)	Aug	1	2014	1	Hours	296.15	\$ 82,038.58
Phase IV (Accelerating Opportuniti	Aug	1	2014	1	Hours	250.00	\$ 675.00
SPARK Central Business Incubato	Aug	1	2014	1	Facility Exp		\$ 18,080.50
SPARK Accounting	Aug	1	2014	1	Accting Svc		\$ 5,708.33
SPARK Marketing	Aug	1	2014	1	Marketing		\$ 4,845.79
Entrepreneurial Education	Aug	1	2014	1	Events		\$ 349.00
Business Networking Events	Aug	1	2014	1	Events		\$ 3,668.98
Internship Support & Talent Trainir	Aug	1	2014	1			\$ 13,697.38
Business Software for Clients	Aug	1	2014	1			\$ 1,497.00
Legal & Admin. Support	Aug	1	2014	1	Legal - TIF extension		\$ 2,925.00
SPARK BA Direct Staffing	Sept	1	2014	2	Direct Staff		\$ 35,000.00
Phase III (Intensive Service)	Sept	1	2014	2	Hours	132.65	\$ 14,083.75
Phase IV (Accelerating Opportuniti	Sept	1	2014	2	Hours	11.00	\$ 1,100.00
SPARK Central Business Incubato	Sept	1	2014	2	Facility Exp		\$ 16,690.35
SPARK Accounting	Sept	1	2014	2	Accting Svc		\$ 5,708.33
SPARK Marketing	Sept	1	2014	2	Marketing		\$ 9,881.65
Entrepreneurial Education	Sept	1	2014	2	Events		\$ 2,110.00
Business Networking Events	Sept	1	2014	2	Events		\$ 3,675.04
Internship Support & Talent Trainir	Sept	1	2014	2			\$ 8,936.01
Entrepreneurs Bootcamp	Sept	1	2014	2			\$ 12,500.00
Business Software for Clients	Sept	1	2014	2			\$ 3,750.00
Legal & Admin. Support	Sept	1	2014	1	Legal: Adrian-Techumseh aç	3.75	\$ 1,125.00

Category	Mo.	Fiscal Year		Qtr	Measureable		Amount
		Incurred	Billed		Unit Descrip.	Number	
SPARK BA Direct Staffing	Oct	2	2014	2	Direct Staff		\$ 35,000.00
Phase II (Due Diligence)	Oct	2	2014	2	Hours	11.50	\$ 1,150.00
Phase III (Intensive Service)	Oct	2	2014	2	Hours	370.80	\$ 50,372.22
Phase IV (Accelerating Opportuniti	Oct	2	2014	2	Hours	6.00	\$ 600.00
SPARK Central Business Incubato	Oct	2	2014	2	Facility Exp		\$ 18,874.84
SPARK Accounting	Oct	2	2014	2	Accting Svc		\$ 5,708.33
SPARK Marketing	Oct	2	2014	2	Marketing		\$ 6,812.83
Entrepreneurial Education	Oct	2	2014	2	Events		\$ 2,338.28
Business Networking Events	Oct	2	2014	2	Events		\$ 2,862.07
Internship Support & Talent Trainir	Oct	2	2014	2			\$ 14,244.11
Entrepreneurs Bootcamp	Oct	2	2014	2	matching funds		\$ 6,000.00
SPARK BA Direct Staffing	Nov	2	2014	2	Direct Staff		\$ 35,000.00
Phase II (Due Diligence)	Nov	2	2014	2	Hours	0.50	\$ 50.00
Phase III (Intensive Service)	Nov	2	2014	2	Hours	148.00	\$ 15,730.66
Phase IV (Accelerating Opportuniti	Nov	2	2014	2	Hours	2.50	\$ 250.00
SPARK Central Business Incubato	Nov	2	2014	2	Facility Exp		\$ 16,137.74
SPARK Accounting	Nov	2	2014	2	Accting Svc		\$ 5,708.33
SPARK Marketing	Nov	2	2014	2	Marketing		\$ 13,408.46
Entrepreneurial Education	Nov	2	2014	2	Events		\$ 2,065.00
Business Networking Events	Nov	2	2014	2	Events		\$ 4,375.14
Internship Support & Talent Trainir	Nov	2	2014	2			\$ 15,832.49
SPARK BA Direct Staffing	Dec	2	2014	3	Direct Staff		\$ 35,000.00
Phase II (Due Diligence)	Dec	2	2014	3	Hours	10.00	\$ 1,000.00
Phase III (Intensive Service)	Dec	2	2014	3	Hours	133.70	\$ 12,245.00
SPARK Central Business Incubato	Dec	2	2014	3	Facility Exp		\$ 21,953.20
SPARK Accounting	Dec	2	2014	3	Accting Svc		\$ 5,708.33
SPARK Marketing	Dec	2	2014	3	Marketing		\$ 7,587.55
Entrepreneurial Education	Dec	2	2014	3	Events		\$ 2,366.80
Business Networking Events	Dec	2	2014	3	Events		\$ 2,701.18
Internship Support & Talent Trainir	Dec	2	2014	3			\$ 26,653.17
Business Software for Clients	Dec	2	2014	3			\$ 6,449.33
SPARK Central Incubator Expansi	Dec	2	2014	3	Lease subsidy		
Legal & Admin. Support	Dec	2	2014	3	TIF Extension		\$ 2,850.00

**L DFA SmartZone
Budget Timing Plan for FY2016**

	<u>Date Due</u>
Tax Capture Revenue estimates provided to Board	1/13/2015
L DFA Board meeting - Committee recommended budget approved by Board	3/17/2015
Draft Budget (City of Ann Arbor) sent out for printing	3/27/2015
April L DFA Board meeting	4/14/2015
Delivery of draft budget to Council - Council Work Session	4/20/2015
Council Work Session	TBD
Final Budget to City Council	5/18/2015

Ann Arbor/Ypsilanti SmartZone LDFA -- FY2016 Budget & FY2017 Plan

	Actual FY2013	Actual FY2014	Budget FY2015	FY2015 Estimate	City Recommended Request FY2016	City Recommended Projected FY2017	Comments
REVENUES							
Tax Revenue	\$ 1,546,577	\$ 1,964,393	\$ 2,058,192	\$ 2,331,380	\$ 2,538,288	\$ 2,747,093	
Investment Income	(4,359)	17,090	12,940	12,940	15,022	16,419	
Total Revenue	\$ 1,542,218	\$ 1,981,483	\$ 2,071,132	\$ 2,344,320	\$ 2,553,310	\$ 2,763,512	
EXPENDITURES							
<u>Business Accelerator Support Services</u>							
SPARK Business Accelerator Direct Staffing	\$ 337,000	\$ 400,000	\$ 420,000	\$ 420,000	\$ 432,600	\$ 445,600	+3%
Phase II - Due Diligence	16,891	8,935	25,000	25,000	25,000	25,000	
Phase III - Intensive Service	541,958	524,262	550,000	550,000	550,000	550,000	
Phase IV - Accelerating Opportunities	82,044	30,426	75,000	75,000	75,000	75,000	
Sub-Total	977,893	963,623	1,070,000	1,070,000	1,082,600	1,095,600	
Business Networking Events	47,090	38,892	40,000	40,000	40,000	40,000	
<u>Entrepreneur Education</u>							
Education Classes	29,870	33,115	62,500	62,500	62,500	62,500	
Bootcamp	39,000	41,000	50,000	50,000	50,000	50,000	
Sub-Total	68,870	74,115	112,500	112,500	112,500	112,500	
Internship Support & Talent Training	55,851	114,012	200,000	200,000	200,000	200,000	
Business Software Access for Clients	7,330	16,497	20,000	20,000	20,000	20,000	
SPARK Central Incubator Operating Exp	165,892	190,113	200,000	200,000	206,000	212,200	+3%
Incubator Expansion		131,412	30,000	30,000			
<u>SPARK Indirect Services</u>							
SPARK Accounting	65,086	67,000	68,500	68,500	70,600	72,700	+3%
Marketing	64,433	72,127	150,000	150,000	150,000	150,000	
Sub-Total	129,519	139,127	218,500	218,500	220,600	222,700	
<u>City of Ann Arbor Indirect Services</u>							
Legal & Admin Support	29,030	57,431	89,271	89,271	97,700	74,300	City support +attorney/audit \$20k +metrics study \$25k
Total Operating Expenditures	\$ 1,481,475	\$ 1,725,222	\$ 1,980,271	\$ 1,980,271	\$ 1,979,400	\$ 1,977,300	
Net Increase (Use) of Fund Balance	\$ 60,743	\$ 256,261	\$ 90,861	\$ 364,049	\$ 573,910	\$ 786,212	
Beginning Fund Balance	\$ 588,762	\$ 649,505	\$ 905,766	\$ 905,766	\$ 1,269,815	\$ 1,843,725	
Ending Fund Balance	\$ 649,505	\$ 905,766	\$ 996,627	\$ 1,269,815	\$ 1,843,725	\$ 2,629,937	
Fund balance as % of expenditures	44%	53%	50%	64%	93%	133%	

Second Quarter 2014-2015

\$138K
Support
for
companies



68
Companies
Served



6
Companies
Created



10
jobs created

Jobs

201
current FTEs



662
Event
Attendees



**Funds
Raised**
\$6.1 M
investments & grants

Ann Arbor SPARK works to advance the economy of the Ann Arbor region by establishing the area as a desired place for business expansion and location... by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations. For more information visit: www.annarborusa.org

SPARK@nn arbor usa

Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority

Ann Arbor SPARK Quarterly Report • October 1, 2014 – December 31, 2014

Companies Created

The following companies were created as a result of our involvement per the definition listed in the glossary.

Uniq ID	Company Description
7209	Data matching between mobile and online usage to enable personalization of Ads and CRM in the mobile space.
7238*	Comprehensive map and donation mobile app platform for museums.
7251*	Mental health and wellness mobile phone application.
7274	Platform to connect local experts with travelers searching for travel plans.
7275	Online personal family assistant and organization / coordination tool.
7039*	Device to help ill-fitting heels.

Boot Camp

Ann Arbor SPARK held the kickoff of its 25th Entrepreneur Boot Camp on September 16th. The actual event took place October 8th and 9th at The Kensington Court in Ann Arbor. Boot Camp integrates the Lean Startup Methodology into its curriculum to help our early stage companies assess and validate the feasibility of their business concept, build their business model, and find beta customers. Companies are guided by a “drill instructor” and are matched with mentors to assist with their pressing start-up needs and to share resources in their industries. A father-son medical device team won Best of Boot Camp.

Uniq ID	Company Description
7253	Accounting software.
6775#	Student loan marketplace and clearinghouse for best deals.
7251#*	Mental health and wellness mobile phone application.
7240	Integrated Supermarket purchasing and ordering app.
3118#	Joint venture to develop foams using non-petroleum sources, particularly in life science industry.
7223#^	Online service highlighting current Investment opportunities looking for funding.
7241#	Legal e-billing and matter management system.
7224	Adhesive medical strips to organize and hold surgical equipment.
7208	App that allows users to order food and drinks within a business.
6670	Smartphone integrated video doorbell.
7238#*	Comprehensive map and donation mobile app platform for museums.
7252	Smart helmet designer.

*University of Michigan Technology

#Received LDFA funding

^Company Created

Work Accomplished

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

Five Phase I companies were referred out due to their location or not meeting business type criteria; four were located outside the Ann Arbor City limits.

The following companies received Phase II Due Diligence assistance this quarter:

Uniq ID	Company Description	FTE	Billed Support
7039*	Patent-pending mass-market insole for heels that increase stability and comfort.	1	\$150
7260	Brings high power cloud computing to consumers and small firms.	2	\$1,000
4476	Maker of mobile handwriting tutoring app.	1	\$1,000
7238*	Comprehensive map and donation mobile app platform for museums.	2	\$50
Grand Totals (4 records)		6	\$2,200

The following companies received Phase III level support:

Company Description	Project Description	FTE	Billed Support
4115 (2 records)		2	\$2,500
Predictive transportation algorithm company developing SaaS products and integrable web services for transportation and logistics industries.	Updated and validated Business Model Canvas, Go-to-Market plan, pitch deck and script.		\$1,000
			\$1,500
4476 (2 records)		1	\$3,500
Maker of mobile handwriting tutoring app.	App marketing development support, investor relations support and diligence materials for loan programs.		\$2,500
			\$1,000
6355 (1 record)		1	\$2,410
Urban revitalization application- community targeted donation, tracking platform.	Financial modeling, investor pitch, funding strategy.		\$2,410
6358 (2 records)		3	\$9,630
Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	Product design validation testing, and software calibration.		\$2,795
	Industrial product testing: Abrasion, drop, tensile, and cycle.		\$6,835
6600 (1 record)		2	\$10,000
Medical device for vision enhancement in persons with partial loss of sight.	Regulatory pathway guidance, revised business plan & slide deck.		\$10,000

6775 (1 record)		2	\$125
Student loan marketplace and clearinghouse for best deals.	Research viability of platform, identify beta testers, assist with pitch to targets.		\$125
6804 (2 records)		2	\$4,000
Supply Chain Decision Making platform that can visualize and compare supply chain ideas in real-time.	Business and marketing plan preparation and coaching.		\$3,000
			\$1,000
6834 (3 records)		1.5	\$9,275
Developer and manufacturer of high-resolution sensors used for near real-time diagnostics in Food pathogen testing.	Research chemical coating processes for antibody probes & recommend the best approach; Investigate chemical coating companies and validate cost models for Upland in volume; Quantify current biotin/avidin binding efficiency utilizing antibody probes.		\$3,375
			\$5,820
	Fundraising, development plan, pitch deck.		\$80
6859 (2 records)		4.5	\$2,266
Proprietary learning platform to sell professional development training courses.	Videos, animation, website development.		\$525
			\$1,742
6867 (2 records)		1	\$3,500
Workstation with waste grinder and proprietary high-pressure waste micronizer, reducing the particle size of food waste making it highly digestible to bacteria.	Collateral to hand out at BioCycle Conference; track and follow-up with qualified leads, Google analytics before/after report, USPTO-ready submission materials.		\$2,000
			\$1,500
6894 (1 record)		5	\$10,000
Rental housing marketplace and payment aggregation platform for college students.	Front-end design for new website, focusing on CSS, Ember, and JavaScript. Push code to GitHub repository every week.		\$10,000
6919 (1 record)		4	\$1,000
Internet-based program to manage stress.	Assessment of key opportunities based on external audit and competitive assessment.		\$1,000
7074 (1 record)		2.5	\$795
Risk assessment and communication app for surgeons, and pre-surgical intervention programs.	LLC formation, nondisclosure, independent contractor, non-solicitation, noncompete, beta test, license agreements.		\$795
7098 (1 record)		13	\$250

Provides commerce and web-based solutions. Complex web development and ERP integration.	Implement Entrepreneurial Operating System, redefine company story, strategic marketing plan, tactical communications & marketing materials, HR policies and procedures to support existing employees and growth.		\$250
7103 (2 records)		1	\$1,149
Package that allows for single-handed consumption of packaged foods.	LLC formation, operating agreement, nondisclosure, independent contractor agreements, trademark registration.		\$740
			\$409
7117 (1 record)		1	\$6,453
Novel data processing algorithms and curated genetic database. Software as a service.	User interface and user experience work on website.		\$6,453
7147 (2 records)		3	\$3,370
Extreme sport and arena creator.	Funding strategy, investor pitch, venture capital networking.		\$3,120
	Business plan, investor pitch, funding strategy.		\$250
7154 (3 records)		2	\$8,375
Software to manage the capture and remote analysis of retinal images to diagnose eye diseases.	Business planning, budgeting, liaise with IT contractor, support technical, scientific, and business teams.		\$3,775
			\$3,325
			\$1,275
Grand Totals (30 records)		51.5	\$78,598

*Denotes University of Michigan technology or UM student team

The following company received Phase IV support:

Project Description	Company Description	FTE	Billed Support
Uniq ID: 2338		13	\$850
Provides commerce and web-based solutions. Complex web development and ERP integration.	Implement Entrepreneurial Operating System; redefine company story, strategic marketing plan, tactical communications & marketing materials, HR policies and procedures to support existing employees and growth.	13	\$850
Grand Totals (1 record)		13	\$850

SPARK Central Incubator

Stage One – Ground Floor

Incubator clients are charged a license fee per seat, or person(s) using the space. Total number of seated clients (those in a cubicle with secure space and full privileges) in the Lower Level of SPARK Central has increased from five to seven companies this quarter. With eleven seats occupied, 79% of capacity is filled, including the coveted private suite. Currently, SPARK is pursuing strategies to restore the incubator to full occupancy.

Uniq ID	Company Description	Start Date	Exit Date	Incubator Seats	FTE
0428*	Alternate energy from tidal currents.	1/1/14	12/31/14	1	5
4243	Website for building construction project, repair and supply bids.	7/18/11	12/31/14	1	1
6816	Cloud based SaaS that provides hourly operational instructions to energy system operators.	10/4/13	12/31/14	2	7
6867	Workstation with waste grinder and proprietary high-pressure waste micronizer, reducing the particle size of food waste making it highly digestible to bacteria.	12/1/14	5/31/15	1	1
7070	Web and mobile platform that allows individuals to find their impact on public health outcomes from fossil fuel pollution.	5/16/14	3/31/15	1	1
7275	Online personal family assistant and organization / coordination tool.	10/27/14	12/31/14	1	2
7336*#	Supply chain software.	12/29/14	6/29/15	4	1.5
Grand Totals (7 records)				11	18.5

*Denotes University of Michigan technology or UM student team

Client occupies private suite within incubator. Suite is counted as four seats for billing and occupancy purposes. This area is suited for rapidly expanding startups, and those with additional privacy needs.

Stage Two – Third Floor

There were three companies that occupied the shared space of the Stage Two Incubator during Q2. One of the companies added five employees this quarter, including a key hire from Facebook. Due to the open layout of the space, clients are free to expand as needed while “seats” only correspond to their billed rate.

Uniq ID	Company Description	Start Date	Exit Date	Incubator Seats	FTE
4472*	An online platform that empowers college students to showcase their work and skills to startups.	10/17/13	6/30/15	8	22
4547	Advanced nanofabrication methods and a novel three-dimensional (3D) approach to sensor assembly.	2/1/14	1/31/15	4	7
4791	Consolidated event planning and management software platform.	9/26/13	9/30/14	4	8
Grand Totals (3 records)				16	37

*Denotes University of Michigan technology or UM student team

Exit dates may have passed due to data pull bisecting the renewal process.

Virtual Clients

Uniq ID	Company Description	Start Date	Exit Date	FTE
271	Risk Management- IT security company.	7/1/10	12/31/14	3
338	Information and news aggregator and filter.	7/1/10	6/30/15	1
386	Vision Technology w/ Sports applications.	8/1/13	2/1/15	6
1282*	Developer of technologies that enable integrated and standardized assessments of blood damage, particularly for red blood cells.	7/1/10	6/30/15	4
2550	Patent adviser.	7/1/10	6/30/15	1
2821	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time.	9/1/10	1/31/15	2
2854	Michigan state incubator association.	6/7/11	1/6/15	0.5
3060*	Minimally Invasive Surgical (MIS) tools that provide the surgeon with greater control and intuition.	7/1/14	12/31/14	3
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants.	3/1/12	6/30/15	4
3637	Therapeutic for treatment of retinal diseases.	8/1/13	1/31/15	4
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions.	5/13/11	6/30/15	2.5
4566	Provides mobile applications for large travel destinations.	5/10/12	12/31/14	1
5557	Digital Marketing Intelligence.	7/1/12	12/31/15	3
6245	Magnetic motor, which is more efficient than current technologies.	5/1/13	12/31/14	2
6260	Photonics industry association.	10/19/13	2/18/15	3
6285*	Autonomous aerial vehicles for infrastructure inspection.	11/18/14	5/18/15	7
6356	A new marketing-based, platform-agnostic, real-time media alert solution.	2/1/13	4/30/15	1
6357	Gives musicians the opportunity to compete against one another and book gigs, while increasing their fan base.	9/3/13	3/31/15	3
6545	Software platform applies predictive analytics to strategic decisions regarding intellectual property management.	2/1/14	3/31/15	2
6589	FDA-approved light therapy device to treat pain.	8/21/13	12/31/14	2
6600	Medical device for vision enhancement in persons with partial loss of sight.	6/1/13	2/28/15	2
6635	A VIP lead generation service for the disaster restoration industry.	11/1/14	5/1/15	3
6778	On-line seeker-solver network that allows Start-up Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions.	6/10/14	6/30/15	3
6941	Super-oxygenation system for waste water. It accelerates the growth of the bacteria that consumes organic waste.	2/1/14	12/31/14	2.5
7039	Device to help ill-fitting heels	12/1/14	5/31/15	1

Uniq ID	Company Description	Start Date	Exit Date	FTE
7046	Electronics based metering and power line communication.	4/1/14	6/30/15	1
7153	Brain Imaging Service to assist in the development of medications or medical devices for the central nervous system.	7/1/14	6/30/15	1
271	Risk Management- IT security company.	7/1/10	12/31/14	3
Grand Totals (27 records)				68.5

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Hosted Networking and Educational Events

Event Name	Date	Place of Event	Approx. # of attendees		Purpose of Event	Live-Streaming Views	Archived Views
			Entrepreneurs	Total			
Engineering Career Fair	09/25/14	Kensington Court Hotel	12	192	<u>Description:</u> SPARK Job Fair - Engineering and Advanced Technology is an informal job fair aimed at connecting seasoned professionals and recent graduates or in-between careers talent with local companies that are looking to grow. Join Ann Arbor SPARK for your opportunity to work in one of the 100 open positions being offered at this job fair.	NA	NA
Michigan Energy Forum	10/2/2014, 11/6/2014	SPARK - Central	19	59	<u>Speakers:</u> Laura Palombi (Moderator) Clean Energy Coalition; Don Manfredi, ROUSH Clean Tech; Chuck Salley, NextCAT, Inc. and Bob Mossing, Current Motor. Ian Stines (Moderator) General Motors Corporation; Erin C. Duckett, Workforce Development Agency, State of MI; John Sarver, Gr. Lakes Renewable Energy Assoc. and Alan Lecz, Workforce Intelligence Network of SE MI. <u>Description:</u> This is a monthly panel discussion and networking event to facilitate collaboration and networking among practitioners, policy makers, investors and professionals.	5	13

Event Name	Date	Place of Event	Approx. # of attendees		Purpose of Event	Live-Streaming Views	Archived Views
			Entrepreneurs	Total			
Ann Arbor OpenCoffee	10/14/2014, 11/11/2014, 12/9/14	SPARK - Central	45	72	<u>Description:</u> This is a networking event for entrepreneurs, investors and those who work with innovative businesses. Come mingle with fellow community members while enjoying a bagel and coffee. Whether you are looking to meet potential employers, employees, new business partners, or just simply want to expand your networks, this event fosters connections on all levels. OpenCoffee is held monthly on the second Tuesday at SPARK Central.	NA	NA
Michigan Marketing Minds	10/14/2014, 11/14/14, 12/09/14	SPARK - Central, Menlo Innovations - 505 E. Liberty, LL500	19	36	<u>Speakers:</u> Sam Fine, Intermedia, LLC (Moderator) and Tim McIntyre, Domino's Pizza./ Sean Hickey, PWB Marketing Communications (Moderator), Tim Busche, Envision Health, Bud Gibson, Eastern Michigan University and Jon Heidorn, Siemens PLM Software./ Rich Sheridan, Menlo Innovations, Kieron Hales, Zingerman's Cornman Farms, Phil Brabbs, Torrent Consulting and Natte Aschenbach, GameStart School. <u>Description:</u> This is a monthly panel discussion and networking event to facilitate collaboration and networking among practitioners, policy makers, investors and professionals.	3	22
Business Law & Order	10/20/14	SPARK - Central	66	149	<u>Speaker:</u> Joseph R. Morrison, Jr., Honigman, Miller, Schwartz & Cohn <u>Description:</u> Business Law & Order Series will give entrepreneurs insight into some of the most important legal issues they must consider during business formation.	4	40
BioArbor	11/05/14	SPARK - Central	41	76	<u>Speakers:</u> Bill Cadwallder, PATH and Bruce Markham, PhD, Diapin Therapeutics. /BioArbor hosts educational networking events for the life sciences industry in the Greater Ann Arbor Area. Each meeting features a networking session and an invited speaker(s) followed by a Q&A session.	1	4

Event Name	Date	Place of Event	Approx. # of attendees		Purpose of Event	Live-Streaming Views	Archived Views
			Entrepreneurs	Total			
Committee Appreciation Lunch	12/11/14	SPARK - Central	3	26	Description: To show our appreciation, let us treat you to lunch and give you an opportunity to network with the other members of SPARK event committees.	NA	NA
SPARK Central Incubator Tenant Lunch	12/04/14	SPARK - Central	13	27	Description: This is a networking event for SPARK staff and Incubator tenants to share updates, milestones and successes with one another and with the Marketing Dept. and Jenn Cornell Public Relations, and to make introductions.	NA	NA
Business Accelerator Consultants Meeting	11/21/14	SPARK - Central	14	25	Description: Monthly Business Accelerator Consultants meeting to update consultants on SPARK and review projects.	NA	NA
Totals			232	662		13	79

Microloans

Accurate as of 12/31/14

L DFA Funds received	\$950,000
Micro Loans Given Out	\$(1,213,461)
Repayments	\$371,844
Misc. Expenses	\$(6,058)
Bank Balance	\$102,326

Number of Loans to Date	Total Value of Loans Provided to Date	# Of Loans Written Off in Full	# Of Loans Partially Written Off	Value of Loans Written Off – Including Interest	Loans Paid Back in Full	Partial Payments of Loans	Loan Amount Repaid to Date – Including Interest
36	\$1,213,461	5	3	\$181,177	6	4	\$371,844

Microloan Notes:

- Total loans due is \$923,887, including interest accrued through 12/31/2013.
- Amount available to lend is \$102,326.
- Total current FTE for microloan companies: 146.5.
- Jobs retained during the term of the loans: 76, jobs created: 63.
- During this contract quarter, there were 3 applicants; all of which were approved for a loan. We dispersed funds to:
 - Arborlight (\$50,000)
 - Turtle Cell (\$20,000 – second tranche)
 - Pop Post (\$25,000 – second tranche)

Internship & Entrepreneur-In-Residence Programs

Entrepreneur-In-Residence Program

This quarter, four companies were engaged in the entrepreneur-in-residence program. This program is designed to attract and retain C-level individuals in the community by leveraging their talent and experience to add substantial value to our companies.

Uniq ID	Company Description	Billed Support	FTE
6897	Software for transforming a group of manuscript files. Digital publishing.	\$8,265	1
6354	Mobile vending of concessions.	\$24,000	3
6834*	Developer and manufacturer of high-resolution sensors used for near real-time diagnostics in Food pathogen testing.	\$4,920	1.5
0428*	Alternate energy from tidal currents.	\$16,000	5
Grand Totals (4 records)		\$53,185	10.5

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Intern Program

The Ann Arbor SPARK internship program provides up to \$3000 of matching funds to a qualified, growing company to assist with the short-term costs of bringing on additional staff. This provides a de-risked way to try out a potential permanent addition to the team- an opportunity that is invaluable during the pivotal period of initial hires. Often the talent is retained at the company after the culmination of the program. Special consideration is given to applicants who are considering moving to Ann Arbor from another tech hub, or have skillsets in high demand.

While originally conceived as a summer program, it continues to meet the needs of start-ups year round. One innovation made this quarter is dividing the fixed budget per company between two interns. This modification has been met with great success, as the client company was able to leverage two different skill sets to tackle two interrelated projects.

Uniq ID	Company Description	Billed Support	FTE
6621	A platform for tool owners to lease their tools to nearby renters in their area.	\$750	2
6778	On-line seeker-solver network that allows Start-up Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions.	\$1890	3
Grand Totals (2 records)		\$2,640	5

Funds raised

Grants awarded and private equity raised in the quarter by companies served with LDFA dollars.

Uniq ID	Source	Total Amount (\$)
Type: Private Equity (3 records)		\$2,815,437
7032	eLab's first seed deal.	\$150,000
362	Series B, unknown participants.	\$2,640,437
6800*	PSF 2.0	\$25,000
Type: Grant (11 records)		\$3,285,000
4803*	AMIC Medical Device Runner Up	\$25,000
1282*	SBIR NIH Phase 1	\$200,000
7039*	AMIC Student 2nd Place	\$5,000
6894	AMIC 1st Runner Up	\$100,000
2679	AMIC Life Science Runner Up	\$25,000
4076*	Phase II SBIR Nat Eye Institute	\$1,370,000
5091	AMIC IT Runner Up	\$25,000
6285*	AMIC Grand Prize	\$500,000
6535	AMIC Alternative Energy Runner Up	\$25,000
6358*	AMIC People's Choice	\$10,000
0428*	SBIR Phase 1	\$1,000,000
Grand Totals (14 records)		\$6,100,437

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Quarterly Marketing Metrics

Metric	Quarter 2	Yearly Goal	YTD Progress Toward Goal	Rationale
Newsletter Open Rate	23%	20%	Exceeded by 3 points	Exceed industry standard (18%) by 2%.
Entrepreneurial Services Webpage Views	41,829	53,211	149%	Increase Page Views to ES by 3,000 annually above 2013-2014 fiscal year.
Webpage Visits by Ann Arbor Residents	15,013	64,072	49%	Increase visits to the website from Ann Arbor overall by 5,000 annually over 2013-2014 fiscal year.
Social Media Referrals	955	3,297	61%	Increase visits from Ann Arbor to website from social media by 500 visits above 2013-2014 fiscal year.
Video Views	1,352	4,506	45%	Increase video plays from Michigan by 500 annually above 2013-2014 fiscal year.
PR Placements	5	36	25%	Increased mentions of Ann Arbor startups in local, regional, and national news publications.

Software

During this quarter, the software line in our budget was used to subscribe to a software service on behalf of our clients, and to pay for a consulting project as described below.

1. **In4Grants:** \$3,750 – Quarterly payment. Grant research, application, and coordination platform available to all incubator and accelerator clients for free.
2. **Torrent Salesforce Consultants:** \$2699 – First payment for a project re-engineering aspects of our Salesforce CRM database. The build out will support the collection, management, and reporting of more reliable and time-bound data. Functionality being created is identified as best practices via interviews with peer institutions in response to jobs audit results and suggestions.

Glossary

In an effort to reduce redundancy and unnecessary complication, SPARK and the LDFA keep definitions of terms consistent as between the LDFA and Michigan Economic Development Corporation. Included for clarity and reference are applicable definitions provided by the Michigan Economic Development Corporation:

Companies Served

The number of TECH companies that contractor provided intensive services to; including accelerator grants, incubator space, mentoring, consulting, training, etc.

Full-Time Equivalent

FTEs may or may not be paid and may be working for deferred compensation in cash or stock. They do not include interns or independent contractors.

Jobs Created

Number of jobs created by the companies that contractor served or are incubator clients; does not include contract positions.

Jobs Retained

Number of jobs retained by the companies that contractor served or are incubator clients; does not include contract positions. Basically includes the number of positions or employees at the companies that have been retained because of the funding from the incubator or because of the services that the incubator provided.

New Companies Created

Number of new companies created as a result of contractor's involvement. Companies can be defined as sole proprietorship, LLC, Corp, etc. Involvement can mean: 1) contractor provided services or funding to the company, 2) the company is located in contractor's incubator, 3) the company is a university spin-out, 4) contractor spoke with the newly formed company and provided them help with the next steps in building his/her company for example other resources, training classes, etc., or 5) contractor spoke with the CEO/CTO prior to the company formation.

Tech Company

A business in which research and development brings forth an innovative product or process. The innovation typically involves intellectual property that contributes to a strong competitive advantage in the marketplace, and serves as a foundation for a high rate of growth.