



**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**  
**MINUTES for January 14, 2014 – REGULAR BOARD MEETING**

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

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**Members Present:** Richard Beedon, Caryn Charter, Eric Jacobson, Carrie Leahy, Ned Staebler, Sally Petersen, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio, Paula Sorrell-MEDC Ex-officio

**Members Excused:** Vince Chmielewski, Stephen Rapundalo, Bilal Saeed

**Others Present:** Ken Bogan-City of Ann Arbor, Lori Emerson-SPARK, Bill Mayer-SPARK, Liz Perpich-SPARK, Kurt Riegger-Business Engines

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**I. CALL TO ORDER:**

Chair Leahy called the meeting to order at 8:25 am. A quorum was present.

**II. PUBLIC COMMENT:**

There was no public comment.

**III. APPROVAL OF THE AGENDA:**

Leahy moved, seconded by Jacobson, to approve the agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**IV. MOTIONS & RESOLUTIONS:**

**Minutes of the September 17, 2013 Regular Board Meeting:**

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

**Minutes of the October 15, 2013 Regular Board Meeting:**

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

**V. Unfinished Business:**

**Election of Vice-Chair**

Ned Staebler was nominated by Leahy, seconded by Jacobson. Appointment approved unanimously.

**VI. LDFA CHAIR'S REPORT:**

Chair Leahy introduced new board member Sally Petersen. Sally is filling the Ann Arbor City Council seat.

**VII. LDFA TREASURER'S REPORT:**

- a. Treasurer Jacobson presented the LDFA 2<sup>nd</sup> quarter FY2014 financial report.
- b. Treasurer Jacobson updated the board with the timing plan for preparing the FY2015, and the projected tax capture for FY2015. The board discussed ideas for the budget committee to consider in creating a recommendation for the FY2015 budget.

**VIII. REPORTS FROM SERVICE PROVIDERS:**

Simms presented the SPARK FY2014 2<sup>nd</sup> quarter report.

**IX. OTHER BUSINESS:**

- a. **Metrics committee update** - Beedon (chair) shared some ideas from the metrics committee.
- b. **Strategic planning committee update** – Simms updated the board on the status of the five and fifteen year extension efforts.
- c. **LDFA extension duration/satellite update** – Simms updated the board on the status of the five and fifteen year extension efforts.
- d. **SPARK Central Incubator expansion update** – Skip provided an update on the incubator expansion remodeling project.

**IX. ADJOURNMENT:**

Meeting was adjourned at 10:15 am.

Respectfully Submitted,  
Ken Bogan, for Recording Secretary Tom Crawford



## **LDFFA Board Meeting**

January 14, 2014

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. September 17, 2013 Regular Board Meeting**
  - b. October 15, 2013 Regular Board Meeting**
- V. Unfinished Business**
  - a. Election of Vice-Chair for FY2014**
- VI. LDFFA Chair's Report**
  - a. Introduction of new board member Sally Petersen**
- VII. LDFFA Treasurer's Report**
  - a. FY2014 2<sup>nd</sup> quarter financial report**
  - b. FY2015 Budget timing and projected tax capture**
- VIII. Reports from Service Providers**
  - a. SPARK FY2014 2<sup>nd</sup> quarter report**
- IX. Other Business**
  - a. Metrics committee update**
  - b. Strategic planning committee update**
  - c. LDFFA extension duration/satellite update**
  - d. SPARK Central Incubator expansion update**
- X. Motion to Adjourn**



**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**  
**MINUTES for September 17, 2013 – REGULAR BOARD MEETING**

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

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**Members Present:** Vince Chmielewski, Eric Jacobson, Carrie Leahy, Bilal Saeed, Christopher Taylor, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Richard Beedon, Stephen Rapundalo, Ned Staebler, Paula Sorrell-MEDC Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor, Alissa Carpenter-SPARK, Lori Emerson-SPARK, Johnnell LaFreniere-SPARK, Bill Mayer-SPARK, Liz Perpich-SPARK, Rosalyn Zator-MEDC

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**I. CALL TO ORDER:**

Treasurer Jacobson called the meeting to order at 8:22 am. A quorum was present.

**II. PUBLIC COMMENT:**

There was no public comment.

**III. APPROVAL OF THE AGENDA:**

Taylor moved, seconded by Leahy, to approve the agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**IV. MOTIONS & RESOLUTIONS:**

**Minutes of the July 16, 2013 Regular Board Meeting:**

Taylor moved, seconded by Leahy, to approve the minutes of the meetings in the form presented at this meeting. Motion approved unanimously.

**V. LDFA CHAIR’S REPORT:**

None.

**VI. LDFA TREASURER’S REPORT:**

Treasurer Jacobson stated the FY2014 expenditures were tracking appropriately; and the revised SPARK Central expansion plan was received.

**VII. REPORTS FROM SERVICE PROVIDERS:**

Simms presented the SPARK FY2013 annual report.

**VIII. OTHER BUSINESS:**

- a. **Election of officers for FY2014** - Jacobson nominated Carrie Leahy as Chair, seconded by Taylor. Motion approved unanimously. Election of Vice-chair deferred until the next meeting.
- b. **Committee Appointments** – The committee positions are as follows:
  - **Audit** – Jacobson (chair), Rapundalo, Chemielewski, Crawford
  - **Budget/Contract** – Jacobson (chair), Leahy, Taylor, Rapundalo, Simms
  - **Metric** - Beedon (chair), Staebler, Saeed, Crawford, Simms, Sorrell
  - **Strategic Planning** – Staebler (chair), Saeed, Chmielewski, Crawford, Simms, Beedon
- c. **Discussion on extension of SmartZone term and possible satellite** – Skip asked Roselyn Zator of the MEDC to discuss the draft of the MEDC’s 5 year and 15 year extension requirements. The draft is attached to the agenda packet. The Board held an extensive question and answer session with Ms. Zator. Of particular note is the requirement to create a satellite in order to obtain the 15 year extension.

Simms requested the board approve a proposal for the LDFA to pay up to \$7500 to pay Kuntzsch Business Services to write a proposal for a Blackstone grant. The \$7500 is to be funded from the LDFA Legal & Administration budget line. The grant, of up to \$250,000, would be used to assist in the MEDC required funding for starting a SmartZone satellite.

Jacobson moved, seconded by Taylor to fund the proposal as requested by Simms. Motion passed unanimously.

- d. **SPARK Central Incubator expansion** – Skip provided an update on the incubator expansion remodeling project.

**IX. ADJOURNMENT:**

Meeting was adjourned at 10:04 am.

Respectfully Submitted,  
Ken Bogan, for Recording Secretary Tom Crawford



**MINUTES – REGULAR BOARD MEETING  
October 15, 2013**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

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

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**Members Present:** Richard Beedon, Carrie Leahy, Bilal Saeed, Ned Staebler, Skip Simms-Accelerator Ex-officio, Paula Sorrell-MEDC Ex-officio

**Members Excused:** Vince Chmielewski, Eric Jacobson, Stephen Rapundalo, Christopher Taylor, Tom Crawford – Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor, Alissa Carpenter-SPARK, Lori Emerson-SPARK, Johnnell LaFreniere-SPARK, Bill Mayer-SPARK, Liz Perpich-SPARK, Kurt Riegger-Business Engines

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**I. CALL TO ORDER:**

A quorum was not present for the meeting. The board held an informal discussion about potential satellites, and then adjourned.

Respectfully Submitted,

Ken Bogan, for Recording Secretary Tom Crawford

Smart Zone LDFA  
**FY 2014 FINANCIAL SUMMARY**

December 31, 2013

						<b>BUDGET</b>	
	<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>
<b><u>INCOME STATEMENT</u></b>							
<b>Revenues:</b>							
Tax Revenue	\$1,182,137	\$ 22,035	\$ 406,832	\$ 406,832	\$2,017,835	\$1,645,397	\$ 372,438
Miscellaneous	-	-	-	-	-	-	\$ -
Investment Income	2,897	2,970	2,504	2,418	10,789	10,250	\$ 539
<b>Total Revenues</b>	<b>\$1,185,033</b>	<b>\$ 25,005</b>	<b>\$ 409,336</b>	<b>\$ 409,250</b>	<b>\$2,028,624</b>	<b>\$1,655,647</b>	<b>\$ 372,977</b>
<b>Expenditures:</b>							
<b><u>Contracted Services</u></b>							
SPARK BA Direct Staffing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 400,000	\$ 400,000	\$ 0
Phase II (Due Diligence)	3,635	1,200	6,250	6,250	17,335	25,000	\$ 7,665
Phase III (Intensive Service)	141,199	111,199	125,000	125,000	502,398	500,000	\$ (2,398)
Phase IV (Accelerating Opportunities)	-	5,426	18,750	18,750	42,926	75,000	\$ 32,074
Micro Loan Program for Entrepreneurs	-	-	-	-	-	-	\$ -
Business Networking Events	11,067	7,187	10,000	10,000	38,254	40,000	\$ 1,746
Entrepreneurial Education	4,365	7,953	12,500	12,500	37,317	50,000	\$ 12,683
Entrepreneurs Bootcamp	22,500	-	25,000	-	47,500	50,000	\$ 2,500
Cantillon Web Based Education	-	-	-	-	-	-	\$ -
Internship Support & Talent Training	30,400	34,663	25,000	25,000	115,062	100,000	\$ (15,062)
Business Software for Clients	1,497	7,500	5,000	5,000	18,997	20,000	\$ 1,003
<b>Total Contracted Services</b>	<b>314,662</b>	<b>275,128</b>	<b>327,500</b>	<b>302,500</b>	<b>1,219,790</b>	<b>\$1,260,000</b>	<b>\$ 40,210</b>
<b><u>SPARK Indirect Services</u></b>							
SPARK Central Business Incubator	41,516	49,030	42,500	42,500	175,546	\$ 170,000	\$ (5,546)
SPARK Central Incubator Expansion	73,945	45,480	30,288	30,288	180,000	\$ 180,000	\$ -
SPARK Accounting	16,750	16,750	16,750	16,750	67,000	67,000	\$ 0
SPARK Marketing	11,453	23,737	18,750	18,750	72,690	75,000	\$ 2,310
	143,664	134,998	108,288	108,288	495,236	\$ 492,000	\$ (3,236)
<b><u>City of Ann Arbor Services</u></b>							
Legal & Admin. Support	11,088	7,675	6,775	22,517	48,056	62,892	\$ 14,836
<b>Total Expenditures</b>	<b>\$ 469,413</b>	<b>\$ 417,800</b>	<b>\$ 442,563</b>	<b>\$ 433,305</b>	<b>\$1,763,082</b>	<b>\$1,814,892</b>	<b>\$ 51,810</b>
<b>Net Increase/Decrease</b>	<b>\$ 715,620</b>	<b>\$ (392,795)</b>	<b>\$ (33,227)</b>	<b>\$ (24,055)</b>	<b>\$ 265,542</b>	<b>\$ (159,245)</b>	<b>\$ 424,787</b>
<b>Memo:</b>							
Fund Balance (6/30/2013)	\$ 649,505						
Fund Balance - Operations (Qtr End)	\$ 1,365,125	\$ 972,330	\$ 939,102	\$ 915,047	\$ 915,047	\$ 490,260	

Category	Mo.	Fiscal Year		Measureable		
		Incurring	Billed	Unit Descrip.	Number	Amount
SPARK BA Direct Staffing	July	1	2014	1	Direct Staff	\$ 33,333.33
Phase II (Due Diligence)	July	1	2014	1	Hours	11.00 \$ 1,100.00
Phase III (Intensive Service)	July	1	2014	1	Hours	412.73 \$ 43,998.80
SPARK Central Business Incubato	July	1	2014	1	Facility Exp	\$ 13,159.56
SPARK Accounting	July	1	2014	1	Accting Svc	\$ 5,583.33
SPARK Marketing	July	1	2014	1	Marketing	\$ 4,164.38
Entrepreneurial Education	July	1	2014	1	events, class, books	\$ 2,618.00
Business Networking Events	July	1	2014	1	Events	\$ 2,702.83
Internship Support & Talent Trainir	July	1	2014	1		\$ 7,865.78
SPARK Central Incubator Expansio	July	1	2014	1		\$ 14,091.87
SPARK BA Direct Staffing	Aug	1	2014	1	Direct Staff	\$ 33,333.33
Phase II (Due Diligence)	Aug	1	2014	1	Hours	24.18 \$ 2,418.00
Phase III (Intensive Service)	Aug	1	2014	1	Hours	469.65 \$ 44,945.00
SPARK Central Business Incubato	Aug	1	2014	1	Facility Exp	\$ 11,678.60
SPARK Accounting	Aug	1	2014	1	Accting Svc	\$ 5,583.33
SPARK Marketing	Aug	1	2014	1	Marketing	\$ 2,003.33
Entrepreneurial Education	Aug	1	2014	1	Events	\$ 241.97
Business Networking Events	Aug	1	2014	1	Events	\$ 1,800.85
Internship Support & Talent Trainir	Aug	1	2014	1		\$ 14,954.18
Business Software for Clients	Aug	1	2014	1		\$ 1,497.00
SPARK Central Incubator Expansio	Aug	1	2014	1		\$ 270.00
SPARK BA Direct Staffing	Sept	1	2014	2	Direct Staff	\$ 33,333.33
Phase II (Due Diligence)	Sept	1	2014	2	Hours	1.17 \$ 117.00
Phase III (Intensive Service)	Sept	1	2014	2	Hours	499.50 \$ 52,255.11
SPARK Central Business Incubato	Sept	1	2014	2	Facility Exp	\$ 16,677.83
SPARK Accounting	Sept	1	2014	2	Accting Svc	\$ 5,583.33
SPARK Marketing	Sept	1	2014	2	Marketing	\$ 5,285.01
Entrepreneurial Education	Sept	1	2014	2	Events	\$ 1,504.76
Business Networking Events	Sept	1	2014	2	Events	\$ 6,562.89
Internship Support & Talent Trainir	Sept	1	2014	2		\$ 7,580.00
Entrepreneurs Bootcamp	Sept	1	2014	2		\$ 22,500.00
SPARK Central Incubator Expansio	Sept	1	2014	2		\$ 59,582.94
Legal & Admin. Support	Sept	1	2014	2	Kuntzsch: Blackstone Grant application	\$ 4,312.50



Category	Mo.	Fiscal Year		Billed	Measureable		
		Qtr	Year		Qtr	Unit Descrip.	Number
Legal & Admin. Support	Oct	2	2014	2	Legal research	0.50	\$ 150.00
SPARK BA Direct Staffing	Oct	2	2014	2	Direct Staff		\$ 33,333.33
Phase III (Intensive Service)	Oct	2	2014	2	Hours	343.82	\$ 34,284.49
SPARK Central Business Incubato	Oct	2	2014	2	Facility Exp		\$ 17,132.43
SPARK Accounting	Oct	2	2014	2	Accting Svc		\$ 5,583.33
SPARK Marketing	Oct	2	2014	2	Marketing		\$ 3,665.77
Entrepreneurial Education	Oct	2	2014	2	Events		\$ 3,553.67
Business Networking Events	Oct	2	2014	2	Events		\$ 2,959.88
Internship Support & Talent Trainir	Oct	2	2014	2			\$ 11,287.50
Business Software for Clients	Oct	2	2014	2			\$ 3,750.00
SPARK Central Incubator Expansio	Oct	2	2014	2			\$ 37,265.26
Legal & Admin. Support	Nov	2	2014	2	Legal research		\$ 600.00
Legal & Admin. Support	Nov	2	2014	2	Legal research		\$ 150.00
SPARK BA Direct Staffing	Nov	2	2014	2	Direct Staff		\$ 33,333.33
Phase II (Due Diligence)	Nov	2	2014	2	Hours	1.50	\$ 150.00
Phase III (Intensive Service)	Nov	2	2014	2	Hours	261.35	\$ 25,385.00
Phase IV (Accelerating Opportuniti	Nov	2	2014	2	Hours	27.13	\$ 5,426.00
SPARK Central Business Incubato	Nov	2	2014	2	Facility Exp		\$ 15,543.85
SPARK Accounting	Nov	2	2014	2	Accting Svc		\$ 5,583.33
SPARK Marketing	Nov	2	2014	2	Marketing		\$ 4,761.61
Entrepreneurial Education	Nov	2	2014	2	Events		\$ 2,577.94
Business Networking Events	Nov	2	2014	2	Events		\$ 1,860.29
Internship Support & Talent Trainir	Nov	2	2014	2			\$ 11,487.50
SPARK Central Incubator Expansio	Nov	2	2014	2			\$ 7,238.30
SPARK BA Direct Staffing	Dec	2	2014	3	Direct Staff		\$ 33,333.33
Phase II (Due Diligence)	Dec	2	2014	3	Hours	10.50	\$ 1,050.00
Phase III (Intensive Service)	Dec	2	2014	3	Hours	506.30	\$ 51,530.00
SPARK Central Business Incubato	Dec	2	2014	3	Facility Exp		\$ 16,353.83
SPARK Accounting	Dec	2	2014	3	Accting Svc		\$ 5,583.33
SPARK Marketing	Dec	2	2014	3	Marketing		\$ 15,310.10
Entrepreneurial Education	Dec	2	2014	3	Events		\$ 1,820.94
Business Networking Events	Dec	2	2014	3	Events		\$ 2,366.84
Internship Support & Talent Trainir	Dec	2	2014	3			\$ 11,887.50
Business Software for Clients	Dec	2	2014	3			\$ 3,750.00
SPARK Central Incubator Expansio	Dec	2	2014	3			\$ 976.36

## Ann Arbor/Ypsilanti SmartZone LDFA

	Actual FY2013	Budget FY2014	Estimate FY2014	Planned FY2015	Recommended FY2015
<b>REVENUES</b>					
Tax Revenue	\$ 1,546,577	\$ 1,645,397	\$ 2,017,835	\$ 1,728,884	\$ 2,058,192
Miscellaneous Revenue	-	-	-	-	-
Microloan Repayments	-	-	-	-	-
Investment Income	(4,359)	10,250	10,250	9,762	12,940
<b>Total Revenue</b>	<b>\$ 1,542,218</b>	<b>\$ 1,655,647</b>	<b>\$ 2,028,085</b>	<b>\$ 1,738,646</b>	<b>\$ 2,071,132</b>
<b>EXPENDITURES</b>					
<b><u>Business Accelerator Support Services</u></b>					
SPARK Business Accelerator Direct Staffing	\$ 337,000	\$ 400,000	\$ 400,000	\$ 415,000	\$ 415,000
Phase II - Due Diligence	16,891	25,000	25,000	25,000	25,000
Phase III - Intensive Service	541,958	500,000	500,000	500,000	500,000
Phase IV - Accelerating Opportunities	82,044	75,000	75,000	75,000	75,000
Sub-Total	<b>977,893</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,015,000</b>	<b>1,015,000</b>
<b>Micro Loan Program for Entrepreneurs</b>	-	-	-	-	-
<b>Angel Investment Group Support</b>	-	-	-	-	-
<b>Business Networking Events</b>	<b>47,090</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b><u>Entrepreneur Education</u></b>					
Education Classes	29,870	50,000	50,000	50,000	50,000
Bootcamp	39,000	50,000	50,000	50,000	50,000
Sub-Total	<b>68,870</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Cantillon Web Based Education</b>	-	-	-	-	-
<b>Internship Support &amp; Talent Training</b>	<b>55,851</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Business Software Access for Clients</b>	<b>7,330</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>SPARK Central Incubator Operating Exp</b>	<b>165,892</b>	<b>170,000</b>	<b>170,000</b>	<b>170,000</b>	<b>170,000</b>
<b>Incubator Expansion</b>		<b>180,000</b>	<b>180,000</b>	<b>60,000</b>	<b>60,000</b>
<b><u>SPARK Indirect Services</u></b>					
SPARK Accounting	65,086	67,000	67,000	68,500	68,500
Marketing	64,433	75,000	75,000	80,000	80,000
Sub-Total	<b>129,519</b>	<b>142,000</b>	<b>142,000</b>	<b>148,500</b>	<b>148,500</b>
<b><u>City of Ann Arbor Indirect Services</u></b>					
Legal & Admin Support	29,031	62,892	62,892	64,271	64,271
<b>Total Operating Expenditures</b>	<b>\$ 1,481,476</b>	<b>\$ 1,814,892</b>	<b>\$ 1,814,892</b>	<b>\$ 1,717,771</b>	<b>\$ 1,717,771</b>
<b>Net Increase (Use) of Fund Balance</b>	<b>\$ 60,742</b>	<b>\$ (159,245)</b>	<b>\$ 213,193</b>	<b>\$ 20,875</b>	<b>\$ 353,361</b>
Reserves:					
Beginning Fund Balance	<b>\$ 588,762</b>	<b>\$ 649,504</b>	<b>\$ 649,504</b>	<b>\$ 862,697</b>	<b>\$ 862,697</b>
Ending Fund Balance	<b>\$ 649,504</b>	<b>\$ 490,259</b>	<b>\$ 862,697</b>	<b>\$ 883,572</b>	<b>\$ 1,216,059</b>

**LDFA SmartZone  
Budget Timing Plan for FY 2015**

	<u>Date Due</u>
Tax Capture Revenue estimates provided to Board	1/14/2014
<b>LDFA Board meeting - Committee recommended budget approved by Board</b>	<b>3/18/2014</b>
Draft Budget (City of Ann Arbor) sent out for printing	3/21/2014
Delivery of draft budget to Council - Council Work Session	4/4/2014
Draft budget and City Council meeting	4/14/2014
April LDFA Board meeting	4/15/2014
Council Work Session	TBD
Final Budget to City Council	5/19/2014

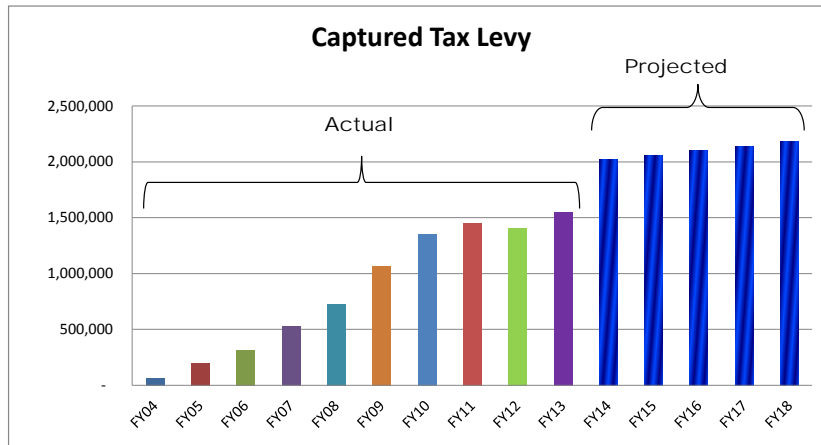
**Smart Zone LDFA**  
**PROJECTED CAPTURE OF TAXABLE VALUE**  
as of December 10, 2013

	<b>Actual FY 2013</b>	<b>FY 2014*</b>	<b>FY 2015</b>	<b>PROJECTED FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Base Taxable Value	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105
Taxable Value	396,717,365	437,775,061	446,530,562	455,461,173	464,570,397	473,861,805
Captured Taxable Value	148,665,260	189,722,956	198,478,457	207,409,068	216,518,292	225,809,700
		28%	5%	4%	4%	4%
Total Captured Tax Levy	1,546,577	<b>2,017,835</b>	2,058,192	2,099,356	2,141,343	2,184,169

**NOTE:**

Projections include changes in State law related to personal property exemptions.

Industrial personal property became exempt from State Ed Tax in FY2013. This increases revenue because the industrial property capture was previously negative.



Ann Arbor-Ypsilanti Smart Zone  
Local Development Finance Authority  
Ann Arbor SPARK  
Quarterly Report  
October 1, 2013 – December 31, 2013

**Boot Camp**

Ann Arbor SPARK held its 23<sup>rd</sup> Entrepreneur Boot Camp on October 16<sup>th</sup> and 17<sup>th</sup>, 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. On November 20<sup>th</sup>, the Best of Boot Camp award was given to PlanReaction. This comes just one week after the company was awarded \$25,000 in the IT category at the Accelerate Michigan Innovation Competition. PlanReaction is also a seated incubator tenant at SPARK Central.

Uniq ID	Account Description
4243#	Website for building construction project, repair and supply bids.
6356#	A new marketing-based, platform-agnostic, real-time media alert solution.
6357#*	Exclusive talent based website
6589#	FDA-approved light therapy device to treat pain
6621#	A platform for tool owners to lease their tools to nearby renters in their area.
6710#	Social web app to find and share good campgrounds and camping information
6763#	Collaborative platform designed to modernize intraspecialty collaboration within the field of Otolaryngology (Ear, Nose and Throat).
6764	Subscription service in the book industry
6769	Mobile device used to aid in the management of Dysphagia (swallowing disorders) and Xerostomia
6778#	On-line seeker-solver network that allows Startup Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions
6804#	Company management their own proprietary software
6812#*	On-line music competition for undiscovered performers

\*Denotes University of Michigan technology                      #Received LDFA funding

**Work Accomplished**

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

**12 Phase I companies were referred out due to their location or not meeting business type criteria. 9 were located outside the Ann Arbor City limits.**

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

Uniq ID	Opportunity Description	Account Description
6356	IP Work	A new marketing-based, platform-agnostic, real-time media alert solution.
6894	Business Assistance	Rental marketplace for college students
<b>Grand Totals (2 records)</b>		

The following companies received Phase III level support:

Account	Opportunity Description	Account Description	Contract Amount	Total Expenditures For Contract	Amount Billed this Quarter
<b>Uniq ID: 1282</b>					
	Business Plan	Spectral analysis for red blood cells	\$5,000	\$5,000	\$450.00
<b>Uniq ID: 1646</b>					
	Business Assistance	Healthcare IT, AviDocs, to integrate patient data for billing and quality management; and AviTracks, a system for monitoring and managing the use of drugs in patients.	\$2,000	\$125	\$125.00
<b>Uniq ID: 2752</b>					
	Business and Legal work	Entry-level neurophysiology (brain signal recording) kits for students to learn about the brain	\$2,500	\$2,500	\$1,500.00
	Business and Legal work				\$250.00
<b>Uniq ID: 3151</b>					
	Business Development assistance	Wireless sensing, analysis and optimization of residential and commercial electricity use.	\$6,200	\$6,200	\$2,350.00
	Business Development assistance				\$975.00
	Business Development assistance				\$1,630.00
<b>Uniq ID: 3476</b>					
	Configuration and Consulting	High quality LED lighting the mimics sunlight	\$2,250	\$2,250	\$2,250.00
	Design Specs and Consulting		\$6,000	\$5,400	\$5,400.00
<b>Uniq ID: 3769</b>					
	Business Assistance	Opensource motion control and time-laps system design and sale	\$10,000	\$10,000	\$5,000.00
	Business Assistance				\$5,000.00
<b>Uniq ID: 4210</b>					
	Business Development assistance	Supply chain software development company	\$4,800	\$3,600	\$3,600.00
<b>Uniq ID: 4519</b>					
	Marketing, website and SEO	Ad network for mobile gaming and applications.	\$23,013	\$19,342	\$5,425.00
	Marketing, website and SEO				\$4,500.00
	Marketing, website and SEO				\$425.00
	Marketing, website and SEO				\$900.00
	Marketing, website and SEO				\$451.50
<b>Uniq ID: 4547</b>					
	Design Specs and Consulting	Advanced nanofabrication methods and a novel three dimensional (3D) approach to sensor assembly	\$32,500	\$32,500	\$900.00

	Design Specs and Consulting				\$4,500.00
	Design Specs and Consulting				\$7,500.00
<b>Uniq ID: 4566</b>					
	Development Support	Provides mobile applications for large travel destinations	\$10,000	\$6,350	\$750.00
	Development Support				\$2,200.00
<b>Uniq ID: 4772</b>					
	Resesign of website	SalesForce	\$10,000	\$9,945	\$2,210.00
<b>Uniq ID: 4803</b>					
	Branding	An intuitive integrated display that retrieves medical data.	\$10,000	\$9,840	\$100.00
	Branding				\$625.00
<b>Uniq ID: 4976</b>					
	Design Specs and Consulting	Low-cost electronic fuel injection system for the small engine market.	\$1,710	\$811	\$91.50
	Design Specs and Consulting				\$720.00
<b>Uniq ID: 5091</b>					
	Design and website work	Bird recognition software w/cameras. Used at wind farms.	\$2,000	\$2,000	\$1,000.00
	Design and website work				\$1,000.00
<b>Uniq ID: 5645</b>					
	Business Assistance	Custom digital media content creation and delivery	\$10,000	\$10,000	\$6,500.00
	Business Assistance				\$500.00
<b>Uniq ID: 6230</b>					
	Business Assistance	Barcode Surgical instruments and sponges	\$5,000	\$4,550	\$350.00
	Business Assistance				\$650.00
<b>Uniq ID: 6356</b>					
	IP Work	A new marketing-based, platform-agnostic, real-time media alert solution.	\$4,100	\$4,091	\$3,000.00
	IP Work				\$130.00
	IP Work				\$762.39
	IP Work				\$199.10
<b>Uniq ID: 6357</b>					
	Ui/Ux and Validation	Exclusive talent based website	\$10,000	\$3,000	\$1,000.00
	Ui/Ux and Validation				\$2,000.00
<b>Uniq ID: 6358</b>					
	Website Design	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	\$10,000	\$5,000	\$3,000.00
<b>Uniq ID: 6514</b>					

Legal and Business Assistance	A miniature biometric sensor system for patients discharged following hospitalization for heart failure, pneumonia, and heart attack.	\$10,000	\$5,000	\$1,400.00
Legal and Business Assistance				\$2,100.00
<b>Uniq ID: 6545</b>				
Business Assistance	Applies predictive analytics to strategic decisions regarding intellectual property management.	\$4,000	\$4,000	\$550.00
Business Assistance				\$400.00
Business Assistance				\$650.00
<b>Uniq ID: 6621</b>				
Legal work	A platform for tool owners to lease their tools to nearby renters in their area.	\$1,500	\$1,500	\$1,500.00
<b>Uniq ID: 6627</b>				
Business Assistance	A product for digitally interacting with fitness equipment.	\$10,000	\$8,610	\$1,080.00
<b>Uniq ID: 6680</b>				
Video Creation	Pixar” of interactive ebooks	\$2,650	\$2,650	\$2,650.00
<b>Uniq ID: 6778</b>				
Customer Discovery	On-line seeker-solver network that allows Startup Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions	\$5,000	\$5,000	\$2,550.00
Customer Discovery				\$540.00
Marketing Assistance		\$5,000	\$5,000	\$5,000.00
<b>Uniq ID: 6834</b>				
BA Support	Developer and manufacturer of high resolution sensors used for near real-time diagnostics in Food pathogen testing	\$10,000	\$4,360	\$4,360.00
<b>Uniq ID: 6859</b>				
Legal/Contract work	Cammpus Software is a proprietary learning platform to sell professional development training courses	\$10,000	\$5,000	\$5,000.00
<b>Uniq ID: 6867</b>				
Business and funding assistance	Workstation with waste grinder and proprietary high-pressure waste micronizer; reduces particle size of food waste making it highly digestible to bacteria.	\$5,000	\$3,500	\$2,300.00
Business and funding assistance				\$1,200.00
<b>Grand Totals (28 records)</b>				

\*Denotes University of Michigan technology or UM Student Team



**Phase IV: One company received Phase IV level support this quarter. This was the final billing for an engagement which began in an earlier quarter.**

Uniq ID	Account Description	Contract Amount	Total Expenditures For Contract	Amount Billed this Quarter
1587	Hand coded software for embedded systems	\$25,000.00	\$25,000.00	\$5,426.00
<b>Grand Totals (1 record)</b>				

### **SPARK Central Incubator**

Tenants are charged a license fee per seat, or person(s) using the space. Total number of Full Tenants (those in a cubicle with secure space and full privileges) in the Lower Level of SPARK Central include 8 companies with 13 seats occupied, at the highest peak during this quarter. Another tenant had signed a lease to begin at the start of Quarter 3, which would bring the Lower Level to full capacity.

The SPARK Central expanded its incubator area in September to the 3<sup>rd</sup> Floor of SPARK . There were 3 companies that occupied shared space during Quarter 2, accounting for 16 seats.

Uniq ID	Account Description	Start Date	Exit Date	Incubator Seats
3045	Online marketplace for food distribution	10/14/2013	3/31/2014	2
4243	Website for building construction project, repair and supply bids.	7/18/2011	4/17/2014	1
4472*	An online platform that empowers college students to showcase their work and skills to startups.	10/17/2013	4/17/2014	8
4791	Event Management Software	9/26/2013	3/25/2014	4
5091	Bird recognition software w/cameras. Used at wind farms.	9/9/2013	9/9/2014	4
6264	Software-enabled hardware solution for controlling, automating, and incorporating renewable energy into off-grid power systems	10/7/2013	12/31/2013	4
6358*	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	6/4/2013	6/3/2014	1
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.	9/3/2013	3/2/2014	1
6763	Collaborative platform designed to modernize intraspecialty collaboration within the field of Otolaryngology (Ear, Nose and Throat).	10/2/2013	10/1/2014	1
6816	Cloud based SaaS that provides hourly operational instructions to energy system operators.	10/4/2013	1/3/2014	2
6881	Data Quality tools built into Excel for Automation and Cleansing before regular processing tasks	11/18/2013	5/17/2014	1
<b>Grand Totals (11 records)</b>				

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## Virtual Tenants

Uniq ID	Account Description	Start Date	Exit Date
0271	Risk Management- IT security, etc.	7/1/2010	3/31/2014
0338	Information and news aggregator and filter.	7/1/2010	3/31/2014
0386	Vision Technology w/ Sports applications	8/1/2013	8/1/2014
1282*	Spectral analysis for red blood cells	7/1/2010	3/31/2014
2539	Hospital bed communication tablet	11/1/2010	12/31/2013
2550	Patent advisor	7/1/2010	6/30/2014
2821	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	9/1/2010	2/28/2014
2854	MI state incubator association	6/7/2011	7/6/2014
3045	Online marketplace for food distribution	7/24/2012	10/13/2013
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	3/1/2012	6/30/2014
3593	"Community Prosperity Coupons" that raise funds for local charities and bring customers to local retailers.	11/6/2013	5/5/2014
3637	Therapeutic for treatment of retinal diseases	8/1/2013	1/31/2014
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions	5/13/2011	1/12/2014
4255	Developers of physically secure computers	1/23/2012	11/30/2013
4409	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	6/1/2012	3/31/2014
4431*	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	8/1/2012	1/31/2014
4566	Provides mobile applications for large travel destinations	5/10/2012	5/9/2014
5557	Digital Marketing Intelligence	7/1/2012	3/31/2014
5600	Interactive flat panel displays and software.	3/21/2013	3/20/2014
6245	Magnetic motor which is more efficient than current technologies.	5/1/2013	1/31/2014
6260	Industrial Cluster	10/19/2013	2/18/2015
6260	Industrial Cluster	10/19/2012	10/18/2013
6356	A new marketing-based, platform-agnostic, real-time media alert solution.	2/1/2013	1/31/2014
6357*	Exclusive talent based website	9/3/2013	3/3/2014
6405	Connects personal digital voice to everyday items.	2/21/2013	6/30/2014
6589	FDA-approved light therapy device to treat pain	8/21/2013	2/20/2014
6600	Medical device for vision enhancement in persons with partial loss of sight	6/1/2013	5/31/2014
6635	A VIP lead generation service for the disaster restoration industry.	8/1/2013	2/1/2014
<b>Grand Totals (28 records)</b>			

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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 (this month)
			Entrepreneurs	Total Attendees			
<b>Michigan Energy Forum</b>	10/3/13, 11/7/13	SPARK - Central	14, 9	43, 37	A monthly forum to facilitate collaboration and networking among practitioners, policy makers, investors and talent.	5, 8	10, 12
<b>Ann Arbor OpenCoffee</b>	10/3/13, 11/12/13, 12/10/13	SPARK - Central	11, 8, 8	25, 16, 20	Networking event for entrepreneurs	n/a	n/a
<b>Marketing Roundtable:</b>	10/8/13, 11/12/13, 12/10/13	SPARK - Central	11, 21, 9	51, 33, 27	A monthly series featuring regional marketing professionals who will discuss practical and cost-effective innovation marketing.	4, 5, 4	15, 5, 18
<b>Business Law &amp; Order</b>	11/18/2013	SPARK - Central	9	29	A monthly series for entrepreneurs into some of the most important legal issues they must consider during business formation.	7	2
<b>Business Accelerator Consultants Meeting</b>	10/18/13, 12/6/13	SPARK - Central	11, 15	20, 22	Monthly Business Accelerator Consultants meeting to update consultants	n/a	n/a
<b>Hot Shots Career Connections</b>	10/1/13, 12/3/13	Conor O'Neill's, SPARK Central	7, 10	56, 31	Hot Shots is an event for talent seeking opportunities for themselves.	n/a	n/a
<b>Selling Smart Workshop</b>	10/2/13, 11/6/13, 12/4/13	SPARK - Central	8, 7, 6	19, 13, 18	A monthly Sales Workshop	n/a	n/a
<b>BioArbor</b>	11/6/13, 12/11/13	SPARK - Central	0, 0	65, 87	Educational networking events for the life sciences industry in the greater Ann Arbor area.	2, 7	2, 0
<b>Leading HR When It's Not Your Day Job</b>	10/29/2013	SPARK - Central	1	9	An invitation-only sales series put on by Ted Dacko for SPARK's Business Accelerator clients.	n/a	n/a
<b>Power Lunch</b>	11/12/2013	SPARK - Central	7	9	A recurring, three-part series covering pointers and tips required to execute HR duties and responsibilities.	n/a	n/a
<b>Tenant Shuffle Lunch</b>	10/18/2013	SPARK - Central	20	39	Provide a small group setting for high potential entrepreneurs to learn from experts and to get specific feedback relevant to each company.	n/a	n/a
<b>The Importance of Organizational Culture</b>	10/30/13	SPARK - Central	5	28	Local CIOs-CTOs meeting to discuss challenges specifically around Talent and formulate strategies.	n/a	n/a

<b>Mingle 'n' Match</b>	11/11/13	SPARK - Central	25	49	Presentation of latest changes to the FDA approval process for software as a medical device or as part of a medical device.	n/a	n/a
<b>Committee Appreciation Lunch</b>	12/12/13	SPARK - Central	14	34	Meeting with Boot Camp Staff and Drill Instructors to prepare for Spring Boot Camp.	n/a	n/a
<b>Business Law &amp; Order Strategic Meeting</b>		SPARK - Central	0	10	The Business Law & Order meets annually to go over the schedule and strategic plan for the upcoming year.	n/a	n/a
<b>Quarterly Totals</b>			<b>236</b>	<b>790</b>			

## Microloans

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
30	\$948,460	4	2	\$130,429	4	6	\$241,917

- No new loans were provided this quarter.
- Total loans due is \$740,323, including interest accrued through 12/31/2012.\*
- Amount available to lend is \$227,245.

\*Updated amount will be available in Quarter 3 report.

## Talent

### **Entrepreneur-In-Residence Program**

Three companies are currently engaged in the entrepreneur-in-residence program. This program is designed to attract and retain C-level individuals to add substantial value to our companies, as well as provide to an introduction mechanism to help them achieve significant milestones.

Uniq ID	Account Description	Billed Amount
2792	Advertising tool for mobile platforms	\$1,325.00
4076*	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death	\$12,000.00
4791	Event Management Software	\$21,337.50
<b>Grand Totals (3 records)</b>		

\*Denotes University of Michigan technology

## Significant Deviation from Scope of Work

None

**Ann Arbor/Ypsilanti SmartZone LDFA  
Board of Directors - Committee Positions  
FY 2014**

<b>Member</b>	<b>Audit</b>	<b>Cantillon (dissolved)</b>	<b>Budget/ Contract</b>	<b>Metrics</b>	<b>Strategic Planning</b>
Carrie Leahy			X		
Sally Petersen					
Richard Beedon				XX	X
Stephen Rapundalo	X		X		
Ned Staebler				X	XX
Eric Jacobson	XX		XX		
Bilal Saeed vacant				X	X
Vince Chmielewski	X				X
Tom Crawford	X			X	X
Skip Simms			X	X	X
Paula Sorrell				X	

Note:  
XX Chair  
X Member