



Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority
MINUTES for April 15, 2014 – REGULAR BOARD MEETING

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

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

Members Excused: Bilal Saeed, Vince Chmielewski

Others Present: Ken Bogan - City of Ann Arbor, Mary Fales - City of Ann Arbor, Jerry Lax - Pear Sperling Eggan & Daniels PC, Lisa Biles - SPARK, Alissa Carpenter - SPARK, Lori Emerson - SPARK, Bill Mayer - SPARK

I. CALL TO ORDER:

Chair Leahy called the meeting to order at 8:22 am. A quorum was present.

II. PUBLIC COMMENT:

None.

III. APPROVAL OF THE AGENDA:

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

IV. MOTIONS & RESOLUTIONS:

Minutes of the March 18, 2014 Regular Board Meeting:

Rapundalo moved, seconded by Beedon, to approve the minutes of the meeting in the form presented at this meeting, with one correction to the Public Comment item. Motion approved unanimously.

V. LDFA CHAIR'S REPORT:

Chair Leahy delivered the chair's report. This included briefings on: the contract committee process and the SmartZone TIF extension. Chair Leahy stated she had received clarification from the MEDC about the SPARK internship program. The intern cost reimbursements would not be allowed as they were previously structured, so SPARK will need to revisit how to restructure that program.

VI. LDFA TREASURER'S REPORT:

Treasurer Jacobson presented the FY2014 3rd quarter financial report.

VII. REPORTS FROM SERVICE PROVIDERS:

- a. Simms presented the SPARK FY2014 3rd quarter report, including a new metrics dashboard.
- b. Simms presented the follow-up information on the SPARK proposed FY2015 marketing plan. Simms stated the contract will specify the metrics to be reported on the new marketing plan.

VIII. OTHER BUSINESS:

- a. **L DFA extension duration/satellite update** – Simms updated the board on the status of the five and fifteen year extension efforts. SPARK will be meeting again with Flint. Rapundalo will represent the board at that meeting. Jerry Lax, the board's legal counsel, and Mary Fales, from the City of Ann Arbor Attorney's office, spoke to the board about details of the extension approval process. These steps include the board passing a resolution to pursue the extension, both City Councils passing resolutions in support of extending the SmartZone and TIF agreement, and both Councils passing resolutions passing an amended TIF plan.
- b. **Resolution to pursue extension** – Rapundalo moved, seconded by Staebler to approve a resolution authorizing application for extension of the SmartZone agreement. Motion approved unanimously. A copy of the resolution is attached to these minutes.

IX. ADJOURNMENT:

Meeting was adjourned at 10:05 am.

Respectfully Submitted,
Ken Bogan, for Recording Secretary Tom Crawford



L DFA Board Meeting

April 15, 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 of the March 18, 2014 Regular Board Meeting**
- V. LDFA Chair's Report**
- VI. LDFA Treasurer's Report**
 - a. LDFA Financial Report - 3rd quarter FY2014**
- VII. Reports from Service Providers**
 - a. SPARK Report - 3rd quarter FY2014**
 - b. Review of additional marketing information requested at the March 18, 2014 meeting**
- VIII. Other Business**
 - a. LDFA extension duration/satellite update**
 - b. Resolution to pursue extension**
- IX. Motion to Adjourn**



Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority
MINUTES for March 18, 2014 – REGULAR BOARD MEETING

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

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

Members Excused: Bilal Saeed

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

I. CALL TO ORDER:

Chair Leahy called the meeting to order at 8:17 am. A quorum was present.

II. PUBLIC COMMENT:

Kai Petainen, former SPARK Business Accelerator client.

III. APPROVAL OF THE AGENDA:

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

IV. MOTIONS & RESOLUTIONS:

Minutes of the January 14, 2014 Regular Board Meeting:

Petersen 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. This included briefings on: the budget committee process, the SmartZone extension, and that a call had been put in to Jerry Lax, the board's legal counsel, about an open MEDC item.

VI. REPORTS FROM SERVICE PROVIDERS:

Simms introduced Donna Doleman, from SPARK, who presented the SPARK proposed FY2015 marketing plan. After discussion, the board requested more information be provided at the April 15, 2014 meeting.

VII. LDFA TREASURER'S REPORT:

Treasurer Jacobson presented the FY2015 budget committee's recommended budget. After discussion the board asked for some revisions to how the budget page appears, such as removing lines no longer funded, and showing the currently available Microloan balance as a memo item at the bottom of the page. Rapundalo moved, seconded by Charter, to approve the budget as proposed. Motion approved unanimously. Budget as approved is attached.

VIII. OTHER BUSINESS:

- a. **Metrics committee update** - Beedon (committee chair) shared 4 key metrics the committee recommends. After discussion about revisions, Beedon moved, seconded by Staebler to approve the metrics plan as revised, with the metrics to be maintained by SPARK. Motion approved unanimously. The revised metrics plan as approved is attached.
- b. **LDFA extension duration/satellite update** – Simms updated the board on the status of the five and fifteen year extension efforts. Simms indicated the MEDC has suggested applying for the five year extension, with the application due in June. The LDFA should note on the application that the 15 year extension is being pursued. The 15 year extension application is due in September.

IX. ADJOURNMENT:

Meeting was adjourned at 10:11 am.

Respectfully Submitted,
Ken Bogan, for Recording Secretary Tom Crawford

Ann Arbor/Ypsilanti SmartZone LDFA

	Actual FY2013	Budget FY2014	Estimate FY2014	Planned FY2015	Updated Plan FY2015	Budget Committee Proposal FY 2015	
REVENUES							
Tax Revenue	\$ 1,546,577	\$ 1,645,397	\$ 2,017,835	\$ 1,728,884	\$ 2,058,192	\$ 2,058,192	
Investment Income	(4,359)	10,250	10,250	9,762	12,940	12,940	
Total Revenue	\$ 1,542,218	\$ 1,655,647	\$ 2,028,085	\$ 1,738,646	\$ 2,071,132	\$ 2,071,132	
EXPENDITURES							
<u>Business Accelerator Support Services</u>							
SPARK Business Accelerator Direct Staffing	\$ 337,000	\$ 400,000	\$ 400,000	\$ 415,000	\$ 415,000	\$ 420,000	Attached breakout of heads
Phase II - Due Diligence	16,891	25,000	25,000	25,000	25,000	\$ 25,000	
Phase III - Intensive Service	541,958	500,000	500,000	500,000	500,000	\$ 550,000	Increasing mean support to \$10k / company; # of companies = 70.
Phase IV - Accelerating Opportunities	82,044	75,000	75,000	75,000	75,000	\$ 75,000	4 Growth Stage companies adding at last 5 jobs each
Sub-Total	977,893	1,000,000	1,000,000	1,015,000	1,015,000	1,070,000	
Business Networking Events	47,090	40,000	40,000	40,000	40,000	\$ 40,000	Hold 100 events with more than 1,500 attendees, 33% entrepreneurs
<u>Entrepreneur Education</u>							
Education Classes	29,870	50,000	50,000	50,000	50,000	\$ 62,500	Adding 4 customer discovery training programs.
Bootcamp	39,000	50,000	50,000	50,000	50,000	\$ 50,000	Serve 24 teams in two camps
Sub-Total	68,870	100,000	100,000	100,000	100,000	112,500	
Internship Support & Talent Retention	55,851	100,000	100,000	100,000	100,000	\$ 200,000	Match intern \$'s: 10 companies, 10 interns. EIR program: 4 EIRs / 10 companies. LDFA will obtain legal confirmation from MEDC for using funds for interns.
Business Software Access for Clients	7,330	20,000	20,000	20,000	20,000	\$ 20,000	
SPARK Central Incubator Operating Exp	165,892	170,000	170,000	170,000	170,000	\$ 200,000	Upgrade internet connectivity. House 15 start-up companies. Graduate 3 companies that add 6 FTEs from day of move-in. 30 virtual tenants.
Incubator Expansion		180,000	180,000	60,000	60,000	\$ 30,000	Sublet to 4 companies that pay market rate
<u>SPARK Indirect Services</u>							
SPARK Accounting	65,086	67,000	67,000	68,500	68,500	\$ 68,500	
Marketing	64,433	75,000	75,000	80,000	80,000	\$ 150,000	LDFA must approve the revised integrated marketing plan.
Sub-Total	129,519	142,000	142,000	148,500	148,500	218,500	
<u>City of Ann Arbor & Other Indirect Services</u>							
Legal & Admin Support	29,031	62,892	62,892	64,271	64,271	89,271	Includes \$45k (previously \$20k) for metrics project and tracking
Total Operating Expenditures	\$ 1,481,476	\$ 1,814,892	\$ 1,814,892	\$ 1,717,771	\$ 1,717,771	\$ 1,980,271	
Net Increase (Use) of Fund Balance	\$ 60,742	\$ (159,245)	\$ 213,193	\$ 20,875	\$ 353,361	\$ 90,861	
Reserves:							
Beginning Fund Balance	\$ 588,762	\$ 649,504	\$ 649,504	\$ 862,697	\$ 862,697	\$ 862,697	
Ending Fund Balance	\$ 649,504	\$ 490,259	\$ 862,697	\$ 883,572	\$ 1,216,059	\$ 953,559	

*Endowed to Microloan Fund to date = \$950k; available lending pool as of 3/1/14= \$228k

SPARK Metrics for LDFA

Context

Build culture, companies and jobs

Key Metrics

1. Companies Created – A newly incorporated company located within the city of Ann Arbor either the previous 12 months or the 12 months following receipt of LDFA support.
2. Companies Served – Number of unique companies that took part in LDFA services
3. Jobs Created– W-2 employees including those who may not be receiving compensation yet. Jobs Created are employees added after their first engagement with an LDFA program.
4. Outside Capital Raised – Outside equity invested in companies receiving LDFA supported services i.e. Boot Camp, Phase III grants, loans, incubator tenant. Also includes grants from federal agencies.

Examples of Successes – Graduates from the incubator, companies receiving outside equity of \$250,000 or more, or sales revenue of \$250,000 after receiving LDFA support.

Communication Methods

Highlighted on the front page of the LDFA web site, quarterly and yearly updates.

Smart Zone LDFA
FY 2014 FINANCIAL SUMMARY
 March 31, 2014

	<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>	<u>BUDGET</u> <u>Amount</u>	<u>Forecast</u> <u>vs Budget</u> <u>Good/(Bad)</u>
INCOME STATEMENT							
Revenues:							
Tax Revenue	\$ 1,182,137	\$ 150,543	\$ 601,955	\$ 30,127	\$ 1,964,762	\$ 1,645,397	\$ 319,365
Miscellaneous	-	-	-	-	-	-	\$ -
Investment Income	2,897	2,970	3,862	3,437	13,166	10,250	\$ 2,916
Total Revenues	\$ 1,185,033	\$ 153,514	\$ 605,817	\$ 33,564	\$ 1,977,928	\$ 1,655,647	\$ 322,281
Expenditures:							
<u>Contracted Services</u>							
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	2,000	6,250	13,085	25,000	\$ 11,915
Phase III (Intensive Service)	141,199	111,199	105,666	125,000	483,064	500,000	\$ 16,936
Phase IV (Accelerating Opportunities)	-	5,426	-	18,750	24,176	75,000	\$ 50,824
Business Networking Events	11,067	7,187	9,798	10,000	38,051	40,000	\$ 1,949
Entrepreneurial Education	4,365	7,953	7,791	12,500	32,609	50,000	\$ 17,391
Entrepreneurs Bootcamp	22,500	-	18,500	12,500	53,500	50,000	\$ (3,500)
Internship Support & Talent Training	30,400	34,663	25,250	25,000	115,312	100,000	\$ (15,312)
Business Software for Clients	1,497	7,500	3,750	5,000	17,747	20,000	\$ 2,253
Total Contracted Services	314,662	275,128	272,755	315,000	1,177,545	\$ 1,260,000	\$ 82,455
<u>SPARK Indirect Services</u>							
SPARK Central Business Incubator	41,516	49,030	49,777	42,500	182,823	\$ 170,000	\$ (12,823)
SPARK Central Incubator Expansion	73,945	45,480	3,780	45,000	168,205	\$ 180,000	\$ 11,795
SPARK Accounting	16,750	16,750	16,750	16,750	67,000	67,000	\$ 0
SPARK Marketing	11,453	23,737	18,854	18,750	72,794	75,000	\$ 2,206
	143,664	134,998	89,161	123,000	490,822	\$ 492,000	\$ 1,178
<u>City of Ann Arbor Services</u>							
Legal & Admin. Support	11,088	8,275	9,325	22,517	51,206	62,892	\$ 11,686
Total Expenditures	\$ 469,413	\$ 418,400	\$ 371,241	\$ 460,517	\$ 1,719,572	\$ 1,814,892	\$ 95,320
Net Increase/Decrease	\$ 715,620	\$ (264,887)	\$ 234,576	\$ (426,953)	\$ 258,356	\$ (159,245)	\$ 417,601
Memo:							
Fund Balance (6/30/2013)	\$ 649,505						
Fund Balance - Operations (Qtr End)	\$ 1,365,125	\$ 1,100,238	\$ 1,334,814	\$ 907,861	\$ 907,861	\$ 490,260	
Microloan: available to be loaned	\$ 237,245	\$ 248,285	\$ 237,374				

Category	Mo.	Fiscal Year		Measureable		
		Incurred	Billed	Unit Descrip.	Number	Amount
		Qtr	Year	Qtr		
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
Legal & Admin. Support	Oct	2	2014	2	Legal research	0.50 \$ 150.00

Category	Mo.	Fiscal Year		Measureable			
		Qtr	Year	Qtr	Unit Descrip.	Number	Amount
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	Expansion		\$ 36,140.72
SPARK Central Incubator Expansio	Oct	2	2014	2	Lease subsidy		\$ 1,124.54
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	Expansion		\$ 3,279.30
SPARK Central Incubator Expansio	Nov	2	2014	2	Lease subsidy		\$ 3,959.00
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	Lease subsidy		\$ 976.36

Category	Mo.	Fiscal Year		Measureable		Amount
		Qtr	Year	Qtr	Unit Descrip.	
Legal & Admin. Support	Dec	2	2014	3	atellite/Extension legal research	\$ 600.00
Legal & Admin. Support	Jan	3	2014	3	atellite/Extension legal research	\$ 2,550.00
SPARK BA Direct Staffing	Jan	3	2014	3	Direct Staff	1.00 \$ 33,333.33
Phase II (Due Diligence)	Jan	3	2014	3	Hours	10.00 \$ 1,000.00
Phase III (Intensive Service)	Jan	3	2014	3	Hours	382.77 \$ 37,931.95
SPARK Central Business Incubato	Jan	3	2014	3	Facility Exp	1.00 \$ 15,386.05
SPARK Accounting	Jan	3	2014	3	Accting Svc	1.00 \$ 5,583.33
SPARK Marketing	Jan	3	2014	3	Marketing	1.00 \$ 9,111.55
Entrepreneurial Education	Jan	3	2014	3	Activities	1.00 \$ 1,628.91
Business Networking Events	Jan	3	2014	3	Events	1.00 \$ 1,610.90
Internship Support & Talent Trainir	Jan	3	2014	3		\$ 9,250.00
SPARK Central Incubator Expansio	Jan	3	2014	3	Lease subsidy	\$ 463.68
SPARK BA Direct Staffing	Feb	3	2014	3	Direct Staff	\$ 33,333.33
Phase II (Due Diligence)	Feb	3	2014	3	Hours	10.00 \$ 1,000.00
Phase III (Intensive Service)	Feb	3	2014	3	Hours	453.40 \$ 39,486.01
SPARK Central Business Incubato	Feb	3	2014	3	Facility Exp	\$ 17,032.70
SPARK Accounting	Feb	3	2014	3	Accting Svc	\$ 5,583.33
SPARK Marketing	Feb	3	2014	3	Marketing	\$ 6,674.96
Entrepreneurial Education	Feb	3	2014	3	Activities	\$ 3,064.88
Business Networking Events	Feb	3	2014	3	Events	\$ 4,433.38
Internship Support & Talent Trainir	Feb	3	2014	3		\$ 8,000.00
Entrepreneurs Bootcamp	Feb	3	2014	3		\$ 12,500.00
SPARK Central Incubator Expansio	Feb	3	2014	3	Lease subsidy	\$ 1,272.00
SPARK BA Direct Staffing	Mar	3	2014	4	Direct Staff	\$ 33,333.33
Phase III (Intensive Service)	Mar	3	2014	4	Hours	291.63 \$ 28,247.86
SPARK Central Business Incubato	Mar	3	2014	4	Facility Exp	\$ 17,357.84
SPARK Accounting	Mar	3	2014	4	Accting Svc	\$ 5,583.33
SPARK Marketing	Mar	3	2014	4	Marketing	\$ 3,067.72
Entrepreneurial Education	Mar	3	2014	4	Activities	\$ 3,097.70
Business Networking Events	Mar	3	2014	4	Events	\$ 3,753.34
Internship Support & Talent Trainir	Mar	3	2014	4		\$ 8,000.00
Entrepreneurs Bootcamp	Mar	3	2014	4		\$ 6,000.00
Business Software for Clients	Mar	3	2014	4		\$ 3,750.00
SPARK Central Incubator Expansio	Mar	3	2014	4	Lease subsidy	\$ 2,044.41

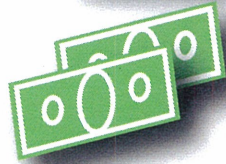
Smart Zone LDFA
DELIVERABLES
as of March 31, 2014

	<u>ACTUAL</u> Q1	<u>ACTUAL</u> Q2	<u>ACTUAL</u> Q3	<u>ACTUAL</u> Q4	<u>Full Year</u>
Phase II (Due Diligence)					
<u>Number of Clients (external to SPARK)</u>					
Actual/Forecast	6.00	2.00	2.00		10.00
Target M Budget/Proposed					-
Actual Over/(Under) Target	6.00				10.00
<u>Hours per Client (Avg) (external to SPARK)</u>					
Actual/Forecast	6.00	6.00	10.00	#DIV/0!	6.8
Target M Budget/Proposed					-
Actual Over/(Under) Target	6.00				6.80
Memo: Total Phase II Hours	36.00	12.00	20.00		68.00
Phase III (Intensive Service)					
<u>Number of Client Engagements</u>					
Actual/Forecast	33.00	28.00	27.00		88.00
Target M Budget/Proposed					-
Actual Over/(Under) Target					88.00
<u>Hours per Client Engagement (Avg)</u>					
Actual/Forecast	41.88	39.70	41.77	#DIV/0!	41.15
Target M Budget/Proposed					-
Actual Over/(Under) Target					41.15
Memo: Total Phase III Hours	1,382.00	1,111.47	1,127.80		3,621.27

LDFA Report - Ann Arbor SPARK 2014

Current
2013-2014

\$370K
Support
for
companies



122
Companies
Served



20
Companies
Created



Jobs

139

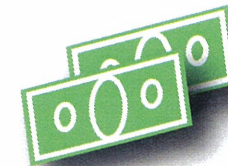
jobs created

350

current FTEs



2,312
Event
Attendees



**Funds
Raised**
\$28.1 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
January 1, 2014 – March 31, 2014

Boot Camp

Ann Arbor SPARK held its 24rd Entrepreneur Boot Camp on, 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.

Uniq ID	Account Description
4115	Creator of distribution algorithm
6338	Provider of software and consulting services to OEM, Tier I & Tier II manufacturing companies.
6829	Mobile app for live audience events and venues
6918*	quenched magnetic nanocolloids
6919#	Internet-based program to manage stress
6940#	An educational class planning tool for students (college) that has shown improved grading scores.
6947#	Malware detection software
6980#*	DC Fast Charging Stations for Electric Vehicles (EVs).
6981#	Wearable heart attack detection device
7003#*	Digital tools to improve market access for the ethical apparel industry

*Denotes University of Michigan technology

#Received LDFA funding

Work Accomplished

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

10 Phase I companies were referred out due to their location or not meeting business type criteria. 8 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
6891	Business Assistance	A secure, easy-to-use and mobile technology that enable communication between care team and patient
6955	Phase 2	Web application tailored for contractors
Grand Totals (2 records)		

The following companies received Phase III level support:

Account	Opportunity Description	Account Description	FTE
Uniq ID: 1282*			
Blaze Medical Devices, LLC	IP Work	Spectral analysis for red blood cells	3
Uniq ID: 1646*			
Avicenna Medical Systems, Inc.	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.	4
Uniq ID: 3476*			
Arborlight, LLC	Conduct Focus Groups	High quality LED lighting that mimics sunlight	5
Uniq ID: 4210)			
PeoplePlus Software, Inc.	Business Development assistance	Supply chain software development company	2
Uniq ID: 4519			
AdAdapted, Inc.	Marketing Assistance and UI/UX	Ad network for mobile gaming and applications.	2
Uniq ID: 4547			
AMF-Nano Corporation	Design Specs and Consulting	Advanced nanofabrication methods and a novel three dimensional (3D) approach to sensor assembly	1
Uniq ID: 4566			
Dangos Inc.	Development Support	Provides mobile applications for large travel destinations	1
Uniq ID: 4976			
PicoSpray LLC	Design Specs and Consulting	Low-cost electronic fuel injection system for the small engine market.	4
Uniq ID: 6230*			
Kalyspo, LLC	Business Assistance	Barcode Surgical instruments and sponges	2

Uniq ID: 6357*			
ShowTown LLC	Ui/Ux and Validation	Exclusive talent based website	3
Uniq ID: 6358*			
TurtleCell L.L.C.	Website Design	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	2
Uniq ID: 6360*			
siRNAx, inc.	Prototype placement w/industrial segment for humidity control. Help with partnership deal w/ Medtronic	A fusion protein consisting of a single chain variable fragment immunoglobulin	1
Uniq ID: 6514*			
Human Data Systems LLC	Legal and Business Assistance	A miniature biometric sensor system for patients discharged following hospitalization for heart failure, pneumonia, and heart attack.	2
Uniq ID: 6518*			
Ocunelis L.L.C.	Legal, IP	Creator of an eye drop assist device.	1
Uniq ID: 6621*			
1000 Tools, Inc.	Text	A platform for tool owners to lease their tools to nearby renters in their area.	3
Uniq ID: 6627			
Ekisa Labs, LLC	Business Assistance	A product for digitally interacting with fitness equipment.	2
Uniq ID: 6680			
Pop-Post, Inc.	Audio Narration	Pixar" of interactive ebooks	1
Uniq ID: 6800*			
Porter & Strother, LLC	IP Work	Smart Bike - Smart Rack	2
Uniq ID: 6804*			

Starboard Solutions Corp.	Prototype placement w/industrial segment for humidity control. Help with partnership deal w/ Medtronic	Company management their own proprietary software	1
Uniq ID: 6816			
Root3 Technologies, Inc.	Website Ui/Ux Design	Cloud based SaaS that provides hourly operational instructions to energy system operators.	5
Uniq ID: 6834*			
Upland Nanotech, LLC	BA Support	Developer and manufacturer of high resolution sensors used for near real-time diagnostics in Food pathogen testing	2
Uniq ID: 6859			
HeatSpring LLC	Legal/Contract work	Cammpus Software is a proprietary learning platform to sell professional development training courses	3
Uniq ID: 6867			
Digested Organics LLC	Text	Workstation with waste grinder and proprietary high-pressure waste micronizer, reducing particle size of food waste making it highly digestible to bacteria.	1
Uniq ID: 6897*			
David Crumm Media, LLC	Prototype placement w/industrial segment for humidity control. Help with partnership deal w/ Medtronic	Software for transforming a group of manuscript files	1
Uniq ID: 6920			
Vocatta, Inc.	Competitive Analysis and	Specializes translated and culturally competent messaging.	2

Product
Positioning

Uniq ID: 6939

Alessi Technologies, LLC	Business Assistance	A medical device for the field of histology that automates a process used in tissue diagnostics.	2
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Uniq ID: 6941*

Greener Planet Solutions North America, LLC	Text	Super-oxygenation system for waste water. It accelerates the growth of the bacteria that consumes organic waste.	2.5
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Grand Totals (27 records) 59.5

*Denotes University of Michigan technology or UM Student Team

Phase IV: No companies received Phase IV level support this quarter.

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, 93% of capacity (14 seats) at the highest peak during this quarter.

The SPARK Central expanded its incubator area in September to the 3rd 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
428*	Alternate energy from tidal currents	1/1/2014	12/31/2014	1
3045	Online marketplace for food distribution	10/14/2013	3/31/2014	1
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
4547	Advanced nanofabrication methods and a novel three	2/1/2014	7/31/2014	4

	dimensional (3D) approach to sensor assembly			
4791	Event Management Software	9/26/2013	9/25/2014	4
5091	Bird recognition software w/cameras. Used at wind farms.	9/9/2013	9/9/2014	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	2
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.	9/3/2013	1/31/2014	1
6816	Cloud based SaaS that provides hourly operational instructions to energy system operators.	10/4/2013	7/3/2014	2
6881	Data Quality tools built into Excel for Automation and Cleansing before regular processing tasks	11/18/2013	5/17/2014	1
Grand Totals (11 records)				

*Denotes University of Michigan technology or UM Student Team

Virtual Tenants

Uniq ID	Account Description	Start Date	Exit Date
386	Vision Technology w/ Sports applications	8/1/2013	8/1/2014
1282#	Spectral analysis for red blood cells	7/1/2010	12/31/2014
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	5/31/2014
2854	MI state incubator association	6/7/2011	7/6/2014
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	3/1/2012	6/30/2014
3593	DishFish Dollars (\$DF) are "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	4/30/2014
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions	5/13/2011	7/12/2014
4409	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	6/1/2012	2/28/2014

4431#	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	8/1/2012	4/30/2014
4566	Provides mobile applications for large travel destinations	5/10/2012	5/9/2014
5557	Digital Marketing Intelligence	7/1/2012	6/30/2014
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	6/30/2014
6260	Industrial Cluster	10/19/2013	2/18/2015
6356	A new marketing-based, platform-agnostic, real-time media alert solution.	2/1/2013	4/30/2014
6357#	Exclusive talent based website	9/3/2013	9/2/2014
6405	Connects personal digital voice to everyday items.	2/21/2013	6/30/2014
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.	2/1/2014	7/31/2014
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	4/30/2014
6763	Collaborative platform designed to modernize intraspecialty collaboration within the field of Otolaryngology (Ear, Nose and Throat).	12/1/2013	5/31/2014
6899	A Content Management (CM) solution that allows to edit and publish content	2/1/2014	7/31/2014
6941	Super-oxygenation system for waste water. It accelerates the growth of the bacteria that consumes organic waste.	2/1/2014	6/30/2014
Grand Totals (26 records)			

*Denotes University of Michigan technology or UM Student Team

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			
Michigan Energy Forum	2/6/14, 3/6/14	SPARK - Central	12,18	38,44	A monthly forum to facilitate collaboration and networking among practitioners, policy makers, investors and talent.	4,3	22,16
Ann Arbor OpenCoffee	1/14/14, 2/11/14, 3/11/14	SPARK - Central	13,13,11	24,29,24	Networking event for entrepreneurs	n/a	n/a
Michigan marketing Minds (formerly Marketing Roundtable)	1/14/14, 2/11/14, 3/11/14	SPARK - Central	10,17,13	36, 38, 42	A monthly series featuring regional marketing professionals who will discuss practical and cost-effective innovation marketing.	4, 5, 7	18, 1, 16
Business Law & Order	1/20/14, 3/17/14	SPARK - Central	4,9	20,32	A monthly series for entrepreneurs into some of the most important legal issues they must consider during business formation.	4,6	2,2
Business Accelerator Consultants Meeting	1/17/14, 2/21/14, 3/21/14	SPARK - Central	8,9,11	15,15,15	Monthly Business Accelerator Consultants meeting to update consultants	n/a	n/a
Careers over Coffee	1/28/14	Mighty Good Coffee	8	31	Careers over Coffee is an event for talent seeking opportunities for themselves.	n/a	n/a
Selling Smart Workshop	2/10/14, 3/4/14	SPARK – Central	3,4	8,11	A monthly Sales Workshop	n/a	n/a
BioArbor	3/15/14	SPARK – Central	0	117	Educational networking events for the life sciences industry in the greater Ann Arbor area.	6	22
VBA Beta Testing	1/22/14	SPARK – Central	16	20	Business Fitness Assessment testing of the Virtual Business Advisor online assessment tool	n/a	n/a
A2 Tech Connect	03/27/14	Kensington Court Hotel	0	194	This event is a casual career fair for innovative companies and job seekers looking for anew opportunity.	n/a	n/a
Gary Peters Breakfast	3/30/14	SPARK Central	0	6	This breakfast brought together business leaders around Ann Arbor to discuss various topics facing businesses today.	n/a	n/a
Quarterly Totals			179	759			

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
31	\$973,461	4	2	\$130,429	5	6	\$266,967

- One new loan this quarter.
- Total loans due is \$812,003, including interest accrued through 12/31/2013.
- Amount available to lend is \$237,374.

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
428*	Alternate energy from tidal currents	\$12,200.00
4076*	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death	\$12,000.00
4791	Event Management Software	\$1,050.00
Grand Totals (3 records)		\$25,250

*Denotes University of Michigan technology

Significant Deviation from Scope of Work

None



Local Development Finance Authority (Ann Arbor/Ypsilanti SmartZone)

Overview of the SmartZone extension opportunities and procedures

Sec. 12b of Local Development Finance Act 281 allows for an existing municipality which has a local development finance authority and has designated and operated a technology park (SmartZone) under previous legislative authority to extend the time period for that SmartZone for an additional five years or for an additional fifteen years under a set of specified circumstances. A five year extension can be achieved by requesting a contract extension from the Michigan Economic Development Corporation and the State Treasurer. Ann Arbor and Ypsilanti have operated a SmartZone under the existing authority for the last thirteen years with two year remaining on the original authorization and can pursue either a five year or fifteen year extension under the new legislation.

A fifteen year extension can be achieved if the existing SmartZone agrees to enter into an agreement with another authority without a technology park to designate such a park (generally referred to as a “satellite”) within a distinct geographic area. This fifteen year extension authorization is limited under the legislation to 3 such new areas to capture state education tax.

It is important to understand that the mechanism of funding of SmartZones, such as that of Ann Arbor/Ypsilanti is a **direct investment of State General Funds in the SmartZone**. Technology parks (SmartZones) are funded by TIF capture from local and school tax increases on property in designated areas on the incremental increase over a base amount established at the time the authority was created. In some cases, such as Ann Arbor, 100% of the tax capture was the school amount. Unlike local capture from sources other than school taxes, the school tax amount was reimbursed by the state so no school district would lose any revenue.

In layperson’s terms, the schools receive all of the funding due to them AND the LDFA receives an equal amount to invest in activities that support early stage growth of technology companies. If Ann Arbor/Ypsilanti would choose not to authorize the LDFA to maintain the SmartZone, these funds would stay in the State Treasury.

After 12 years of growth in the Ann Arbor area the tax capture has grown to more than \$1.6 million and projected to reach \$1.9 million in the final year of the 15 year program. To allow communities to extend the life of the program, as noted above, allow for 5 and 15 year extensions with criteria for approval created by the MEDC.

To apply for the fifteen-year extension, the SZ Local Development Finance Authority (“Authority”) must fulfill the following Criteria and follow the Application process outlined by the MEDC.

By 9/30/2014, the host LDFA must provide a 2-page Executive Summary to the MEDC describing how the applicant plans to meet the application criteria AND describing how the applicant performed against their original TIF plan and Agreement showing that satellite was created.

Upon approval of Executive Summary and agreement that the satellite was created, provide to the MEDC **by 6/30/2015** a revised AND APPROVED TIF and Development Plan.

A SZ LDFA may also apply for a five year extension by meeting the following criteria.

To apply for the five year extension, **by 6/30/2014**, provide a 2-page Executive Summary to the MEDC describing how the applicant plans to meet the application criteria AND describing how the applicant performed against their original TIF plan.

Upon approval of Executive Summary, provide to the MEDC **by 3/31/2015** a revised AND APPROVED TIF and Development Plan

Next Steps

- Ann Arbor/Ypsilanti LDFA adopts a resolution supporting the procedures required to extend the current LDFA/SmartZone capture additional 15 years, and also applying for a 5 year extension at minimum
- Ann Arbor and Ypsilanti city councils adopt resolutions supporting the Ann Arbor LDFA recommendation
- One of the two following steps, depending on whether the proposed satellite community already has a LDFA
 - Satellite Community LDFA and City Council, adopt resolutions of intent to partner with Ann Arbor/Ypsilanti LDFA as a host SmartZone community
 - Satellite Community without an LDFA must begin the process of creating an LDFA for the purposes of partnering with Ann Arbor/Ypsilanti LDFA as a host SmartZone.

- Develop a Satellite SmartZone Plan that includes the following criteria:
 - Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
 - Identify the benefits to regional cooperation and collaboration.
 - Identify how the Satellite SmartZone adds value to the mission of the Host SZ.
- The Host SZ's LDFA determines that the Satellite SmartZone meets the criteria set forth in Chapter 12b of the Act and passes a resolution recommending the designation of the Satellite SmartZone.
- The municipalities of the Host SZ pass resolutions to approve the designation of the Satellite SmartZone.
- The municipalities of the Host SZ and the new LDFA enter into an agreement to designate the Satellite SmartZone.
- The municipalities of the Host SZ provides the MEDC with a copy of its agreement with the Satellite LDFA.
- The MEDC amends the SmartZone agreement it has with the Host SZ that has agreed to sponsor the Satellite SmartZone to include the Satellite SmartZone.
- Upon completion of the above AND upon approval and completion of a TIF and Development Plan by the Satellite LDFA and Satellite municipality, the Satellite SmartZone has the ability to capture local taxes to be reimbursed by the State Treasurer from the State General Fund.

Possible partners

- City of Flint (No LDFA)
- City of Brighton (existing Local Development Finance Authority)
- City of Adrian (No LDFA)



Recent developments

In recent conversations with the CEO of the MEDC regarding the local TIF capture requirement in the extension legislation and difficulty in getting community support AND ability to identify a geographic area that would generate any significant tax over the life of the program, it was stated that a match for the school tax capture could be provided from sources other than a local tax capture. A long term commitment from a different source, such as a university, would suffice to qualify the satellite community eligibility for school tax capture. The amount required would be \$200,000 per year.

In addition, he said in regard to Ann Arbor/Ypsilanti SmartZone specifically, that since relaxing the match requirement for satellite recognition would allow the current LDFA to reap more than \$30 million from the state over the life of the extended 15 year period, the MEDC would ask as part of the new agreement between the LDFA and the MEDC, that **10% of the tax capture be used for programming in Ypsilanti** as part of their criteria of including regional collaboration.

**RESOLUTION AUTHORIZING APPLICATION FOR EXTENSION OF
SMARTZONE AGREEMENT**

WHEREAS, the Ann Arbor/Ypsilanti Smartzone Agreement among the Michigan Economic Development Corporation (MEDC), the Cities of Ann Arbor and Ypsilanti, and the Ann Arbor Ypsilanti Local Development Finance Authority (LDFA) is due to terminate on May 1, 2017, and

WHEREAS, statutory and regulatory procedures exist for seeking approval of extension of such agreements from MEDC for periods of five and fifteen years, and

WHEREAS, the LDFA deems it advisable to seek one or both of such extensions for the purpose of continuing to pursue the statutory objectives for which the Smartzone was initially established,

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board of the LDFA is authorized to file such applications as are necessary with MEDC to seek extension of the Smartzone Agreement for periods of five and fifteen years.
2. The Board of the LDFA is authorized to seek the approval of the Cities of Ann Arbor and Ypsilanti for such extensions, and the approval of said municipalities for such changes in agreements between them as may be required by MEDC to support such extensions including but not limited to any changes in the permitted use for tax increment funding used to finance Smartzone activities.
3. The Board of the LDFA is authorized to seek the participation of other municipalities as potential sites for such satellite locations as may be necessary and appropriate to support extensions of the Agreement.

The forgoing resolution was duly adopted by the Board of the LDFA at its regularly-scheduled meeting of _____, 2014.

LDFA Chair

LDFA Secretary

Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority (LDFA) Three-Year Integrated Marketing Plan March 2014

Background/LDFA Board Request





Ann Arbor SPARK (SPARK) has engaged in a variety of marketing and public relations efforts in support of the SPARK Business Accelerator (BA). These activities promote the creation and growth of innovation-based companies within the Ann Arbor/Ypsilanti SmartZone. For the new contract year, the LDFA Board has asked for an additional marketing effort that promotes the successes of the companies that have benefited from the Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority (LDFA) in a more prominent way to create greater awareness of the LDFA resources and purpose. A stronger promotional program will increase exposure of LDFA programs and services and ultimately drive more qualified startups and entrepreneurs, and increase attendance at educational and networking events. We acknowledge that budget process for approvals is on an annual basis and the annual budget amount is included, however, it is recommended that this new marketing effort will be implemented over a three-year period to achieve the greatest return on investment.

...the dual purpose and objective of the Business Accelerator and all related, services, programs, and events is to promote local job creation among technology-based entrepreneurial companies and newly formed companies, and to expand the tax base within the geographic boundaries served by the LDFA. (Excerpt from annual LDFA contract)

Executive Summary

Prior to the formation of Ann Arbor SPARK, there wasn't a clear destination for those who wanted to start a business in the city. Technology spinning out of the University didn't have support to bring products to market. There wasn't any one resource that provided a roadmap through the confusing maze of starting a business. The resources available to these entrepreneurs were scattered and relatively inaccessible, given the research, time and expertise involved with tapping in to those services that could support their growth.

Since SPARK's formation, entrepreneurial businesses have a destination for innovation – a hub where they can access education, expert advice, funding and business incubation. In essence, SPARK's existence has shortened the on-ramp for startups and made Ann Arbor a desirable location. SPARK, the local source of these entrepreneurial resources, will focus on the following driving industries:

-  Life Sciences (medical devices, biotechnology, contract research organizations, medical IT)
-  Information Technology (including applications development, software, internet-related businesses)
-  Cleantech (including alternative energy, transportation, energy storage and efficiency)
-  Advanced manufacturing
-  Photonics (including optics, imaging, lasers, communications and related automation)
-  Advanced Materials (including nano particles, and coatings)
-  Homeland Security & Defense (including tracking and surveillance, and advanced data collection)

Executive Summary Cont.

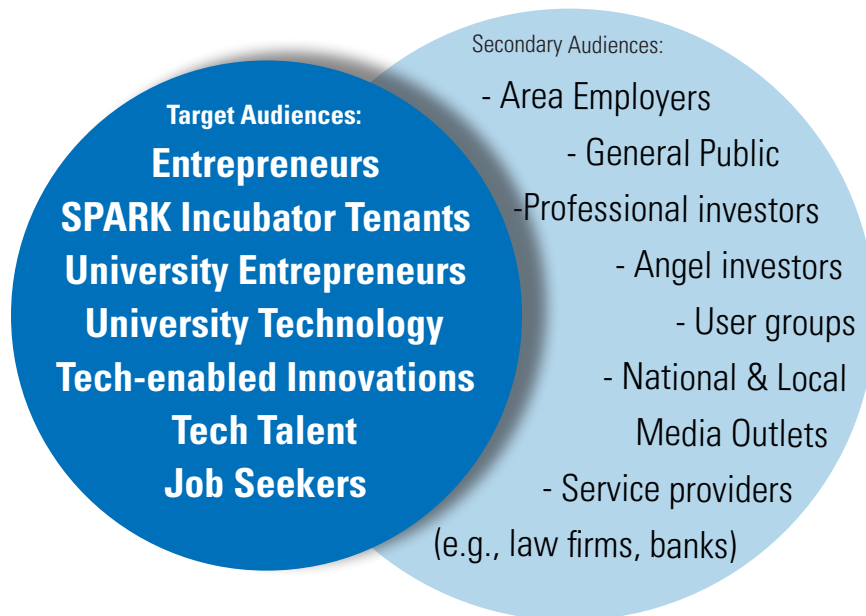
The LDFA marketing plan has been designed with the purpose of promoting the success of these companies locally, nationally, and globally. Using a strategic, integrated approach to marketing, SPARK works to establish the City of Ann Arbor as a destination for entrepreneurship and innovation. This approach is able to deliver consistent messages across a variety of channels, ranging from traditional media to new media such as podcasts, social media, and video. The core messages of the marketing plan are:

- 1. Accelerating start-up business formation within the geographic boundary of the City of Ann Arbor.**
- 2. Promoting company creation, growth, success, and its impact on the city of Ann Arbor's economic health.**
- 3. Promoting the state's investment in city of Ann Arbor's economy through the LDFA.**
- 4. Educating the public on the resources in the entrepreneurial ecosystem in Ann Arbor – where quality of life, culture and livability create a place where companies can grow and thrive.**

SPARK's sustained marketing efforts over a 3-year period will support the LDFA's programs to accelerate the growth of start-ups in the City of Ann Arbor. The services supported by the LDFA contract include:

-  Business Accelerator Services
-  Biannual Entrepreneur Boot Camp Program
-  Business formation training
-  Educational and networking events
-  Start-up business resources, including consulting and business incubators
-  Microloan program
-  Programs designed to attract local talent and retain talent in Ann Arbor

Purpose and Target Audience



Communication & Education Priorities

1. The LDFA is the state's investment in diversifying the City of Ann Arbor's economy. The LDFA was created to offer support to emerging businesses in the city. In doing so, LDFA is creating the foundation on which our future economy can grow – startups that will grow, invest and hire, live and play in Ann Arbor. The resources provided through LDFA funding place Ann Arbor on the map for entrepreneurs, and offer it a leg up against competing destinations where entrepreneurs might consider starting up. **LDFA's investment in startups is an investment in Ann Arbor's long-term economic health.**

2. Entrepreneurs create businesses that attract talent and capital investment. By choosing to locate in the City of Ann Arbor, they become a tax paying citizen in our community – they work, play, eat, shop and support the downtown area. In this way, entrepreneurs have a ripple effect on the broader economy in Ann Arbor.

3. Success, in entrepreneurial terms, is defined in several ways: The road from startup to commercialization or profit is varied. The most meaningful measures of success are

- a. **Company creation**
- b. **Company growth and expansion**
- c. **Company follow on investments**
- d. **Talent retention and recruitment**

4. Entrepreneurs have achieved success as a direct result of LDFA support since inception. The growth has been accelerated with the Incubator in 2008 and the loan program in 2010. By shining a light on those success stories, we are able to showcase the vast entrepreneurial resources available here and demonstrate the return-on-investment to the community, who might not understand the impact of entrepreneurship on our economy.

Current Marketing Plan

SPARK promotes LDFA business accelerator resources and services, incubator clients and their success stories, and supporting entrepreneur education and training by delivering sustained messages across a variety of new media and marketing channels.

Public Relations & News Features

Concentrate Custom Publication

- Feature entrepreneurial companies supported by LDFA and SPARK's custom online publication in partnership with local media outlet, Issue Media Group. A top location for readers of this publication is Ann Arbor.

PR Efforts

- Concentrate – Issue Media Group
- Ann Arbor and Regional News Outlets
- National PR Coverage - Yahoo News and MarketWatch

Events & Talent Promotion

Series Events

- SPARK continues to host and promote the entrepreneurial events series for area start-ups.
- SPARK has and will continue to cultivate a vast library of event video archives to be used as a resource for the local entrepreneurial community of start ups and early stage companies.

SPARK Talent and Events Newsletters

- SPARK produces two weekly newsletters that support entrepreneurship, education and talent attraction: Talent and Events.

New Media Marketing

Website

- With over 25,000 visits a month the SPARK website has become the go-to resource for connecting entrepreneurs with information and services.

Social Media

- SPARK currently promotes the companies supported by LDFA through postings via Twitter, LinkedIn, Facebook and AnnArborUSA-blog.

Podcasts

- Early stage companies have an opportunity to share their success stories in a podcast format . We promote the podcasts through newsletter blasts, social media, blog, the SPARK website, and feature articles in MLive-Ann Arbor.

Video

- SPARK produces videos highlighting the success of Ann Arbor Companies, as well as promoting the services and resources that the business accelerator offers.

SPARK AdWords Campaign

- SPARK drives traffic to the entrepreneurial services and events portions of the website via Google Ads as part of our monthly AdWords Grant from Google.

Current Marketing Plan Results

Three Year Overview

Integrated Marketing Results	LDFA Fiscal 2010-11	LDFA Fiscal 2011-12	LDFA Fiscal 2012-13
New Media			
Total Website Visits	256,805	326,254	393,818
Total Entrepreneur Page Views	89,096	110,139	187,621
Ann Arbor, Michigan Location Specific			
Ann Arbor Website Visits	62,386	67,705	66,596*
Ann Arbor Website Traffic From Social Media	1,581	1,834	2,267
Video Views (Michigan)	117	1,328	2,856
PR Placements	-	-	77
Ann Arbor Entrepreneur Services Landing Page	3,306	3,847	4,098

The source for all website data is from Google Analytics. Historical data is based on a percentage of actual traffic.

**The Google Grants AdWords program is the #1 source of referral traffic to the SPARK website. In April 2013, Google began capping grant spending, and doubled the cost per click for grant recipients. As a result, SPARK's traffic in the 2013-2014 fiscal year will likely decrease. Paid AdWords Campaign increases outlined in the marketing plan will mitigate the impact of this decline for 2014-2015.*

New Marketing Plan Recommendations

As SPARK continues to establish the City of Ann Arbor as a destination for innovation and entrepreneurship, there are tactics we would like to add to our integrated approach. These new opportunities will expand the reach and increase the frequency of messages promoting the impact of LDFA resources on creating new companies, and the resulting effect on Ann Arbor's economic health.



Digital and Print Promotion

Spark will continue to promote company results and successes achieved through use of LDFA resources to support the entrepreneurial ecosystem in Ann Arbor. New digital and print promotional activities will be geographically targeted to the City of Ann Arbor that create awareness of accelerator services, grants, loans, job openings, networking and educational meetings.

These activities are critical tools required to increase exposure and awareness of the companies created through the LDFA Ann Arbor-Ypsilanti SmartZone resources and the resulting impact on Ann Arbor's overall economic health. Here are examples of marketing channels that have proven highly effective in reaching broad audiences.



A recent Facebook promotion resulted in 5,876 impressions, whereas a non-paid Facebook post averages around 200 impressions. This is an **increase of 2,800%, or 5,678** additional impressions.



SPARK recently posted a LinkedIn promotion which resulted in **more than double** the impressions, clicks, and engagement.



SPARK currently runs ads featuring Entrepreneurial Services, paid for by SPARK's Non-Profit Google Grant. Google Ads traffic is the top referral source of traffic to the Entrepreneurial Services portion of SPARK's website, accounting for **over 85% percent** of the traffic this past month.

Since these tactics are proving highly effective in reaching our target audiences, we recommend expanding the scope and highlighting additional companies in promotions. Examples of promotions we could create to promote successful outcomes of companies utilizing LDFA resources are included below. The full-size versions of these images are also included as an attachment to this plan.

LDFA PROGRESS	LDFA REALIZATION	LDFA GROWTH	LDFA SUCCESS
			
SPARK CENTRAL Business Acceleration Since inception, SPARK has supported 569 Start-ups with Business Accelerator services through SmartZone support, including 119 incubator tenants	Avegant Kickstarter Record Breaker Learn how Ann Arbor-Ypsilanti SmartZone support helped Avegant build a prototype and create a national technology sensation	Marisa Smith, CEO The Whole Brain Group Find out how Ann Arbor-Ypsilanti SmartZone support helped Marisa Smith grow The Whole Brain Group in downtown Ann Arbor	Sassa Akervall President & COO Akervall Technologies Learn how Ann Arbor-Ypsilanti SmartZone support helped Akervall Technologies establish a successful manufacturing business in the region
SPARK@nn arbor usa	SPARK@nn arbor usa	SPARK@nn arbor usa	SPARK@nn arbor usa



Communications and Public Relations

SPARK would increase PR, traditional and visual communications efforts through new efforts:

- Incubator media tours
- Video production and development



Expected Outcomes over a 3 Year Period - Beginning New LDFA Fiscal Year July 1, 2014

Engagement

- Increased awareness of LDFA, its purpose and importance, as well as the value of an entrepreneurial ecosystem to Ann Arbor's economic health.
- Increased awareness of LDFA resources and the culture and sense of place to help startups in the City of Ann Arbor
- Increase open rate of SPARK events newsletter to 2% above industry average

Website & New Media

- Increase page views to entrepreneur services portion of the website by 3,000 annually above 2013-2014 fiscal year
- Increase page views from Ann Arbor to the website by 5,000 annually above 2013-2014 fiscal year
- Increase visits from Ann Arbor from social media channels by 500 annually above 2013-2014 fiscal year
- Increase video plays from Michigan by 500 annually above 2013-2014 fiscal year

News & PR

- Increased mentions of City of Ann Arbor startups in local, regional, and national news publications
- Mention of City of Ann Arbor startups in six national news publications
- 30 additional placements for LDFA initiatives and incubator clients from SPARK's media pitching efforts

Budget

Current Marketing Budget: \$80,000

- New Media: \$45,000
- Public Relations and News: \$25,000
- Events Marketing: \$10,000

Proposed Budget for 2014-2015 Fiscal Year: \$150,000

- New Media: \$80,000
- Public Relations and News: \$35,000
- Events Marketing: \$15,000
- Graphic Design: \$20,000

Attachments

Attachment A - Attached is a sample template for SPARK's upcoming LDFA reports, in which we will summarize the full reports in a condensed, visual, infographic style.

Attachment B - Sample content that will be used in new promotions

LDFA Report - Ann Arbor SPARK 2014

Current
2012-2013

39
created
129
served

Companies

\$760K
Support
for
companies

2,761
Event
Attendees

Overall
2006 - 2013

88
created
347
served

Companies

\$1.89 M
Invested

61
Successes

29,738
Event
Attendees

**LDFA Funds
Leveraged
\$19.5 M**
investments & grants

135
jobs created

416
current FTEs

Jobs

**LDFA Funds
Leveraged
\$76.9 M**
investments & grants

513
jobs created

2,349
current FTEs

Jobs

**Companies
Sustained
5 years or more**

61

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

LDFA GROWTH



Marisa Smith, CEO The Whole Brain Group

**Find out how Ann Arbor-Ypsilanti
SmartZone support helped Marisa
Smith grow The Whole Brain Group
in downtown Ann Arbor**

SPARK@nn arbor usa

LDFA SUCCESS



SISU
MOUTH GUARDS



Sassa Akervall President & COO Akervall Technologies

Learn how Ann Arbor-Ypsilanti
SmartZone support helped Akervall
Technologies establish a successful
manufacturing business in the region

SPARK@nn arbor usa

LDFA PROGRESS



SPARK CENTRAL Business Acceleration

Since inception, SPARK has supported 569 Start-ups with Business Accelerator services through SmartZone support, including 119 incubator tenants

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LDFA REALIZATION



Avegant

Kickstarter Record Breaker

**Learn how Ann Arbor-Ypsilanti
SmartZone support helped Avegant
build a prototype and create a
national technology sensation**

SPARK@nn arbor usa

A2 Tech Connect



A2 Tech Connect



A2 Tech Connect IT Job Fair

Initial Concept:

- Assist growing technology focused businesses find local talent through a targeted IT job fair
 - Invite 8 to 10 Ann Arbor IT focused Companies
 - Each business should have 10+ openings to fill
 - Create an event featuring 100+ IT jobs
 - Attract 60 to 80 IT professionals

March 27th Pilot Event:

- 18 Ann Arbor area companies attended
- Over 100 open positions were featured
- Initial reservation space at Kensington was doubled
- 150 IT professionals came looking for employment



A2 Tech Connect IT Job Fair

Featured Employers:

- Barracuda Networks
- City of Ann Arbor
- Duo Security
- GDI Infotech
- Ingite XDS
- Llamasoft
- Lyons CG
- MASCO Cabinetry
- Nutshell
- Pillar Technology
- POLY Informatics
- Quantum Signal
- Stout Systems
- Systems in Motion
- TD Ameritrade
- Thomson Reuters
- University of Michigan – ITS
- Workforce Software



A2 Tech Connect Quotes



“Typically, at these events we are one of hundreds of companies looking to connect with maybe 60 candidates, here we were one of a select few with an IT pool of hundreds.”

– Tony LaRusso, Director,
Application Support Services
Lyons CG