



**LDFa Board Meeting**

January 24, 2012

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 October 25, 2011 Regular Board Meeting**
- V. Approval of the Minutes of the December 13, 2011 Board Retreat**
- VI. Election of LDFa Treasurer**
- VII. Annual Appointment of Board Committees**
- VIII. LDFa Chair's Report**
- IX. LDFa Treasurer's Report**
  - a. LDFa Financial Report – 2<sup>nd</sup> quarter FY 2012
  - b. FY2013 Budget timing and projected tax capture
- X. Reports from Service Providers**
  - a. SPARK Report – 2<sup>nd</sup> quarter FY 2012
- XI. Other Business**
  - a. Cantillon update
  - b. Approval to move forward with audit
- XII. Motion to Adjourn**



**MINUTES – REGULAR BOARD MEETING  
October 25, 2011**

**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, Theresa Carroll, Mark Maynard, Stephen Rapundalo, Phil Tepley, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio, Paula Sorrell-MEDC Ex-officio

**Members Excused:** Vince Chmielewski, Lisa Kurek, Ned Staebler

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Maricat Eggenberger-SPARK, Lori Emerson-SPARK, Greg Fronizer-SPARK, Bill Mayer-SPARK, Kurt Riegger

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**CALL TO ORDER:**

Beedon called the meeting to order at 8:20 am. A quorum was present.

**PUBLIC COMMENT:**

There was no public comment.

**APPROVAL OF THE AGENDA:**

Maynard moved, seconded by Carroll, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the September 20, 2011 Regular Board Meeting:**

Tepley moved, seconded by Maynard, to approve the Minutes of the September 20, 2011 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**Election of LDFA Treasurer:**

Treasurer: There was no member present interested in filling this position. The position will remain temporarily vacant, until the next Board meeting.

**Annual Appointment of Board Committees:**

Appoint of Board committees has been tabled until the next Board meeting.

**LDFA CHAIR'S REPORT:** Chair Beedon reported on the following:

- Ned Staebler, formerly an ex-officio member of the board, had been appointed by Ann Arbor City Council to fill a vacant position on the board.
- The metrics committee had met and metrics would be published.

DRAFT

- The Chair and the Board suggest that Ann Arbor City Council fill the current vacant position with a person with a financial background.
- The LDFA's annual report would be presented to Ann Arbor City Council at either the November 10<sup>th</sup> or 24<sup>th</sup> Council meeting, or the November 14<sup>th</sup> Council work session.

**LDFA TREASURER'S REPORT:**

Crawford, in the absence of the Treasurer, presented the LDFA Financial Report for the 1<sup>st</sup> quarter of FY 2012.

**REPORTS FROM SERVICE PROVIDERS:**

Simms presented the 1<sup>st</sup> quarter FY 2012 SPARK report. Changes in the content of the report were discussed by the Board.

**OTHER BUSINESS:**

- a. Vote to approve revised bylaws – Carroll moved, seconded by Tepley to approve the revised bylaws as presented and attached to these minutes. Motion approved unanimously.
- b. Cantillon – Crawford informed the Board that no responses to the RFP were received by the deadline. The committee suggests that the future of Cantillon be discussed at the Board's planned retreat on December 13, 2011.

**MOTION TO ADJOURN:**

Rapundalo moved, seconded by Maynard, to adjourn the meeting at 9:20 am. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, for Recording Secretary Tom Crawford



**MINUTES – BOARD RETREAT  
December 13, 2011**

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

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

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**Members Present:** Richard Beedon, Theresa Carroll, Eric Jacobson, Stephen Rapundalo, Ned Staebler, Christopher Taylor, Phil Tepley, Tom Crawford – Ex-officio, Skip Simms – Accelerator Ex-officio

**Members Excused:** Vince Chmielewski, Mark Maynard, Paula Sorrell – MEDC Ex-officio

**Others Present:** Ken Bogan – City of Ann Arbor-Finance, Britany Affolter-Caine – SPARK, Luke Bonner – SPARK, Donna Doleman – SPARK, Maricat Eggenberger – SPARK, Lori Emerson – SPARK, Greg Fronizer – SPARK, Bill Mayer – SPARK

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**CALL TO ORDER:**

Beedon called the meeting to order at 2:05 pm. A quorum was present.

**PRESENTATIONS & DISCUSSIONS:**

Various presentations and discussions were held as listed on the retreat agenda attached.

**ADJOURNMENT:**

Beedon adjourned the meeting at 5:12 pm.

Respectfully Submitted,

Ken Bogan, for Recording Secretary Tom Crawford

**Ann Arbor/Ypsilanti SmartZone LDFA  
Board of Directors  
FY 2012**

<b>Municipality</b>	<b>Member</b>	<b>LDFA Title</b>	<b>Term Starts</b>		<b>Term Ends</b>
Ann Arbor	Theresa Carroll		7/1/2008		6/30/2012
Ann Arbor	Christopher Taylor	City Council seat	7/1/2008		6/30/2012
Ann Arbor	Richard Beedon	Chair	7/1/2009		6/30/2013
Ann Arbor	Eric Jacobson		7/1/2009		6/30/2013
Ann Arbor	Stephen Rapundalo	Vice Chair	7/1/2011		6/30/2015
Ann Arbor	Ned Staebler		7/1/2011		6/30/2015
		Treasurer (vacant)			
Ypsilanti	Mark Maynard		7/1/2008		6/30/2012
Ypsilanti	Phil Tepley		7/1/2009		6/30/2013
Ypsilanti	Vince Chmielewski		7/1/2011		6/30/2015
Ex-officio	Tom Crawford	Recording Secretary			
Ex-officio	Skip Simms				
Ex-officio	Paula Sorrell				

**Ann Arbor/Ypsilanti SmartZone LDFA  
Board of Directors - Committee Positions  
FY 2012**

<b>Member</b>	Audit	Cantillon	Budget/ Contract	Metrics
Theresa Carroll			X	
Christopher Taylor				
Richard Beedon		X		X
Stephen Rapundalo	X		X	
Ned Staebler				
Eric Jacobson				
Mark Maynard		XX		XX
Phil Tepley		X	X	X
Vince Chmielewski				
Tom Crawford	X	X		X
Skip Simms			X	X
Paula Sorrell				X

Note:  
XX Chair  
X Member



# **FINANCIAL SUMMARY**

**as of December 31, 2011**

Smart Zone LDFA  
**DELIVERABLES**  
as of December 31, 2011

	<u>ACTUAL</u> <u>Q1</u>	<u>ACTIAL</u> <u>Q2</u>	<u>FORECAST</u> <u>Q3</u>	<u>FORECAST</u> <u>Q4</u>	<u>Full Year</u>
<b>Phase II (Due Diligence)</b>					
<u>Number of Clients (external to SPARK)</u>					
Actual/Forecast	4.00	2.00	5.00	5.00	16.00
Budget/Proposed	5.00	5.00	5.00	5.00	20.00
Actual Over/(Under) Target	(1.00)	(3.00)	-	-	(4.00)
<u>Hours per Client (Avg) (external to SPARK)</u>					
Actual/Forecast	8.50	3.94	20.00	20.00	15.1175
Budget/Proposed	5.00	5.00	5.00	5.00	5.00
Actual Over/(Under) Target	3.50	(1.06)	15.00	15.00	10.12
Memo: Total Phase II Hours	<b>34.00</b>	<b>7.88</b>	<b>100.00</b>	<b>100.00</b>	<b>241.88</b>
<b>Phase III (Intensive Service)</b>					
<u>Number of Client Engagements</u>					
Actual/Forecast	18.00	16.00	15.00	15.00	64.00
Budget/Proposed	15.00	15.00	15.00	15.00	60.00
Actual Over/(Under) Target	3.00	1.00	-	-	4.00
<u>Hours per Client Engagement (Avg)</u>					
Actual/Forecast	34.45	39.47	65.00	65.00	50.03
Budget/Proposed	65.00	65.00	65.00	65.00	65.00
Actual Over/(Under) Target	(30.55)	(25.53)	-	-	(14.97)
Memo: Total Phase III Hours	<b>620.10</b>	<b>631.58</b>	<b>975.00</b>	<b>975.00</b>	<b>3,201.68</b>



Smart Zone LDFA  
**FY 2011 FINANCIAL SUMMARY**  
as of December 31, 2011

							<b>BUDGET</b>	
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>FORECAST</u>	<u>FORECAST</u>	Full Year	Amount	Forecast Good/(Bad) Budget	
	Q1	Q2	Q3	Q4				
<b><u>INCOME STATEMENT</u></b>								
<b>Revenues:</b>								
Tax Revenue	\$ 821,624	\$ 86,827	\$ 379,305	\$ 126,435	\$ 1,414,191	\$ 1,545,181	\$ (130,990)	
Miscellaneous	-	-	-	-	-	-	\$ -	
Microloan Repayments	-	-	-	-	-	68,750	\$ (68,750)	
Investment Income	3,357	2,539	3,489	2,882	12,267	12,357	\$ (90)	
<b>Total Revenues</b>	<b>\$ 824,981</b>	<b>\$ 89,366</b>	<b>\$ 382,794</b>	<b>\$ 129,317</b>	<b>\$ 1,426,458</b>	<b>\$ 1,626,288</b>	<b>\$ (199,830)</b>	
<b>Expenditures:</b>								
<b><u>Contracted Services</u></b>								
SPARK BA Direct Staffing	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000	\$ 300,000	\$ -	
Phase II (Due Diligence)	3,400	788	10,000	10,000	24,188	50,000	\$ 25,812	
Phase III (Intensive Service)	62,002	63,158	97,500	97,500	320,160	400,000	\$ 79,840	
Phase IV (Accelerating Opportunities)	-	-	60,000	60,000	120,000	120,000	\$ -	
Micro Loan Program for Entrepreneurs	137,500	-	137,500	-	275,000	275,000	\$ -	
Micro Loan Reuse of Repaid Loans	-	-	-	-	-	68,750	\$ 68,750	
Angel Investment Group Support	-	-	15,000	15,000	30,000	30,000	\$ -	
Business Networking Events	5,390	4,042	10,284	10,284	30,000	30,000	\$ -	
Entrepreneurial Education	8,326	8,641	11,516	11,516	40,000	40,000	\$ -	
Entrepreneurs Bootcamp	4,000	-	18,000	18,000	40,000	40,000	\$ -	
Cantillon Web Based Education	-	-	2,500	2,500	5,000	5,000	\$ -	
<b>Total Contracted Services</b>	<b>295,618</b>	<b>151,629</b>	<b>437,300</b>	<b>299,800</b>	<b>1,184,348</b>	<b>\$ 1,358,750</b>	<b>\$ 174,402</b>	
<b><u>SPARK Indirect Services</u></b>								
SPARK Central Business Incubator	38,835	34,513	47,326	47,326	168,000	\$ 168,000	\$ -	
SPARK Accounting	15,798	15,798	15,798	15,798	63,191	63,191	\$ -	
SPARK Marketing	11,612	25,005	15,817	15,817	68,250	68,250	\$ -	
	<b>66,244</b>	<b>75,315</b>	<b>78,941</b>	<b>78,941</b>	<b>299,441</b>	<b>\$ 299,441</b>	<b>\$ -</b>	
<b><u>City of Ann Arbor Services</u></b>								
Legal & Admin. Support	472	892	24,318	24,318	50,000	50,000	\$ -	
<b>Total Expenditures</b>	<b>\$ 362,335</b>	<b>\$ 227,837</b>	<b>\$ 540,559</b>	<b>\$ 403,059</b>	<b>\$ 1,533,789</b>	<b>\$ 1,708,191</b>	<b>\$ 174,402</b>	
<b>Net Increase/Decrease</b>	<b>\$ 462,647</b>	<b>\$ (138,471)</b>	<b>\$ (157,765)</b>	<b>\$ (273,742)</b>	<b>\$ (107,331)</b>	<b>\$ (81,903)</b>	<b>\$ (25,428)</b>	
<b>Memo:</b>								
Fund Balance (6/30/2011)	\$ 582,092							
Fund Balance - Operations (Qtr End)	\$ 1,044,739	\$ 906,268	\$ 748,503	\$ 474,761	\$ 474,761	\$ 500,189		

Category	Detail	Fiscal Year			Measureable		\$ Amount
		Incurred	Billed		Unit Descrip.	Number	
		Qtr	Year	Qtr			
SPARK BA Direct Staffing	July 11	1	2012	1	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	July 11	1	2012	1	Hours	14.00	\$ 1,400.00
Phase III (Intensive Service)	July 11	1	2012	1	Hours	226.44	\$ 22,644.00
Angel Investment Group Support	July 11	1	2012	1		1.00	\$ -
SPARK Central Business Incubato	July 11	1	2012	1	Facility Exp	1.00	\$ 10,962.69
Business Networking Events	July 11	1	2012	1	Events	1.00	\$ 1,222.12
SPARK Accounting	July 11	1	2012	1	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	July 11	1	2012	1	Marketing	1.00	\$ 4,121.46
Entrepreneurial Education	July 11	1	2012	1	Events	1.00	\$ 2,052.95
Legal & Admin. Support	July 11	1	2012	1	Legal for Cantillon	1.00	\$ 255.00
SPARK BA Direct Staffing	Aug 11	1	2012	1	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	Aug 11	1	2012	1	Hours	10.00	\$ 1,000.00
Phase III (Intensive Service)	Aug 11	1	2012	1	Hours	267.52	\$ 26,752.00
Angel Investment Group Support	Aug 11	1	2012	1		1.00	\$ -
SPARK Central Business Incubato	Aug 11	1	2012	1	Facility Exp	1.00	\$ 13,691.88
Business Networking Events	Aug 11	1	2012	1	Events	1.00	\$ 2,421.27
SPARK Accounting	Aug 11	1	2012	1	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	Aug 11	1	2012	1	Marketing	1.00	\$ 2,424.75
Entrepreneurial Education	Aug 11	1	2012	1	Events	1.00	\$ 2,042.95
Legal & Admin. Support	Aug 11	1	2012	1	Legal for Cantillon	1.00	\$ 75.00
SPARK BA Direct Staffing	Sept 11	1	2012	2	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	Sept 11	1	2012	2	Hours	10.00	\$ 1,000.00
Phase III (Intensive Service)	Sept 11	1	2012	2	Hours	126.06	\$ 12,606.00
Angel Investment Group Support	Sept 11	1	2012	2		1.00	\$ -
SPARK Central Business Incubato	Sept 11	1	2012	2	Facility Exp	1.00	\$ 14,180.01
Business Networking Events	Sept 11	1	2012	2	Events	1.00	\$ 1,747.02
SPARK Accounting	Sept 11	1	2012	2	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	Sept 11	1	2012	2	Marketing	1.00	\$ 5,065.75
Entrepreneurial Education	Sept 11	1	2012	2	Events	1.00	\$ 4,230.00
Entrepreneurs Bootcamp	Sept 11	1	2012	2	matching funds	1.00	\$ 4,000.00
Micro Loan Program for Entrepren	Sept 11	1	2012	2	first tranch	1.00	\$ 137,500.00

Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
SPARK BA Direct Staffing	Oct 11	2	2012	2	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	Oct 11	2	2012	2	Hours	-	\$ -
Phase III (Intensive Service)	Oct 11	2	2012	2	Hours	211.18	\$ 21,118.00
Angel Investment Group Support	Oct 11	2	2012	2			\$ -
SPARK Central Business Incubato	Oct 11	2	2012	2	Facility Exp	1.00	\$ 12,659.38
Business Networking Events	Oct 11	2	2012	2	Events	1.00	\$ 2,011.36
SPARK Accounting	Oct 11	2	2012	2	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	Oct 11	2	2012	2	Marketing	1.00	\$ 7,391.72
Entrepreneurial Education	Oct 11	2	2012	2	Events	1.00	\$ 2,956.25
Legal & Admin. Support	Oct 11	2	2012	2	Legal for Cantillon	1.00	\$ 225.00
SPARK BA Direct Staffing	Nov 11	2	2012	2	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	Nov 11	2	2012	2	Hours	-	\$ -
Phase III (Intensive Service)	Nov 11	2	2012	2	Hours	176.16	\$ 17,616.00
SPARK Central Business Incubato	Nov 11	2	2012	2	Facility Exp	1.00	\$ 10,797.03
Business Networking Events	Nov 11	2	2012	2	Events	1.00	\$ 949.29
SPARK Accounting	Nov 11	2	2012	2	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	Nov 11	2	2012	2	Marketing	1.00	\$ 15,335.65
Entrepreneurial Education	Nov 11	2	2012	2	Webcasting	1.00	\$ 1,982.50
SPARK BA Direct Staffing	Dec 11	2	2012	3	Direct Staff	1.00	\$ 25,000.00
Phase II (Due Diligence)	Dec 11	2	2012	3	Hours	7.88	\$ 788.00
Phase III (Intensive Service)	Dec 11	2	2012	3	Hours	244.24	\$ 24,424.00
SPARK Central Business Incubato	Dec 11	2	2012	3	Facility Exp	1.00	\$ 11,056.70
Business Networking Events	Dec 11	2	2012	3	Events	1.00	\$ 1,081.33
SPARK Accounting	Dec 11	2	2012	3	Accting Svc	1.00	\$ 5,265.92
SPARK Marketing	Dec 11	2	2012	3	Marketing	1.00	\$ 2,277.23
Entrepreneurial Education	Dec 11	2	2012	3	Webcasting	1.00	\$ 3,702.50
Legal & Admin. Support	Dec 11	2	2012	2	Legal for Cantillon	1.00	\$ 525.00

**Smart Zone LDFA**  
**PROJECTED CAPTURE OF TAXABLE VALUE**  
as of January 19, 2012

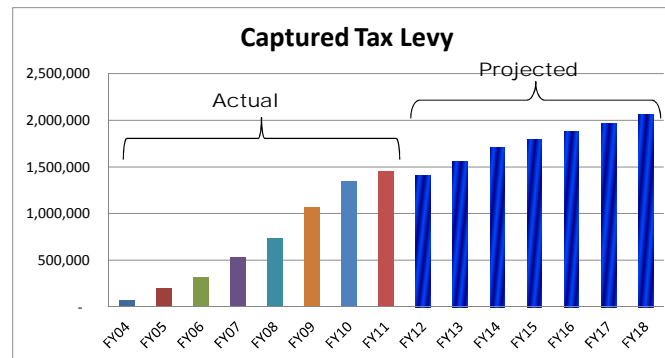
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Base Taxable Value	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105
Taxable Value	255,740,392	268,549,336	280,359,588	299,774,702	324,354,314	356,708,659	382,137,545	392,193,873
Captured Taxable Value	7,688,287	20,497,231	32,307,483	51,722,597	76,302,209	108,656,554	134,085,440	144,141,768
PRE (Homestead) Taxable Value	2,195,895	5,117,832	8,174,889	10,555,824	20,671,707	26,962,637	28,879,737	30,692,153
Non-PRE Taxable Value	5,492,392	15,379,399	24,132,594	41,166,773	55,630,502	81,693,917	105,205,703	113,449,615
PRE (Homestead) Captured Tax Levy	5,490	15,353	24,525	31,667	62,015	80,888	86,639	92,076
Non-PRE Captured Tax Levy	63,088	184,345	289,265	493,446	666,715	979,077	1,260,859	1,359,660
Total Captured Tax Levy	<b>68,578</b>	<b>199,699</b>	<b>313,790</b>	<b>525,113</b>	<b>728,730</b>	<b>1,059,965</b>	<b>1,347,498</b>	<b>1,451,736</b>

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Base Taxable Value	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105	248,052,105
Taxable Value	386,428,244	400,990,744	415,553,244	423,864,309	432,341,595	440,988,427	449,808,195
Captured Taxable Value	138,376,139	152,938,639	167,501,139	175,812,204	184,289,490	192,936,322	201,756,090
PRE (Homestead) Taxable Value	27,180,121	30,040,517	32,900,912	34,533,389	36,198,514	37,896,942	39,629,339
Non-PRE Taxable Value	111,196,018	122,898,122	134,600,227	141,278,815	148,090,976	155,039,380	162,126,751
PRE (Homestead) Captured Tax Levy	81,540	90,122	98,703	103,600	108,596	113,691	118,888
Non-PRE Captured Tax Levy	1,332,651	1,472,897	1,613,143	1,693,184	1,774,826	1,858,100	1,943,040
Total Captured Tax Levy	<b>1,414,191</b>	<b>1,563,019</b>	<b>1,711,846</b>	<b>1,796,784</b>	<b>1,883,421</b>	<b>1,971,791</b>	<b>2,061,928</b>

**NOTE:**  
FY 2012 taxable value per Assessor warrant. Capture will decrease commensurate with BOR/MTT/STC changes. PRE/Non-PRE allocation is estimated.  
Smart Zone capture decreases 2% from FY 2011 to FY 2012. This is a result of a \$500k reduction in real property taxable value, and a \$2.3 million reduction in personal property taxable value within the authority's district.

**ASSUMPTIONS:**  
Future PRE/Non-PRE distribution = 21%/79%  
Post 2012 growth assumed to be a flat 2%

FY04	68,578
FY05	199,699
FY06	313,790
FY07	525,113
FY08	728,730
FY09	1,059,965
FY10	1,347,498
FY11	1,451,736
FY12	1,414,191
FY13	1,563,019
FY14	1,711,846
FY15	1,796,784
FY16	1,883,421
FY17	1,971,791
FY18	2,061,928



## Ann Arbor/Ypsilanti SmartZone LDFA

	Actual FY2011	Budgeted FY2012	Forecasted FY2012	Planned FY2013	Proposed FY2013	Notes
<b>REVENUES</b>						
Tax Revenue	\$ 1,475,504	\$ 1,545,181	\$ 1,414,191	\$ 1,626,181	\$ 1,563,019	
Miscellaneous Revenue	-	-	-	-	-	
Microloan Repayments	-	68,750	-	200,000	-	(a)
Investment Income	14,723	12,357	12,267	12,357	12,357	
<b>Total Revenue</b>	<b>\$ 1,490,227</b>	<b>\$ 1,626,288</b>	<b>\$ 1,426,458</b>	<b>\$ 1,838,538</b>	<b>\$ 1,575,376</b>	
<b>EXPENDITURES</b>						
<b><u>Business Accelerator Support Services</u></b>						
SPARK Business Accelerator Direct Staffing	\$ 288,400	\$ 300,000	\$ 300,000	\$ 309,000	\$ 309,000	
Phase II - Due Diligence	5,775	50,000	24,188	50,000	50,000	
Phase III - Intensive Service	281,441	400,000	320,160	400,000	400,000	
Phase IV - Accelerating Opportunities	-	120,000	120,000	120,000	120,000	
Sub-Total	<b>575,616</b>	<b>870,000</b>	<b>764,348</b>	<b>879,000</b>	<b>879,000</b>	
<b>Micro Loan Program for Entrepreneurs</b>	<b>400,000</b>	<b>343,750</b>	<b>275,000</b>	<b>475,000</b>	<b>275,000</b>	(a)
<b>Angel Investment Group Support</b>	<b>12,490</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	
<b>Business Networking Events</b>	<b>30,885</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	
<b><u>Entrepreneur Education</u></b>						
Education Classes	12,681	40,000	40,000	40,000	40,000	
Bootcamp	40,000	40,000	40,000	40,000	40,000	
Sub-Total	<b>52,681</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	
<b>Cantillon Web Based Education</b>	<b>2,400</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	-	
<b>SPARK Central Incubator Operating Exp</b>	<b>154,773</b>	<b>168,000</b>	<b>168,000</b>	<b>176,400</b>	<b>176,400</b>	
<b><u>SPARK Indirect Services</u></b>						
SPARK Accounting	52,770	63,191	63,191	65,086	65,086	
Marketing	71,940	68,250	68,250	71,663	71,663	
Sub-Total	<b>124,710</b>	<b>131,441</b>	<b>131,441</b>	<b>136,749</b>	<b>136,749</b>	
<b><u>City of Ann Arbor Indirect Services</u></b>						
Legal & Admin Support	32,529	50,000	50,000	50,000	50,000	
<b>Total Operating Expenditures</b>	<b>\$ 1,386,084</b>	<b>\$ 1,708,191</b>	<b>\$ 1,533,789</b>	<b>\$ 1,862,149</b>	<b>\$ 1,657,149</b>	
<b>Net Increase (Use) of Fund Balance</b>	<b>\$ 104,143</b>	<b>\$ (81,903)</b>	<b>\$ (107,331)</b>	<b>\$ (23,611)</b>	<b>\$ (81,773)</b>	
<b>RESERVES</b>						
Est. Beginning Fund Balance	\$ 477,949	\$ 582,092	\$ 582,092	\$ 500,189	\$ 474,761	
Projected Surplus (deficit)	104,143	(81,903)	(107,331)	(23,611)	(81,773)	
<b>Projected ending Fund Balance</b>	<b>\$ 582,092</b>	<b>\$ 500,189</b>	<b>\$ 474,761</b>	<b>\$ 476,578</b>	<b>\$ 392,988</b>	
Fund Balance as a % of revenues	39%	31%	33%	26%	25%	

(a) Microloan repayments exist on the books of SPARK, not the LDFA, unless refunded to the LDFA by SPARK.

Ann Arbor-Ypsilanti Smart Zone  
Local Development Finance Authority  
Ann Arbor SPARK  
Quarterly Report  
October 1, 2011 – December 31, 2011

**Work Accomplished**

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

**13 Phase I companies were referred due to location or not meeting business type criteria. 11 were located outside the Ann Arbor City limits.**

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

Uniq ID	Opportunity Description	Account Description
4257	Assistance with development of mobile app	Mobile LBS based retail outlet
3476*	Website Redesign	Low-cost, high quality, solid state lighting combining organic and inorganic materials.
4167*	IP Disclosure and supporting documents	An intubation device (the SmartAirway) that is easy-to-use and improves first-pass success rates for inexperienced practitioners
2082	Process evaluation and improvement	Website development using open source content management systems, especially Drupal
338	Marketing and Sales assistance	Information and news aggregator and filter.
4471	Design Work	PerkPerk helps consumers get every discount they deserve, membership organizations increase loyalty, and merchants generate business from ta
4431*	IP Work	assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen
4431*	Marketing Help	assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen
4383*	Business Assistance	New material for cooling and power generation applications.
4438	Business Model Formation	Computer software that identifies disease biomarkers from high throughput expression data
4076	Business Planning	ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death
2316	Scale Up strategic work	Vacuum and hermetic packaging of MEMS using solder.
2316	Marketing Plan	Vacuum and hermetic packaging of MEMS using solder.

\*Denotes University of Michigan technology

**The following companies received Phase III level support**

16 companies received business accelerator engagements this quarter vs. 9 last year. These companies currently have 65.1 FTEs (Full Time Equivalent)

Uniq ID	Opportunity Description	Account Description	BA Contract Amt	BA Expenditures
4341	Go to Market and Sales Plan	Scheduling/dispatch solutions for rural transit systems	\$1,000	\$1,000

<b>4167*</b>	Accounting Setup	An intubation device (the SmartAirway) that is easy-to-use and improves first-pass success rates for inexperienced practitioners	\$800	\$800
<b>4341</b>	Customer Engagement	Scheduling/dispatch solutions for rural transit systems	\$3,000	\$3,000
<b>297</b>	Sales & Growth Planning	Software to help foreign nationals reduce their accent and English speakers to understand foreign accents.	\$10,000	\$10,000
<b>3074</b>	Spec Mobile App	Synaptin is a system to provide modern hospitals with a modern communications solution.	\$3,000	\$1,500
<b>4174</b>	IP Work	Creator of a conducting polymer	\$800	\$800
<b>3614</b>	Customer Introductions and strategy work	Next generation Electronic Health Records solution SaaS model.	\$5,000	\$5,000
<b>4052</b>	Strategic Planning	Creator of App for the Apple store dealing with children with disabilities	\$2,000	\$2,000
<b>2539</b>	Competitive Mapping	Hospital bed communication tablet	\$8,000	\$8,000
<b>4111*</b>	Go to Market Strategy	Youth Risk Assessment tool	\$4,000	\$4,000
<b>4111*</b>	Financial Model and Pricing Strategy	Youth Risk Assessment tool	\$2,350	\$2,350
<b>4111*</b>	Initial Market Assessment	Youth Risk Assessment tool	\$2,000	\$2,000
<b>3614</b>	Sales Video	Next generation Electronic Health Records solution SaaS model.	\$3,650	\$2,831
<b>4111</b>	PR and Marketing help	Youth Risk Assessment tool	\$1,650	\$915
<b>1465</b>	Market research	Self-Structuring Antenna for wireless applications	\$18,000	\$8,100
<b>4167*</b>	Design Work	An intubation device (the SmartAirway) that is easy-to-use and improves first-pass success rates for inexperienced practitioners	\$8,400	\$7,577
<b>4341</b>	National Marketing Strategy	Scheduling/dispatch solutions for rural transit systems	\$6,000	\$4,900
<b>4407</b>	IP Work	Digital instruments and software capable of accurately recreating the voices of valuable historic instruments.	\$5,000	\$4,500
<b>4406</b>	Legal, Strategic Assistance	Complete "Recommender System" (RS) for websites built with Drupal Content Management System	\$5,000	\$750
<b>481</b>	Business plan and financial assistance	Vortal for graphic arts purchasers	\$10,000	\$3,374
<b>3454</b>	Legal work	Health device for the prevention of Sexually Transmitted Infections that otherwise are transmitted by oral sex	\$2,000	\$630
<b>3006</b>	Business Planning	Our core market is customers needing simulation applications for real-world activities	\$10,000	\$9,916
<b>3577</b>	Sales and Marketing Process Development	State-of-the-art protein mass spectrometry service provider	\$20,000	\$16,247
			\$131,650.00	\$100,190.00

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

We are expecting applications from four companies interested in Phase 4 funding.

**Microloans**

Two companies received loans this period.

Company	Description	Use of Funds	Loan Amount
<b>Care Cheq</b>	Creator of online portal to connect care consumers and care providers	Trade show and branding expenses	\$19,460
<b>Reveal Design Automatoin</b>	Faster and more effective Integrated Circuit (IC) design quality control software	Bridge loan to funding event	\$45,000

Number of Loans to Date	Total Value of Loans to Date	Loans Written Off to Date	Value of Loans Written Off	Loans Paid to Date	Loan Amount Repaid to Date – Including Interest	Current FTE Jobs	Retained FTE Jobs
<b>24</b>	\$683,460	3	\$77,700	2	\$59,495	46	43

Available capital to be loaned: \$319,538.

Loans due \$80,000. A partial payment received by one company and loan term extended six months. Working on loan extensions that will require partial payments and a regular payment schedule.

**SPARK Central Incubator**

Total number of Full Tenants (those in a cubicle with secure space and full privileges) totaled 9 companies with 12 seats as of December 31, 2011. Tenants are charged a license fee per seat, or person(s) using the space. Chart outlines all companies that were a tenant at some point during this quarter.

Uniq ID	Account Description	Incubator Start Date	Incubator Exit Date	Incubator Seats
<b>4243</b>	Website for building construction project, repair and supply bids.	7/18/2011	1/18/2012	1
<b>4472*</b>	An online platform that empowers college students to showcase their work and skills to startups.	12/8/2011	5/31/2012	1
<b>2610</b>	Online management system for automotive incentives	2/1/2011	12/1/2011	1
<b>2159*</b>	Online healthcare portal for consumers	6/1/2009	11/30/2011	1
<b>4141</b>	Creator of online portal to connect care consumers and care providers	5/1/2011	4/30/2012	1



<b>4431*</b>	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	11/10/2011	5/10/2012	1
<b>438*</b>	Ultra low power semi-conductor chips	10/6/2009	5/30/2012	2
<b>3221</b>	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	12/1/2010	5/30/2012	1
<b>4409</b>	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	11/1/2011	4/1/2012	1
<b>3616</b>	Gasoline systems	8/8/2010	9/1/2012	4
<b>Grand Totals (12 records)</b>				
				14

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### Virtual Tenants

Uniq ID	Account Description	Virtual Start Date	Virtual End Date
<b>3418</b>	Children's financial learning program	7/1/2010	3/31/2012
<b>2945</b>	Energy monitoring technology for residential applications	7/1/2010	8/1/2012
<b>1282*</b>	Spectral analysis for red blood cells	7/1/2010	3/31/2012
<b>4464</b>	Software to manage social networks for high schools and colleges.	12/5/2011	5/5/2012
<b>2156</b>	specializes in vision-assisted robot guidance applications	7/1/2010	3/31/2012
<b>2550</b>	Patent advisor	7/1/2010	3/31/2012
<b>2634</b>	Web based applications for Chambers of Commerce	2/1/2011	2/1/2012
<b>2610</b>	Online management system for automotive incentives	12/1/2011	6/30/2012
<b>2634</b>	Web based applications for Chambers of Commerce	2/1/2011	2/1/2012
<b>2966</b>	We provide exclusive world class enterprise level internet e-commerce solutions for small to medium sized businesses at breakthrough pricing through relentless innovation and single point of access.	7/26/2010	3/31/2012
<b>2821</b>	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	9/1/2010	3/1/2012
<b>2854</b>	MI state incubator association	6/7/2011	3/31/2012
<b>271</b>	risk management- IT security, etc.	7/1/2010	3/31/2012
<b>4227</b>	Engineering srvc's, including advanced FEA, CAD, and high-end design solutions	5/13/2011	6/12/2012

<b>3645*</b>	Mass Spec results data improvement for the purpose of discovering diagnostic biomarkers	4/1/2011	3/31/2012
<b>2539</b>	Hospital bed communication tablet	11/1/2010	3/31/2012
<b>3914</b>	Advanced Planning and Scheduling solutions for Healthcare Facilities	2/1/2011	12/31/2011
<b>3360</b>	Managed services provider for healthcare providers	10/1/2011	9/30/2012
<b>4349</b>	Consultant firm focusing on Chinese relations	10/1/2011	9/30/2012
<b>3010*</b>	Faster and more effective Integrated Circuit (IC) design quality control software.	9/1/2011	2/29/2012
<b>338</b>	Information and news aggregator and filter.	7/1/2010	3/31/2012
<b>Total - 22</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>Ann Arbor OpenCoffee Total</b>	10/11, 11/8, 12/13/11	SPARK - Central	38	73	<u>Description:</u> This is a networking event for entrepreneurs, investors and those who work with technology & innovation businesses, particularly in IT, cleantech and life sciences.	0	0
<b>BioArbor Total</b>	10/12, 11/9, 12/14/11	SPARK - Central	47	163	<u>Description:</u> BioArbor hosts educational networking events for the life sciences industry in the greater Ann Arbor area.	25	104
<b>Business Accelerator Consultants Meeting Total</b>	9/16, 12/2/11	SPARK - Central	24	30	<u>Description:</u> Monthly Business Accelerator Consultants meeting to update consultants on SPARK and review projects.	0	0
<b>Business Law &amp; Order Total</b>	10/17, 12/10/11	SPARK - Central	19	44	<u>Description:</u> Business Law & Order Series will give entrepreneurs insight into some of the most important legal issues they must consider during business formation.	17	65

<b>CFO Roundtable Total</b>	10/20, 11/17, 12/15/11	SPARK - Central	16	49	<u>Description:</u> The CFO Roundtable is a monthly opportunity for Washtenaw area CFOs and other top financial representatives within an organization to network, interact, and learn from their peers.	0	0
<b>Dare to Dream Announcement Luncheon Total</b>	10/6/11	SPARK - Central	62	88	<u>Description:</u> Dare to Dream grant recipients. Notified. SPARK will discuss the myriad resources available to entrepreneurs here in Ann Arbor.	0	0
<b>Hot Shots: Career Connections Total</b>	9/27, 11/29/11	Sava's	13	72	<u>Description:</u> Hot Shots is an event for talent seeking opportunities for themselves.	0	0
<b>Marketing Roundtable Total</b>	10/11, 11/8, 12/13/11	SPARK - Central	57	146	<u>Description:</u> The Marketing Roundtable is a monthly series featuring regional marketing professionals who will discuss practical and cost-effective innovation marketing.	31	219
<b>Super Hot Shots Total</b>	10/17/11	Arbor Brewing Company	0	18	<u>Description:</u> Semi-annual career networking event for executive-level talent and investors seeking opportunities for themselves.	0	0
<b>TechArb Student Networking Event Total</b>	12/8/11	SPARK - Central	30	40	<u>Description:</u> This is a networking event for TechArb student entrepreneurs, consultants, community investor partners, SPARK staff and those who work with technology & innovation businesses, particularly in IT, cleantech and life sciences.	0	0
<b>Totals</b>			<b>306</b>	<b>723</b>		<b>73</b>	<b>388</b>

The next scheduled Ann Arbor SPARK Entrepreneur Boot Camp will take place March 22 & 23 at the Kensington Court in Ann Arbor.

### **Sponsored Events**

There were no Sponsored events this quarter