



L DFA Board Meeting

July 16, 2013

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 June 18, 2013 Regular Board Meeting**
- V. LDFA Chair's Report**
- VI. LDFA Treasurer's Report**
 - a. LDFA Financial Report – 4th quarter FY2013
- VII. Reports from Service Providers**
 - a. SPARK Report – 4th quarter FY2013
 - b. Incubator expansion 3-year plan
- VIII. Other Business**
 - a. Election of officers for FY2014
- IX. Motion to Adjourn**



Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority
MINUTES for June 18, 2013 – REGULAR BOARD MEETING

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

Members Present: Richard Beedon, Eric Jacobson, Carrie Leahy, Stephen Rapundalo, Ned Staebler, Christopher Taylor, Phil Tepley, Skip Simms-Accelerator Ex-officio

Members Excused: Vince Chmielewski, Bilal Saeed, Tom Crawford – Ex-officio, Paula Sorrell-MEDC Ex-officio

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

I. CALL TO ORDER:

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

II. PUBLIC COMMENT:

There was no public comment.

III. APPROVAL OF THE AGENDA:

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

IV. MOTIONS & RESOLUTIONS:

Minutes of the April 16, 2013 Regular Board Meeting:

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

V. LDFA CHAIR’S REPORT:

None.

VI. LDFA TREASURER’S REPORT:

- Treasurer Jacobson updated the Board on the status of the LDFA’s financial position to this point in the fiscal year.

VII. REPORTS FROM SERVICE PROVIDERS:

- Simms presented the SPARK incubator expansion plan (information attached).
- The Board requested a three year plan for the expansion to be provided at the next Board meeting.

VIII. OTHER BUSINESS:

- a. Approval of the FY2014 meeting schedule** – Staebler moved, seconded by Rapundalo to approve the FY 2014 meeting schedule in the form presented in the agenda packet. Motion approved unanimously.
- b. Update on expiring terms and board reappointments** – Beedon and Jacobson are being reappointed by the City of Ann Arbor. The City of Ypsilanti is looking to fill Tepley's seat with someone new.
- c. Approval of the FY 2014 Ann Arbor SPARK contract** - Leahy moved, seconded by Taylor to approve the FY 2014 LDFA – Ann Arbor SPARK contract in the form presented in the agenda packet. Motion approved unanimously.
- d. Approval of the FY 2014 Ann Arbor Administrative Services Agreement** – Rapundalo moved, seconded by Leahy to approve the FY 2014 LDFA – City of Ann Arbor Administrative Services Agreement in the form presented in the agenda packet. Motion approved unanimously.
- e. Metrics Committee Update** –
 - Beedon informed the Board that the Anderson employee who created the metrics proposal previously presented to the Board, has left Anderson. The metrics committee will be working to go in another direction.
 - Tepley presented information about job retention/creation for states with product intensive manufacturing sectors vs. states with parts intensive manufacturing sectors. (Table attached.)

IX. ADJOURNMENT:

Meeting was adjourned at 9:41 am.

Respectfully Submitted,
Ken Bogan, for Recording Secretary Tom Crawford

Proposal to expand the SPARK Central Incubator

A critical gap exists in the Ann Arbor Entrepreneurial Ecosystem. As Ann Arbor's economy has experienced significant growth over the last several years, it has caused the supply of commercial real estate needed by growing technology companies to become problematically scarce. Funded and/or revenue positive early stage companies that fall into the 5-20 FTE size outgrow the traditional Incubator (i.e. SPARK Central) and either cannot find or spend significant time and energy finding office space. Furthermore, the new space is fragmented and causes the company to be removed from the mentorship and resources they have been receiving while in the Startup Incubator.

SPARK is proposing the creation of a "Stage Two" startup incubator that would address these problems. The new space would serve to host companies that have achieved enough growth and/or funding to be able to afford market or close to market rental rates. Although they can afford space, the lease terms imposed by commercial landlords (3-5 years) prevents them from leasing the correct amount of space. They will outgrow this "Stage Two" in 12-18 months and turn to the regular commercial market at this point.

At this critical stage of growth, the need for mentorship and experienced support is just as critical as during the initial incubation stage. New types of assistance become important such as business development and operations. Critical resources would be made available to the tenants of the "Stage Two" program that assist in the key areas.

A focused community of support resources that is available to the "Stage Two" layer of the Entrepreneur Ecosystem is the next step that will enable our community of scalable Technology companies to flourish.

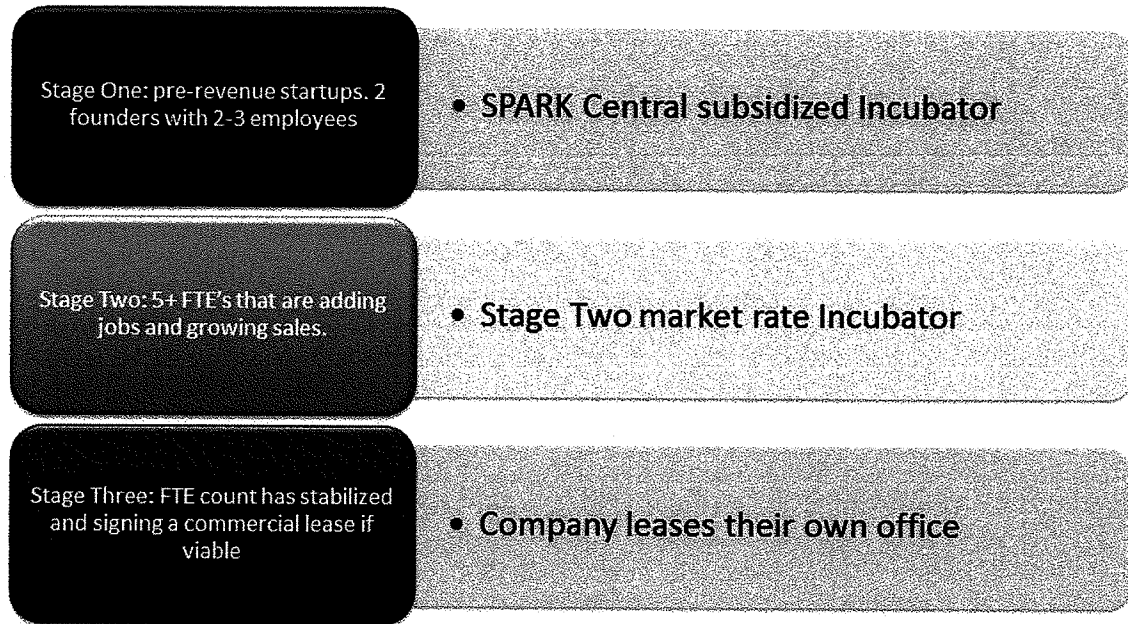
Operations Plan

The key distinction between the SPARK Central Incubator tenants housed on the first floor and those housed on the second floor is the stage of the company. Pre-revenue and very early stage companies that need either a Virtual Tenant or one/two desk solution will still utilize the 1st floor as they have thus far.

The key milestones that would make a company appropriate to move to the 2nd floor would be as follows:

1. Their headcount grows beyond the 1st floor's ability to accommodate them. This is defined as five or more FTE's.
2. The companies will have received at least \$100K of outside equity investment.
3. The companies having strong and growing revenues that would allow them to afford market or close to market lease rates.

Phases of Tech Startup Incubation



of seats

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
5 Company A: IT, 5 seats	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
7 Company B: advanced automotive, 7 seats	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
3 Company C: IT, 5 seats	\$	\$	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
5 Company D: Cleantech, 5 seats	\$	\$	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
5 Company E: IT, 5 seats	\$	\$	\$	\$	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
5 Company F: adv. Manufacturing	\$	\$	\$	\$	\$	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
5 Company G: IT	\$	\$	\$	\$	\$	\$	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
5 Company H: Life Science	\$	\$	\$	\$	\$	\$	\$	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

Income - Rent

Income - LDFA

Total Income	\$ 2,400	\$ 2,400	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Rent	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536	\$ 6,536
Additional- Utilities - DTE	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834	\$ 834
Maint/Rep	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Alarm Service	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Office Supplies	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Internet	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Depreciation Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Expense	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000

Net Income (Loss) \$ (5,600) \$ (5,600) \$ (4,000) \$ (4,000) \$ (4,000) \$ (4,000) \$ (2,000) \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0

\$ (21,198)

Capital Expenditures: \$ 155,000

Furniture/Fixtures

Office Equipment

Leasehold Improvements

% Parts Estabs, 2009	Private Employment (000) in			March 2013 as % of	
	1999	2007	3/13	1999	2007

US	57.40%	108791	115427	112304	103.23%	97.29%
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5 Most Product-Intensive Mfg Sectors	MA	49.80%	2815	2848	2809	99.79%	98.63%
	IA	53.60%	1229	1269	1244	101.22%	98.03%
	MD	51.10%	1948	2129	2069	106.21%	97.18%
	MN	54.60%	2226	2357	2303	103.46%	97.71%
	WA	52.90%	2177	2405	2337	107.35%	97.17%
	Top 5	52.40%	10395	11008	10762	103.53%	97.77%

5 Most Part-Intensive Mfg Sectors	MI	74.70%	3917	3612	3394	86.65%	93.96%
	OH	71.50%	4791	4629	4354	90.88%	94.06%
	MO	71.20%	2305	2355	2224	96.49%	94.44%
	WI	65.60%	2385	2462	2332	97.78%	94.72%
	PA	66.80%	4871	5053	4969	102.01%	98.34%
	Top 5	70.00%	18269	18111	17273	94.55%	95.37%

Memo:	If had same job performance as 5 most product-intensive states			18914
	Delta			1641

	If Michigan had same job performance as 5 most product-intensive states			4055
	Delta			661

Smart Zone LDFA
FY 2013 FINANCIAL SUMMARY
 June 30, 2013

	ACTUAL				Full Year	BUDGET	
	Q1	Q2	Q3	Q4		Amount	Forecast vs Budget Good/(Bad)
INCOME STATEMENT							
Revenues:							
Tax Revenue	\$ 863,317	\$ 102,647	\$ 556,794	\$ 23,820	\$ 1,546,577	\$ 1,563,019	\$ (16,442)
Miscellaneous	-	-	-	-	-	-	\$ -
Investment Income	2,897	3,666	2,823	2,658	12,044	12,357	\$ (313)
Total Revenues	\$ 866,214	\$ 106,312	\$ 559,618	\$ 26,477	\$ 1,558,621	\$ 1,575,376	\$ (16,755)
Expenditures:							
<u>Contracted Services</u>							
SPARK BA Direct Staffing	\$ 84,250	\$ 84,250	\$ 84,250	\$ 84,250	\$ 337,000	\$ 337,000	\$ 0
Phase II (Due Diligence)	800	2,921	2,600	5,603	11,924	25,000	\$ 13,076
Phase III (Intensive Service)	96,218	200,031	101,737	148,938	546,924	500,000	\$ (46,924)
Phase IV (Accelerating Opportunities)	20,420	11,624	-	50,000	82,044	100,000	\$ 17,956
Micro Loan Program for Entrepreneurs	-	-	-	-	-	50,000	\$ 50,000
Business Networking Events	4,689	8,570	19,773	14,058	47,090	50,000	\$ 2,910
Entrepreneurial Education	3,510	9,418	10,842	6,100	29,870	75,000	\$ 45,130
Entrepreneurs Bootcamp	-	22,500	-	16,500	39,000	45,000	\$ 6,000
Cantillon Web Based Education	-	-	-	-	-	-	\$ -
Internship Support & Talent Training	30,928	110	-	24,813	55,851	100,000	\$ 44,149
Business Software for Clients	4,835	1,497	-	997	7,330	20,000	\$ 12,670
Total Contracted Services	245,651	340,921	219,202	351,259	1,157,033	\$ 1,302,000	\$ 144,967
<u>SPARK Indirect Services</u>							
SPARK Central Business Incubator	40,081	29,954	48,034	47,823	165,892	\$ 170,000	\$ 4,108
SPARK Accounting	16,271	16,271	16,271	16,271	65,086	65,086	\$ 0
SPARK Marketing	6,718	8,288	19,976	29,452	64,433	71,663	\$ 7,230
	63,070	54,513	84,281	93,547	295,411	\$ 306,749	\$ 11,338
<u>City of Ann Arbor Services</u>							
Legal & Admin. Support	149	149	149	28,584	29,031	50,000	\$ 20,969
Total Expenditures	\$ 308,870	\$ 395,583	\$ 303,632	\$ 473,390	\$ 1,481,475	\$ 1,658,749	\$ 177,274
Net Increase/Decrease	\$ 557,343	\$ (289,270)	\$ 255,986	\$ (446,913)	\$ 77,146	\$ (83,373)	\$ 160,519
Memo:							
Fund Balance (6/30/2012)	\$ 577,195						
Fund Balance - Operations (Qtr End)	\$ 1,134,538	\$ 845,268	\$ 1,101,254	\$ 654,341	\$ 654,341	\$ 493,822	

Category	Mo.	Fiscal Year		Billed	Measureable		
		Incurred	Year		Qtr	Unit Descrip.	Number
SPARK BA Direct Staffing	July	1	2013	1	Direct Staff		\$ 28,083.33
Phase III (Intensive Service)	July	1	2013	1	Hours	381.87	\$ 33,404.00
Phase IV (Accelerating Opportuniti	July	1	2013	1	Hours	57.90	\$ 5,790.00
SPARK Central Business Incubato	July	1	2013	1	Facility Exp		\$ 13,527.06
SPARK Accounting	July	1	2013	1	Accting Svc		\$ 5,423.83
SPARK Marketing	July	1	2013	1	Marketing		\$ 1,064.49
Entrepreneurial Education	July	1	2013	1	events, class, books		\$ 2,002.98
Business Networking Events	July	1	2013	1	Events		\$ 1,369.76
Internship Support & Talent Trainir	July	1	2013	1	clients	3.00	\$ 9,175.00
SPARK BA Direct Staffing	Aug	1	2013	1	Direct Staff	1.00	\$ 28,083.33
Phase III (Intensive Service)	Aug	1	2013	1	Hours	49.66	\$ 4,966.67
Phase III (Intensive Service)	Aug	1	2013	1	Hours	210.46	\$ 21,045.50
SPARK Central Business Incubato	Aug	1	2013	1	Facility Exp	-	\$ 11,455.98
SPARK Accounting	Aug	1	2013	1	Accting Svc	1.00	\$ 5,423.83
SPARK Marketing	Aug	1	2013	1	Marketing	1.00	\$ 2,312.66
Entrepreneurial Education	Aug	1	2013	1	Events	1.00	\$ 195.58
Business Networking Events	Aug	1	2013	1		1.00	\$ 1,204.74
Internship Support & Talent Trainir	Aug	1	2013	1			\$ 20,853.00
Business Software for Clients	Aug	1	2013	1			\$ 4,835.18
SPARK BA Direct Staffing	Sept	1	2013	2	Direct Staff	1.00	\$ 28,083.33
Phase II (Due Diligence)	Sept	1	2013	2	Hours	8.00	\$ 800.00
Phase III (Intensive Service)	Sept	1	2013	2	Hours	10.00	\$ 36,802.00
Phase IV (Accelerating Opportuniti	Sept	1	2013	2	Hours	126.06	\$ 14,630.00
SPARK Central Business Incubato	Sept	1	2013	2	Facility Exp	-	\$ 15,098.29
SPARK Accounting	Sept	1	2013	2	Accting Svc	1.00	\$ 5,423.83
SPARK Marketing	Sept	1	2013	2	Marketing	1.00	\$ 3,340.38
Entrepreneurial Education	Sept	1	2013	2	Events	1.00	\$ 1,311.50
Business Networking Events	Sept	1	2013	2	Events	1.00	\$ 2,114.94
Internship Support & Talent Trainir	Sept	1	2013	2		1.00	\$ 900.00

Category	Mo.	Fiscal Year		Measureable		
		Incurred	Billed	Unit Descrip.	Number	Amount
		Qtr	Year	Qtr		
SPARK BA Direct Staffing	Oct	2	2013	2	Direct Staff	1.00 \$ 28,083.33
Phase II (Due Diligence)	Oct	2	2013	2	Hours	4.21 \$ 421.00
Phase III (Intensive Service)	Oct	2	2013	2	Hours	560.74 \$ 72,069.00
Phase IV (Accelerating Opportuniti	Oct	2	2013	2		63.04 \$ 6,304.00
SPARK Central Business Incubato	Oct	2	2013	2	Facility Exp	1.00 \$ 1,949.74
SPARK Accounting	Oct	2	2013	2	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	Oct	2	2013	2	Marketing	1.00 \$ 1,891.36
Entrepreneurial Education	Oct	2	2013	2	Events	1.00 \$ 3,774.66
Business Networking Events	Oct	2	2013	2	Events	1.00 \$ 5,255.86
Internship Support & Talent Trainir	Oct	2	2013	2		\$ -
Entrepreneurs Bootcamp	Oct	2	2013	2		\$ 22,500.00
SPARK BA Direct Staffing	Nov	2	2013	2	Direct Staff	1.00 \$ 28,083.33
Phase II (Due Diligence)	Nov	2	2013	2	Hours	25.00 \$ 2,500.00
Phase III (Intensive Service)	Nov	2	2013	2	Hours	788.51 \$ 79,533.50
SPARK Central Business Incubato	Nov	2	2013	2	Facility Exp	1.00 \$ 11,492.88
SPARK Accounting	Nov	2	2013	2	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	Nov	2	2013	2	Marketing	1.00 \$ 2,300.01
Entrepreneurial Education	Nov	2	2013	2	U-Stream & Russell Video	1.00 \$ 3,729.00
Business Networking Events	Nov	2	2013	2	Events	1.00 \$ 904.87
SPARK BA Direct Staffing	Dec	2	2013	3	Direct Staff	1.00 \$ 28,083.33
Phase III (Intensive Service)	Dec	2	2013	3	Hours	484.29 \$ 48,428.75
Phase IV (Accelerating Opportuniti	Dec	2	2013	3	Hours	- \$ 5,320.00
SPARK Central Business Incubato	Dec	2	2013	3	Facility Exp	1.00 \$ 16,511.33
SPARK Accounting	Dec	2	2013	3	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	Dec	2	2013	3	Marketing	1.00 \$ 4,096.50
Entrepreneurial Education	Dec	2	2013	3	Video	1.00 \$ 1,914.00
Business Networking Events	Dec	2	2013	3	Events	1.00 \$ 2,408.95
Internship Support & Talent Trainir	Dec	2	2013	3	Gift cards	1.00 \$ 110.00
Business Software for Clients	Dec	2	2013	3	Clicktools	1.00 \$ 1,497.00

Category	Mo.	Fiscal Year		Billed	Measureable		
		Incurred	Year		Qtr	Unit Descrip.	Number
SPARK BA Direct Staffing	Jan	3	2013	3	Direct Staff	1.00	\$ 28,083.33
Phase III (Intensive Service)	Jan	3	2013	3	Hours	301.43	\$ 30,143.25
SPARK Central Business Incubato	Jan	3	2013	3	Facility Exp	1.00	\$ 10,526.27
SPARK Accounting	Jan	3	2013	3	Accting Svc	1.00	\$ 5,423.83
SPARK Marketing	Jan	3	2013	3	Marketing	1.00	\$ 4,712.92
Entrepreneurial Education	Jan	3	2013	3	Video	1.00	\$ 1,408.00
Business Networking Events	Jan	3	2013	3	Events	1.00	\$ 5,337.13
SPARK BA Direct Staffing	Feb	3	2013	3	Direct Staff	1.00	\$ 28,083.33
Phase II (Due Diligence)	Feb	3	2013	3	Hours	26.00	\$ 2,600.00
Phase III (Intensive Service)	Feb	3	2013	3	Hours	370.15	\$ 32,961.00
SPARK Central Business Incubato	Feb	3	2013	3	Facility Exp	1.00	\$ 14,825.25
SPARK Accounting	Feb	3	2013	3	Accting Svc	1.00	\$ 5,423.83
SPARK Marketing	Feb	3	2013	3	Marketing	1.00	\$ 6,610.05
Entrepreneurial Education	Feb	3	2013	3	Video	1.00	\$ 3,482.00
Business Networking Events	Feb	3	2013	3	Events	1.00	\$ 2,030.86
SPARK BA Direct Staffing	Mar	3	2013	4	Direct Staff	1.00	\$ 28,083.33
Phase III (Intensive Service)	Mar	3	2013	4	Hours	380.33	\$ 38,633.00
SPARK Central Business Incubato	Mar	3	2013	4	Facility Exp	1.00	\$ 22,681.98
SPARK Accounting	Mar	3	2013	4	Accting Svc	1.00	\$ 5,423.83
SPARK Marketing	Mar	3	2013	4	Marketing	1.00	\$ 8,652.95
Entrepreneurial Education	Mar	3	2013	4	Activities	1.00	\$ 5,952.00
Business Networking Events	Mar	3	2013	4	Events & sponsorship	1.00	\$ 12,404.55

Category	Mo.	Fiscal Year		Measureable		
		Incurred	Billed	Unit Descrip.	Number	Amount
		Qtr	Year	Qtr		
SPARK BA Direct Staffing	Apr	4	2013	4	Direct Staff	1.00 \$ 28,083.33
Phase II (Due Diligence)	Apr	4	2013	4	Hours	26.23 \$ 2,623.00
Phase III (Intensive Service)	Apr	4	2013	4	Hours	418.82 \$ 41,882.00
SPARK Central Business Incubato	Apr	4	2013	4	Facility Exp	1.00 \$ 12,973.53
SPARK Accounting	Apr	4	2013	4	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	Apr	4	2013	4	Marketing	1.00 \$ 6,138.68
Entrepreneurial Education	Apr	4	2013	4	Russell Video	1.00 \$ 2,420.00
Business Networking Events	Apr	4	2013	4	Events & sponsorship	1.00 \$ 8,610.29
Entrepreneurs Bootcamp	Apr	4	2013	4	Bootcamp	1.00 \$ 12,500.00
Business Software for Clients	Apr	4	2013	4	Wireless presentation system	1.00 \$ 997.35
SPARK BA Direct Staffing	May	4	2013	4	Direct Staff	1.00 \$ 28,083.33
Phase II (Due Diligence)	May	4	2013	4	Hours	4.80 \$ 480.00
Phase III (Intensive Service)	May	4	2013	4	Hours	272.75 \$ 20,495.00
SPARK Central Business Incubato	May	4	2013	4	Facility Exp	1.00 \$ 13,385.14
SPARK Accounting	May	4	2013	4	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	May	4	2013	4	Marketing	1.00 \$ 14,652.42
Entrepreneurial Education	May	4	2013	4	Activities	1.00 \$ 2,013.00
Business Networking Events	May	4	2013	4	Events & sponsorship	1.00 \$ 2,393.53
Internship Support & Talent Trainir	May	4	2013	4		1.00 \$ 7,341.84
Entrepreneurs Bootcamp	May	4	2013	4	Bootcamp	1.00 \$ 4,000.00
Legal & Admin. Support	May	4	2013	4	per agreement	1.00 \$ 28,360.00
Legal & Admin. Support	May	4	2013	4	Legal for Contract	0.25 \$ 75.00
SPARK BA Direct Staffing	Jun	4	2013	4	Direct Staff	1.00 \$ 28,083.33
Phase II (Due Diligence)	Jun	4	2013	4	Hours	25.00 \$ 2,500.00
Phase III (Intensive Service)	Jun	4	2013	4	Hours	782.17 \$ 86,560.64
Phase IV (Accelerating Opportuniti	Jun	4	2013	4	Hours	- \$ 50,000.00
SPARK Central Business Incubato	Jun	4	2013	4	Facility Exp	1.00 \$ 21,464.28
SPARK Accounting	Jun	4	2013	4	Accting Svc	1.00 \$ 5,423.83
SPARK Marketing	Jun	4	2013	4	Marketing	1.00 \$ 8,661.04
Entrepreneurial Education	Jun	4	2013	4	Education classes	1.00 \$ 1,667.00
Business Networking Events	Jun	4	2013	4	Events & sponsorship	12.00 \$ 3,054.20
Internship Support & Talent Trainir	Jun	4	2013	4		1.00 \$ 17,471.55

Ann Arbor-Ypsilanti Smart Zone
Local Development Finance Authority
Ann Arbor SPARK
Quarterly Report
April 1, 2013 – June 30, 2013

Boot Camp

Ann Arbor SPARK held its 22nd Entrepreneur Boot Camp on May 8th and 9th. The event was hosted at The Kensington Court in Ann Arbor. Boot Camp integrates the Lean Startup Methodology into its curriculum to help our early stage companies follow a defined process to confirm or disprove their assumptions by directly engaging with their customers. On May 29th, Message Blocks was awarded the Best of Boot Camp.

Uniq ID	Account Description
6514#	A miniature biometric sensor system for patients discharged following hospitalization for heart failure, pneumonia, and heart attack.
6518#	Creator of an eye drop assist device.
6542#	A mobile augmented reality platform that helps tourists explore places through instant information display.
6543	Online parenting program that focuses on teaching effective skills for parents of children with externalizing behaviors.
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.
5634#*	Reviews website
4791#	Event Management Software
6548#	Marketing / Advertising system that connects consumers with merchants through first-time discounts, cashback loyalty rewards using a mobile app platform combined with a Point-of-Sale gateway
6565#	A medical device that decreases medical burns during surgeries that require small openings.
6522#*	Online legal warrant settlement software.

*Denotes University of Michigan technology

#Received LDFA funding

Work Accomplished

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

25 Phase I companies were referred due to their location or not meeting business type criteria. 19 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
1816	Product Design specs	Manufacture and market a proprietary portable hand held acne treatment device and disposable cartridges
5091	Due Diligence	Bird recognition software w/cameras. Used at wind farms.
5091	Legal Assistance	Bird recognition software w/cameras. Used at wind farms.
5645	Phase 2 Due Diligence	Custom digital media content creation and delivery
6541	Phase 2 Due Diligence	Installs economical water systems that treat and recycle water.
6558	Due Diligence of hydro power generation	Internal/external aerodynamics for aerospace, defense, and industry sectors.
Grand Totals (6 records)		

The following companies received Phase III level support:

Account	Opportunity Description	Account Description	BA Contract Amt	BA Expenditures	Total Billed Amount (\$)
Uniq ID: 1282*					
	IP work	Spectral analysis for red blood cells	\$10,000	\$10,000	\$800.00
	Business Plan		\$5,000	\$4,550	\$1,900.00
	Business Plan		\$5,000	\$4,550	\$300.00
	Business Plan		\$5,000	\$4,550	\$800.00
Uniq ID: 3045					
	Marketing, PR, Biz Dev work	Online marketplace for food distribution	\$20,000	\$7,500	\$7,500.00
Uniq ID: 3368					
	Design and Branding	SaaS model software to help companies find and access grants, and collaborate.	\$10,000	\$10,000	\$5,000.00
Uniq ID: 3476*					
	IP Work	High quality, solid state lighting combining organic and inorganic materials, lower cost than other LEDs.	\$3,750	\$3,750	\$3,750.00
	Design Specs and Consulting		\$3,000	\$1,400	\$880.00
	Design Specs and Consulting		\$3,000	\$1,400	\$520.00
	Design Specs and Consulting		\$7,000	\$211	\$146.39
	Design Specs and Consulting		\$7,000	\$211	\$64.75
Uniq ID: 3577					
	Creation of Graphics	State-of-the-art protein mass spectrometry	\$10,000	\$10,000	\$10,000.00
Uniq ID: 4076*					
	Clinical Consulting Work	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death	\$24,500	\$24,500	\$13,500.00

Uniq ID: 4111*					
	PR and Marketing help	Youth Risk Assessment tool	\$1,650	\$1,650	\$450.00
	Marketing and SEO		\$10,000	\$10,000	\$885.00
	Marketing and SEO		\$10,000	\$10,000	\$3,250.00
Uniq ID: 4471					
	PR Campaign	Software that optimizes reward program participants' behaviors.	\$11,910	\$4,837	\$3,000.00
	PR Campaign		\$11,910	\$4,837	\$1,837.50
Uniq ID: 4522*					
	Legal Assistance	Tissue Engineered Ligament replacement for dogs	\$1,000	\$750	\$750.00
Uniq ID: 4558*					
	Regulatory Consulting Work	High-end mechatronic back brace	\$5,000	\$4,000	\$4,000.00
Uniq ID: 4586					
	IP Work	H2eat technology generates nonelectric, reusable heat on demand.	\$2,000	\$397	\$397.00
	Accounting System Setup		\$500	\$500	\$500.00
Uniq ID: 4772					
	Resesign of website	SalesForce	\$10,000	\$7,735	\$2,210.00
Uniq ID: 4791					
	Ui/Ux Work	Event Management Software	\$3,600	\$3,400	\$3,400.00
Uniq ID: 4982					
	Design Specs and Consulting	Device for body temperature monitoring	\$1,500	\$1,500	\$1,500.00
Uniq ID: 5091					
	Legal Assistance	Bird recognition software w/cameras. Used at wind farms.	\$7,500	\$7,500	\$7,500.00
Uniq ID: 5541					
	Mfg Operations help	Dental device to correct minor tooth alignment issues.	\$10,000	\$10,000	\$2,850.00
	Mfg Operations help		\$10,000	\$10,000	\$1,150.00
	Mfg Operations help		\$10,000	\$10,000	\$2,300.00
Uniq ID: 5600					
	Marketing, website and SEO	Interactive flat panel displays and software.	\$5,000	\$4,975	\$4,025.00
	Marketing, website and SEO		\$5,000	\$4,975	\$950.00
Uniq ID: 6239					
	Business Assistance	An online collaboration tool for co-creating customized, high quality books.	\$10,000	\$6,500	\$2,250.00
	Business Assistance		\$10,000	\$6,500	\$4,250.00
Uniq ID: 6245					
	Business Assistance	Magnetic motor which is more efficient than current technologies.	\$10,000	\$10,000	\$5,000.00
	Business Assistance		\$10,000	\$10,000	\$2,500.00
	Business Assistance		\$10,000	\$10,000	\$2,500.00

Uniq ID: 6253*					
	Business Assistance	Barcode Surgical instruments and sponges	\$5,000	\$1,775	\$500.00
	Business Assistance		\$5,000	\$1,775	\$675.00
	Business Assistance		\$5,000	\$1,775	\$350.00
	Business Assistance		\$5,000	\$1,775	\$250.00
Uniq ID: 6301					
	Website Development	Novel head-mounted display technology	\$9,500	\$4,750	\$2,375.00
	Website Development		\$9,500	\$4,750	\$2,375.00
Uniq ID: 6350					
	Accounting System Setup	Alternative novel material to ceramics	\$500	\$500	\$500.00
	Business Assistance		\$7,000	\$7,000	\$1,532.00
	Business Assistance		\$7,000	\$7,000	\$4,175.00
Uniq ID: 6403					
	IP assistance	Chemical technology that enhances the performance of mass spec assays.	\$2,500	\$2,500	\$2,500.00
Uniq ID: 6405					
	Business Strategy	Software to enable digital scrapbooking.	\$10,000	\$7,950	\$1,200.00
	Business Strategy		\$10,000	\$7,950	\$1,600.00
Uniq ID: 6511					
	Marketing and Distribution	Patented learning technology and accessories for smart phones	\$10,000	\$5,000	\$5,000.00
Uniq ID: 6522*					
	Customer Discovery work	Online legal warrant settlement software.	\$2,000	\$1,000	\$1,000.00
	Strategic guidance		\$1,500	\$1,500	\$1,500.00
	Business Development Work		\$6,000	\$3,000	\$3,000.00
Uniq ID: 6575					
	IP Work	Multifunctional antioxidant molecules that have potential as therapeutic drugs for a wide variety of diseases and conditions.	\$9,855	\$8,140	\$1,706.25
	IP Work		\$9,855	\$8,140	\$4,937.50
	IP Work		\$9,855	\$8,140	\$1,496.25
Uniq ID: 6621					
	Legal work	A platform for tool owners to lease their tools to nearby renters in their area.	\$1,500	\$300	\$300.00
Uniq ID: 6627					
	Business Assistance	A product for digitally interacting with fitness equipment.	\$10,000	\$4,600	\$4,600.00
Uniq ID: 6634					
	Business Assistance	A software platform that collects and analyses vehicle operational data.	\$10,000	\$4,750	\$4,750.00

Grand Totals (30 records)

*Denotes University of Michigan technology

Phase IV: Two companies received Phase IV level support this quarter.

Uniq ID	Account Description	BA Contract Amt
3428	Behavioral modeling and monitoring systems	\$25,000
1361	Microbiology System Consists of instrument, disposable vial filled with media and dedicated software.	\$25,000

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	4/4/13, 5/2/13, 6/6/13	SPARK - Central	18, 10, 18	58, 37, 46	A monthly forum to facilitate collaboration and networking among practitioners, policy makers, investors and talent.	5, 5, 7	24, 14, 5
Ann Arbor OpenCoffee	4/9/13, 5/14/13, 6/4/13	SPARK - Central	8, 6, 7	21, 15, 14	Networking event for entrepreneurs	n/a	n/a
Marketing Roundtable:	4/9/13, 5/14/13, 6/18/13	SPARK - Central	9, 15, 5	31, 41, 23	A monthly series featuring regional marketing professionals who will discuss practical and cost-effective innovation marketing.	4, 5, 5	10, 31, 11
Business Law & Order	4/15/13, 5/20/13, 6/17/13	SPARK - Central	10, 2, 6	15, 9, 12	A monthly series for entrepreneurs into some of the most important legal issues they must consider during business formation.	2, 5, 4	6, 5, 9
Business Accelerator Consultants Meeting	4/19/13, 5/17/13, 6/21/13	SPARK - Central	11, 11, 0	21, 21, 20	Monthly Business Accelerator Consultants meeting to update consultants	n/a	n/a

Hot Shots Career Connections	4/30/13, 5/22/13, 6/25/13	Arbor Brewing Company	1, 3, 2	42, 39, 28	Hot Shots is an event for talent seeking opportunities for themselves.	n/a	n/a
Selling Smart Workshop	4/3/13, 5/1/13, 6/5/13	SPARK - Central	6, 8, 5	14, 23, 17	A monthly Sales Workshop	n/a	n/a
BioArbor	4/10/13, 6/5/13	SPARK - Central	40, 0	58, 109	Educational networking events for the life sciences industry in the greater Ann Arbor area.	4, 1	2, 52
Ted Dacko Sales Series	6/28/2013	SPARK - Central	3	16	An invitation-only sales series put on by Ted Dacko for SPARK's Business Accelerator clients.	n/a	n/a
Leading HR When It's Not Your Day Job	4/11/13, 5/2/13, 6/6/13	SPARK - Central	3, 2, 4	10, 18, 13	A recurring, three-part series covering pointers and tips required to execute HR duties and responsibilities.	n/a	n/a
Power Lunch	4/16/13, 5/20/13	SPARK - Central	9,7	14,16	Provide a small group setting for high potential entrepreneurs to learn from experts and to get specific feedback relevant to each company.	n/a	n/a
CIO/CTO Forum	4/23/13	SPARK - Central	0	8	Local CIOs-CTOs meeting to discuss challenges specifically around Talent and formulate strategies.	n/a	n/a
UM OTT FDA Software Presentation	4/24/13	SPARK - Central	2	11	Presentation of latest changes to the FDA approval process for software as a medical device or as part of a medical device.	n/a	n/a
Boot Camp Drill Instructor Lunch	4/11/13	SPARK - Central	6	9	Meeting with Boot Camp Staff and Drill Instructors to prepare for Spring Boot Camp.	n/a	n/a
Spring 2013 Entrepreneur Boot Camp Kick-Off	4/15/13	SPARK - Central	18	23	Introduction to Entrepreneur Boot Camp where teams meet their Drill Instructors, Mentors, SPARK Staff and other campers in preparation for Boot Camp.	n/a	n/a
Quarterly Totals			255	852			

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
28	\$848,460	3	1	\$112,025	4	4	\$231,478

- There were no new loans provided this quarter.
- Total loans due is \$669,165, including interest accrued through 12/31/2012.
- Amount available to lend is \$326,765.

\$848,460	Original principal of loans
(\$102,700)	Principal written off
<u>(\$174,443)</u>	Principal paid back
\$571,317	Principal outstanding

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) included 7 companies with 12 seats occupied, at the highest peak during this quarter. Another company has a lease beginning on July 1, 2013, which will bring SPARK Central to its full capacity of 13 occupied seats.

Uniq ID	Account Description	Start Date	Exit Date	Incubator Seats
3616	Gasoline systems	8/8/2010	9/1/2013	4
3637	Therapeutic for treatment of retinal diseases	10/4/2012	7/4/2013	1
4243	Website for building construction project, repair and supply bids.	7/18/2011	6/30/2013	1
4791	Event Management Software	4/1/2013	10/1/2013	1
5091	Bird recognition software w/cameras. Used at wind farms.	11/1/2012	7/31/2013	3
6358	Developed a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	6/4/2013	6/3/2014	1
6635	A VIP lead generation service for the disaster restoration industry.	6/3/2013	6/2/2014	1

Grand Totals (7 records)**12**

*Denotes University of Michigan

Virtual Tenants

Uniq ID	Account Description	Start Date	Exit Date
271	Risk Management- IT security, etc.	7/1/2010	6/30/2013
338	Information and news aggregator and filter.	7/1/2010	6/30/2013
1282*	Spectral analysis for red blood cells	7/1/2010	6/30/2013
2539	Hospital bed communication tablet	11/1/2010	6/30/2013
2550	Patent advisor	7/1/2010	6/30/2013
2821	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	9/1/2010	6/30/2013
2854	MI state incubator association	6/7/2011	6/30/2013
2945	Energy monitoring technology for residential applications	7/1/2010	6/30/2013
3045	Online marketplace for food distribution	7/24/2012	1/24/2013
3052	On-site Insurance Medical Payment Solution Software	1/1/2013	3/31/2013
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	2/7/2012	6/30/2013
3645*	Mass Spec results data improvement for the purpose of discovering diagnostic biomarkers	2/7/2012	6/30/2013
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions	5/13/2011	6/30/2013
4349	Consultant firm focusing on Chinese relations	10/1/2011	3/31/2013
4383*	New material for cooling and power generation applications.	1/15/2013	9/15/2013
4409	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	6/1/2012	9/30/2013
4431*	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	8/1/2012	1/31/2013
4566	Provides mobile applications for large travel destinations	5/10/2012	3/10/2013
4791	Event Management Software	4/16/2012	3/31/2013
4913	Technology that encapsulates a drug for delivery in stable per fluorocarbon liquid	9/1/2012	2/28/2013
5524	Online Crowd Funding platform	9/1/2012	3/13/2013
5557	Digital Marketing Intelligence	7/1/2012	6/30/2013
6260	Industrial Cluster	10/19/2012	10/18/2013
6356	A new marketing-based, platform agnostic, real-time media alert solution.	2/1/2013	1/31/2014
6402	Developing web and mobile tools to address the long-standing inefficiencies in property rental markets of matching renters with properties.	2/1/2013	9/1/2013

6405	Software to enable digital scrapbooking.	2/21/2013	8/21/2013
Grand Total (26 records)			

*Denotes University of Michigan technology

Talent

Internship Program

Eight companies are taking advantage of the internship program where the LDFA will match up to \$3,000 to pay for an intern's wages.

Uniq ID	Account Description
4791	Event Management Software
5091	Bird recognition software w/cameras. Used at wind farms.
3045	Online marketplace for food distribution
1885	Commercializing dental appliance - mouthguard
4472	An online platform that empowers college students to showcase their work and skills to startups.
5601	Digital content aggregation and distribution.
106	Web development, multi-media, database design
269	\$41 mm fund closed in 2011 to invest in great lakes
Grand Totals (8 records)	

Entrepreneur-In-Residence Program

Two 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	BA Expenditures
4076*	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death	\$8,000
5091	Bird recognition software w/cameras. Used at wind farms.	\$295
Grand Totals (2 records)		

*Denotes University of Michigan technology

Significant Deviation from Scope of Work

None