



## **LDFA Board Monthly Meeting**

October 16, 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 September 16, 2012 Regular Board Meeting**
- V. LDFA Chair's Report**
- VI. LDFA Treasurer's Report**
- VII. Reports from Service Providers**
  - a. **SPARK Report – 1<sup>st</sup> quarter FY2013**
- VIII. Other Business**
- IX. Motion to Adjourn**



**MINUTES – REGULAR BOARD MEETING  
September 18, 2012**

**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, Vince Chmielewski, Ned Staebler, Christopher Taylor, Phil Tepley, Skip Simms-Accelerator Ex-officio, Paula Sorrell-MEDC Ex-officio

**Members Excused:** Theresa Carroll, Eric Jacobson, Mark Maynard, Stephen Rapundalo, Tom Crawford – Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Lori Emerson-SPARK, Bill Mayer-SPARK, Maricat Eggenberger-SPARK, Marek Morante-MEDC

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**I. CALL TO ORDER:**

Chair Beedon called the meeting to order at 8:21 am. A quorum was present.

**II. PUBLIC COMMENT:**

There was no public comment.

**III. APPROVAL OF THE AGENDA:**

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

**IV. MOTIONS & RESOLUTIONS:**

**Minutes of the July 24, 2012 Regular Board Meeting:**

Taylor moved, seconded by Staebler, to approve the minutes of the July 24, 2012 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**V. LDFA CHAIR’S REPORT:**

Chair Beedon provided an update on the negotiations for Cantillon with the U of M.

**VI. LDFA TREASURER’S REPORT:**

Chair Beedon provided an update: the first invoices from the year have been received from SPARK and are in compliance with the contract; there has been no tranche for the Microloan program yet this fiscal year.

**VII. REPORTS FROM SERVICE PROVIDERS:**

- a. Simms presented the SPARK Annual Report for FY2012.
- b. Simms pointed out the client testimonials are not part of the Annual Report, but are provided for Board information.

**VIII. OTHER BUSINESS:**

Mark Morante, Sr. V.P. - Program Management, MEDC, invited by ex-officio Boardmember Sorrell, gave some background on the original purpose for creating SmartZones in Michigan, and participated in a question and answer session with the Board. Mr. Morante helped write the original Smartzone legislation.

Boardmember Teply asked if the Board are stewards of State or local money. Mr. Morante pointed out the Ann Arbor/Ypsilanti SmartZone's TIF captures only State education millage, and no local millage. Mr. Morante stated "I have a hard time seeing how you are stewards of local money." He went on to say "You are stewards of public money. It's really all State money to a dime."

Mr. Morante also stated that technically money could be spent outside SmartZone LDFA capture district. The legislation defines a TIF capture area and a service area, defined by the board, and the two areas do not have to be the same.

Mr. Morante provided the Board with an update on SmartZone extension legislation, which specifies a five year extension, or 15 years with collaboration between multiple municipalities/jurisdictions. The intent of the collaboration is to reach out to additional units.

**IX. MOTION TO ADJOURN:**

Staebler moved, seconded by Taylor, to adjourn the meeting at 9:21 am. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, for Recording Secretary Tom Crawford

Ann Arbor-Ypsilanti Smart Zone  
Local Development Finance Authority  
Ann Arbor SPARK  
Quarterly Report  
July 1, 2012 – September 30, 2012

**Work Accomplished**

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

**26 Phase I companies were referred due to their location or not meeting business type criteria. 20 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
4544	Series A Financing Financial Work	Pharmaceutical for treatment of adrenal cancer.
4517	IP Assistance	Innovative electro-mechanically assisted bass drum pedal
3060*	Sort out key issues	Minimally Invasive Surgical (MIS) tools that provide the surgeon with greater control and intuition.
4791	Marketing and design work	Event Management Software
4076	Additional BA support TBD	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death
386	Committee submission for Biz Dev work	Vision Technology w/ Sports applications
5564*	New Business Inquiry - Business Formation	Population modeling software
4815*	Strategic Assistance	Online platform that can be used by anyone to easily create interactive trivia games.
1648	Marketing	Monitoring, awareness and data logging for patient behavior action.

\*Denotes University of Michigan technology

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

Opportunity Description	Account Description	BA Contract Amount	BA Expenditures	Total Billed Amount (\$) Q1
Account Uniq ID: 0479				
Strategy Development	Knowledge management platform for auto vertical	\$10,000	\$10,000	\$5,575.00
Account Uniq ID: 1282*				
IP Work	Spectral analysis for red blood cells	\$1,600	\$1,600	\$1,600.00
Account Uniq ID: 1465				
Market research	Self-Structuring Antenna for wireless applications	\$18,000	\$16,375	\$1,200.00
Account Uniq ID: 2316				

	Market Validation and Plan	Vacuum and hermetic packaging of MEMS using solder.	\$15,000	\$15,000	\$7,500.00
<b>Account Uniq ID: 2792</b>					
	Business Assistance	Advertising tool for mobile platforms	\$10,000	\$3,000	\$3,000.00
<b>Account Uniq ID: 3060*</b>					
	Sort out key issues	Minimally Invasive Surgical (MIS) tools that provide the surgeon with greater control and intuition.	-	-	\$1,000.00
<b>Account Uniq ID: 3724</b>					
	Business Assistance	Medical technologies to address undesired behaviors	\$9,400	\$4,735	\$4,735.00
<b>Account Uniq ID: 4210</b>					
	Sales Workshop	Supply chain software development company	\$6,200	\$4,990	\$831.00
<b>Account Uniq ID: 4213</b>					
	Business Assistance	Combined and Sanitary Sewer Overflows (CSOs and SSOs) Solution: Treatment Shaft Technology	\$4,000	-	\$2,000.00
<b>Account Uniq ID: 4255</b>					
	Business assistance	Developers of physically secure computers	\$6,000	\$5,700	\$2,700.00
<b>Account Uniq ID: 4383*</b>					
	Legal Work	New material for cooling and power generation applications.	\$20,000	\$20,000	\$23,504.00
<b>Account Uniq ID: 4471</b>					
	Brand and Identity work	Product helps consumers get every discount they deserve, membership organizations increase loyalty, and merchants generate business from ta	\$8,750	\$8,750	\$8,750.00
<b>Account Uniq ID: 4472*</b>					
	Legal Assistance	An online platform that empowers college students to showcase their work and skills to startups.	\$1,500	\$1,500	\$3,910.00
<b>Account Uniq ID: 4517</b>					
	IP Assistance	Innovative electro-mechanically assisted bass drum pedal	\$800	\$800	\$800.00
<b>Account Uniq ID: 4519</b>					
	Design Work	Ad network for mobile gaming and applications.	\$4,125	\$2,668	\$2,311.00
<b>Account Uniq ID: 4558*</b>					
	Business	High-end mechatronic back	\$10,000	\$2,075	\$2,075.00

	Assistance	brace			
<b>Account Uniq ID: 4562*</b>					
	Legal Work	Software that enables sports	\$2,100	\$2,089	\$2,090.00
<b>Account Uniq ID: 4566</b>					
	Business Model and Marketing assistance	Provides mobile applications for large travel destinations	\$10,000	\$7,400	\$7,400.00
<b>Account Uniq ID: 4569</b>					
	Design Work	Design, assemble, and sell an innovative electric field sensor called the Charge Tracker for the electronic manufacturing sector to warn against electrostatic discharges.	\$1,560	\$1,560	\$1,560.00
<b>Account Uniq ID: 4586*</b>					
	Sort out Cap Table and Governance Issues	H2eat technology generates nonelectric, reusable heat on demand.	-	-	\$1,590.00
<b>Account Uniq ID: 4792*</b>					
	Legal and Financial Help	Hub to trade homemade and artisan foods.	\$7,000	\$350	\$350.00
<b>Account Uniq ID: 4807*</b>					
	Website Development	Software for cloud-based note taking	\$7,680	\$5,760	\$1,920.00
<b>Account Uniq ID: 4821</b>					
	Market Research	Medical imaging platform for ophthalmologists.	\$9,200	\$6,650	\$6,650.00
<b>Account Uniq ID: 4898</b>					
	Legal Work	Intravenous formulation for patients with acute decompensated heart failure.	\$750	\$750	\$750.00
<b>Account Uniq ID: 4982</b>					
	IP Work	Device for body temperature monitoring	\$3,500	\$3,500	\$3,500.00
<b>Account Uniq ID: 4983*</b>					
	Website Creation	Next generation, targeted oncology therapeutics	\$10,000	\$3,325	\$3,325.00
<b>Grand Totals</b>					
					\$115,072.00

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**Phase IV: The following 2 companies received Phase IV level support this quarter.**

<b>Account Name</b>	<b>Opportunity Description</b>	<b>Account Description</b>	<b>BA Contract Amount</b>	<b>BA Expenditures</b>
1587	Marketing Strategy	Hand coded software for embedded systems	\$ 25,000	\$ 13,270
659	Website Design	Software for computational biology	\$ 25,000	\$25,000
<b>Total</b>			<b>\$50,000</b>	<b>\$38,270</b>

**Microloans**

<b>Number of Loans to Date</b>	<b>Total Value of Loans to Date</b>	<b>Loans Written Off to Date</b>	<b>Value of Loans Written Off</b>	<b>Loans Paid to Date</b>	<b>Loan Amount Repaid to Date – Including Interest</b>	<b>Current FTE Jobs</b>	<b>Retained FTE Jobs</b>
28	\$823,460	4	\$102,700	5*	\$103,895	86	68

One new loan provided this quarter for \$25,000.

4552 Child care facility back office and customer facing software – 5 FTE

\*Total Loans due \$307,300. Only one loan paid in full with interest to date.

**SPARK Central Incubator**

Total number of Full Tenants (those in a cubicle with secure space and full privileges) totaled 7 companies with 11 seats during this quarter. Tenants are charged a license fee per seat, or person(s) using the space.

<b>Uniq ID</b>	<b>Account Description</b>	<b>Start Date</b>	<b>Exit Date</b>	<b>Incubator Seats</b>
4790	Technology to support small scale waste-to-energy systems based on anaerobic digestion	6/1/2012	12/31/2012	2
4243	Website for building construction project, repair and supply bids.	7/18/2011	12/31/2012	1
3502*	Developer of onsite alternative energy, anaerobic digestion of food waste to energy	5/23/2012	8/31/2012	1
4772	SalesForce	2/6/2012	12/31/2012	2
3052	On-site Insurance Medical Payment Solution Software	1/1/2012	12/31/2012	1
4431*	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	11/10/2011	7/31/2012	1
3616	Gasoline systems	8/8/2010	9/1/2013	4

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## Virtual Tenants

<b>Uniq ID</b>	<b>Account Description</b>	<b>Start Date</b>	<b>Exit Date</b>
<b>4431*</b>	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	8/1/2012	1/31/2013
<b>1282*</b>	Spectral analysis for red blood cells	7/1/2010	12/31/2012
<b>4409</b>	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	6/1/2012	1/1/2013
<b>4566</b>	Provides mobile applications for large travel destinations	5/10/2012	11/10/2012
<b>338</b>	Information and news aggregator and filter.	7/1/2010	12/31/2012
<b>4255</b>	Developers of physically secure computers	1/23/2012	12/31/2012
<b>271</b>	Risk Management- IT security, etc.	7/1/2010	12/31/2012
<b>3221</b>	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	2/7/2012	12/31/2012
<b>2550</b>	Patent advisor	7/1/2010	9/30/2012
<b>3045</b>	Online marketplace for food distribution	7/24/2012	1/24/2013
<b>4791</b>	Event Management Software	4/16/2012	10/15/2012
<b>2854</b>	MI state incubator association	6/7/2011	9/30/2012
<b>5524</b>	Online Crowd Funding platform	9/1/2012	3/13/2013
<b>3645*</b>	Mass Spec results data improvement for the purpose of discovering diagnostic biomarkers	2/7/2012	12/31/2012
<b>4913</b>	Technology that encapsulates a drug for delivery in stable per fluorocarbon liquid	9/1/2012	2/28/2013
<b>2821</b>	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	9/1/2010	9/30/2012
<b>5557</b>	Digital Marketing Intelligence	7/1/2012	12/31/2012
<b>5091</b>	Bird recognition software w/cameras. Used at wind farms.	8/14/2012	2/13/2013
<b>2539</b>	Hospital bed communication tablet	11/1/2010	9/30/2012
<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	9/30/2012
<b>4349</b>	Consultant firm focusing on Chinese relations	10/1/2011	9/30/2012
<b>2156</b>	Specializes in vision-assisted robot guidance applications	7/1/2010	12/31/2012
<b>2945</b>	Energy monitoring technology for residential applications	7/1/2010	12/31/2012
<b>Total 23</b>			

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## Intern Program

In the spring of 2012, Ann Arbor SPARK designed and implemented an intern program to support the needs of early stage companies that had job opportunities, but did not have funding to hire college interns. The program was designed to meet the talent and labor needs of early stage companies, and provide key development opportunities for high-value college students, as well as promote talent attraction and retention for the Ann Arbor region. Through the pilot program, SPARK provided matching funds to ten Ann Arbor-based companies (with a cap of \$3,000 per company) for internship wages.

Uniq ID	Account Description	BA Contract Amt	BA Expenditures
4472*	An online platform that empowers college students to showcase their work and skills to startups.	\$3,000	\$3,000
4507	Web security, uses smartphones to secure logins and transactions	\$3,000	\$3,000
1885*	Commercializing dental appliance – mouth guard	\$3,000	\$3,000
4562*	Software that enables sports fans to access audio- and text-based commentary provided by other sports fans	\$3,000	\$3,000
3502*	Developer of onsite alternative energy, anaerobic digestion of food waste to energy	\$2,880	\$2,880
106	Web development, multi-media, database design	\$3,000	\$3,000
1648	Monitoring, awareness and data logging for patient behavior action.	\$3,000	\$3,000
4772	SalesForce	\$3,000	\$3,000
4566	Provides mobile applications for large travel destinations	\$3,000	\$948
4792*	Hub to trade homemade and artisan foods.	\$3,000	\$1,400
<b>Grand Totals (10 records)</b>			
		\$29,880	\$26,228

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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			
Michigan Energy Forum	7/12/12, 9/6/12	SPARK - Central	12, 21	55, 57	A monthly forum to facilitate collaboration and networking among practitioners, policy makers, investors and talent.	2, 10	9, 3
Ann Arbor OpenCoffee	7/10/12, 8/14/12, 9/11/12	SPARK - Central	11, 12, 14	24, 23, 29	Networking event for entrepreneurs	n/a	n/a
Marketing Roundtable:	7/10/12, 8/14/12, 9/11/12	SPARK - Central	13, 13, 15	35, 28, 33	A monthly series featuring regional marketing professionals who will discuss practical and cost-effective innovation marketing.	-, 5	-, 2
Business Law & Order	9/17/12	SPARK - Central	8	15	A monthly series for entrepreneurs into some of the most important legal issues they must consider during business formation.	6	3
Business Accelerator Consultants Meeting	8/3/12, 9/21/12	SPARK - Central	8, 10	11, 14	Monthly Business Accelerator Consultants meeting to update consultants	n/a	n/a
Hot Shots Career Connections	7/31/12, 8/28/12, 9/25/12	Arbor Brewing Company	9, 10, 4	41, 37, 18	Hot Shots is an event for talent seeking opportunities for themselves.	n/a	n/a
Selling Smart Workshop	7/11/12, 8/1/12, 9/5/12	SPARK - Central	15, 17, 19	28, 29, 33	A monthly Sales Workshop	n/a	n/a
BioArbor	9/19/12	North Campus Research Complex	50	130	Educational networking events for the life sciences industry in the greater Ann Arbor area.	2	5
New Enterprise Forum – Flying With Angels	9/20/12	SPARK - Central	30	56	Semi-annual career networking event for executive-level talent and investors seeking opportunities for themselves.	3	3