



**City of Ann Arbor**  
**Meeting Minutes**  
**Local Development Finance Authority**  
**(LDFA)**

301 E. Huron St.  
Ann Arbor, MI 48104  
<http://a2gov.legistar.com/Calendar.aspx>

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Thursday, June 25, 2020

8:15 AM

Electronic Meeting

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**Members of the public may speak during Public Comment: Dial US: +1 213 338 8477 or +1 206 337 9723 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free) Meeting ID: 984 8888 0147**

**I. CALL TO ORDER**

*Chair Rapundalo called the meeting to order at 8:15 a.m. Meeting was held electronically via Zoom*

**II. ROLL CALL**

*Michele Mueller joined at 8:18am and left at 9:30a.m.*

**Present:** 7 - Caryn Charter, Carrie Leahy, Stephen Rapundalo, Phil Tepley, Heather Grisham, Ali Ramlawi, and Michele Mueller

**Absent:** 1 - Andy LaBarre

**III. 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.

*None*

**IV. APPROVAL OF AGENDA**

**A motion was made by Councilmember Ramlawi, seconded by Vice Chair Grisham, that the agenda be approved as presented. On a voice vote, Chair Rapundalo declared the motion carried.**

**V. APPROVAL OF MINUTES**

**[20-0940](#) LDFA Board Meeting Minutes - April 23, 2020**

**Attachments:** LDFA Board Meeting Minutes - April 23, 2020.pdf

**A motion was made by Councilmember Ramlawi, seconded by Treasurer Charter, that the minutes for April 23, 2020 be approved by the Board. On a voice vote, Chair Rapundalo declared the motion carried.**

**20-0941** Special LDFA Board Meeting Minutes - June 5, 2020

**Attachments:** Special LDFA Board Minutes - June 5, 2020.pdf

**A motion was made by Councilmember Ramlawi, seconded by Treasurer Charter, that the minutes for June 5, 2020 be approved by the Board. On a voice vote, Chair Rapundalo declared the motion carried.**

**VI. LDFA CHAIR'S REPORT**

*None*

**VII. LDFA TREASURER'S REPORT**

*Treasurer Charter reported that Ypsilanti budget was overspent by \$68,000 with \$114,000 overage in programs and a \$46,000 surplus in operations and that they will be under spent in Ann Arbor by almost \$100,000. Part of the unspent balance could possibly be allocated to Ypsilanti if allowable under the TIF Agreement. Board discussed the TIF Agreement language to clarify if SPARK is allowed to spend over 10% to cover the overage. The TIF agreement with MEDC addresses spending in Ypsilanti in two places. One indicates that 10% of the annual TIF capture will be allocated toward Ypsilanti-related programs. Another place indicates that over the fifteen-year extension period, the Ypsilanti designated area will receive up to 10% of TIF capture, suggesting a maximum. Treasurer Charter said there is surplus in the Ypsilanti operating line to cover part of that overage, she suggested reallocating the \$46,000 surplus in the operating line to offset \$46,000 of the \$114,000 overage. The \$68,000 will have to remain until it can be brought back before the Board at our next meeting.*

**A motion was made by Treasurer Charter, seconded by Tepley, to approve reallocation of surplus in the Ypsilanti operating fund of up to \$46,000 to apply toward Ypsilanti programming. On a voice vote, Chair Rapundalo declared the motion carried.**

**VIII. REPORTS FROM SERVICE PROVIDERS**

*Bill Mayer from SPARK reported that A2Tech 360, which include Tech Trek, will be virtual as of September 2020 and will take on a virtual 360-degree tour of the various office spaces.*

*Mayer also stated that July 13th is the target date to allow the first wave of companies to return to SPARK Central and SPARK East. A return to work safety webinar will be shown today for the incubator. SPARK does not expect any in-person events until 2021 but will keep the Board informed if that time line changes.*

*At the March 2020 Board meeting, the Board passed a motion to wave rent for SPARK tenants or adjust rent for hardship cases due to COVID-19. Grisham asked for an update regarding the financial impact. Mayer said the closure of the incubator has reduced overhead and operating costs, so they have been able to make it work. He announced that rent for companies will begin again July 13, 2020. Accordingly, adjustments may be needed to the budget if situations change due to COVID. Councilmember Ramlawi disagreed that waving rent should be continued any longer, as the governor's stay-at-home order has been lifted and other businesses are open and back to work.*

**IX. OTHER BUSINESS**

**1. City of Ann Arbor Financial Recovery Plan Resolution and Amendment #3 Regarding LDFA-SPARK and Local Business Support**

*Rapundalo and Councilmember Ramlawi brought to the Board's attention the resolution that was passed by City Council at their May 18, 2020 meeting regarding LDFA/SPARK and Local Business Support that would include \$700,000 for strategic initiative grants and major events.*

*Councilmember Ramlawi said the spirit of the resolution is to find ways to spend the money locally to help small business.*

[20-0961](#) City of Ann Arbor Financial Recovery Plan Resolution and Amendment #3 Regarding LDFA-SPARK and Local Business Support

**Attachments:** City of Ann Arbor Financial Recovery Plan Resolution.pdf, FY21 Budget Resolution with Amendments (pg. 18).pdf

**2. Adopt the LDFA FY2021 Budget as Approved by Each Community**

**A motion was made by Treasurer Charter, seconded by**

**Councilmember Ramlawi, to adopt the LDFA FY2021 budget as approved by Ann Arbor and Ypsilanti City Councils. On a voice vote, Chair Rapundalo declared the motion carried.**

**3. EDA Grant Application**

*At the June 5 special meeting, the board approved the allocation of funds from Ann Arbor and Ypsilanti in the amount of \$600,000 to be used as a match for an application for EDA funding relative to a fiber infrastructure project.*

*MEDC's legal counsel reviewed the action and deem it was not permitted by statute governing the LDFA. Rapundalo referred to the LDFA's legal counsel, Attorney Lax, for review and interpretation of the statute. Attorney Lax concluded that the statute indicates that the authority shall expend tax increment revenue "only in accordance with tax increment financing plan" and the TIF plan clearly states that the funding can be used beyond the actual tax captured district and within both cities.*

*A response was sent back to MEDC's counsel on June 16, 2020 but as of today, a response has not been received.*

**4. Approval of LDFA - SPARK Agreement - FY2021**

*Treasurer Charter stated that the LDFA-SPARK contract amount is \$4,970,000 and is a 5.5% increase which aligns with the recommended budget to council that was approved. In review of some of the contract changes, Charter pointed to section 7.12 where SPARK was asked to provide the LDFA with annual copies of the Contractor's most recent audited financial statement, Form 990, and a copy of its strategic plan along with any updates to the plan within 30 days of contract execution. Other changes pointed out was the addition of a second mobility person due to increased activity in that area. Adjustments were also made to the boot camp language and A2360 description to indicate major events. Budgeting was also added for the NAIAS, which may be reallocated; noting that the budget was done before the pandemic and the show was canceled. A redline copy of the agreement is attached for complete review.*

*Teply ask that an observer seat be added to SPARK's board in the future. He stated that over \$4M is going to SPARK and that the board is deciding to put all the money into one organization and during so without an RFP. He agrees with all the money in one place and that Spark does*

*good work but believe we are taking a risk. He feels it is the Board's responsibility to provide more oversight than they have over the years.*

**20-0958** LDFA-SPARK Agreement - FY2021

**Attachments:** LDFA-SPARK FY2021 Final Draft Contract.pdf,  
LDFA-SPARK FY2021 Final Draft Contract Redline.pdf

**A motion was made by Vice Chair Grisham, seconded by Leahy, to approve the LDFA-SPARK agreement for FY2021. On a roll call, the vote was as follows with Chair Rupundalo declaring the motion carried:**

**Yeas:** 7 - Treasurer Charter, Leahy, Chair Rapundalo, Sorrell, Ypsilanti City Rep. Tepley, Vice Chair Grisham, and Councilmember Ramlawi

**Nays:** 0

**Absent:** 2 - Washtenaw Community College Rep. Mueller, and Washtenaw County Rep. LaBarre

**5. Approval of LDFA Public Meeting Calendar - FY2021**

*FY2021 Board meeting calendar was presented to the Board for approval, noting that the meeting location may change or may be held electronically due to the pandemic.*

**20-0957** Approval of LDFA Meeting Calendar - FY2021

**Attachments:** LDFA Meeting Calendar FY2021.pdf

**A motion was made by Councilmember Ramlawi, seconded by Leahy, to approve the LDFA Board meeting calendar for FY2021. On a voice vote, Chair Rapundalo declared the motion carried.**

**X. ADJOURNMENT**

**A motion was made by Vice Chair Grisham, seconded by Treasurer Charter, that the meeting be Adjourned at 9:45a.m.. On a voice vote, Chair Rapundalo declared the motion carried.**

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