



**MINUTES – REGULAR BOARD MEETING  
March 16, 2010**

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

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Theresa Carroll, Darryl Daniels, Lisa Kurek, Mark Maynard, Stephen Rapundalo, Phil Tepley, Tom Crawford-Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Michael Korybalski, Ned Staebler-MEDC-Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Kurt Riegger-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 3:05 pm. A quorum was present.

**APPROVAL OF THE AGENDA:**

Rapundalo moved, seconded by Maynard, to approve the Agenda for this meeting in the form presented at this meeting, with one addition. A resolution in support of "Google Fiber for Communities" was added to Other Business. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the January 26, 2010 Regular Board Meeting:**

Daniels moved, seconded by Maynard, to approve the Minutes of the January 26, 2010 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo had nothing to report.

**LDFA TREASURER'S REPORT:**

Daniels presented the Budget Committee's recommended FY 2011 budget. Crawford recommended changing the estimated tax revenues to \$1,400,000; and eliminating the incubator rent revenue, which will be shown as a credit to the incubator rent subsidy on future SPARK invoices. Daniels moved, seconded by Beedon to approve the budget as revised. Motion approved unanimously. A copy of the approved budget is attached.

**REPORTS FROM SERVICE PROVIDERS:**

Simms presented an update of SPARK activities.

**OTHER BUSINESS:**

**a. Cantillon:**

Nothing to report.

**b. Discussions with SPARK clients:**

Discussions were held following adjournment of the meeting.

**c. Resolution in support of the selection of the City of Ann Arbor as a "Google Fiber for Communities" trial location:**

Rapundalo presented the resolution and recommended some wording changes, and a pledge of \$100,000 in support, for the installation conduit. Crawford stated the City of Ann Arbor may support conduit installation totaling up to \$750,000 and would like the SmartZone LDFA Board to consider a pledge of \$250,000 to bring the total up to a possible \$1,000,000. Maynard moved, seconded by Daniels to approve the amendment. After discussion the Board approved the wording changes and the \$250,000 unanimously.

Maynard moved, seconded by Daniels to approve the amended resolution. The motion was approved unanimously. A copy of the resolution is attached.

**MOTION TO ADJOURN:**

Daniels moved, seconded by Maynard, to adjourn the meeting at 4:58 pm. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford

## Ann Arbor/Ypsilanti SmartZone LDFA Recommended FY 2011 Budget

	Recommended	Final Approved
	FY 2011	FY 2011
<b>REVENUES</b>		
Tax Revenue	\$ 1,291,972	\$ 1,400,000
Incubator Rent Revenue	44,100	-
Miscellaneous Revenue	-	-
Investment Income	7,335	7,335
<b>Total Revenue</b>	<b>\$ 1,343,407</b>	<b>\$ 1,407,335</b>
<b>EXPENDITURES</b>		
<b><u>Business Accelerator Support Services</u></b>		
Business Accelerator Support	\$ (288,400)	\$ (288,400)
Phase II - Due Diligence	(24,000)	(24,000)
Phase III - Intensive Service	(400,000)	(400,000)
Sub-Total	(712,400)	(712,400)
<b>Micro Loan Program for Entrepreneurs</b>	(275,000)	(275,000)
<b>Angel Investment Group Support</b>	(20,000)	(20,000)
<b>Business Networking Events</b>	(30,000)	(30,000)
<b><u>Entrepreneur Education</u></b>		
Education Classes	(10,000)	(10,000)
Bootcamp	(56,000)	(56,000)
Sub-Total	(66,000)	(66,000)
<b>Cantillon Web Based Education</b>	(5,000)	(5,000)
<b>SPARK Central Incubator Operating Exp</b>	(204,100)	(160,000)
<b>Marketing</b>	(65,000)	(65,000)
<b>Indirect Services</b>		
SPARK Accounting	(46,350)	(46,350)
Legal & Admin Support	(65,000)	(65,000)
LDFA Staff	-	-
Sub-Total	(111,350)	(111,350)
<b>Total Operating Expenditures</b>	<b>\$ (1,488,850)</b>	<b>\$ (1,444,750)</b>
<b>Net Increase/(Decrease)</b>	<b>\$ (145,443)</b>	<b>\$ (37,415)</b>
<b>RESERVES</b>		
June 2009 Fund Balance	\$ 468,240	\$ -
FY 2010 Projected Surplus/(Deficit)	\$ (112,363)	\$ -
FYE 2010 Projected Fund Balance	\$ 355,877	\$ -
FY 2011 Projected Surplus	\$ (145,443)	\$ (37,415)
FYE 2011 Projected Fund Balance	\$ 210,434	\$ (37,415)

**RESOLUTION IN SUPPORT OF THE SELECTION OF THE CITY OF  
ANN ARBOR AS A "GOOGLE FIBER FOR COMMUNITIES" TRIAL  
LOCATION**

WHEREAS, Google Inc. is planning to build and provide ultra-high speed broadband networks in one or more communities in the United States, which networks would consist of 1 Gbps, fiber-to-the-home ("FTTH") connections and would provide Internet service to residents at a competitive price;

WHEREAS, One of Google's stated criteria for selection is a community which has the resources and trained work force to create new applications which can utilize the higher bandwidth;

WHEREAS, The Ann Arbor/Ypsilanti SmartZone was established, in response to the collaborative efforts of the cities of Ann Arbor and Ypsilanti, and a variety of partners, including the Washtenaw Development Council, University of Michigan, Eastern Michigan University, Ann Arbor and Ypsilanti Downtown Development Authorities, Small Business Development Center and Ann Arbor IT Zone, to enhance existing efforts in high technology business formation and attraction and to foster the development of high technology enterprises in the designated SmartZone;

WHEREAS, The Tax Increment Financing (TIF) Plan funding the SmartZone identified investment in the installation or expansion of public-owned and maintained conduit for telecommunications purposes as one of several approved uses of funds;

WHEREAS, The City of Ann Arbor in partnership with the University of Michigan have announced their intent to respond to the "Google Fiber for Communities" Request For Information (RFI) issued by Google, Inc.;

RESOLVED, That the LDFA Board as the governing body of the Ann Arbor/Ypsilanti Smartzone enthusiastically supports the application of the City of Ann Arbor to be selected as a "Google Fiber for Communities" Trial Location;

RESOLVED, That if so selected, the LDFA Board wishes to state its continued interest and support in partnering with the City of Ann Arbor to encourage telecommunication technologies and TIF eligible projects in the designated Smartzone in accordance with PA 281 of 1986.

RESOLVED, that as an expression of support and encouragement for Google to select Ann Arbor for its ultra-fast fiber installation, the LDFA Board will commit \$250,000 towards TIF eligible projects including, but not limited to, technology infrastructure improvements such as installing public conduit.

Sponsored by: Stephen Rapundalo, Chair

Date: March 16, 2010