



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>

Thursday, April 23, 2020

8:15 AM

Electronic Meeting - Zoom Video/Phone
Conferencing

Members of the public may speak during Public Comment (audio only)
Call: 877 853 5247 Enter Meeting ID: 954 6212 6871# and Password 156577#

I. CALL TO ORDER

Chair Rapundalo called the meeting to order at 8:17 a.m.

II. ROLL CALL

Caryn Charter and Andy LaBarre joined at 8:21am

Present: 8 - Caryn Charter, Carrie Leahy, Stephen Rapundalo, Paula Sorrell, Phil Tepley, Heather Grisham, Ali Ramlawi, and Andy LaBarre

Absent: 1 - Michele Mueller

III. PUBLIC COMMENT

None

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.

IV. APPROVAL OF AGENDA

A motion was made by LaBarre, seconded by Councilmember Ramlawi, that the agenda be approved with an addition of reports from the Grant and Membership committees after the Treasurer's Report. On a voice vote, Chair Rapundalo declared the motion carried.

V. APPROVAL OF MINUTES

20-0576 LDFA Board Meeting Minutes - March 26, 2020

Attachments: LDFA Board Meeting Minutes - March 26, 2020.pdf

A motion was made by Councilmember Ramlawi, seconded by LaBarre, that the Minutes of March 26, 2020 be approved. 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 spending is on track and should be able to stay within budget.

20-0577 Smartzone 3rd Quarter Financial Report - FY2020

Attachments: Smartzone Financial Report 3.31.20.pdf

A motion was made by Vice Chair Grisham, seconded by Councilmember Ramlawi, that the Treasurer's Report be approved. On a voice vote, Chair Rapundalo declared the motion carried.

VIII. COMMITTEE REPORTS

1. Grant Review Committee Chair Sorrell reported that three grants were reviewed. Automated Shuttle and Automated Sweeper were evaluated and are not recommended to the Board for funding. Committee determined that they amounted to a pass-through to a private company and expected that they would be prohibited by the State.

The EMU Data Sciences Summer School project was evaluated, and is recommended for approval subject to creation of an on-line participation tool and COVID-19 concerns.

Chair Rapundalo will work with Matt Horning to make adjustments and clarifications to the grant application process and tweak the guidelines.

2. Membership Committee Chair Leahy reported that the committee discussed who would fill Paula Sorrell's role on the Board. After discussion, Mike Psarouthakis, Director of the UM Venture Center was considered. Mr. Psarouthakis was previously the vice president of business acceleration at the MEDC and is also an Ann Arbor resident. The committee also felt it was important to have someone from UM on

the Board.

Mr. Psarouthakis was contacted and agreed to serve if nominated. His application was completed and forwarded to the Mayor and Council for their consideration.

Chair Rapundalo mentioned that Board members Leahy, Tepley and Councilmember Ramlawi's terms will expire June 30, 2020. All agreed to continue serving.

Board discussed whether a LDFA board member could sit on the SPARK board as a observer. Bill Mayer said SPARK currently does not have observers on its Board. SPARK would be open to an LDFA board member observer but it would have to be discussed with their nominating committee.

A motion was made by Tepley, seconded by Leahy, to recommend Mike Psarouthakis as a LDFA Board Member. On a roll call, the vote was as follows with the Chair declaring the motion carried:

Yeas: 8 - Treasurer Charter, Leahy, Chair Rapundalo, Sorrell, Ypsilanti City Rep. Tepley, Vice Chair Grisham, Councilmember Ramlawi, and Washtenaw County Rep. LaBarre

Nays: 0

Absent: 1 - Washtenaw Community College Rep. Mueller

IX. REPORTS FROM SERVICE PROVIDERS

20-0575 SPARK 3rd Quarter Report - FY2020

Attachments: LDFA Q3 FINAL.pdf

Bill Mayer from SPARK gave an overview of the 3rd quarter LDFA SPARK report stating that there was a lot of activity in the talent area, mobility sector and that the startups in the portfolio are showing a commitment to their survival of this period. There has been a decrease in new companies coming into the system but support is strong for company that are coming in.

The digital engagement center clinic for the summer have over 150 students that have applied to be in the program with only 50 slots to give away.

SPARK thanked the Board for waiving rent for Startups in April. SPARK is working for the assumption that May's rent might also have to be waived.

SPARK have been working closely with Lenawee county noting Phil Tepley's program for the business accelerator fund which is available to all SmartZone's around the state of Michigan took action to modify their program to create three new categories. 1. A life line category helping to pay rent and utilities for companies; 2. Companies working specifically on COVID related technology; and 3. Non tech companies that are helping to manufacture the PPE material.

SPARK budget is estimated to be \$150,000 under budget due to major setbacks with the cancellation of the North American Auto Show, South by Southwest and a number of in-person events that are held at SPARK Central.

An area of concern is SPARK central incubators. If they continue to suspend rent in May and June, it will create a short fall of \$40,000-\$50,000. SPARK requested a budget adjustment by allowing them to exceed the contracted 10% contingency amount by 8% to cover the shortfall from the suspended rent if they are not able to open the incubator until post June 30.

Board agree that rather than allow SPARK to exceed the 10% contingency in the contract, money could be redirected from special events fund to operations to cover the shortfall due to the cancellation of several major events.

A motion was made by Councilmember Ramlawi, seconded by Treasurer Charter, that SPARK be allowed to transfer funds from Special Event to Operations in the amount of \$22,000. On a roll call, the vote was as follows with the Chair declaring the motion carried:

Yeas: 8 - Treasurer Charter, Leahy, Chair Rapundalo, Sorrell, Ypsilanti City Rep. Tepley, Vice Chair Grisham, Councilmember Ramlawi, and Washtenaw County Rep. LaBarre

Nays: 0

Absent: 1 - Washtenaw Community College Rep. Mueller

X. OTHER BUSINESS

20-0578 LDFA Quarterly Report - 3rd Quarter FY2020

Attachments: LDFA Quarterly Report - 3rd Quarter FY2020.pdf

A motion was made by LaBarre, seconded by Councilmember Ramlawi, that the LDFA 3rd Quarter Report be approved. On a roll call, the vote was as follows with the Chair declaring the motion carried:

Yeas: 8 - Treasurer Charter, Leahy, Chair Rapundalo, Sorrell, Ypsilanti City Rep. Tepley, Vice Chair Grisham, Councilmember Ramlawi, and Washtenaw County Rep. LaBarre

Nays: 0

Absent: 1 - Washtenaw Community College Rep. Mueller

XI. ADJOURNMENT

A motion was made by Treasurer Charter, seconded by LaBarre, that the meeting be adjourned. On a voice vote, Chair Rapundalo declared the motion carried and the meeting adjourned at 9:53 a.m.

All persons are encouraged to participate in public meetings. Citizens requiring translation or sign language services or other reasonable accommodations may contact the City Clerk's office at 734.794.6140; via e-mail to: cityclerk@a2gov.org; or by written request addressed and mailed or delivered to:

**City Clerk's Office
301 E. Huron St.
Ann Arbor, MI 48104**

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