



## Memo

To: LDFA Board  
From: Joe Meyers, City of Ypsilanti  
Date: March 15<sup>th</sup>, 2019  
Subject: Request for Ypsilanti Budget Allocation Adjustments

Under our current agreement Ypsilanti allocations can only be spent on the Spark East Incubator and Business Accelerator program. In speaking with SPARK, we realized that some of the programs that we are investigating would not be allowed due to the restrictions on the funds. In speaking with SPARK, we would need to reallocate funds and amend the current SPARK Contract and propose changes to next year's contract. Allowing more flexibility in the SPARK Contract would help Ypsilanti Achieve our goals. A few programs we would like to try are funding for a talent pipeline pilot program and sponsorship of technology related programs.

One of our major asks would be to start a partnership with Michigan Works under Summer 19" and "Summer 20" programmatic efforts to help employ local youth ages 16-22 in tech companies located in Ypsilanti and Ann Arbor. This initiative would be in cooperation with Michigan Works "aimed at growing skills through experiential learning among our youth. We would like to amend this Ypsilanti section of the agreement between LDFA and Spark.

Here is the proposed 7/1/19 – 6/30/20 budget and existing 2018/19 budget for Ypsilanti that we request to amend.

Ypsilanti Allocations		
East OpX	\$205,000	
BA Grants	\$100,000	
Other	\$ 98,800	
<b>Total</b>	<b>\$403,800</b>	

What we would like to do is combine the BA Grants and Other lines into a single \$198K line and add this language:

9.1.7 Contractor shall also provide other allowable services as described in Sections 4, 6, and 8 (in the Ann Arbor section) as resources permit.

What this would accomplish is to make \$205K available for SPARK East in FY 2019/2020 and make the rest available for:

- Acceleration Grants
- Talent Programs
- Entrepreneur Education, Events, and Sponsorships
- Marketing of Ypsilanti
- Other Permitted Uses of Funds

Lastly, we are requesting the FY 2018/2019 agreement be amended to include language that allows funds to be spent on the aforementioned Talent Program. Under the current contract some funds will likely be turned back in to the LDFA as we are significantly under budget with Acceleration Grants. We've increased spending quite a bit over last year, but won't realistically be able to use it all on the Acceleration Grants alone. We request the contract amendment be approved.