



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

301 E. Huron St.
Ann Arbor, MI 48104
[http://a2gov.legistar.com/
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

Thursday, January 28, 2021

8:15 AM

Held Electronically

**Members of the public may speak during Public Comment: Phone toll free:
1-877-853-5247; Enter Meeting ID 917 5433 6678**

I. CALL TO ORDER

Chair Rapundalo called the meeting to order at 8:19 a.m. The meeting was held electronically via Zoom.

II. ROLL CALL

Present: 7 - Caryn Charter, Stephen Rapundalo, Phil Tepley, Heather Grisham, Ali Ramlawi, Michael Psarouthakis, and Carrie Leahy

Absent: 2 - Michele Mueller, and Andy LaBarre

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 Council Member Ramlawi, seconded by Treasurer Charter, that the agenda be approved as presented. On a voice vote, Chair Rapundalo declared the motion carried.

V. APPROVAL OF MINUTES

[21-0177](#) LDFA Smartzone Board Meeting Minutes - October 22, 2020

Attachments: LDFA Board Meeting Minutes - October 22, 2020.pdf

A motion was made by Council Member Ramlawi, seconded by Treasurer Charter, that the minutes of October 22, 2020 be approved. On a voice vote, the Chair Rapundalo declared the motion carried.

VI. LDFA CHAIR'S REPORT

Chair Rapundalo will present the budget on behalf of the LDFA to City Council on March 22, 2021. The contract and budget committee will meet to prepare for the budget presentation to council.

Chair Rapundalo informed the Board that Washtenaw County Representative and board member Andy LaBarre will be replaced by Jason Morgan due to a reappointment of commissioners.

VII. LDFA TREASURER'S REPORT

Treasurer Charter reported that since the last meeting she approved four invoices; the October, November and December billings for SPARK and one invoice for the Tech Park Fiber Project. She reported that spending is on target.

[21-0181](#) Smartzone 2nd Quarter Financial Report - FY2021

Attachments: Smartzone Financial Report 12.31.20.pdf

VIII. REPORTS FROM SERVICE PROVIDERS

1. SPARK - LDFA 2nd Quarter Report - FY2021

[21-0178](#) SPARK - LDFA 2nd Quarter Report - FY2021

Attachments: LDFA 20-21 Q2 Report.pdf

Bill Mayer said the quarterly report shows SPARK served 173 companies, created 142 jobs, and created 15 new companies. Over the last four quarters, a total of over 50 companies were created. An upward trend shows more companies served quarterly for the last year and a half, except this quarter where there were two less companies, but still showing a rise the multiple categories.

Capital transactions reported this quarter are more numerous than other

quarters due to the inclusion of data captured by the annual survey and a financial acquisition transaction of \$1.5B of a local software company (Ilima Software) and over \$59M venture capital transactions from multiple investors.

Marketing was down in the second quarter compared to last quarter due of the spike from A2 Tech 360 but compare to last year, the comparisons near normal.

2. SPARK Request for Ypsilanti Budget Adjustment

Bill Mayer explained that up to 10% of the tax capture in Ann Arbor is made available to Ypsilanti. There are three budget line items in the Ypsilanti budget totaling \$450K. Currently, there is a cost saving in the operation budget line due to COVID which caused the Ypsilanti Youth Talent Program to come in under budget by not spending the full \$125,000 in summer of 2020. There is also \$50K in the Ypsilanti Youth program that has not been utilized due to the pandemic causing a low number of interns. Although there was a low turnout of interns, SPARK is still in full support of continuing the internship program. In addition, there is about \$40K in the Operations line that will go unused because SPARK east incubator will run under budget. SPARK is asking that \$40K be moved out of the SPARK East operations line and \$50K be moved from the Ypsilanti Summer Youth Program into the SPARK East Accelerator line for a total of \$90K so that more direct services can be provided to the companies.

A motion was made by Treasurer Charter, seconded by Psarouthakis, to move \$40,000 out of the SPARK East operations budget line into the SPARK East Accelerator budget line and \$50,000 from the Ypsilanti Summer Youth Program budget line into the SPARK East Accelerator budget line for a total of \$90,000. On a voice vote, the Chair declared the motion carried.

3. Discuss SPARK Contract

[21-0196](#) SPARK Contract - FY2021

Attachments: SPARK Contract FY21.PDF

Matthew Horning informed the Board that the SPARK contract will expire June 30, 2021 and will need to be brought before city council on June 7, 2021. The budget and contract committee will work to prepare the new

contract for attorney review.

IX. OTHER BUSINESS

1. Tech Park Fiber Project Update

Tom Shewchuk gave an update on the tech park fiber project saying that the Tech Park design and engineering has been completed. A diagram was presented showing the foundational rings surrounding the Tech Park.

He stated that the fiber will greatly reduce the capital cost that it would take to get buildings connected. There will be 432 fiber cables run in the conduit and all the rest would be additional capacity for additional future use. The fiber and conduit will have the ability to connect to the current fiber ring that goes around the city. The preliminary cost is estimated to be \$3.4M in total labor and about \$1M in material.

Mr. Shewchuk also said that the city has applied for a grant from the EDA that if approved, it will enable them to connect the Ypsi Smartzone with Ann Arbor Smartzone with a conduit and fiber that runs to downtown Ypsilanti via Washtenaw Avenue, spoke off to the ACM and back to Ann Arbor via Packard. If the grant is approved, it would create redundancy in both cities and the ability for everyone to be connected along the corridor.

Council member Ramlawi asked how long it will take to complete the construction of the infrastructure and its lifespan. Mr. Shewchuk said he anticipate it taking about a year to a year and a half to complete with an estimated lifespan of 20-30 years.

2. LDFA Administrative 2nd Quarter Report - FY2021

Matt Horning presented the administrative report for the 2nd quarter FY2021

[21-0192](#) LDFA Administrative 2nd Quarter Report - FY2021

Attachments: LDFA FY2021 Q2 Quarterly Report.pdf

3. LDFA Budget Timing Plan - FY2022

Matt Horning presented the LDFA Budget Timing Plan for FY22 budget.

[21-0191](#) LDFA Budget Timing Plan - FY2022

Attachments: LDFA FY2022 Budget Timing Plan.pdf

4. LDFA Draft Budget - FY2022

Matt Horning presented the LDFA draft budget for FY2022

[21-0197](#) LDFA Draft Budget - FY2022

Attachments: LDFA FY2022 Budget - Draft.pdf

X. ADJOURNMENT

A motion was made by Council Member Ramlawi, seconded by Leahy, that the board meeting be adjourned at 9:34 a.m. On a voice vote, Chair Rapundalo declared the motion carried.

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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