



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, July 23, 2020

8:15 AM

Electronic Meeting

**Members of the public may speak during Public Comment: Phone toll free:
1-888-788-0099; Enter Meeting ID 936 7133 6999**

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

Present: 8 - Caryn Charter, Stephen Rapundalo, Heather Grisham, Michele Mueller, Andy LaBarre, Michael Psarouthakis, Ali Ramlawi, and Phil Tepley

Absent: 1 - Carrie Leahy

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

V. APPROVAL OF MINUTES

[20-1114](#) LDFA Board Meeting Minutes - June 25, 2020

Attachments: LDFA Board Meeting Minutes - June 25, 2020.pdf

A motion was made by Washtenaw County Rep. LaBarre, seconded by Council Member Ramlawi, that the Minutes of June 25, 2020 be Approved by the Board. On a voice vote, Chair Rapundalo declared the motion carried.

VI. LDFA CHAIR'S REPORT

Chair Rapundalo officially introduced new Board member, Michael Psarouthakis. Mr. Psarouthakis is currently the director at the University of Michigan Tech Transfer Venture Center and is a long time Ann Arbor resident.

VII. LDFA TREASURER'S REPORT

Treasurer Charter give an overview of the fiscal year-end financial reporting that showed revenues were \$100,000 under budget and expenditures were \$650,000 under budget. A large portion of this were funds allocated for the Tech Park project and funds allocated for strategic initiative grants. Spark also came in under contract about \$150,000 that included the overage in phase three Ypsilanti services which at year end was much lower than what was projected. Some savings to the budget came from two big areas; the cancellation of South by Southwest and the cancellation of the North American Auto Show. But where expenses were not incurred, some of that offset phase three in Ann Arbor, which had more activity than was projected. Some of the funding went to support tenant rent subsidies that the Board took action on in April. The tenant rent on average for the first quarter through the third quarter was about \$68,000 for operating expenses for the incubator. That amount includes the offset of rent in the fourth quarter that went up to just under \$100,000. These were additional expenditures due to COVID-19.

Horning added that the \$200,000 portion of the \$600,000 matching funds grant comes from Other Grants, not from the Ypsilanti reserve, and therefore does not encumber the Ypsilanti fund balance. A motion was made and approved a couple months ago for \$400,000 from the Tech Fiber Grants and \$200,000 from the Other Grants line.

LDFA-Smartzone 4th Quarter Financial Report FY2020

A motion was made by Mueller, seconded by Councilmember Ramlawi, that the Treasurer's report be accepted as presented. On a voice vote, the Chair declared the motion carried.

[20-1115](#) LDFA-Smartzone 4th Quarter Financial Report FY2020

Attachments: Smartzone Financial Report 6.30.20.pdf

VIII. REPORTS FROM SERVICE PROVIDERS

1. SPARK Fourth Quarter Report - FY2020

A motion was made by Psarouthakis, seconded by Councilmember Ramlawi, that SPARK 4th Quarter Report be accepted as presented. On a voice vote, the Chair declared the motion carried.

[20-1116](#) SPARK 4th Quarter Report - FY2020

Attachments: SPARK 4th Qtr Report.pdf

Mayer presented the 4th quarter report to the Board stating that SPARK sustained a large amount of activity from the delivery of grants and from startups during the pandemic lockdown. Fifteen companies were created during this period with two from boot camp as well as 62 companies that received almost \$322,000 in support from the phase three business acceleration grant.

The boot camp engagement has remained high and SPARK will be doing the boot camp celebration as part of the A2Tech 360 week.

Regarding tenants returning, Mayer will keep the board informed if he sees a contraction in the number of tenants that are physically utilizing the incubator. Right now, there is a very small percentage that have returned in person.

SPARK returned monies from the Microloan program to the LDFA in the amount of \$9,002.12. They expect the repayments to be considerably higher for the next fiscal year.

Gary Clemens from Lenawee county said it has been fairly tough due to COVID as it has been with everyone else. He has tried to focus on the tech companies that are still operating as well as helping some non-tech colleagues.

Mayer said they are in the final interview stage for an additional mobility person and are hoping to have them on board by August.

Ann Partington was promoted internally and introduced as the new director of SPARK East.

2. Administrative Quarterly Report

A motion was made by Mueller, seconded by Vice Chair Grisham, that the Administrative Quarterly Report be accepted as presented. On a voice vote, the Chair declared the motion carried.

[20-1118](#) LDFA - Administrative 4th Quarter Report - FY2020

Attachments: LDFA FY2020 Q4 Quarterly Report.pdf

IX. OTHER BUSINESS

1. EDA Grant Discussion

Tom Shewchuk, the city's IT director provided additional information of the technical aspects of the grant request. He has worked with a company called Magellan that's doing the preliminary engineering report to come up with documentation and more detailed information that is summarized in the document.

Shewchuk said the original discussion was about a way to come up with a high speed fiber and conduit corridor between the city of Ann Arbor, and the city of Ypsilanti and then branch off over to the American Center for Mobility.

Currently, a tech park is being built in Ann Arbor and a request was made to do the same in Ypsilanti. The tech park would provide connectivity from building to building and be able to connect anyone together in that area. The project would be broken up into three phases; Ann Arbor tech park is phase one, the corridor from Ann Arbor to Ypsilanti is phase two, and phase three is building a tech park in a Smartzone in Ypsilanti.

The preliminary engineering report is done and is based on all three phases as opposed to just one in prior discussions.

Stephen Rapundalo is still waiting to hear back from the MEDC on their position that the allocation of funds for the grant are not permitted by statute governing the LDFA. LDFA legal counsel looked at the statutory language and the development agreements and found language in both

documents to suggest that monies could be expanded outside of the TIF capture districts. MEDC has yet to respond.

20-1120 EDA Grant Discussion Items

Attachments: Ann Arbor SPARK.Broadband Conduit_07.02.20.pdf, 2020-06-30 EDA YpsiArbor Grant Ltr of Support.pdf, GRANT REQUEST - Corridor Fiber Optic Backbone .pdf, EDA Grant Route-Business.pdf, EDA Grant Route.pdf

2. D&O Insurance

Horning presented the D&O insurance policy that is under review.

20-1121 D&O Insurance

Attachments: LDFA D&O Application - draft 2.pdf

3. Election of Officer

A motion was made by Councilmember Ramlawi, seconded by Psarouthakis, to approve Stephen Rapundalo as Chair, Heather Grisham as Vice Chair, and Caryn Charter as Treasurer to continue serving as officers for the LDFA Board for FY2021. On a voice vote, Chair Rapundalo declared the motion carried.

20-1117 Election of Officers and Committee Assignments

Attachments: Board Officers and Committees for FY2020.pdf, Board Officers and Committees for FY2021.pdf

X. ADJOURNMENT

A motion was made by Councilmember Ramlawi, seconded by Treasurer Charter, that the LDFA Board meeting be adjourn at 9:21 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

Requests made with less than two business days' notice may not be able to be accommodated.