

Proposal to Reallocate the Budget Surplus for Fiscal Year 2019-2020

The movement of Tech Trek from June 2020 to September 2020 causes the event to fall outside of the current fiscal year. Therefore, the budget we allocated to the event for this fiscal year in the amount of \$260K will not be fully spent. This proposal for the consideration of the LDFA Board suggests some potential ways we could deploy the unused funds to support the LDFA's mission.

We estimate that \$35K will be spent this FY on the Tech Trek event. This would leave a remainder of \$225K.

Budget for the reallocation of the surplus funds:

Item	Quantity	Price	Total	Budget Line
Phone Booths	3	\$ 5,000	\$ 15,000	Incubator
NAIAS	1	\$ 125,000	\$125,000	Sponsorship
SXSW	1	\$ 20,000	\$ 20,000	Sponsorship
New Talent Program	1	\$ 25,000	\$ 25,000	Talent
Incubator Network Upgrades	1	\$ 20,000	\$ 20,000	Incubator
Tables and Chairs	1	\$ 20,000	\$ 20,000	Incubator
Total Ask			\$225,000	

Phone Booths – We currently have five ZenBooth brand phone booths in the incubator. Four on the 4th floor and one on the 1st floor. They are extremely popular and in use constantly. Adding three additional booths on the first floor would add much needed private phone call capacity in our open floor plan incubator.

North American International Auto Show – per the direction of the LDFA Board we have explored creating a presence at the event in June 2020. This would create the physical space where we could showcase the innovative Mobility work being performed in the Ann Arbor region and leverage the Auto/Mobility professional attendees over two days. We would create a schedule that includes panel discussions, visual displays, and talent attraction events. We would include a group of Ann Arbor startups in this effort. The budget of \$125K would cover the following cost estimates:

- Venue = ~\$35,000
- Media Spend = ~\$15K
- Auto Show Fees = ~\$32,500
- Promotional Items and Venue Signage = ~\$15K
- Equipment Rental = ~\$7,500K
- Food and Beverage = ~\$20K

SXSW – This event, held in Austin, Texas every March, is a global confluence of Entrepreneurs, Startup Founders, Technology Thought Leaders, Tech Enthusiasts, and other various people employed in the fields of technology and innovation. Estimates put attendance of the overall 2019 SXSW event at

417,400 from 106 different countries. Specifically, the Interactive portion of the Conference drew 73,716 attendees which is the primary focus of our efforts.

SPARK has attended this event for the last several years and taken part in the “Michigan House” venue. Over the course of 6 days, more than 3000 people attended Michigan House events with thousands more visiting us at the SXSW Tradeshow or following our programming online. Altogether 64 Michigan-based companies and organizations came together to connect the Great Lake State to SXSW's global audience, and our success proved that there is great interest in what is happening here in Michigan. We were able to gather the contact information of 223 individuals that expressed an interest in relocating to MI to work in the field of technology and startups.

Taking the SPARK team along with the cadre of Ann Arbor based Startups to Austin allowed us to bring a high level of visibility to the tech company ecosystem in Ann Arbor in 2019. For 2020 we have a new, larger venue that is across the street from the main convention center. This has resulted in a material cost increase. This increase is being spread across multiple regions such as Grand Rapids, Lansing, Detroit, etc. By increasing the contribution Ann Arbor makes to the effort we feel confident that we will grow the impact we gain from participating in this high visibility event. This additional funding would allow us to participate in the joint effort to pay for the venue, be included in the official SXSW schedule, and help cover the other various costs of the programming, etc.

New Talent Program – Augment Reality (AR) and Virtual Reality (VR), collectively called Experiential Reality (XR), are spearheading many new innovative technologies in a variety of industries and now training students for a multitude of careers that use these dynamic platforms is a necessity. The skills to develop upon and iterate for these technologies is a new challenge that academic institutions are now addressing, but a gap exists in the method of finding real life experiences to practice these skills for students. Per this problem, SPARK would like to partner with the College of Engineering and Center for Academic Innovation at the University of Michigan and offer a unique experience to UM-vetted students. This opportunity allows students to be immersed and work hands-on as an intern with a local start-up. With the variety of XR related startups in Ann Arbor's ecosystem, students are able to gain real life skills with the goal of being hired as a full-time employee. The goal for the pilot run of the program would be 5 students paired with 5 Ann Arbor based startups.

Incubator Network Upgrades – In our expansion to occupy the entire 3rd floor of 330 E. Liberty we would like to add the following technology improvements to the two new startup suites as well as the existing suite; four new wireless access points and their accompanying software licenses as well as running new physical network cables to supplement the additional employees that will be occupying the new suites.

New Tables and Charis – The event space at SPARK's incubator serves two purposes; accommodating the audience at the nearly 150 events we host each year as well as a common drop in work space for our virtual tenants. The tables and chairs the we currently have in the event space at SPARK Central were donated to us by Pfizer in the mid-2000's. They were used when we received them, and they are showing significant wear. We would like to replace them with tables that fold vertically so they can be neatly stacked against a wall with a small footprint along with the chairs. This would allow us to re-configure the room quickly and easily between event and drop in workspace.