

City of Ann Arbor

301 E. Huron St.

Ann Arbor, MI 48104

<http://a2gov.legistar.com/Calendar.aspx>



Formal Minutes - Draft

Thursday, June 23, 2022

8:15 AM

Larcom Basement Conference Room A City Hall Building, 301
Huron St.

Local Development Finance Authority (LDFA)

I. CALL TO ORDER

Chair Psarouthakis called the meeting to order at 8:18 a.m. in the City Hall Basement Conference Room, 301 E.Huron St., Ann Arbor, MI. The meeting was also held electronically via Zoon

II. ROLL CALL

Present: 7 - Caryn Charter, Stephen Rapundalo, Phil Tepley, Ali Ramlawi, Michele Mueller, Chair Michael Psarouthakis, and Carrie Leahy

Absent: 1 - Heather Grisham

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

Approved

V. APPROVAL OF MINUTES

Approved

[22-1088](#) LDFA Meeting Minutes- April 28, 2022

Attachments: LDFA Board Meeting Minutes- April 28, 2022

VI. LDFA CHAIR'S REPORT

None

VII. LDFA TREASURER'S REPORT

Treasurer Tepley reported that SPARK submitted an invoice for \$307,200.60 and everything is in order. The May invoice shows \$250,000 or so, which is a small percentage of the whole budget. The plan is to spend it down.

B. Mayer added that the bill/invoice is compiled. The expectation is that if consultant work was done in May, then their invoices should be submitted by June 5th. Consultants then must bill out every month for the work that they do versus waiting to the end of a project. B. Mayer indicated that once the first week of June arrives, there is a clear sense as to what all the May billings were, and know exactly what the runway is until the end of the year. B. Mayer reported that the board is tracking under budget, which means just take things like phase three and divide by 12. The monthly estimated spend rate is about \$69,000-\$70,000 a month. In addition, five committee approves submissions in May, which is expected to have significant billings in June. B. Mayer noted that in some of the areas deposits are starting to be made on venues, for A2Tech 360 to lock things down. There is surplus in the mobility line to make deposits. The anticipation and best estimate is to be around \$100,000 under budget.

M. Praschan pointed out that when none of the money is spent on projects it will sit in fund balance until it is appropriated or until it is re-budgeted for the next budget cycle.

B. Mayer added that only an actual expense incurred and if SMART goes over budget, there is no money.

K. Charter stated that there have been a few years where the board has been able to deploy and retain/ re-budget funds for capital.

B. Mayer stated that the cash base accounting system is what keeps us from ever you know misappropriating or wasting \$1. In addition, spark actually will either front, the expenses or delay, making the payments until the invoices created split. In the case of making deposits, we have to make them. Keeping it on a cash basis guarantees that the only money that flows from the LDFA to SMART are backed up with the invoices.

A board discussion regarding when money would be available and when a process would be in place to receive grant funds. In addition, the discussion also included questions regarding communication and when

the process will be done on an annual basis.

C. Leahy and S. Rapundalo confirmed that there is a process in place to receive grant funds.

K. Charter stated that one or two rounds of announcements with the initial competition followed by the global pandemic.

C. Leahy commented that we need to continually educate others on the appropriate use of the grant funds.

B. Mayer stated three applications were completed and the MEDC ruled that the applications were outside the boundaries of what is allowable.

C. Leahy added that the process is available on the LDFA website, people may have trouble locating the LDFA website.

Chair Psarouthakis added his perspective that some kind of press release or public announcement to get the word out.

M. Praschan pointed out that the City of Ann Arbor is currently going through their websites and redesigning them. If there is there is information that the board would like to see, then the changes can be addressed.

B. Mayer added his perspective that the board would need to be very careful with the language used on the public announcement and spell out exactly what is and what is not acceptable. In addition, B. Mayer suggested creating an Ann Arbor Observe add.

Treasurer Tepley indicated that the final audit report was sent out by Heather Grisham. It will be added to the next agenda.

VIII. REPORTS FROM SERVICE PROVIDERS

B. Mayer indicated that by June 30th that the board will be comfortably close to the target contract total. In addition, there is some struggle with occupancy in the incubator. For the fourth floor of the incubator, LDFA has no monthly rent involved in backstop. The goal is to determine if the same footprint should be kept or if SPARK wants to shrink the incubator footprint. B. Mayer stated that no decision has been reach yet, and if adjustments need to be made for physical offerings they will be if deemed warranted.

B. Mayer indicated that inflation in the hospitality industry is happening. The cost of food and beverage are effectively doubling. A2 Tech 360 is still going to work during this time of inflation. Boot Camps Bowl are underway. A person from Barcelona joining us for July, August, September, and October for knowledge exchange. In addition, no decline in the core activities report. Quarterly report will be presented at the next LDFA meeting.

Treasurer Tepley pointed out that interest rates are going up, which has impact investors and venture capital.

B. Mayer indicated that there is discussion legally with the state about money that's coming in and the entrepreneurship budget. There's going to be some small business support and tax support. There is a possibility the Angel Investment Tax Credit could be restored.

Treasurer Tepley pointed out that the Commercial real estate market may view the tech economy as boosting value of commercial real estate and how to be more flexible with start-ups.

IX. OTHER BUSINESS

1. Approval of LDFA Public Meeting Notice Calendar FY2023

22-1087 APPROVAL OF THE PUBLIC MEETING NOTICE CALENDAR FOR
FY2023

Attachments: LDFA Public Meeting Notice Calendar FY2023.pdf

*M. Praschan will touch base with J. Meyer regarding potentially hosting
two LDFA meetings in Ypsilanti.*

Approved

2. Approval of LDFA Logo Color Variations

22-1093 LDFA Logo Color Variations

Attachments: LDFA Logo Color Variations 4-22 JT.pdf

A board discussion was created regarding the logo design from SPARK for consideration.

M. Praschan indicated that the logo designs were attached to the agenda.

B. Mayer indicated that the new Staff Liaison Kennedi Cummings should be introduced to the board.

K. Cummings introduced herself to the board.

S. Rapundalo stated to the board that people were given more time for consideration regarding the LDFA logo design.

Treasurer Tepley added his perspective that logo design #5 was the most striking and clear design.

A board discussion continued regarding how many logo design would be selected. The board also discussed the background color selection for each design. B. Mayer indicates that the background color used in the logo designs demonstrated the logo design with various backgrounds. S. Rapundalo stated to the board that only one logo design would be selected.

The board continued discussing logo design #4 and #5 as favorable designs compared to the other logo designs created.

B. Mayer indicated that the logo design selected should not clash or match the LDFA Board colors. B. Mayer added his perspective that people should be able to understand that the logo is different.

M. Mueller added her perspective that logo design #2 was a stronger design than the other logos, but it is not bright enough. The concern is that the logo will be visible with a white background, but the logo with a black background will not appear very well.

B. Mayer indicated that the design team take into consideration the appearance logo design with either a white or black background.

C. Leahy stated that logo design #3 and #4 would not be considered due to the background design of the logo. C. Leahy added her perspective that she does not have a strong opinion on the logo design and would be fine with any of the options selected.

Treasurer Tepley added his perspective that logo design #3 and #4 should still be considered for selection. The diversity of the logo design's demonstrate various other colors used which should be promoted by the LDFA.

A board discussion was created regarding the printing process and the amount of printing that is done.

B. Mayer indicated that the design team is very conscientious about the layout, design, and making sure that the design very crisp and clean.

The board continued discussing logo design color theme and which colors stands out more for the logo design. The concern is that a few of the color choices in the design do not read as clearly as others.

C. Leahy indicated that her vote is for logo design #5.

Chair Psarouthakis stated that board can only vote yes for the logo design they choose. The board will only vote for the logo design's 1, 2, 3, 4, and 5.

A board discussion was created in regards to the establishing and writing out expectations for the usage of the new logo design.

Approved

3. Technology Park Project Status

22-1089 Technology Park Project Status

Attachments: Memo - Tech Park Project Status 6-13-22.pdf

Board Member Ramlawi reported that twenty-seven percent of the technology park project had been completed.

Chair Psarouthakis indicated that the report of the technology park project does not talk about if they are on budget or not on budget.

A board discussion was created in regards to establishing a budget report for the technology park project. The timing of the project as well as all areas of the project also need to be reported.

Chair Psarouthakis reported that no major issues have taken place due to the construction of the project.

Board Member Ramlawi reported that the cost of the concrete restoration is down, which is a reduction of \$215,000.

Chair Psarouthakis indicated that he will reach out and send an update in regards to where the budget stands as well as the time deadline for the project.

X. ADJOURNMENT

Chair Psarouthakis called the meeting adjourned at 9:21 a.m. in the City Hall Basement Conference Room, 301 E.Huron St., Ann Arbor, MI.

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

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