



**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**  
**MINUTES for September 17, 2013 – REGULAR BOARD MEETING**

**Ann Arbor City Hall Council Chambers**  
**301 E. Huron Street, Ann Arbor, MI 48104**

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**Members Present:** Vince Chmielewski, Eric Jacobson, Carrie Leahy, Bilal Saeed, Christopher Taylor, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Richard Beedon, Stephen Rapundalo, Ned Staebler, Paula Sorrell-MEDC Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor, Alissa Carpenter-SPARK, Lori Emerson-SPARK, Johnnell LaFreniere-SPARK, Bill Mayer-SPARK, Liz Perpich-SPARK, Rosalyn Zator-MEDC

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**I. CALL TO ORDER:**

Treasurer Jacobson called the meeting to order at 8:22 am. A quorum was present.

**II. PUBLIC COMMENT:**

There was no public comment.

**III. APPROVAL OF THE AGENDA:**

Taylor moved, seconded by Leahy, to approve the agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**IV. MOTIONS & RESOLUTIONS:**

**Minutes of the July 16, 2013 Regular Board Meeting:**

Taylor moved, seconded by Leahy, to approve the minutes of the meetings in the form presented at this meeting. Motion approved unanimously.

**V. LDFA CHAIR'S REPORT:**

None.

**VI. LDFA TREASURER'S REPORT:**

Treasurer Jacobson stated the FY2014 expenditures were tracking appropriately; and the revised SPARK Central expansion plan was received.

**VII. REPORTS FROM SERVICE PROVIDERS:**

Simms presented the SPARK FY2013 annual report.

**VIII. OTHER BUSINESS:**

- a. **Election of officers for FY2014** - Jacobson nominated Carrie Leahy as Chair, seconded by Taylor. Motion approved unanimously. Election of Vice-chair deferred until the next meeting.
- b. **Committee Appointments** – The committee positions are as follows:
  - **Audit** – Jacobson (chair), Rapundalo, Chemielewski, Crawford
  - **Budget/Contract** – Jacobson (chair), Leahy, Taylor, Rapundalo, Simms
  - **Metric** - Beedon (chair), Staebler, Saeed, Crawford, Simms, Sorrell
  - **Strategic Planning** – Staebler (chair), Saeed, Chmielewski, Crawford, Simms, Beedon
- c. **Discussion on extension of SmartZone term and possible satellite** – Skip asked Roselyn Zator of the MEDC to discuss the draft of the MEDC’s 5 year and 15 year extension requirements. The draft is attached to the agenda packet. The Board held an extensive question and answer session with Ms. Zator. Of particular note is the requirement to create a satellite in order to obtain the 15 year extension.

Simms requested the board approve a proposal for the LDFA to pay up to \$7500 to pay Kuntzsch Business Services to write a proposal for a Blackstone grant. The \$7500 is to be funded from the LDFA Legal & Administration budget line. The grant, of up to \$250,000, would be used to assist in the MEDC required funding for starting a SmartZone satellite.

Jacobson moved, seconded by Taylor to fund the proposal as requested by Simms. Motion passed unanimously.

- d. **SPARK Central Incubator expansion** – Skip provided an update on the incubator expansion remodeling project.

**IX. ADJOURNMENT:**

Meeting was adjourned at 10:04 am.

Respectfully Submitted,  
Ken Bogan, for Recording Secretary Tom Crawford



**L DFA Board Meeting**

September 17, 2013

8:15 am to 10:15 am

City of Ann Arbor

301 E. Huron Street, Ann Arbor, MI 48104

# Agenda

- I. Call to Order**
- II. Public Comment**

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.
- III. Approval of the Agenda**
- IV. Approval of the Minutes of the July 16, 2013 Regular Board Meeting**
- V. LDFA Chair's Report**
- VI. LDFA Treasurer's Report**
- VII. Reports from Service Providers**
  - a. SPARK Annual report for FY2013**
- VIII. Other Business**
  - a. Election of officers for FY2014**
  - b. Committee appointments**
  - c. Discussion on extension of SmartZone term and possible satellite**
  - d. SPARK Central Incubator expansion**
- IX. Motion to Adjourn**



**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**  
**MINUTES for July 16, 2013 – REGULAR BOARD MEETING**

**Ann Arbor City Hall Council Chambers**  
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**Members Present:** Caryn Charter, Vince Chmielewski, Eric Jacobson, Carrie Leahy, Bilal Saeed, Ned Staebler, Christopher Taylor, Phil Tepley, Tom Crawford – Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Richard Beedon, Stephen Rapundalo, Paula Sorrell-MEDC Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor, Liz Perpich-SPARK, Lori Emerson-SPARK, Johnnell LaFreniere-SPARK, Bill Mayer-SPARK, Kurt Riegger-Business Engines

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**I. CALL TO ORDER:**

Treasurer Jacobson called the meeting to order at 8:20 am. A quorum was present.

**II. PUBLIC COMMENT:**

There was no public comment.

**III. APPROVAL OF THE AGENDA:**

Taylor moved, seconded by Charter, to approve the agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**IV. MOTIONS & RESOLUTIONS:**

**Minutes of the June 18, 2013 Regular Board Meeting:**

Leahy moved, seconded by Taylor, to approve the minutes of the meetings in the form presented at this meeting. Motion approved unanimously.

**V. LDFA CHAIR’S REPORT:**

None.

**VI. LDFA TREASURER’S REPORT:**

Treasurer Jacobson presented the FY2013 LDFA 4<sup>th</sup> quarter financial report.

**VII. REPORTS FROM SERVICE PROVIDERS:**

- a. Simms presented the SPARK FY2013 4<sup>th</sup> quarter report.
- b. Simms presented the (attached) revised incubator expansion 3-year plan, as requested by the board at the prior meeting.

- A motion was made by Chmielewski, seconded by Taylor to approve the three year incubator expansion plan, contingent on the anticipated net loss will be no greater than unused capacity by adjusting rent revenues, and a revised copy of the plan be provided to the board. Motion approved unanimously.

**VIII. OTHER BUSINESS:**

- a. **Election of officers for FY2014** – Staebler nominated Eric Jacobson as Treasurer, seconded by Charter. Motion approved unanimously. Election of Chair and Vice-chair are deferred until the next meeting.

**IX. ADJOURNMENT:**

Meeting was adjourned at 9:09 am.

Respectfully Submitted,  
Ken Bogan, for Recording Secretary Tom Crawford

## Ann Arbor/Ypsilanti SmartZone

### LDFA Final Program Progress Report

Contract period July 1, 2012 through June 30, 2013

August 29, 2013

3.3 The Contractor shall provide a written Final Program Progress Report to the LDFA no later than sixty (60) days after the end of the Project Service Term. The Final Program Progress Report shall disclose: 1) a census of the annual and cumulative number of jobs created within the Service Area (as defined in Attachment A) as of June 30, 2013 (with jobs defined as the incremental increase in the number of Full Time Equivalent employees (FTEs) beginning with the date a Business Accelerator proposal is signed, or a loan is provided, or when a SPARK Central Incubator agreement is first executed, or when participation in a Boot Camp session occurs); 2) a census of the annual and cumulative number of jobs related to Business Accelerator, SPARK Central Incubator, and Boot Camp attendees that have left the Service Area because of relocation, merger, acquisition, or business failure as of June 30, 2013; 3) a census of the number and identity of current and past clients the Contractor deems no longer eligible for LDFA funded services as of June 30, 2013; and 4) a census of the number and identity of clients for which information regarding jobs creation is no longer being collected as of June 30, 2013. The Contractor shall track companies for a period of five years through an annual survey and make efforts to achieve as high a participation rate as possible. The survey will not only include questions that update standard economic development data but also ask companies who leave the area why.

#### Annual and cumulative jobs created

The following table lists all companies that had **Business Accelerator** engagements in FY 2012-13, based on monthly billing. Retained jobs are those which the company reported at the time of the initial engagement of services. The current jobs are those jobs updated through recent contact with the company or the annual survey conducted each July and August. New jobs are the difference. FTE, for reporting purposes, means Full Time Equivalents. FTEs may or may not be paid and may be working for deferred compensation in cash or stock. They do not include interns or independent contractors. Full Time means a 40 hour per week commitment to the company.

This year, we asked companies about the number of independent contractors with whom they engage. Although this figure is not required to be reported by SPARK, we believe it reflects a more accurate economic impact by the start-up business. *FTEs and independent contractors are reported in this same manner for Boot Camp, microloans, and incubator tenants, as well.* Out of the companies that had Business Accelerator engagements this year, 46% responded to our Annual Survey.

Uniq ID	Account Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
0479	Knowledge management platform for auto vertical	4	5	1	-
0659	Software for computational biology	6	6	0	3

<b>1282*</b>	Spectral analysis for red blood cells	3	5	2	0
<b>1361</b>	Microbiology System Consists of instrument, disposable vial filled with media and dedicated software.	18	18	0	-
<b>1465</b>	Self-Structuring Antenna for wireless applications	1	1.5	0.5	-
<b>1587</b>	Hand coded software for embedded systems	5	6	1	2
<b>1648</b>	Monitoring, awareness and data logging for patient behavior action.	3	2	-1	-
<b>1852</b>	Developing new family of nano-structured catalysts to transition metal carbide and nitrides replacing current precious metal material.	4	4	0	-
<b>2316*</b>	Vacuum and hermetic packaging of MEMS using solder.	2	5	3	2
<b>2539</b>	Hospital bed communication tablet	2	4	2	5
<b>2792</b>	Advertising tool for mobile platforms	1	2	1	2
<b>3045</b>	Online marketplace for food distribution	5	5	0	2
<b>3052</b>	On-site Insurance Medical Payment Solution Software	1	2	1	-
<b>3368</b>	SaaS model software to help companies find and access grants, and collaborate.	15	15	0	-
<b>3428</b>	behavioral modeling and monitoring systems	3	3.5	0.5	-
<b>3476*</b>	High quality, solid state lighting combining organic and inorganic materials, lower cost than other LEDs.	4	3	-1	2
<b>3577</b>	State-of-the-art protein mass spectrometry	4	4	0	-
<b>3724</b>	Medical technologies to address undesired behaviors	2	1	-1	-
<b>4052</b>	Creator of App for the Apple store dealing with children with disabilities	2	1	-1	0
<b>4076*</b>	Ophthalmic pharmaceuticals for vision loss due to photoreceptor cell death	4	4	0	-
<b>4111*</b>	Youth Risk Assessment tool	2	1	-1	6
<b>4174</b>	Creator of a conducting polymer	3	2	0	-
<b>4210</b>	Supply chain software development company	2	2	0	-
<b>4255</b>	Developers of physically secure computers	2	2	0	-
<b>4383*</b>	New material for cooling and power generation applications.	3	2	-1	-
<b>4407</b>	Digital instruments and software capable of accurately recreating the voices of valuable historic instruments.	4	1	-3	0
<b>4471</b>	Software that optimizes reward program participants' behaviors.	2	3	1	-
<b>4472*</b>	An online platform that empowers college students to showcase their work and skills to startups.	6	8	2	1
<b>4501</b>	Design and Mfg. of Innovative Smart-Home accessories.	2	2	0	-
<b>4517</b>	Innovative electro-mechanically assisted bass drum pedal	2	2	0	-
<b>4519</b>	Ad network for mobile gaming and applications.	2	2	0	2
<b>4522*</b>	Tissue Engineered Ligament replacement for dogs	3	3	0	-

<b>4523</b>	Technology for sorting berries by firmness, applicable to cranberries and blueberries for instance with possible application to sorting other small objects like perhaps tart cherries, or coffee cherries.	1	1	0	0
<b>4544</b>	Pharmaceutical for treatment of adrenal cancer.	3	3.5	0.5	3
<b>4558*</b>	High-end mechatronic back brace	2	2	0	4
<b>4562*</b>	Software that enables sports fans to access audio- and text-based commentary provided by other sports fans	1	1	0	-
<b>4566</b>	Provides mobile applications for large travel destinations	1	2	1	-
<b>4569*</b>	Design, assemble, and sell an innovative electric field sensor called the Charge Tracker for the electronic manufacturing sector to warn against electrostatic discharges.	2	2	0	-
<b>4586*</b>	H2eat technology generates nonelectric, reusable heat on demand.	5	4	-1	4
<b>4591</b>	Web-based and mobile attendee matchmaking software and mobile conference guide for professional events.	2	1	-1	-
<b>4772</b>	SalesForce	7	10	3	-
<b>4791</b>	Event Management Software	2	4	2	2
<b>4792*</b>	Hub to trade homemade and artisan foods.	4	2	-2	-
<b>4797</b>	A "Brain Fitness" assessment tool that includes predictive indices for current and future cognitive function. Recommendations on improvements of cognitive function are enabled as well.	1	1	0	0
<b>4803*</b>	An intuitive integrated display that retrieves medical data.	3	3	0	-
<b>4807*</b>	Software for cloud-based note taking	3	7	4	-
<b>4821*</b>	Medical imaging platform for ophthalmologists.	1	1.5	0.5	-
<b>4898*</b>	Intravenous formulation for patients with acute decompensated heart failure.	2	2	0	-
<b>4964</b>	Online health solution company focused on nutrition coaching	3	4	1	-
<b>4982</b>	Device for body temperature monitoring	2	1.5	-0.5	-
<b>4983*</b>	Next generation, targeted oncology therapeutics	2	6	4	-
<b>5091</b>	Bird recognition software w/cameras. Used at wind farms.	3	4	1	3
<b>5135</b>	Enterprise software platform that allows SMB's to communicate and collaborate more effectively across organizational boundaries	3	3	0	-
<b>5541</b>	Dental device to correct minor tooth alignment issues.	1	2	1	-
<b>5600</b>	Interactive flat panel displays and software.	3	5	2	3
<b>5601</b>	Digital content aggregation and distribution.	2	1	-1	1
<b>6239</b>	An online collaboration tool for co-creating customized, high quality books.	2	2	0	-

<b>6245</b>	Magnetic motor which is more efficient than current technologies.	2	2	0	-
<b>6253</b>	Barcode Surgical instruments and sponges	2	2	0	1
<b>6297</b>	On-Line test preparation software.	2	2.5	0.5	0
<b>6301</b>	Novel head-mounted display technology	2	1.5	-0.5	5
<b>6350*</b>	Alternative novel material to ceramics	3	4	1	-
<b>6403</b>	Chemical technology that enhances the performance of mass spec assays.	1	1	0	0
<b>6405</b>	Software to enable digital scrapbooking.	2	3	1	1
<b>6511</b>	Patented learning technology and accessories for smart phones	2	2	0	-
<b>6522</b>	Online legal warrant settlement software.	2	2	0	3
<b>6575</b>	Multifunctional antioxidant molecules that have potential as therapeutic drugs for a wide variety of diseases and conditions.	5	8	3	2
<b>6621</b>	A platform for tool owners to lease their tools to nearby renters in their area.	2	1.5	-0.5	1
<b>6627</b>	A product for digitally interacting with fitness equipment.	2	2	0	-
<b>6634</b>	A software platform that collects and analyses vehicle operational data obtained from automobiles and delivers actionable marketing information to companies in the automotive aftermarket.	3	3	0	4
<b>Grand Totals (70 records)</b>		<b>213</b>	<b>238</b>	<b>25</b>	<b>64</b>

\*Denotes University of Michigan technology

## ONL Therapeutics

ONL Therapeutics, which was spun out of the University of Michigan Kellogg Eye Institute, develops therapeutics to prevent blindness due to retinal disorders with breakthrough patent-protected technology and rapid, low-cost, and low-risk path to clinical proof-of-concept. The company has landed nearly \$1 million in seed funding from a combination of federal Small Business Innovation Research grants and private capital from angel investors.

ONL has received \$41K in Business Accelerator Grant support to provide INDS guidance, clinical consulting, toxicology consulting and regulatory assistance. ONL is also working under the leadership of the SPARK sponsored CEO in residence program. John Freshly, the former CEO of Compendia Biosciences is engaged to lead the company to their first round of private funding.



## Larky

Larky was founded by two local Ann Arbor serial entrepreneurs. The company's application helps consumers manage discounts from retailers, membership organizations increase loyalty, and merchants generate business.

Larky, formerly known as Perk Perk, received \$44,000 in Grant support to help the company re-brand itself and create its customer facing identity (website, etc). The business received additional support through a Micro Loan in 2012 and a \$250K Pre-Seed Fund investment in 2013.

"Receiving investment from the Pre-Seed Capital Fund has helped Larky accelerate our growth in several meaningful ways," said Gregg Hammerman, co-founder of Larky. "The funds are helping us build our team with the recruitment of technical and business development hires. This funding is also helping us include more perks from associations like AAA, Blue Cross, Costco and hundreds more in Larky so our users can have a fun and free way to make sure they get every discount and benefit they deserve."



The following table lists all companies that attended **Boot Camp** this fiscal year. Fall Boot Camp was held November 29<sup>th</sup> and 30<sup>th</sup>. The spring Boot Camp session was held May 8<sup>th</sup> and 9<sup>th</sup>. Six Boot Camp companies had received Business Accelerator Phase III engagements by June 30. Nine teams were out of the University of Michigan\*(Center for Entrepreneurship, Medical Innovation Center, Office of Tech Transfer and Zell Laurie Institute/Ross School of Business). Fourteen companies received LDFA scholarship funding to attend this fiscal year's Boot Camps. This year's Annual Survey had a 58% response rate from our twenty-four Boot Camp teams.

Uniq ID	Account Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Indep. Contractors
4791#	Event Management Software	1	4	3	2
4797#	A "Brain Fitness" assessment tool that includes predictive indices for current and future cognitive function. Recommendations on improvements of cognitive function are enabled as well.	1	1	0	0
4976#	Low-cost electronic fuel injection system for the small engine market.	2	2	0	7
5524#	Online Crowd Funding platform	1	1	0	-
5600	Interactive flat panel displays and software.	3	5	2	3
5603	Mobile devices for developers	1	1	0	-
5605	Solid State Contract Research Services (CRO) to the pharmaceutical industry	2	2	0	-
5619	Connects communities with clinical trial opportunities.	4	6.5	2.5	3
5634#*	Reviews website	2	2	0	-
6236	Innovative payments technology	1	1	0	-

6253#*	Barcode Surgical instruments and sponges	1	2	1	1
6274	3-wheeled vehicle	1	1	0	-
6281	Mobile catalog & product configurator	1	1	0	-
6285#*	Autonomous aerial vehicles for infrastructure inspection.	2	5	3	-
6287#	Quantitative multiplexed protein biomarker analysis kits and services.	1	1	0	0
6288	Social network	1	1	0	-
6514#*	A miniature biometric sensor system for patients discharged following hospitalization for heart failure, pneumonia, and heart attack.	1	1	0	0
6518#*	Creator of an eye drop assist device.	1	1	0	0
6522#*	Online legal warrant settlement software.	2	2	0	3
6542#*	A mobile augmented reality platform that helps tourists explore places through instant information display.	1	1	0	-
6543	Online parenting program that focuses on teaching effective skills for parents of children with externalizing behaviors.	1	1	0	0
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.	1	1	0	0
6548#*	Marketing / Advertising system that connects consumers with merchants through first-time discounts, cash-back loyalty rewards using a mobile app platform combined with a Point-of-Sale gateway	2	2	0	2
6565#*	A medical device that decreases medical burns during surgeries that require small openings.	1	1	0	-
<b>Grand Totals (24 records)</b>		<b>35</b>	<b>46.5</b>	<b>11.5</b>	<b>21</b>

\*Denotes University of Michigan technology

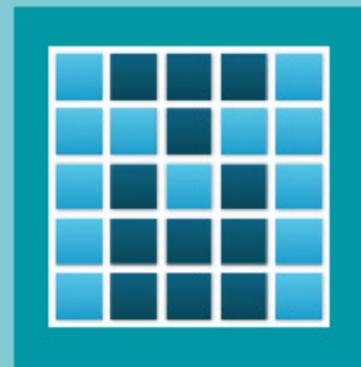
#Received LDFA funding

## Message Blocks

Message Blocks received the Best of Boot Camp award at the conclusion of Ann Arbor SPARK's 22nd Entrepreneurial Boot Camp. The company provides a platform for meeting planners to manage all the details of the event in one simple, easy to use place. Message Blocks provides professional planners with a comprehensive end-to-end solution to streamline workflow and team coordination.

"Through the Boot Camp process, we learned that customer discovery never ends, that we need to truly understand our customers pains and that there is an incredible support network available to start-ups through Ann Arbor SPARK and its partners," said Message Blocks founder Len Gauger. "With the information we learned during the Boot Camp process, our team made key pivots, conducted game changing discovery and have positioned our company to truly engage with professional planners at greater level. We feel confident and prepared for the road ahead."

Message Blocks has received \$10K of Grant support from SPARK to assist with re-vamping their website and customer facing identity. The company is a current tenant at SPARK Central. Message Blocks has grown rapidly to 10 employees and 3 contractors since completing Bootcamp in the spring of 2013.



The following table lists all companies that received a **Microloan** through June 30, 2013. During the fiscal year, two new loans were issued in the amounts of \$25,000 and \$50,000, bringing the total principal of all loans provided to date to \$848,460. Three loans were repaid in their entirety – two by Blockwork, LLC (aka Local Orbit) and one by Shepherd Intelligent Systems.

## Local Orbit

Ann Arbor based Local Orbit connects restaurants, institutions and individuals with local farmers and food producers in one convenient online location. The company is building a marketplace that combines web-based business and community building tools with the best features of farmers markets and full-service grocery stores to streamline the process of purchasing local food.

Local Orbit has received over \$40,000 in BA Grant support to assist with legal, design and UI/UX, marketing, PR and Business Development work. The organization received additional support through SPARK's Summer Internship program along with becoming a tenant at SPARK Central. SPARK awarded a \$50K Micro Loan to the company in 2010 and an additional \$250K investment in 2012 through the Pre-Seed Fund.

"The loan is significant not only for the cash - which is enabling us to complete key work we need to launch our software service - but because we can leverage the funding to attract additional investment," said Erika Block, Local Orbit founder and CEO. "We're already seeing an impact as a result of the funding."



Out of the twenty-five companies that have received a microloan, five are now out of business. Of the twenty remaining companies, 30% responded to the Annual Survey.

Uniq ID	Account Name	Account Description	Loan Amount	Date of Investment	Return (Amount Repaid)	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Indep. Contractors
1585	Procuit Inc.	Educational software engines	\$30,000	9/8/2009	-	4	5	1	-
2804	Allinnova LLC	Assessment tool for determining a corporation's capability to be successful in strategic partnering with another organization	\$10,000	10/22/2009	-	1	1	0	-
1982	The Whole Brain Group, LLC	Web site design, social media	\$50,000	11/9/2009	\$50,000	5	8	3	-
2181	MemCatch - OUT OF BUSINESS	Web-based marketing services for education organizations and related non-profit and government entities	\$25,000	12/14/2009	\$0	1	0	-1	N/A
3045	Blockwork, LLC	Online marketplace for food distribution	\$10,000	1/8/2010	\$13,326	2	5	3	2

<b>3105*</b>	Ix Innovations, LLC	Electrical test and measurement instrumentation	\$35,000	3/4/2010	\$18,400	3	2	-1	-
<b>2153</b>	RiserCam, LLC - OUT OF BUSINESS	Designer, manufacturer, sales and marketer of specialized video equipment for shooting sports and outdoors industry.	\$25,000	4/13/2010	\$17,300	2	0	-2	-
<b>1585</b>	Procuit Inc.	Educational software engines	\$20,000	4/27/2010	-	4	5	1	-
<b>1885*</b>	Akervall Technologies, Inc.	Commercializing dental appliance - mouthguard	\$15,000	5/27/2010	\$17,195	1	7	6	5
<b>338</b>	Digital Knowledge Corporation	Information and news aggregator and filter.	\$29,000	6/17/2010	-	1	1	0	2
<b>3176</b>	Road to Rado, LLC	Web-based system that measures the confidence behind what students learn to increase knowledge retention	\$25,000	6/22/2010	-	1	1	0	-
<b>3045</b>	Blockwork, LLC	Online marketplace for food distribution	\$40,000	7/20/2010	\$50,906	2	5	3	2
<b>2868</b>	MyBandStock Corporation - OUT OF BUSINESS	Online community that sells access to musicians in the form of virtual shares	\$45,000	8/13/2010	\$0	3	0	-3	N/A
<b>3418</b>	FamilyMint, Inc.	Children's financial learning program	\$50,000	9/15/2010	-	2	2	0	-
<b>2838*</b>	Shepherd Intelligent Systems	Software for tracking vehicles using mobile phone GIS	\$45,000	11/1/2010	\$57,600	2	10	8	-
<b>3600</b>	AutoHarvest Foundation	A web-based, toll-free superhighway for the multidirectional exchange of Intellectual Property, Technology and Products	\$25,000	12/20/2010	\$6,750	2	3	1	-
<b>3105*</b>	Ix Innovations, LLC	Electrical test and measurement instrumentation	\$15,000	1/28/2011	-	2	2	0	-
<b>2880</b>	Therapy Charts, LLC	SaaS for independently practicing therapists(SaaS)	\$47,000	2/24/2011	-	3	5	2	-
<b>2610</b>	Buycentives, Inc - OUT OF BUSINESS	Online management system for automotive incentives	\$25,000	3/16/2011	\$0	3	0	-3	N/A
<b>2578</b>	Openworld Energy LLC	Manufactures and develops solid state lighting systems for commercial and industrial applications	\$25,000	5/9/2011	-	3	1	-2	-
<b>2679</b>	FreeStride Therapeutics Inc.	Development of therapies for treatment of bone-related conditions	\$28,000	8/31/2011	-	3	1	-2	0
<b>4141</b>	CareCheq, LLC - OUT OF BUSINESS	Creator of online portal to connect care consumers and care providers	\$10,237	10/10/2011	-	4	0	-4	N/A
<b>3010*</b>	Reveal Design Automation, Inc.	Faster and more effective Integrated Circuit (IC) design quality control software.	\$45,000	10/12/2011	-	3	3.5	0.5	-
<b>4141</b>	CareCheq, LLC - OUT OF BUSINESS	Creator of online portal to connect care consumers and care providers	\$9,223	12/15/2011	-	4	0	-4	N/A
<b>4425</b>	Flock Tag LLC	Mobile loyalty system for quick service restaurants which creates a cross promotional platform with customized deals	\$40,000	1/19/2012	-	1	12	11	-
<b>4472*</b>	Seelio, Inc.	An online platform that empowers college students to showcase their work and skills to startups.	\$50,000	6/11/2012	-	7	8	1	1

4552	ChildCare Daily App, Inc,	Child Care facility backend and customer facing software.	\$25,000	9/10/2012	-	5	5	0	-
4591	CrowdJuice Corporation	Web-based and mobile attendee matchmaking software and mobile conference guide for professional events.	\$50,000	11/6/2012	-	1	1	0	-
<b>Subtract duplicates</b>						(9)	(7)	2	(2)
<b>Grand Totals (25 companies, 28 loans)</b>			<b>\$848,460</b>		<b>\$231,477</b>	<b>66</b>	<b>86.5</b>	<b>20.5</b>	<b>10</b>

\*Denotes University of Michigan technology

The following table lists all companies that are or were **Incubator tenants** this year. Virtual and seated tenants are reported together. 44% of this year's tenants responded to our Annual Survey.

## Seelio

Seelio, formerly known as truApp, created an environment for college students to distinguish themselves through an online portfolio to make connections with companies looking to hire. This dynamic multimedia platform offers a visual approach for students to display their college experiences and illuminate their unique personalities. SPARK provided Seelio \$10K in Grant support for legal and design assistance. The company was a tenant as SPARK Central until their growth in employees was too great for the incubator to accommodate. Seelio leveraged SPARK's Internship program in both 2012 and 2013. The company received Micro Loan funds in early 2012 and a Pre-Seed investment of \$250K in late 2012.

"The microloan is funding Seelio's beta launch, and served as a bridge to the company's recently closed seed funding round" said company founder Moses Lee. "A lot of the educational institutions that we are working with want to see their students graduate with a body of work and not just a transcript or a degree. When you create a portfolio, you can really look back upon your experiences, work, and accomplishments. When applying for a job or grad school, it can be a very powerful tool."



SPARK Central graduates include: ThinkTech Labs and Quantalux. Both are still located in the City of Ann Arbor.

### Tenants

Uniq ID	Account Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Indep. Contractors
0271	Risk Management- IT security, etc.	1	3	2	-
0338	Information and news aggregator and filter.	1	1	0	2
1282*	Spectral analysis for red blood cells	1	5	4	0
2156	Specializes in vision-assisted robot guidance applications	3	3	0	-

2539	Hospital bed communication tablet	1	4	3	5
2550	Patent advisor	1	1	0	1
2821	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	2	2.5	0.5	3
2854	MI state incubator association	0	0.5	0.5	-
2945	Energy monitoring technology for residential applications	1	1	0	2
2966	Enterprise level internet e-commerce solutions for small to medium sized businesses	1	1	0	-
3045	Online marketplace for food distribution	5	5	0	2
3052	On-site Insurance Medical Payment Solution Software	2	2	0	-
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants	3	3	0	-
3502*	Developer of onsite alternative energy, anaerobic digestion of food waste to energy	4	1.5	-2.5	-
3616	Gasoline systems**	4	4	0	-
3637	Therapeutic for treatment of retinal diseases	2	2	0	-
3645*	Mass Spec results data improvement for the purpose of discovering diagnostic biomarkers	2	2	0	-
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions	1	1	0	2
4243	Website for building construction project, repair and supply bids.	1	1	0	0
4255	Developers of physically secure computers	2	2	0	-
4349	Consultant firm focusing on Chinese relations	2	2	0	-
4383*	New material for cooling and power generation applications.	2	2	0	-
4409	Software solution provides for real-time claims adjudication between the provider and payer and is HIPPA 5010 compliant.	1	1	0	-
4431*	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen	1	2.5	1.5	-
4566	Provides mobile applications for large travel destinations	1	2	1	-
4772	SalesForce	2	10	8	-
4790	Technology to support small scale waste-to-energy systems based on anaerobic digestion	1	2.5	1.5	-
4791	Event Management Software	1	4	3	2
4913	Technology that encapsulates a drug for delivery in stable per fluorocarbon liquid	1	1	0	-
5091	Bird recognition software w/cameras. Used at wind farms.	2	4	2	3
5524	Online Crowd Funding platform	1	1	0	-
5557	Digital Marketing Intelligence	1	4	3	5
5600	Interactive flat panel displays and software.	3	5	2	3
5601	Digital content aggregation and distribution.	1	1	0	1
6245	Magnetic motor which is more efficient than current technologies.	2	2	0	-
6260	Industrial Cluster	0	0	0	-

6356	A new-marketing based, platform agnostic, real-time media alert solution.	1	1	0	-
6358*	Developed a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	2	2	0	-
6402	Developing web and mobile tools to address the long-standing inefficiencies in property rental markets of matching renters with properties.	2	2	0	-
6405	Connects personal digital voice to everyday items.	1	3	2	1
6464*	A mobile app that allows users to record and share 12-sec sound clips with their networks.	1.5	1.5	0	-
6522*	Online legal warrant settlement software.	2	2	0	3
6545	Applies predictive analytics to strategic decisions regarding intellectual property management.	1	1	0	0
6600	Medical device for vision enhancement in persons with partial loss of sight	1	2	1	1
6635	A VIP lead generation service for the disaster restoration industry.	1	1	0	-
<b>Grand Totals (45 records)</b>		<b>72.5</b>	<b>105</b>	<b>32.5</b>	<b>36</b>

\*Denotes University of Michigan technology

\*\*Had previously been reported as 1,300 FTEs. Only 4 seats are located in the Incubator, so only 4 FTEs are being counted as being in Ann Arbor. Monthly reports to the MEDC also count only 4 FTEs.

## AlertWatch

AlertWatch, a spin out from technology developed by University of Michigan physician Dr. Kevin Tremper, is testing its program which color codes each of a patient's body systems in a display used by surgeons at hospitals in the University of Michigan Hospital System. The technology is also working "in the background" and gathering data at the University of Tennessee and the University of Vermont. The data is a key component to the software being approved by the Food and Drug Administration.

"With so much innovation occurring in the healthcare monitoring space, a strong portfolio of intellectual property is a great asset," CEO Justin Adams said in a statement. "Our firm is fortunate to have a founding team that is literally creating the future of patient monitoring."

AlertWatch has raised \$1 million in venture funding including \$250,000 from the Michigan Pre-Seed Capital Fund. The company has also received \$10,000 in grant support to re-brand and develop a new website to assist with their business development and sales efforts.



### **Methodology utilized in the census.**

Contractor uses Salesforce.com as its Customer Relationship Management system to record data about companies. Information about all companies is gathered through a variety of methods.

1. Implemented in late 2008 was a procedure requiring all entrepreneurs requesting assistance of Ann Arbor SPARK for Business Acceleration services, incubator space or applying to Boot Camp to fill out an online form which could be accessed through the SPARK website. Basic information including name, address, phone, email and brief description of company are required. This information is automatically fed into our CRM system.
2. An effort is made to connect with all inquiries within 48 hours. In an initial communication additional data is gathered by SPARK personnel to determine if the entrepreneur meets minimum criteria to warrant further discussion and assistance. At that time a better description of the persons needs are captured and put into the system.
3. We capture the jobs or full time equivalent workers that a company had at the time of an engagement of any kind. This number becomes our retained jobs number and is not altered. However, for reporting purposes it is possible the retained jobs number can change for a company if that company takes advantage of multiple services and their FTE count changes between those services. For example, when a company attends Boot Camp there may be only one employee, the entrepreneur. When that company returns for Business Accelerator services there may be two or three partners/employees. So when reported based on Boot Camp attendees the retained jobs is one. When reporting on BA clients the retained jobs are two or three.
4. Throughout the year 'current jobs' is collected anecdotally. When SPARK employees meet entrepreneurs in the community or in more formal sessions we try to get an FTE update and record that new information in the CRM system. A more formal attempt to capture all company information is done through an annual survey. This survey of all SPARK engaged clients is sent asking for several pieces of data including current employment and new hires the previous year. Unfortunately the response to our surveys has been less than 100%. The response rates for each of the four areas are listed in each section.
5. To calculate the number of new hires for a company we merely subtract the retained jobs for the particular service we provided from the current job count which gives us the added jobs since that particular engagement.

Contractor continues to refine procedures to capture data more efficiently, accurately and timely.

**Ann Arbor/Ypsilanti SmartZone LDFA  
Board of Directors - Committee Positions  
FY 2013**

<b>Member</b>	<b>Audit</b>	<b>Cantillon (dissolved)</b>	<b>Budget/ Contract</b>	<b>Metrics</b>	<b>Strategic Planning</b>
Carrie Leahy			X		
Christopher Taylor			X		
Richard Beedon				X	
Stephen Rapundalo	X		X		
Ned Staebler				X	XX
Eric Jacobson	XX		XX		
Bilal Saeed					
Phil Tepley					X
Vince Chmielewski	X				X
Tom Crawford	X			X	X
Skip Simms			X	X	
Paula Sorrell				X	

Note:  
XX Chair  
X Member

# Michigan SmartZone

## Application Process for Tax Increment Financing (TIF) Extension

- I. Background
- II. 5-Year Extension
- III. 15-Year Extension
- IV. Satellite Creation Process
- V. Clarifications

Overall Purpose: The TIF is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality.

### **I. Background**

MCL 125.2152(jj)(ii)(B) allows for SmartZones to extend their TIF plan by 5 or 15 years.

To fund or to repay an advance or obligation issued by or on behalf of an authority to fund the cost of public facilities related to or for the benefit of eligible property located within a certified technology park or a certified alternative energy park to the extent the public facilities have been included in an agreement under section 12a(3), 12b, or 12c(3), not to exceed 50%, as determined by the state treasurer, of the amounts levied by the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local and intermediate school districts for a period, except as otherwise provided in this sub-subparagraph, not to exceed 15 years, as determined by the state treasurer, if the state treasurer determines that the capture under this sub-subparagraph is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality. However, upon approval of the state treasurer and the president of the Michigan economic development corporation, a certified technology park may capture under this sub-subparagraph **for an additional period of 5 years** if the authority agrees to additional reporting requirements and modifies its tax increment financing plan to include regional collaboration as determined by the state treasurer and the president of the Michigan economic development corporation. In addition, upon approval of the state treasurer and the president of the Michigan economic development corporation, if a municipality that has created a certified technology park that has entered into an agreement with another authority that does not contain a certified technology park to designate a distinct geographic area under section 12b, that authority that has created the certified technology park and the associated distinct geographic area may both capture under this sub-subparagraph **for an additional period of 15 years** as determined by the state treasurer and the president of the Michigan economic development corporation.

MCL 125.2162b authorizes the creation of “SmartZone satellites”.

A municipality that has created an authority in which a certified technology park has been designated under this act may enter into an agreement with another authority that does not contain a certified technology park to designate a distinct geographic area within the authority district as a certified technology park. The authority shall consider the advantages of the unique characteristics and specialties offered by the public and private resources available in the distinct geographic area, shall consider the benefits to regional cooperation and collaboration, and shall consider whether designating the additional distinct geographic area adds value to the mission of the designated certified technology park. The distinct geographic area is subject to the provisions of section 12a(3), (4), and (5). The state treasurer shall not approve the capture of amounts levied by the state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local and intermediate school districts as permitted in section 2(ee)(ii)(B) for more than 3 distinct geographic areas designated under this section. A copy of the designation shall be filed with the Michigan economic development corporation.

## **II. Five-Year Extension**

### A. Criteria:

- 1) Authority agrees to additional reporting requirements including:
  - a) Providing monthly reporting on the following information for companies in the SmartZone: companies created, jobs created, and investment in companies by source (federal grants, state grants, venture capital, angel funding, and increase in revenue).
  - b) Providing annual reports for 5 years reporting on the progress of regional collaboration (see EXAMPLES below for more clarification)
- 2) Authority modifies its tax increment financing plan to include regional collaboration:

**EXAMPLES** of regional collaboration may include but are not limited to:

- a) Identifying additional uses of the TIF to reflect regional collaboration
  - Provide TIF to service providers to help companies to collaborate with other companies regionally
  - Use TIF to market SZ regionally, for example promoting the incubator as a place companies throughout the region can access services
- b) Expanding authority to include other municipalities in the county (form a joint LDFA) and clearly identifying the goal of regional collaboration

**EXAMPLES** of reporting on the progress of regional collaboration may include but are not limited to:

- a) Reporting on the outcomes of regional company to company collaborations
- b) Reporting on companies throughout the region attending events at the incubator
- c) Reporting on outcomes of the joint LDFA (if a joint LDFA was formed)

### B. Application:

- 1) **By 1/31/2014**, Provide a 2-page Executive Summary to the MEDC describing how the Authority plans to meet the two criteria above, and the SmartZone's performance against the original TIF plan.
- 2) Upon approval of Executive Summary, provide to the MEDC **by 9/30/2014** a revised AND APPROVED (by the Authority and the Municipality) TIF and Development Plan (following the sections of 12 & 15 of The Local Development Act 281 of 1986).

## **III. Fifteen- Year Extension**

### A. Criteria:

- 1) Created a Satellite as identified under 12b of The Local Development Act 281 of 1986 (see IV. Satellite Creation Process)
  - a) Satellite must include LOCAL TIF if requesting state school TIF capture.
  - b) Satellite must include at least \$200,000/year for operations.
- 2) Existing and satellite SmartZone must agree to provide monthly reporting on the following information for companies in the SmartZone: companies created, jobs created, and investment in companies by source (federal grants, state grants, venture capital, angel funding, and increase in revenue).

### B. Application:

- 1) **By 1/31/2014**, Provide a 2-page Executive Summary to the MEDC describing how the Authority plans to meet the criteria above, and the SmartZone's performance against the original TIF plan.
- 2) Agreement that satellite was created, see IV.G. below.
- 3) Upon approval of Executive Summary and agreement that satellite was created, provide to the MEDC **by 12/31/2014** a revised AND APPROVED (by the Authority and the Municipality) TIF and Development Plan (following the sections of 12 & 15 of The Local Development Act 281 of 1986).

#### **IV. Satellite Creation Process**

- A. Create a Satellite Local Development Finance Authority (LDFA).
- B. Identify which existing SmartZones could be good sponsors of the Satellite SmartZone.
- C. Develop a Satellite SmartZone Plan that includes the following criteria:
  - a) Identify the unique characteristics and specialties offered by the public and private resources available in the Satellite SmartZone.
  - b) Identify the benefits to regional cooperation and collaboration.
  - c) Identify how the Satellite SmartZone adds value to the mission of the Existing SZ.
- D. Approach municipality that governs the Existing SZ and its LDFA and discuss the merits of creating a Satellite SmartZone.
- E. The Existing SZ's LDFA determines that the Satellite SmartZone meets the criteria set forth in Chapter 12b of the Act (included above in this section (C)(a),(b) and (c)) and passes a resolution recommending the designation of the Satellite SmartZones.
- F. The municipality of the Existing SZ passes resolution to approve the designation of the Satellite SmartZone.
- G. The municipality of the Existing SZ and the new LDFA enter into an agreement to designate the Satellite SmartZone (this agreement is required under Section 12b of the Act and should include how the Satellite meets the criteria identified in this section (C)(a)(b) and(c)).
- H. The municipality of the Existing SZ provides the MEDC with a copy of its agreement with the new LDFA.
- I. The MEDC amends the SmartZone agreement it has with the Existing SZ that has agreed to sponsor the Satellite SmartZone to include the Satellite SmartZone.
- J. Upon completion of steps (A)-(I) above, the Satellite SmartZone has the ability to capture local taxes.
- K. As stated in the Act, a LDFA Plan must be approved by the respective LDFA (the new LDFA) and municipality (the new municipality) prior to capturing local taxes.
- L. Three Satellite SmartZones may be authorized by the State Treasurer to capture school taxes, in addition to local taxes. If the Satellite SmartZone wishes to capture school taxes, it must provide its TIF and Development Plan to MEDC. The MEDC will review and forward to the State Treasurer for approval. If approved the Treasurer will forward an approved Ratification Agreement to the MEDC.

#### **V. Clarifications**

- A. The Base Year for TIF extensions is the base year of original agreement. If adding new parcels, base year should be the year the new parcels are added to the TIF plan. If including state school TIF for new parcels, the Approved (by the Authority and Municipality) TIF and Development Plan must include local TIF for new parcels.
- B. The 5 to 15 years extension is after the end of the original agreement.
- C. The Authority should include in its TIF tables an evaluation of its performance against its original projections.
- D. Local TIF must be included in satellite application if including state school TIF.
- E. Satellite SZs must be capturing TIF.
- F. All Approved (by the Authority and Municipality) TIF and Development Plans that include state school TIF will be reviewed by the MEDC, and then forwarded to the Treasurer for his review and ratification.
- G. Upon receipt of the Ratification Agreement from the Treasurer, the MEDC will forward the document to the Authority/Municipality to commence the TIF plan.