

**Ann Arbor City Council Regular Session: June 2, 2014
Email Redactions List Pursuant to Council Resolution R-09-386**

	A	B	C	D	E	F	G
1	<u>Sent Time</u>	<u>Received Time</u>	<u>TO</u>	<u>From</u>	<u>CC</u>	<u>Redactions</u>	<u>Reason for Redaction</u>
2		10:04 PM	All City Council	Jacqueline Beaudry	Steve Powers, Stephen Postema, Anissa Bowden		
3		10:49 PM	Jane Lumm	Kurt Riegger	Sally Petersen	Email Addresses	Privacy
4		11:03 PM	Jane Lumm	Frank Burdick	Jack Eaton	Email Address	Privacy
5		11:08 PM	Sally Petersen	Kurt Riegger		Email Address, phone number	Privacy
6		11:09 PM	Christopher Taylor	Rob Stone		Address	Privacy
7		11:26 PM	Christopher Taylor	Joan Doughty			

Alexa, Jennifer

From: Beaudry, Jacqueline
Sent: Monday, June 02, 2014 10:04 PM
To: *City Council Members (All)
Cc: Powers, Steve; Postema, Stephen; Bowden (King), Anissa
Subject: Proposed RESOLVED Clause DC-2

RESOLVED, That City Council recommends staff develop a project to address the energy efficiency of the windows and walls.

Jacqueline Beaudry, City Clerk

City Clerk's Office | Guy C. Larcom City Hall | 301 E. Huron, 2nd Floor · Ann Arbor · MI · 48104
734.794.6140 (O) · 734.994.8296 (F) |
jbeaudry@a2gov.org | www.a2gov.org



Think Green! Please don't print this e-mail unless absolutely necessary.

Alexa, Jennifer

From: [REDACTED]
Sent: Monday, June 02, 2014 10:49 PM
To: Lumm, Jane
Cc: Petersen, Sally
Subject: Re: Council meeting - LFDA Annual Budget

Hi Jane and Sally,

As was asked in the City Council meeting where the SPARK annual report was presented by Dick Beedon two years ago, it would be useful to tally the total amount of dollars the LDFA has routed to SPARK/Business Accelerator for the single purpose of supporting new businesses which would not have been accelerated except for the availability of resources provided by LDFA funding.

There was some confusion about the budget reserve which has grown somewhat. One person cited that as an explanation that not *all* monies go to SPARK. In addition each year, a portion is used for City of Ann Arbor staff time to support the reporting/conduct of meetings, and then external financial audits and external reviews. These are the only monies which have been budgeted to SPARK. The budget surplus could be spent on a special project like fiber optic cable infrastructure or the purchase of a building. A few one time projects -- such as lease and retrofit of the 3rd floor at SPARK --- used such funds.

A simple ledger that shows the total TIF capture, and amount allocated to SPARK/BA and the amount expended each year would show that the fund balance has not accumulated by much from 2006 (\$300K) to FY2014 (\$600K). In addition SPARK has the ability to recycle funds from programs such as the Microloan to be re-invested in an "evergreen" manner.

The program by program effectiveness metrics became a question because the amount of available TIF funding was increasing significantly this coming fiscal year from \$1.5M to \$2M. (Approximately an extra \$400+K I believe). The question was where to expend more funds in search of the best outcome for the new expenditure. As was discussed in the LDFA board meeting in March 2014, the LDFA budget committee and the full LDFA board didn't have program level metrics and really did not have the total impact of the \$1.5M expenditure other than the quarterly activities report and the list of programs conducted. This activity level measurement is a good start. However I would liken this to a physician giving chest compressions as a measure of his effectiveness, we need to ask the outcome question: "Did the patient get better?" "Did he return to work?" or were the chest compressions on an already expired patient in vain?

As I am sure most people in board meetings need to use data to make decisions, I continue to wonder why it is difficult to get program level and overall BA level metrics? This would have three benefits -- guide the use of funding to the most effective programs; provide external PR about the success stories linked to LDFA funding; and help to justify the growing expenditure (\$1M in 2007 to \$1.5M in 2013 and \$2M in 2014) that the aggregate approximately \$10M spent in this manner is giving a realistic return to Michigan taxpayers.

Regards,
Kurt

From: "Jane Lumm" <JLumm@a2gov.org>
To: "Sally Petersen" <SPetersen@a2gov.org>, [REDACTED]
Sent: Monday, June 2, 2014 3:58:44 PM
Subject: RE: Council meeting - LFDA Annual Budget

Thank you, Sally, and thank you Kurt! You both are very knowledgeable about how these financial investments are utilized, and I appreciate your input and suggestions. Because all of the LDFA's funds are passed through to SPARK, I don't actually view these funding sources and uses as separate "buckets", per se, and why I raised the questions I did at the May 19th council meeting. Thanks again for helping to educate me! All best, Jane

From: Petersen, Sally
Sent: Monday, June 02, 2014 3:22 PM
To: [REDACTED]
Cc: Lumm, Jane
Subject: RE: Council meeting - LFDA Annual Budget

Thanks Kurt –

The metrics described in your e-mail are aggregate for all SPARK activities. The LDFA has been working on a dashboard for only the LDFA portion of these activities. It is important to note that LDFA increased its contribution to SPARK's marketing activities for the next fiscal year specifically to promote successful case studies in Ann Arbor, as you suggest below.

SPARK also attracts mature companies to Ann Arbor, apart from their LDFA activities, for which the City contributes a \$75K consulting fee directly to SPARK. The City's contract with SPARK and the LDFA's contract with SPARK are for different activities. Attached is the response to Council regarding the question about what other communities have contracts with SPARK and an accounting of the jobs created from the 2013 contract with SPARK. This essentially represents the "dashboard" of activities with regard to the City of Ann Arbor's financial commitment to SPARK.

Hope you find this additional information helpful,

Sally

From: [REDACTED]
Sent: Wednesday, May 21, 2014 8:42 AM
To: Petersen, Sally
Cc: Lumm, Jane
Subject: Re: Council meeting - LFDA Annual Budget

Hi Sally,

Reviewing the SPARK 2013 annual report which is the only place I could find metrics, there are 547 innovative companies assisted by SPARK in the recent past (last 5-6 years) and 83 most recently in 2013. I would suggest SPARK list the top 50 (~10%) as representative of the outcome metrics. This is good publicity (the PR/Marketing that best serves SPARK and the region) for those companies if they are successful as Compendia Biosciences was. Tangent Medical is another success story but as I understand it, they only took part in Boot Camp (out of which they found their first round investor).

I don't think any successful company would want to stay 'hidden' if they have a great story and SPARK helped catalyze it.

Separately, there must be metrics as Tim Marshall refers to them in the recent press release:

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FOR IMMEDIATE RELEASE – MAY 20, 2014 -- ANN ARBOR, MICH. -- At its annual meeting, Ann Arbor SPARK detailed the results of its work in the last year and presented its annual business leadership awards. Ann Arbor SPARK also announced the launch of the Virtual Business Advisor, a program offered in collaboration with the City of Ann Arbor and the A2Y Chamber.

“Our metrics show that it’s been a terrific year for economic development in the Ann Arbor region,” said Tim Marshall, president and CEO of Bank of Ann Arbor, and chair of Ann Arbor SPARK’s board of directors and executive committee. “Startups and global companies alike chose to invest and grow in Ann Arbor, ultimately contributing jobs and investment to our economy. Recognition for the Ann Arbor region continues to grow, and we’re becoming known as a place with a rich ecosystem of support that offers companies exactly what they need – at the right time – to reach their potential.”

Ann Arbor SPARK’s work in 2013 included marketing the region, meeting with growing businesses, and providing business acceleration resources to startups. Its efforts resulted in:

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Its 2013 Volunteer of the Year, Ken Nisbet, was recognized for his passion for economic development and growing the local economy and companies.

Under Ken’s leadership as executive director of the University of Michigan’s Office of Tech Transfer, the University of Michigan has achieved substantial growth in tech transfer performance and established a reputation as one of the leading tech transfer offices in the nation.

The Entrepreneurial Company of the Year, Tangent Medical Technologies, was recognized for its use of SPARK’s extensive entrepreneurial services to grow from startup to established and growing company. The growing medical device company, which is commercializing a new class of intravenous fluid delivery catheters, has received Food and Drug Administration approval for its NovaCath catheter, closed on an \$8.6 million round of funding, and was awarded a patent that covers a range of incorporated technologies. It recently began accepting commercial orders for its NovaCath system.

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About Ann Arbor SPARK

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From: "Sally Petersen" <SPetersen@a2gov.org>
To: [REDACTED] "Christopher Taylor (Council)" <CTaylor@a2gov.org>
Cc: "Jane Lumm" <JLumm@a2gov.org>, "Carrie Leahy" <CLeahy@BODMANLAW.COM>
Sent: Monday, May 19, 2014 6:14:26 PM
Subject: RE: Council meeting - LFDA Annual Budget

Thanks Kurt for your note,

Please know that the development of metrics is an LDFA priority this year. Attached is a sample dashboard that is currently under review. The idea would be to report outcomes quarterly and cumulatively. I would love to hear your impressions of this form of dashboard as we expect to refine it over future meetings.

Thank you again for reaching out,

Sally

From: [REDACTED]
Sent: Monday, May 19, 2014 6:00 PM
To: Taylor, Christopher (Council); Petersen, Sally
Cc: Lumm, Jane
Subject: Council meeting - LFDA Annual Budget

Dear Chris and Sally (and Jane my 2nd ward representative on Council),

As Chris and Sally know from being past and present LDFA board members, the challenge with any program is measuring effectiveness. With Ann Arbor SPARK providing mentorship, education and funding for early stage companies with the support of monies from the LDFA, the challenge is all the more difficult. However based on watching the program for 8 years from June 2006 to the most recent boot camp class of May 2014, I am still waiting for metrics to justify the expenditure of between \$1M and \$1.7M annually. Personally, I am a strong believer in what an accelerator program or support organization for high potential businesses can provide to grow exciting new companies. However the results must support this.

As the chair of the LDFA budget committee said "We need metrics to guide us in which programs to fund for the annual budget." These program level metrics have been missing (or at least not visible in LDFA meetings) and the anecdotal results I have witnessed have been underwhelming. Therefore I think it prudent to ask SPARK for tangible metrics that are commensurate in level to the spend before approving the annual budget.

Regards,

Kurt Riegger
Second Ward
[REDACTED]

Ann Arbor, MI 48104



Alexa, Jennifer

From: [REDACTED]
Sent: Monday, June 02, 2014 11:03 PM
To: Lumm, Jane
Cc: Eaton, Jack
Subject: DS 1 Contract Extension

Jane,
I know that you said this evening that you would support DS 1 because it has been reduced substantially.

As I said when I addressed Council tonight, it is not wise to implicate yourself with furthering the contract with CDM. I have been told that there are legal concerns with any further support of CDM..

As stated, Mr. Hupy can continue to fund CDM. Let him implicate himself

Even if you vote NO, what impact will it have on city if CDM does not get funded?

CDM has wasted enough tax payer dollars being the "mini TOAG" and not conserving their allotted budget for the work of the FDD program.

Please vote NO

Frank Burdick

Alexa, Jennifer

From: [REDACTED]
Sent: Monday, June 02, 2014 11:08 PM
To: Petersen, Sally
Subject: Re: Council meeting - LFDA Annual Budget

Hi Sally,

As you realize most of these metrics and outcomes are based on the larger SPARK activity set which includes recruiting companies to the area. The economic development part of the picture is fine. The LDFA supports new company growth and the formation of businesses that help diversify the Michigan economy (ideally by leveraging the students and the technologies out of the UM.) When we have a company brought to the area and claim that in the metrics, it may distort the value of the LDFA/SmartZone role which is to catalyze and accelerate high potential companies in the area.

I think the list of companies is a very simple one to generate. Most companies who have been well served by the SPARK/BA will speak on behalf and can provide a good beacon for future companies to come and be a part of the SPARK/BA. The companies which are assisted by the economic development arm are usually much later stage and may not have much bearing on the metrics for LDFA funding.

Importantly 3 years ago SPARK consultants asked an important question of the BA: "What is the outcome of similar early stage companies which DO NOT receive SPARK/BA assistance?" This control group is important to calibrate the impact of the BA. Without SPARK's help other companies do launch and accelerate. How do they fair? For the companies that receive the maximal set of services from SPARK/BA do they do much better on important metrics such as growth/profitability/job creation/follow-on funding/etc than a peer cohort?

Just to be clear, I am not trying to be critical but good metrics drive the right focus and rapid learning on how to get better.

For the record I think a high quality Business Accelerator is vitally important to the region, and one that were as productive as a Y-Combinator like accelerator would be highly valuable to the community. At present we do not have Y-Combinator/TechStars/RockHealth like outputs for our BA.

Many of the stakeholders in the startup/venture community recognize this short coming.

Regards,
Kurt

From: "Sally Petersen" <SPetersen@a2gov.org>
To: [REDACTED]
Cc: "Jane Lumm" <JLumm@a2gov.org>
Sent: Monday, June 2, 2014 3:21:55 PM
Subject: RE: Council meeting - LFDA Annual Budget

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Regards,

Kurt Riegger
Second Ward

[REDACTED]
Ann Arbor, MI 48104
[REDACTED]

Alexa, Jennifer

From: Chosen Word LLC [info@chosenword.biz]
Sent: Monday, June 02, 2014 11:09 PM
To: Taylor, Christopher (Council)
Subject: Affordable housing vote

Christopher -

Thank you for co-sponsoring and voting for the measure to use 50 per cent of the sale price of the Library lot for affordable housing. As it happens, I was among those present when the discussion and voting took place.

Rob Stone


Alexa, Jennifer

From: Joan Doughty [canexecdirector@gmail.com]
Sent: Monday, June 02, 2014 11:26 PM
To: Taylor, Christopher (Council)
Subject: thanks for co-sponsoring the motion today

... and for your kind words about CAN....

Hope you get to go home at a reasonable hour, sure doesn't look like it's going to happen,

jmd

--
Joan M. Doughty, PhD
Executive Director
Community Action Network
www.canannarbor.org

