



Legislation Details (With Text)

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Title: Resolution to Amend the SmartZone LDFA Budget Increasing the Total Budget by \$25,000.00 (8 Votes Required)
Sponsors: Stephen Rapundalo, Marcia Higgins

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/15/2009	1	City Council	Approved	Pass

Resolution to Amend the SmartZone LDFA Budget Increasing the Total Budget by \$25,000.00 (8 Votes Required)

On May 18, 2009, City Council decreased the proposed budget for the SmartZone LDFA by \$25,000.00 removing direct funding for the Angel Investment Group.

After further investigation, it has been determined that the Ann Arbor/Ypsilanti SmartZone Agreement specifically provides that Tax Increment Revenues can not be used to fund the costs of direct subsidies to tenants in the Business Incubator or other third-party entities.

However, it appropriate to allocate TIF revenues to allow the Authority, through its contract with its service provider, AnnArbor SPARK, to fund Business Accelerator activities to create educational and networking opportunities, programs and resources, and access to financial markets and funding sources. Specific implementation details and metrics will become part of the contract between the LDFA and the Business Accelerator. With this guidance, it is appropriate to restore the funding to the LDFA budget at this time.

No use of fund balance will be necessary to balance the budget if the budget revenue is increased.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Sponsors: Councilmembers Higgins and Rapundalo

Whereas, City Council has the authority to approve and has approved an annual budget for the LDFA;

Whereas, On May 18, 2009, City Council decreased the proposed budget by \$25,000.00 removing direct funding the Angel Investment Group as an inappropriate allocation of TIF revenues; and

Whereas, It is appropriate to include in the annual budget for the LDFA sufficient funds to support the activities of the Business Accelerator related to the development of resources, programs and opportunities to link Ann Arbor LDFA-eligible companies with potential investors and investment

groups;

RESOLVED, That the approved Smartzone LDFA Budget for FY2010 be amended to increase the total budget by \$25,000.00 for the purpose of developing resources, programs and opportunities for investment in Ann Arbor LDFA-eligible companies; and

RESOLVED, That City Council directs the LDFA to implement specific details and metrics in its contract with Ann Arbor SPARK, for Business Accelerator activity expenditures, which shall be reported back to City Council in LDFA's annual report.