

Local Development Finance Authority (LDFA) Board
Minutes – March 2, 2017
Smartzone -2345 Meridian Street

Meeting was recorded

1. Call to Order

The meeting was called to order at 3:00 PM by Chair Sharp. Introductions ensued as MEDC Representative Fred Molnar was on via conference call. Molnar is responsible for entrepreneurship and innovation for early stage tech companies.

2. Roll Call

Board members present:	Margie Hank	Dan Reattoir	Craig Krouth
	Gary Sharp	Kristin Collins	Fred Smith

Other guests:	Eric Becks	Tracey Laitinen	Fred Molnar
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Absent:	Tom Veum
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*****Agenda: Changes, Additions, or Deletions**

LDFA Bylaws, Open Meetings Act/FOIA were added under Other Matters #10.

3. Approval of Minutes – November 7, 2016

Smith inquired about the \$10,000 administrative fee. Becks explained the process and that the Business Accelerator Fund (BAF) does not pay the grantee but the patent agent in Quansor's case. The BAF has approved \$150,000 since its inception.

A motion was made by Collins to approve the minutes as amended per Becks email to the board prior. Support by Reattoir. Motion carried.

4. Election of Officers

Sharp brought the slate of current offices to the table as follows:

Sharp – Chair

Hank – Vice Chair

Collins – Treasurer

Reattoir – Secretary

Smith made a motion to approve the slate of officers as presented. Support by Hank. Motion carried.

5. & 6. Financial Reports

Financial reports were presented ending 2.28.17 for LDFA Fund 249. Revenue was -3115.33 as there was no tax revenue this year. Revenue is negative because it includes MTT (Michigan Tax Tribunal) refunds of around \$3,200. No additional refunds are expected between now and the end of the fiscal year. Transfers in from TIFA III were \$70,000 for the debt service. Referring to the additional packet handout dated 3.2.17 LDFA Budget Collins is projecting that the LDFA will need an additional request of \$3,000 from TIFA III this year. For next year it is anticipated that the request from TIFA III will decrease to \$62,000 (6.30.18) and reduce again to \$20,000 (6.30.19). Collins noted that this is with the motive that TIFA III will be paid back.

Smith made the motion to ask TIFA III for an additional \$3,000 in support for this fiscal year with the intent of the LDFA to pay TIFA III back. Support by Reattoir. Motion carried.

Reattoir made the motion to modify the LDFA budget and approve as presented with transfers from TIFA III to LDFA in the amount of \$73,000 (6.30.17), \$62,000 (6.30.18) and \$20,000 (6.30.19). Support by Smith. Motion carried.

Krouth made the motion to approve the finance report as presented. Support by Smith. Motion carried.

Krouth inquired about the bond payment. Collins noted it ends in 2027.

7. Review of Smartzone costs

Laitinen reported on the improvements to the Smartzone and costs associated with operating the building. Costs to date as of 2.20.17 were \$34,118.66 and this includes all utilities.

Collins made the motion to approve the Smartzone costs report as presented. Support by Krouth. Motion carried.

8. 2017 Meeting Schedule

Sharp noted that the meeting schedule for the LDFA and all other associated meetings was attached. A doodle poll will go out in August for our October meeting.

9. Status Reports

a. Becks – BAF funds has helped several clients in our area and Becks hopes it continues. Activities and travel are covered through LSSU with primary assistance from the Gatekeeper Grant from MEDC. LSSU is now a MI Corporate Relations Network (MCRN) and has done some programs (TCA) Technology and Commercialization Assistance which helps the University place interns with local startup companies. 4 intern slots are available the end of April. Dec 31, 2016 SSMart had net income of \$5669.00 which otherwise had he not received \$35,000 from USDA grant for the 2015 equipment that was purchased there would have been a loss of approximately \$29,000. The \$10,000 admin fee from the BAF are the main operating funds at

this time. Becks has been attending MEDC meetings, MCRN meetings, ACE - Annual Celebration of Entrepreneurship, Operation Action U.P. and the Governor's Conference recently held in Marquette. Becks is networking with Central MI University's Smartzone and is looking into their best practices and metrics for SmartZones.

Clients noted were:

Quansor, developing an electronic method of measuring real time contaminants in water, they received \$11,000 for a patent through the BAF, they are working through their prototype and are looking into a Small Company Innovation Program, Technology and Commercialization Assistance (SCIP/TCA) grant that would assist with a 50% match.

Grow Incorporated – Sault company, BAF recipient, SCIP/TCA, recently attended a tradeshow with their prototype

IncrediSolutions – BAF funding

Black Creek – approved for BAF funding

Gap App

Time Store

CN – make blood clot prevention device which increases blood flow up after surgeries

217 LLC – setting operation here in MI

b. Holt – reviewed the spreadsheet in the packet and gave an update on tenants in our building highlighting Cree North and SIS Manufacturing which have come over from Sault, Ontario. Holt noted progress with Visas and LLCs. These companies look to put a foothold in the U.S. to sell American made and expand, hiring employees through MI Works. Smith inquired on what each company produces and Holt noted water filtration systems and rail cars. Holt shared our program documents and noted that it is a way to have open communication with our startups. A Lunch & Learn was held in February with Laitinen and Josh Billington of SBDC and it was well received by our tenants. Holt wrapped with describing the Hot Desk option and a current user of Ann Arbor Spark.

10. Other Matters – Bylaws & Open Meetings Act/Freedom of Information Act

Laitinen presented the bylaws with changes to the address and gender neutrality.

Reattoir made a motion to approve the bylaw amendments as presented. Support by Collins. Motion carried.

All board members received an annual update of the Open Meetings Act, Ethics and the Freedom of Information Act. Laitinen reminded all members of the commitment and where to find any information if approached by the public. Meeting minutes are posted on the City's website as well as our SaultEDC.com. Meeting notices are posted on our website SaultEDC.com as well as City Hall 225 E. Portage Ave.

11. Matters presented by the Public – no public present at this time

12. Adjournment – Smith made the motion to adjourn at 3:40 pm, support by Hank. Motion passed.

**Laitinen will send out a meeting poll via email for a Doodle for the late October meeting so there is ample time to post public notice.*