



**LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)**  
**City of Lansing, City of East Lansing & Ingham County**  
Quarterly Meeting Minutes  
Friday, June 28, 2019 – 9:00 AM  
LEAP Conference Room, Lansing, MI

**Present:** Luke Hackney, James Tischler, Benjamin Bakken, Mayor Mark Meadows, Charles Hasemann, Dave Washburn, Brian McGrain

**Not Present:** George Lahanas, Thomas Morgan

**Staff:** Tony Willis, LEAP  
Joe Carr, LEAP

**Guests:** Jerry Norris, LEAP  
Gabriela Allum, MSU Foundation  
Jeff Smith, MSU Foundation  
Thomas Fehrenbach, City of East Lansing

**Recorded by:** Katlyn Lindstrom, LEAP

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**I. Call to Order & Roll Call**

Chair Hackney called the meeting to order at 9:00 AM.

**II. Welcome New Board Member – Brian McGrain**

Chair Hackney introduced Brian McGrain, who has been appointed to the LDFA Board by Mayor Schor, City of Lansing.

MOTION: Hasemann moved to welcome McGrain to the board.  
SECONDED by Bakken. All in favor. Motion passed unanimously.

**III. Approval of LDFA Special Meeting Minutes- March 29, 2019**

MOTION: Meadows motioned to approve the Special Meeting minutes as presented.  
SECONDED by Tischler. All in favor. Motion passed unanimously.

**IV. Approval of LDFA Quarterly Financials - March 31, 2019**

Carr presented financials through March 31st to the board, noting the budgeted sponsorship of the Technology Innovation Center (TIC) will show on the year end financials. No other financial activity or transactions to report. Washburn pointed out a discrepancy between FY 2018/2019 projections and reported expenses, prompting amendments to the projections.

MOTION: Tischler motioned to approve the Quarterly Financials as amended.  
SECONDED by Hasemann. All in favor. Motion passed unanimously.

## **V. 2019-2020 Budget**

Carr reviewed the proposed budget with the Board, highlighting new line items including TIC development support, Dunckel Gateway brand development, and the LDFA strategic planning facilitation. Additionally, Carr noted a budget of \$25,000 for LEAP's administration of the LDFA.

Washburn inquired regarding the process of how the projected revenue for SmartZone was determined. Discussion ensued. Bakken offered as Treasurer to hold a conversation with LEAP staff and Fehrenbach regarding revenue projections. Bakken inquired about past financials projections and requested to view a previous version of an LDFA/LEAP contract for comparison purposes.

Washburn asked who on the Board was involved in the development of the budget. Tischler, Hackney answered in the affirmative. Washburn discussed the timeline of the budgeting process. Tischler noted an approved budget could be amended later if needed.

Smith discussed proposed changes to the TIC, including updates to the entrance and new office furniture. Washburn inquired as to the priority of the updates. Bakken asked for clarification as to why renovations are critical as the center is at 100% occupancy with a waiting list. Smith noted that it is important to maintain the space for tenants, current and prospective. McGrain asked if the current TIC budget included renovations and improvements, noting that historically there was not a budget for it. Hasemann discussed the LDFA's support of TIC as a crucial community organization and its value. Tischler noted the importance of the TIC and strengthening its position. Bakken pointed out the importance of presenting class-A office space. He also noted the importance of prioritizing improvements to create the most effective impact. Willis discussed the TIC as a crucial resource and beacon of the SmartZone and greater region. Willis suggested the TIC development support line item can be revisited in the future.

Bakken commented on the increase in revenue while maintaining program funding at the same level in comparison with prior budgets and expressed interest in seeing that number go up. McGrain suggested adding a Capital Improvement Fund in the budget to support improvements such as those proposed by TIC, and that specifics can then be dealt with at the next quarterly meeting. Meadows agreed.

MOTION: Bakken moved to amend the proposed budget to remove support for Dunckel Gateway brand development, LDFA strategic planning, and reduce the TIC development support line item.  
SECONDED by Meadows. All in favor. Motion passed unanimously.

MOTION: Tischler motioned to approve the proposed FY 2019-2020 budget as amended.  
SECONDED by McGrain. All in favor. Motion passed unanimously.

Chair Hackney and McGrain suggested a special meeting before the next quarterly meeting to further discuss amended budget and new line items. Chair Hackney and Secretary Tischler discussed the idea of a subcommittee to review the budget.

## **VI. Approval of LEAP contract**

Willis presented the previous LDFA contracts with LEAP, outlining the activity and administration provided by LEAP on behalf of the LDFA for the SmartZone.

Bakken commented on the cost of the proposed contract, \$25,000, and noted if the original compensation structure, the greater of \$10,000 or 20% of TIF revenue or \$10,000, was kept it would be significantly more. Hasemann asked who at LEAP is responsible for execution of the LDFA contract. Tischler suggested an amendment to the contract to include language stating that a LEAP liaison will be appointed to carry out the requirements of the contract.

Willis discussed recent staffing changes at LEAP staff and noted Joe Carr as point of contact regarding the proposed contract.

MOTION: Tischler motioned to approve the contract as amended to include language stating the appointment of a liaison.

SECONDED by Charles Hasemann. All in favor. Motion passed unanimously.

## **VII. Public Comment**

Smith gave updates regarding the TIC. No new tenants as they are at capacity and are maintaining a waitlist. Tenants continuing to see growth. TIC is currently in the black, due in large part to virtual tenants, internal space rental structure including VADE Nutrition.

Norris provided updates on Business Accelerator Fund (BAF) activity. Pipeline is very good with lots of strong companies and continues to improve. Continuing to seek out ways to collaborate with Jackson, Grand Rapids, MSU. New company formations continue to slow due in part to introduction of tech matrix. Angel funding appears to be increasing, with additional funders beyond Capital Community Angels. Some companies are preparing for phase 2 SBIRs. Team sizes for new startups are getting bigger. Hasemann noted that MSU competed for and received the BAF grant for the Grand Rapids SmartZone.

Chair Hackney discussed an opening for Vice Chair. Carr noted that the next quarterly meeting includes elections.

## **VIII. Adjournment**

Chair Hackney adjourned the meeting at 10:38 AM.

Joe Carr  
Deputy Director, New Economy Division, LEAP