



JOINT LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA) **City of Lansing, City of East Lansing & Ingham County**

Meeting Minutes

January 23, 2025

Technology Innovation Center (TIC)

Attendees: Abigail Tykocki, Traci Riehl, Kris Klein, Matt Apostle, Glen Mitcham, Christian Palasty, Jon Laing, Nicole Millsap, Mark Meadows, Irene Cahill

Staff: Harrison Leffel-Jones, Angel Miller, Debbie Engel, Tony Klisch, Bob Trezise, Keith Lambert, Ying Li, Latasha Peebles (MEDC)

Recorded by: Debbie Engel of LEAP

Call to Order & Roll Call

Chair Abigail Tykocki called the meeting to order at 8:35 AM.
Miller conducted roll call.

<u>Members Present:</u>		<u>Members Absent:</u>
Abigail Tykocki	Christian Palasty	Ben Bakken
Traci Riehl	Nicole Millsap	Charles Hasemann
Kris Klein	Mark Meadows	David Washburn
Matt Apostle	Jon Laing	
Glen Mitcham	Irene Cahill	

Approval of LDFA Minutes

Approval of LDFA Minutes of October 23, 2024.

MOTION: Mark Meadows moved, supported by Glen Mitchum, to approve the October 23, 2024, minutes as presented. All in favor. Motion passed unanimously.

Approval of LDFA/Regional SmartZone Financials

The LDFA/Regional SmartZone Quarter 4 financial documents were presented to the board for review and approval. Ying Li of LEAP was present to answer any questions.

MOTION: Moved by John Laing, supported by Matt Apostle, to approve the LDFA Quarter 4 financial documents as presented. All in favor. Motion passed unanimously.

Amendment to FYE 2025 Budget

Angel Miller reported that the current spending for the remainder of the fiscal year for the Programs and Services category is under spent. This is mainly due to aligning the LDFA budget cycle and the Conquer/Cade Program budget cycle, which means the program sponsorship is approved but payment wasn't needed for this fiscal year. LEAP staff are recommending to the board that these unspent funds be moved to the Local Accelerator Funds category.

MOTION: Moved by Matt Apostle, supported by Irene Cahill, to approve the moving of unspent funds from the Conquer and Cade Sponsorships to the Local Accelerator fund category within the budget. All in favor. Motion passed unanimously.

SmartZone Updates

Client Highlights

Dr. Kristen Wager of BrandSense Research gave an update on her progress in the Capital Area Startup Studio program. Dr. Wager announced that her company is no longer BrandSense but now called CreatorPulse. For the last few years, she has been working with top content creators. And while doing customized research for them, she discovered a few things: (a) The need for research across the board for creators (b) their lack of ability to understand research and apply that data into insights that help their brands (c) there is a lack of affordability for the creators to build their brand.

Last fall, she applied to the Startup Studio program and was accepted. Blake and Jeff have been working with her to build a product that solves these problems for them. This product helps them ask their audience questions in a very simple way, so they don't have to worry about the research and the nitty gritty behind the research. It will take that research and turn it into very simplified insights that help them very actionably build their brand and take those insights and turn them into content strategy or data to leverage for their media kits. Blake has been helping her a lot with the administrative and marketing pieces for the business to validate the idea and making sure this is something creators actually want and need. She showcased her new CreatorPulse website to the board. At the end of this program, she will actually have a complete product on the market for content creators to test out.

Capital Area Startup Studio

Blake Grewal of Bold Growth provided an update on the Capital Area Startup Studio. The goal is to create interactive mockups, help small to medium sized businesses test their tech ideas in the market, and guide them through the development process.

With tools like Bolt, they are able to build full-blown products and do more with less. Businesses in the studio are now leaving with stand-alone tech products that are ready to obtain users and grow.

Two businesses moved out of state; therefore, they are no longer eligible for the Capital Area Startup Studio. However, the program is flexible, and they reallocated funds to the other three businesses that are in the studio and committed to staying in Lansing.

They are holding both speaker series and community workshops to educate about new tools and their purpose to help businesses get off the ground and start with less risk and run lean.

TIC Updates

Gabriela Strom, of the MSU Research Foundation, provided an update on the TIC tenant report. The Alliance building currently has nine tenants. The East Lansing TIC currently has 19 tenants, with twelve of them being 12 virtual and 7 physical. Adestec Corp. has a third office at the TIC.

Gateway Program

Ryan Nelson indicated that 2024 was an exceptional year for the Gateway program with sustained growth in both the number of clients that were served and the quality of the technology supported by the Gateway program. Since the last board meeting, they've had four additional LAF's that were approved – Earth Metrics, Innomotive, Easy Annotator, Genomic AI. The LAF has continued to be a powerful tool to deploy funds rapidly to clients without having to go through the arduous process of the BAF program. Approved BAF's are Lapar Assist, Targets' Tip and LYM Designs which is a discretionary BAF. Currently the Gateway program has ten BAF's in various stages of the process. Several of those are high-dollar engagements coming back for their second or third engagement. We really encourage our clients to really take advantage of the SBDC tech team not only to support their BAF applications, but also to help with sustained growth in the long term.

With our current cohort, they are requiring each client to meet with the SBDC tech team with a staff member that is a specialist on what they are working on. This will help ensure that they meet the requirement for the BAF program and to prepare to grow in the Lansing region. Harrison noted that the LEAP Gateway program is number two in the entire state.

Small Business Support Hub

Harrison Leffel-Jones, VP of Small Business and Innovation at LEAP, provided an update on the SBSH. In their latest MEDC report The TREK Small Business Support Hub just surpassed 390 official clients that they've worked with across the tri-county region. Of those clients, at least 37 of them are high-tech/high-growth SmartZone

related clients. We are seeing more and more businesses in the region who don't realize there was a tech ecosystem in this area who are getting involved. The most requested program is Fund Your Acceleration where clients can access all forms of non-dilutive grant funds. We just had our latest cohort launch with more than 25 companies who are learning about the tech ecosystem. The advantage is having that value-add of having a really good business plan, and connections to mentors and all of the services the SmartZone and LEAP offers.

We are also deploying TREK Small Business Support Hub grant dollars to Tech companies. We will continue to provide updates. Last year we distributed \$400,000 in grants to small businesses who mostly go through the SmartZone.

Current Year Financials

Angel Miller reported that, based on those financials, the SmartZone is on track with the current budget.

Introduction of FYE2026 Budget

The board was provided with the FYE 2026 budget documents for review. Miller mentioned a quick process reminder that the recommended budget will be submitted to both the East Lansing and Lansing City Councils for approval at our next board meeting. The budget will be sent out without the spending plan included as the spending plan can be amended up to our June board meeting.

Leffel Jones said as a quick process reminder for the budget for next year starting on July 1, we are continuing to consolidate our programs. When we started this latest TIF plan we decided to try a bunch of programs and see what's working and continue to invest in the successful ones. Most of the programs are mostly aligned around continuing to invest in what's working and where we are getting our highest return.

Miller will be meeting with the LRSZ Program Committee to discuss the current programs. Anyone is welcome to attend. They will do a deeper dive into the proposed budget to discuss what's working.

Next 12 Months Calendar

Miller provided a list of 2025-26 SmartZone scheduled meetings for the board along with additional dates extending into June 2027. She will be sending out meeting invites for the next 18 months.

517 Entrepreneurship & Innovation Week

Leffel-Jones announced the "517 Entrepreneurial & Innovation Week" coming up on March 31 – April 4, 2025. Attendees will be able to access local programs and service providers to help launch and grow their businesses; network with key innovators and business leaders shaping Michigan's startup scene; and attend free workshops and panels to stay ahead on trends, tools and strategies. The schedule includes free

workshops, presentations and networking opportunities which allows a platform for innovators, entrepreneurs, students, and community members to learn from one another. There are about 7 events already scheduled for that week, with 5-6 more to be added. There will also be a finishing pitch competition that will happen at the end of that week at the Lansing Shuffle. More than 60 people have already signed up.

Creative Tech and Esports Cluster Analysis

Leffel-Jones reported that they have been working on Creative Tech and Esports for the past year. We have received some additional funds from a generous grant from MEDC to conduct a cluster analysis work, which they have completed. The flyer shows some of the Lansing region's advantages when it comes to creative technologies. We are going to continue to build out the ecosystem report in the next year. We have a high opportunity to grow this industry in the region. A big shout out to the East Lansing SmartZone board members who have come to our Esports meetings.

TIF Extension Update

Bob Trezise, President & CEO of LEAP gave an update on the TIF Extension efforts. He said the group continues to meet on a regular basis about this issue as well as multiple other issues. There are many moving pieces, and they are very complex so it's important that it all come together in a timely fashion. Bob was recently at the Economic Development Leaders of Michigan (EDLM) meeting and this same issue was brought up by another leader, so we need to recognize that other communities are facing the same issue as we are. It's unclear whether these EDO offices want to work together as a group to renew the TIFs or just work separately and launch their own initiative. Bob indicated that he has mixed feelings about whether all EDO's should work together or separately on their renewals. Mark Meadows also indicated that this process would take a long time to complete due to the importance of working with the legislature.

Leffel-Jones said there were specific funds set aside in this year's budget to complete an economic forecasting analysis to find out what it would like if there were a TIF extension. That work is going through with Public Sector Consultants and will be available at the April meeting for feedback from the board. We also do have an official legal review of the law that actually states we cannot extend the TIF with recommended language changes. That was something that would need to be done either way. We will get that legal review from the board at the next meeting.

TIC 2.0 Update

Leffel-Jones reported that the SmartZone lease at the TIC officially ends in December of 2025.

We are in discussions with the MSU Research Foundation about what future plans may or may not look like for this space as we look to the future of what the TIC is. As of right now, there are no changes to the current plan, and we continue to advertise this space and filling it as much as we can. A survey was conducted back in 2022 with

our current and past tenants asking what amenities they would like to see at the TIC in 2025.

We are looking at other options and potentially looking at 311 Abbott St. in E. Lansing. There is nothing concrete yet. However, we will not be doing anything that is not in partnership with the City of E. Lansing, MSU Foundation and our tenants. Jeff Smith added that they are in conversation with the landlord of the current location to discuss extending the lease for one year. Staff are continuing to gather information for the April board meeting.

Public Comment

There was no public comment.

Adjournment: There being no further business before the board, Chair Tykocki adjourned the meeting at 9:22 AM.

Next meeting will be April 24, 2025.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Angel Miller".

Angel Miller

Lansing Regional SmartZone Director