

Eastern Leaders Group
Job Growth Programs
Funding & Performance Overview

June 2011

Executive Committee Meeting

ELG Job Growth Programs & Funding Sources

Programs	Funding Sources
<ul style="list-style-type: none">•Micro Loans•Commercial Building Re-Use Grants•Manufacturing Gap Financing Loans•SPARK East	<ul style="list-style-type: none">EMUCountyLocal GovernmentsYpsilanti DDAAAA Community FoundationState & Federal GrantsPrivate Sector

CEED Micro Loans

\$65,000 County ELG funding used as loan loss reserve fund to leverage \$ 433,500 in federal SBA loan funding.

Company	Loans to date	Jobs Retained	Jobs Created
Salient Landscaping Sumpter - tax preparation FasTemps Delicate Beauty Spa What is That - art studio ByoungBfit - personal training Betty Brigade	\$194,000	176	211

The current level of loan loss reserve funding will allow CEED to provide an additional \$239,500 in loans through 2011 and 2012.

SPARK Eastern County Micro Loans

\$239,000 County ELG Funding for micro loans to provide working capital in early stages of company development.

Company	Product / Service	Loan Amount	# Jobs
Current Motors	Electric scooters	\$50,000	12
New Eagle	Electronic controls	\$39,000	7
Fusion Coolant	Coolant & lubrication	\$50,000	4.5
Ergun Technologies	Software/hardware	\$50,000	3.5
RealKidz	Clothing line	\$50,000	0

- Repayment schedule / Revolving Loan Fund Balance

2011	2012	2013	2014
\$39,000	\$150,000	-	-

SPARK East

Since opening in March 2009...

Companies Served To Date / Jobs	Graduating Companies
27 Physical Tenants / 61 Jobs	VC Web Design, a full service Web company, recently graduated from the SPARK East business incubator. now located at 9 Washington Street, in downtown Ypsilanti.
12 Virtual Tenants	Clean Suite Inspections (CSI) provides green cleaning of commercial properties: now located on Grove Road in Ypsilanti Township.

Occupancy rate for SPARK East as high as 87% (March 2009)
Currently, 50% occupied.

SPARK East Funding Sources

Annual Revenues \$130,000 Local Government & University Annual Contributions : <ul style="list-style-type: none">•\$50,000 County•\$5,000 City of Ypsilanti•\$5,000 Ypsilanti Township•\$5,000 Superior Township•\$5,000 City of Ypsilanti DDA•\$60,000 EMU * \$36,000 Tenant Rent \$15,000 Meeting Room Rental <hr/> \$181,000	One Time Funding: \$200,000 State of MI Incubator Grants (2010 and 2011) \$50,000 Ann Arbor Area Community Foundation \$30,000 Private Funders \$99,000 Federal Grant for Start Up Capital \$183,000 Federal 1 st Year Operating Grant

* EMU commitment runs through 2013

SPARK East Operating Budget Forecast

The following schedule is based on continuation of existing annual funding sources including contributions, rental, and grant income.

	2011	2012	2013	2014	2015
Expenses	253.4k	268.8 k	275.8k	282.9k	290.4k
Available funding	289.4k*	191.0k	181.0k	181.0k	181.0k
Fund Balance	36k	-41.8k	-94.8k	-101.9k	-109.4k

*\$100k state incubator grant secured in 2011 (one time only). Need to replace this funding in 2012 and future years.

Commercial Building Re-Use

- \$15,000 County and \$15,000 City of Ypsilanti DDA funding for vacant and underutilized building improvements.

1st Round Grant Results

Location	County/DDA Contribution	Capital Investment	Annual Tax Revenue Increase est.	Jobs Created
Ted's Campus Drugs & Art Attack	\$10,000	\$577,000	\$22,530	5 construction 8 permanent
517 W. Cross	\$10,000	\$41,000	\$1,601	8-18 construction 6-7 permanent
Tower Inn Restaurant	\$10,000	\$39,000	\$1,523	6 construction 6 permanent

- County and DDA have allocated an additional \$15,000 each for a 2nd round of application (to be awarded in July or August).

Manufacturing Gap Financing

\$ 35,000 County funding for no interest loans to new and expanding manufacturing companies.

Company	Loan Amount & Purpose	Jobs Created
Michigan Ladder	\$35,000 riveting equipment	7
Bakehouse Project	\$30,000 equipment offer (decided to locate in KY)	

Loan Fund Repayment Schedule from Michigan Ladder

2012	2013	2014	2015	2016
\$3,000	\$3,000	\$3,000	\$3,000	\$23,000

Cumulative Impact

Jobs Created	Jobs Retained	New Taxes*
327	176	\$25,654

Revitalization:

- 7 vacant commercial buildings/spaces being occupied

Funding Considerations

1. Continued funding for SPARK East from local governments
2. Continued State funding for SPARK East
3. \$100,000 County funding for incentive programs and special projects currently dependent upon Act 88 revenues

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