



EASTERN LEADERS GROUP

Summer 2010 Report

Eastern County Economic Programs Are Working!

Since 2001, Washtenaw County has lost over 14,000 manufacturing jobs. With the closing of ACH, Exemplar and the Willow Run GM facility, employment in the City of Ypsilanti and surrounding townships has been significantly impacted and Ypsilanti Township residents have experienced a 20% reduction in per capita income, twice the rate of decline than the county and state of Michigan average.

In response to these economic conditions, the Eastern Leaders Group initiated three economic stimulus programs in 2009: the SPARK East Business Incubator; and two Business Microloan Funds. These programs are designed to help existing companies grow and take companies from a start up stage to production. After a little over one year of program operations, these programs are beginning to show job growth results as well as having the additional positive impact of helping to occupy vacant space in the Ypsilanti area.

I hope you will find encouragement in the success stories featured here. If you have any questions or ideas about how we can further support economic vitality in Eastern Washtenaw County, please feel free to contact me at 891-8449 or vanderworpa@ewashtenaw.org

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Eastern Leaders Group

Tony VanDerworp
ELG Executive Director

SPARK East Incubator

Established in March 2009, this high-tech business incubator in downtown Ypsilanti is operated by Ann Arbor SPARK. Reduced rent, business development and/or business accelerator services are being provided to 10 physical tenants and 4 virtual tenants. Companies range from alternative energy as well as energy efficiency experts to mobile sign language device designers and professional development consultants. Together, these tenants employ 22 people.

Reduced rent and business accelerator services are being provided to a total of 14 tenants.

The Incubator is designed to help tenant “graduate” into their own space as viable companies. In 2010, two tenants graduated to private office space in the Ypsilanti area.

CEED Microloan Fund

This Micro Loan Fund was established in 2009 with \$50,000 in funding from Washtenaw County used as a loan loss reserve fund to leverage \$350,000 in federal funding. This fund is designed to assist existing and start up small businesses who cannot obtain conventional financing.

Microloans . . . allow companies to grow their products and services and to create new jobs.

Microloans range from \$500 to \$35,000 and are treated as a line of credit with payments made to vendors directly. These microloans will allow companies to grow their products and services and to create new jobs. To date, four microloans have been awarded to companies including light manufacturing, an art studio, personal training and janitorial services creating 24 jobs and retaining 17 jobs.

SPARK Eastern Washtenaw County Microloan Fund

This Microloan Fund was established in 2009 with \$225,000 in funding provided by Washtenaw County. The purpose of the Fund is to accelerate company development by providing access to early-stage capital to extend the personal investment of entrepreneurs and their own finance network during the critical stage when they are developing their businesses to the point of readiness for outside investment and sales. To date, 4 companies employing 11 people have been awarded microloans.

The purpose of the Fund is to accelerate company development by providing access to early-stage capital.

VC Web Design

VC Web Design, a full service Web company, recently graduated from the SPARK East business incubator. Over the course of a year, they grew out of the incubator into market-rate office space and are now located at 9 Washington Street, in downtown Ypsilanti.

"Ann Arbor SPARK offered affordable, workable space that kept our start-up costs down," said Vince Chmielewski, owner of VC Web Design. "SPARK East provided VC Web with constant opportunities and space to network with potential clients and partners. These relationships allowed us to grow quickly and build a foundation for the future."

While a tenant at Ann Arbor SPARK's SPARK East regional incubator, VC Web Design experienced a 230 percent increase in revenue. The company, which initially exclusively offered Web services such as hosting, design and development, also expanded to include desktop support, business analysis, graphic design and other services.

Clean Suite Inspection

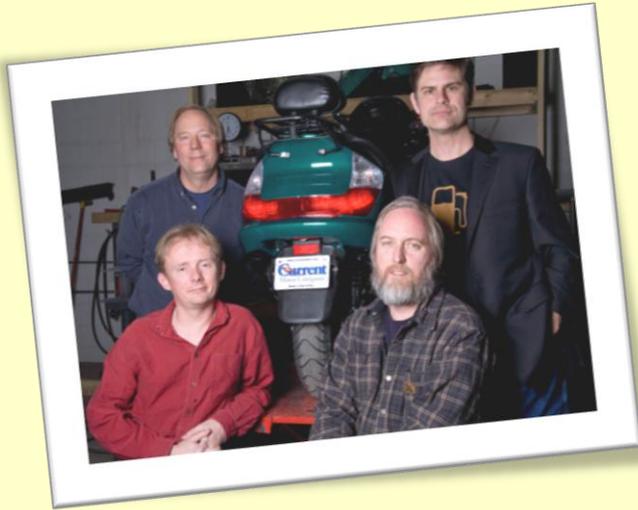
Another recent SPARK East business incubator graduate is Clean Suite Inspections (CSI). This company was founded by Larry Swain, who had a long career with the Department of Agriculture before starting his own business. Given his background it was no surprise when Swain set out to form a company that stands apart by emphasizing the importance of creating and maintaining healthy living and working environments.

CSI's array of cleaning products are known for being 100% biodegradable, non-toxic, VOC (volatile organic compounds) free, and safe for use around humans and animals in a variety of commercial sites and for home use. The result of a CSI job is the riddance of conditions detrimental to human health and the transformation of a room into a refreshed environment that is as healthy and safe as it appears.

Utilizing SPARK East and the services it offers to start up businesses, CSI is relocating to an office building overlooking Ford Lake in Ypsilanti. With 3 fulltime and 6 part time employees, CSI is poised to grow even more jobs in the future.

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Current Motor Company

This young business produces two-wheel electric motorcycles and motor-scooters for people who want clean transportation. Future product plans include a fully-enclosed 3-wheel trike with a car-like driving experience capable of highway speeds as well as higher performance motorcycles utilizing a patented hub motor.

Current Motor has plans to expand internationally and will look at the European, China, and India and Brazil scooter markets. The **SPARK East Microloan** money is being used to develop the dealer network, begin the patenting process & product development (moped class bike) all of which will make the company more attractive to Angel investors and increase the probability of raising a seed round.

Ergun Technology

Ergun Technology LLC is producing Own, a combined web-based point-of-sale system designed for quick-service retail stores. Own is designed to make owning a quick-service retail store easier and more profitable through real time menu editing and sales data online. Automatic updates via the internet and increased access uptime. Their **SPARK East Microloan** is being used for prototype development and programming, legal protection and operating system development.

B Young B Fit and Delicate Beauty Spa

Brian Young and Nancy Dickerson are company owners who recently received **CEED Microloans** to expand their businesses.

B Young B Fit owner Brian Young recently received a microloan for leasehold improvements allowing the company to expand in space along Washtenaw Avenue. The company's fitness workout studio seeks to give each client personalized attention and has a diverse clientele, ranging from 10 to 82. The company now has 8 employees.

The Delicate Beauty Therapeutic Spa owner Nancy Dickerson received a microloan for inventory and equipment, and now has two employees. The Delicate Beauty Therapeutic Spa urges a healthful awareness and offers a 'natural' instruction to each of its clients, getting them familiar with the products without dedicating a whole work-day at the spa.

