



MARQUETTE CITY LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA) Monday, October 21, 2024 Meeting Minutes

Call to Order The meeting was called to order at 4:03 p.m. by Leslie Hartman.

Roll Call Brian Cherry, Leslie Hartman, Stacy Boyer-Davis, Mary Schlicht. Excused absences: Bruce Heikkila, Steve Adamini, Mark Canale.

Note of Agenda Changes: No changes

Approval of Agenda: Motion by made by Cherry, seconded by Boyer-Davis. Approved unanimously.

PUBLIC COMMENT: Dr. David Van Holla, founder and interim CEO of Superior Genomics, Inc., presented to the Board regarding the Michigan-based early-stage company established to improve patient care by providing unique objective blood tests for mental health disorders that improve upon or supplement traditional clinical diagnoses. To date, no effective diagnostic blood tests exist in the field of mental health. Presently, blood tests ordered are done primarily to rule out medical conditions that may mimic mental health conditions. The vision is that by recognizing the biological basis of mental health disorders, Superior Genomics can change the perspective of mental health treatment for both patients and caregivers. By rapidly and objectively clarifying a person's diagnosis, healthcare clinicians can not only diagnose these conditions, but also quickly institute appropriate treatments which saves on patient suffering and reduces overall costs.

NEW BUSINESS:

1. Minutes from the July 15, 2024 meeting approved. Motion made by Cherry, Seconded by Boyer-Davis. Approved unanimously.
2. Innovation Marquette Enterprise-SmartZone: Joe Thiel presented operations, marketing and communication, and financial updates.

Operations: Joe Thiel presented an operations update for FY24 (Oct-23 thru Aug-24) including the creation of 44 new W-2 and 15 new 1099 jobs, 82 prospects served, 15 new companies formed, 31 new clients served, \$6.76 million of follow-on funding received (which significantly exceeds the \$500,000 FY24 goal), 7 intellectual patents research, 16 patent applications, 2 patents awarded, 2 companies that have reached commercialization, and 3 companies entering licensing conversations. Many of these results are ahead of F24 goals (job creation, follow-on funding). Joe reviewed the progress for several clients including Myconaut, Syncurrent, and SwimSmart.

The hybrid workweek at Innovate Marquette pilot was successful (4 days remote, 1 day in office).

Two vacant positions will not be re-staffed, a \$35,000 savings from 2024 to 2025.

Marketing and Communications: The Vanbassador (micro-giving launch) has been traveling around the Upper Peninsula to promote Innovate Marquette. Significant in-house marketing cost savings (\$4K) as compared to the budget (\$87K).

Financial: Joe Thiel presented a financial update. The profit and loss, budget, and balance sheets

for the eleven-month period ending August 31, 2024 were presented. Key points made include the current cash balance of \$689K and total assets of \$2.87M with a projected (\$205K) net loss.

The Innovate Marquette audit concluded, conducted by Andrews, Hooper, Pavlik, PLC of Marquette, MI.

The 2025 annual budget draft was presented with projected \$2.7M revenues, \$2.66M expenses, and \$35K net income. Capital spend estimates are: \$200,000 IMQT feasibility study, \$10,000 for furniture and fixtures, \$10,000 for micro-giving updates, and \$25,000 for leasehold improvements.

3. FY25 LDFA Distribution of TIF Funds to Innovation Marquette Enterprise Corp (IMQT)

LDFA TIF captured revenues are recognized as of October 1 and July 1 of each fiscal year (October 1 to September 30). At the first LDFA meeting following each of these dates, the Board will review and approve an appropriate distribution of these captured revenues to Innovation Marquette Enterprise Co (IMQT). Captured revenues of \$1,670,094.75 are recognized at October 1, 2024. The FY25 budget is prepared based on 75% recognition of the 2024 captured tax levy, and 25% of the estimated 2025 captured tax levy.

A motion was made by Cherry to distribute the \$1,670,094.75 2024 Summer Tax captured revenues to IMQT. Seconded by Boyer-Davis. Approved unanimously.

4. Meeting Schedule for Calendar Year 2025

A motion was made by Cherry to approve the 2025 meeting dates (at 4 pm EST) as presented below. Seconded by Boyer-Davis. Approved unanimously.

January 21, 2025 (Tuesday)
April 21, 2025
July 21, 2025
October 20, 2025

5. Interlocal Agreement – Chipp Workforce Housing Brownfield Plan

An Interlocal Agreement proposal from the owners of 710 Chippewa Square to redevelop the building into workforce housing to serve qualified households with incomes at or below 1205 Area Median Income was reviewed by the LDFA Board.

A motion was made by Cherry to transfer applicable LDFA tax capture to the MBRA for reimbursement of approved Brownfield eligible activities as described in the Chipp Workforce Housing Brownfield Plan. Seconded by Boyer-Davis. Approved unanimously.

Comments from LDFA Board members

Open board seats.

Reminder – annual presentation to the City Commission on 12/9/2024 at 6 pm, City Hall Chambers.

Adjournment

4:52 pm

Stacy Boyer-Davis