

MEETING MINUTES
ECONOMIC DEVELOPMENT CORPORATION
DECEMBER 9, 2021, 8:00 AM

CALLED TO ORDER BY: The Economic Development Corporation Meeting was called to order by Chairman Cantor at 8:06 am.

MEMBERS PRESENT: Lew Cantor, Scott Elliott, Fritz Beiermeister, Sam Slaughter, T. R. Carr, Mark Brucki

MEMBERS ABSENT: William Hartsock, Mark Zachos

OTHERS PRESENT: Ken Massey, City Council Member/EDC Liaison, Samantha Seimer, AKT Peerless; Joe Valentine, Assistant City Manager; Resident; Danielle Ware, Resident; Cristia Brockway, Economic Development Director; Robin Richardson, Resident; Brooke Smith, PSC; Tim Dempsey, PSC;

INNOVATION CENTER PROGRESS PRESENTATION:

- Mr. Dempsey gave the EDC Board an overview of previous efforts, and recap of what has been to date. The next steps are to assess facility options, refine market demand as well as develop financial models with the goal of having a presentation prepared for January's tentative Goals and Objectives Meeting. Following the target schedule, recommendations would be made in February with Marketing Plan to follow. The marketing plan is part of the scope of Public Sector Consultants (PSC).
- Mr. Smith reviewed different types of lab spaces. There are wet labs and dry labs. Wet labs have a life-science focused on liquid analysis and experimentation, additional features including drain and vents, controlled environment. Focus on drugs, chemicals, and biological matter. Whereas dry labs are more computational focused, mathematical, calculations and research, equipment more electronic based, computer assisted experienced, cost effective and accessible. He added that there are four (4) Biosafety Levels (BSL). BSL 1 is the lowest, and that is what the innovation center could focus on.
- Mr. Smith stated that he utilized a model from BioVenture and superimposed the space there on topis what is currently available at The Hawk coupled with the use of flex spaces. It was noted that while some areas need to be reconfigured, many could be reused including the cabinetry along the wall spaces and fume hoods. White box locations are where items are rehabilitated but left as-is, and a business can locate in this space and make modifications and remodel it as needed.
- The layout presented to the Board shows the designated wet lab space with separate HVAC. However, it was noted that there will likely need to be upgrades to the HVAC that is currently serving the space in order to increase the amount of air movement. The three configurations options help drive the capital investment required for the financial models.
- Mr. Brucki asked about the office spaces to the right of the floor plans as presented and inquired as to who was utilizing those spaces currently. Mr. Massey stated that e-Sports is using the space. Mr. Brucki asked about the intended use of the former media center. Mr. Dempsey stated that the media center is an asset to the innovation center. Mr. Valentine added that the media center is intended to be a future shared-use space for third floor patrons. He added that special services is looking at the third floor renovation options currently. Mr. Brucki asked about the questions to the left of the media center. Mr. Valentine stated that those classrooms are used by SOAR and training facilities for Police and Fire. The gray area to the right of the innovation center is

claimed by the EDC, however there are still opportunities for the Special Services Department to identify users.

- Ms. Ware asked about storage space for the labs. Mr. Smith stated that it is baked into the lab space. Mr. Massey expounded upon the importance of common use equipment available for all innovation center participants. It is currently assumed that the shared equipment would go into the green shaded space between the classrooms.
- Mr. Dempsey reviewed the results of the targeted tour to entrepreneurs in the community that took place at The Hawk on December 7, 2021. The Innovate Farmington mailing list was used to invite entrepreneurs along with individuals identified by the EDC. Overall, there were sixteen (16) participants, and twelve (12) were able to stay for the entire session.
- The participated identified strengths and weaknesses of the facility.
 - Strengths: Amenities, location, size
 - Weaknesses: rooms not suitable for all needs, the world is virtual now, it is too early to judge with the space incomplete.
- Mr. Beiermeister asked about the makeup of individuals at the tour. Mr. Dempsey stated that there was a vascular surgeon, engineers, and tech focused entrepreneurs. Mr. Brucki stated that this was a niche focus group study. Mr. Beiermeister stated that it would be helpful to define the sorts of products and services that the innovation center seeks to attract. He noted the importance of understanding the outputs of labs within any niche to help determine what types of entrepreneurs will be attracted to the space.
- Ms. Ware stated that she does not want to limit local individuals from being involved in the innovation center.
- Mr. Brucki discussed the need to delineate economic development within the community center and reiterating the overall purpose of the innovation center. Stating that incubators with a general purpose typically fail. He stated it is difficult to attract funding without focus, if the center is too diverse it is difficult to talk about benefits to those contributing funding.
- Mr. Dempsey asked the December 7th focus group the types of amenities do you need, results included AV equipment, industrial features, and high-speed internet. The focus group was also asked about services they would enjoy. Responses included, business coaching, fundraising, advice for start-ups and legal services.
- The focus group identified risks and opportunities associated with the Innovation center:
 - Risks: potential economic downturn, investment longevity, people not utilizing the space
 - Opportunities: central hub between current incubators in the region, involve businesses, job creation with start-ups
- Mr. Brucki spoke to the importance of the resources that are of benefit to the specific companies while retaining flexibility within opportunities that are not available at other innovation centers. The general manager of the future facility must have expertise in a particular area in order to help businesses be successful in their growth and fulfill the mission of the innovation center. Mr. Dempsey added that he will provide the board with a breakdown of industries utilizing other wet-lab incubators in the area to help the Board understand examples of outputs from one of the facilities. He reiterated Mr. Brucki's point about the manager needing to be deeply involved in the understanding of the ecosystem and SBIR funding opportunities available for the businesses.
- The board received an update of financial projections based upon different conceptual build-out models and revenue structures. The models designed currently do not include taxes or equipment costs.
- Mr. Dempsey informed the Board that the best way to succeed as an incubator/innovation center is to incur no build-out costs to have the best chances for long-term success. A qualified manager can assist businesses in finding angel investors and facilitate relationships. The incubator is not designed to generate revenue; it is designed to assist businesses with the hopes of eventually locating the business in Farmington Hills and increasing the tax base. Mr. Elliott added that the

private market wants a company with a track record, that is established, it makes their investment less risky. This innovation center helps alleviate some of that risk for commercial land and building owners.

- Mr. Dempsey reviewed different governance models with the Board:
 - Governance Models:
 - EDC Owned/City Operated: High level of control but requires additional activities including project plan, financial management, annual reporting
 - Separate entity 501c3: Entity would have its own Board, bylaws and financial management, Separation would appeal to funders, however, less control
- Mr. Dempsey reviewed different management models with the Board
 - Management Models:
 - Direct Staffing: EDC/City Employee, dedicated resource and clear accountability, right manager with passion for the work could be the difference maker, may be difficult to find, more city oversight
 - Managed Services Contract: Contract for services, request for qualifications, may leverage multiple staffing resources and avoids staff management issues, provides less direct oversight, cost savings may be overstated.

BOARD MEMBER'S COMMENTS:

- None.

PUBLIC COMMENTS:

- None.

ADJOURNMENT:

- There being no objections, the meeting adjourned at 9:33 AM

Minutes drafted by: Samantha R. Seimer