

Council members have asked SPARK multiple times for concrete numbers and data to back up SPARK's claims. I should not be doing SPARK's job, but it appears that I am. I got the audited financial statements for you, and now I bring some official job numbers to you.

I went to Dollar Bill Printing and printed out the official job report for you. The report is attached to a memo given by the ex-CEO of SPARK (the CEO of the MEDC), to the co-founder of SPARK (Governor Snyder). It is dated March 31st, 2014. So it is a new report and it covers the time between 2006 and 2013. The report covers the Pre-Seed, Angel and Microloan funds that SPARK managed and it shows how many jobs were created. The report was required by the Michigan Strategic Fund Act and the 21st Century Jobs Trust Fund legislation. To me, this is SPARK's official job report and they should have provided it to you when you were asking them questions, weeks ago. Council Member Lumm, you asked for some hard data about SPARK, and I have now provided you with that – SPARK should have given this to you long ago. If the report is missing some job numbers or some companies, then we should find out why and notify the appropriate officials that the report is incomplete. Otherwise, it is a complete and accurate report that was required in an Act. No job audit is needed, as this is the official data.

Here are some red flags I'd like to highlight.

SPARK's annual report claims it created 13,025 jobs, \$1.5 billion in investment and helped 547 new companies. But, the official report shows 630 jobs, \$229 million in investment and 129 companies. [in a speech I'll round these numbers for time]

The LDFA states that it is about helping local businesses, but in the official report, only 45% of the micro-loan companies are actually listed in the Ann Arbor/Ypsi area.

Council Member Petersen will note how many jobs are created, but the number she cites is the projected number of jobs and not the actual number of jobs created.

Projected job numbers are questionable. For example, in the Pre-Seed funds at SPARK, there was a forecast of 4,450 jobs, but only 304 jobs were created, and only 4% (194.5 jobs) of the projected jobs stayed in Michigan. [in a speech, I'll round these numbers for time]

According to SPARK's audit, their

"investments are all in start-up companies located in Washtenaw County"

Since all investments are reportedly in Washtenaw, should we notify taxpayers supporting SPARK in other counties that they were screwed?

The audit states that the companies are all in Washtenaw, but the official report appears to show that they are not. As such, I believe that an independent financial audit should be done.

I ask city council to vote 'no', or at least postpone the vote. If you vote 'yes' at this point, then you are rushing to a 'yes' vote without analyzing the official document and numbers, and as such I feel that it would be a misuse of public money. I know that some of you haven't even looked at this stuff. At the debate this past Saturday, even the LDFA Council Member Petersen stated, "I haven't looked at the data in the two reports". So, even Petersen hadn't looked at the data in the official report and in the SPARK Annual report.

I must give thanks to Council Member Taylor. At the debate on Saturday, Taylor said an incredibly good and mayoral thing. He stated:

"There is no question that the numbers that we receive from any of the entities with which we contract, ought to be held to a rigorous standard. I understand that some folks think that the numbers we've received are inaccurate. I would suspect that the folks who created the numbers have a counter argument. I would prefer myself be eager to hear a full articulation of both."

I have presented an official report of SPARK's numbers that was given to the Governor. This data provides evidence that SPARK may have inflated job numbers. I have presented an articulated official report with data. Vote 'no', or postpone the vote so you can take time to look at the data in the official report.

I am offended when people claim that SPARK is the only economic development entity in Ann Arbor. SPARK is not the only entity. This city is not about SPARK, but about the people. Economic development comes from many other sources as there are other venture capital firms, banks that can loan money, businesses that provide services, a University to teach about entrepreneurship, a chamber of commerce, the AAATA, the DDA, great non-profits such as the HRWC, and many others. But most importantly, it is about the people in Ann Arbor. It is not SPARK that you should thank, but thank the great people of Ann Arbor – as they (the people), are the ones that really create the economic development here.

Thank you.

Kai Petainen.

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