

Ann Arbor SPARK Annual Report

Washtenaw County

January 1, 2016 - December 31, 2016



<http://annarborusa.org/>

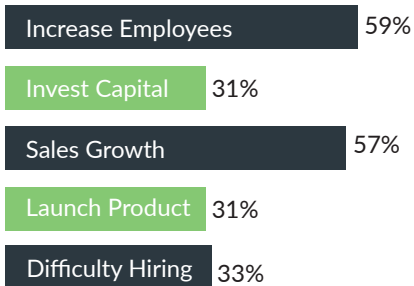
Ann Arbor SPARK will advance the economy of the Ann Arbor region by establishing the area as a desired place for business expansion and location... by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations.

2016 Successes - Full Year Overview

Project Successes **21**

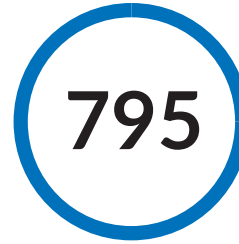
Arvin Sango, Inc., BitBrew, Curo, Inc., Disher, DotSignal, Duo Security, Eldor Automotive North America Inc., Gestamp Washtenaw, Ithaka, iTiZZiMO Inc., Landline Creative Labs, NITS Solutions, NoQ, Inc., Novacoast, Sensitile Systems, TD Ameritrade, Toyota Research Institute of North America, Vayu, Inc., WACKER - Silicones R&D Center, White Pine Software Technologies, LLC, Woodcock's

In the next year, companies in Washtenaw County plan to...



Increasing headcount and finding space continue to be areas where companies are in need of assistance. 2016 was a high growth year for Washtenaw County companies.

Projected New Jobs - 2016 Projects



Washtenaw County Business Development Investment \$\$ per Job:
\$168/job

Retained Jobs - 2016 Projects

397



Growth Calls

129



of Full Time Staff at these companies:

10,162

Total Investment

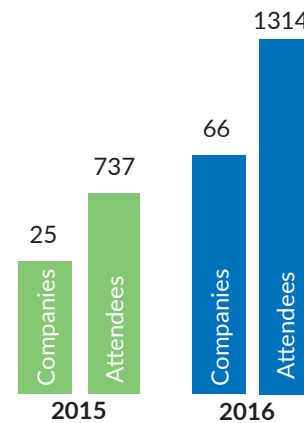
95.5 M

Main sources of investment: Arvin Sango, Gestamp Washtenaw, TD Ameritrade

Washtenaw County Business Development ROI:

\$478 / \$1
Private Investment / County Investment

A2 TechTrek - Continued Success



Attendees nearly doubled - participating companies nearly tripled - anticipating further growth in 2017

Ann Arbor SPARK's Business Development Mission

Maximize **job creation** and **capital investment** by **growing** the region's GDP through the **retention** and **expansion** of established driving industry companies that sell goods and services outside the Ann Arbor region, and through the **targeted attraction** domestically and internationally of similar companies that could succeed in our region.

Ann Arbor SPARK's Business Development Metrics in Washtenaw County

| COMPANIES ASSISTED | 2016 |
|--|--------------------------------------|
| Number of growth visits | 129 |
| Number of attraction prospect site visits ¹ | 8 |
| Number of responses to attraction prospect or site consultant requests for proposals ² | 32 |
| JOBS - 2016 PROJECTS (see page 6 for more information) | |
| Projected to be created (over the next 3 years) ³ | 794 |
| Actual jobs created (in the first year) | 38 |
| Jobs projected to be retained | 399 |
| Actual jobs retained | 397 |
| INVESTMENT | |
| Taxable value of new private investment | \$47,751,000 |
| Total value of private investment | \$95,502,000 |
| Washtenaw County Business Development Support | \$200,000 |
| MISCELLANEOUS | |
| Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations | 10 incentives valued at \$11,533,035 |
| Number of facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns | See pg 12-13 |

¹Number of discreet projects that were physically toured around sites in Washtenaw County.

²Number of requests to which SPARK electronically submitted properties located in Washtenaw County.

³These jobs are projected to be added over the next three years, we will update the numbers as we interact with the companies and determine progress.

⁴Both in Ann Arbor (assisted by the Business Accelerator division of Ann Arbor SPARK, funded through the LDFA), and Ypsilanti.

Ann Arbor SPARK Metrics - Jobs



SPARK acts as project manager for both the communities it supports and the companies it serves.

SPARK acts as project manager for both the communities it supports and the companies it serves. Our project management efforts can be fairly simple, such as conducting data analysis that a company may use in its business planning, or as complex as full project management for significant company expansions. This would include everything from:

- Connecting them to proper resources
- Working with the site selection community to help determine a location for a project
- Fully managing the tax incentive paperwork and the process it may require
- Creating communication plans
- Traveling to company locations outside of the state
- Making presentations to key public and private decision makers
- Talent recruitment efforts

When companies apply for Local or State incentives they fill out applications that require both job creation and investment estimates. SPARK considers these projects a success after it is publicly announced, or when the proper approval process has taken place for the incentive sought by the company. SPARK's jobs and investments numbers are based on these project announcements provided by the companies. SPARK monitors actual job creation and those results are shown in this report.

SPARK supports a company directly or it supports the consultants the company utilizes during its expansion. Whatever role SPARK might play, we capture jobs and investments for projects that we have played an active role in helping a company make a decision to move forward.

SPARK celebrates all projects that may have an impact on our region. We do not count jobs and investments where SPARK was not directly involved.

Ann Arbor SPARK Metrics - Jobs

Companies assisted in 2016 in Washtenaw County

| Specific Projects Unique ID# | Projected New Jobs (2016-2018) | Actual new jobs (created since beginning of project) | Projected retained jobs | Actual retained jobs as of 12/31/16 | Current FTE (As of last contact) |
|------------------------------|--------------------------------|--|-------------------------|-------------------------------------|----------------------------------|
| 1469 | 4 | 0 | 25 | 25 | 25 |
| 1838 | 50 | 15 | 0 | 0 | 15 |
| 3250 | 25 | 4 | 8 | 8 | 12 |
| 4507 | 297 | 0 | 154 | 154 | 154 |
| 6926 | 75 | 67 | 51 | 51 | 118 |
| 7011* | 18 | 0 | NA | NA | 0 |
| 7113* | 5 | 5 | NA | NA | 5 |
| 7194 | 4 | 0 | 10 | 8 | 8 |
| 7341* | 2 | 2 | NA | NA | 2 |
| 7442* | 3 | 0 | 5 | 5 | 5 |
| 7748* | 1 | 1 | NA | NA | 1 |
| 7783* | 8 | 8 | NA | NA | 8 |
| 7811* | 22 | 2 | NA | NA | 2 |
| 7825* | 1 | 1 | NA | NA | 1 |
| 7862 | 14 | 4 | 1 | 1 | 5 |
| 7869 | 20 | 0 | 145 | 145 | 145 |
| 7960* | 20 | 5 | NA | NA | 5 |
| 8037* | 4 | 1 | NA | NA | 1 |
| 8047* | 2 | 1 | NA | NA | 1 |
| 8115* | 195 | 0 | NA | NA | 0 |
| 8234* | 25 | 8 | NA | NA | 8 |
| Total | 795 | 122 | 399 | 397 | 521 |

* Attraction projects, company new to the area

Ann Arbor SPARK Metrics - Investment

Companies assisted in 2016 in Washtenaw County

| Specific Projects Unique ID# | Projected New Investment | Taxable value | Notes re: investments leveraged and source |
|------------------------------|--------------------------|---------------------|---|
| 7748* | - | - | - |
| 7341* | - | - | - |
| 3250 | \$2,893,226.00 | \$1,446,613.00 | \$200,000 BDP credit |
| 1838 | - | - | - |
| 6926 | \$5,750,000.00 | \$2,875,000.00 | \$500,000 BDP credit |
| 4507 | \$2,485,000.00 | \$1,242,500.00 | \$250,000 BDP credit |
| 7811* | \$761,000.00 | \$380,500.00 | Innovate Ypsi grant |
| 7869 | - | - | - |
| 7011* | \$10,520,296.00 | \$5,260,148.00 | 10 yr. PA abatement valued at \$5.9M |
| 1469 | \$2,641,770.00 | \$1,320,885.00 | 12 yr. PA abatement |
| 8234* | \$2,000,000.00 | \$1,000,000.00 | - |
| 8047* | - | - | - |
| 7194 | \$166,500.00 | \$83,250.00 | Innovate Ypsi grant |
| 7783* | - | - | - |
| 8037* | - | - | - |
| 7862 | - | - | - |
| 8115* | \$68,000,000.00 | \$34,000,000.00 | City of Chelsea Light and Power Energy Incentive, \$975K BDP credit, 12 yr. PA abatement valued at \$1.3M |
| 7960* | - | - | - |
| 7113* | - | - | - |
| 7442* | \$34,000.00 | \$17,000.00 | Innovate Ypsi grant |
| 7825* | \$249,900.00 | \$124,950.00 | - |
| Total | \$95,501,692 | \$47,750,846 | \$11,533,034 |

*Attraction projects, company new to the area

Companies visited Jan 1 - Dec 31, 2016

SPARK held growth visits with 129 companies in Washtenaw County from January-December 2016. These companies ranged from 1 to 700 employees and encompassed a wide range of industries including Information Technology, Life Sciences, Education, Defense, Aerospace, Automotive, and Manufacturing.

| Company Name | Current FTE (as of growth visit) | Taxing Municipality |
|--|--|---------------------|
| AGC Automotive Americas R & D, Inc | 30 | Ypsilanti Township |
| Akervall Technologies, Inc. | 17 | Saline City |
| Alma Machinery | 1 | Pittsfield Township |
| American Broach & Machine Company | 43 | Ypsilanti City |
| AMI Manchester | 74 | Manchester Township |
| ANSYS, Inc | 75 | Ann Arbor City |
| Arbor Networks | 145 | Ann Arbor City |
| ArborMetrix | 35 | Ann Arbor City |
| Armune BioScience, Inc. | 10 | Pittsfield Township |
| Arotech | 200 | Pittsfield Township |
| Atomic Object | 15 | Ann Arbor City |
| Automation Controls & Engineering, LLC | 2 | Dexter City |
| Aveopt, Inc. | 4 | Ann Arbor City |
| Barracuda Networks, Inc. | 270 | Ann Arbor City |
| BEAL Properties | - | Ann Arbor City |
| Berghof Systems | 1 | Ann Arbor City |
| Biotronic NeuroNetwork | 55 | Pittsfield Township |
| BitBrew | 5 | Ann Arbor City |
| Bosal NA | 350 | Ypsilanti Township |
| Cambium Learning | 60 | Pittsfield Township |
| Camis USA | 10 | Ann Arbor City |
| Centric Learning Systems, Inc. | 5 | Ann Arbor City |
| Chelsea Milling Company | 310 | Chelsea City |
| Citra Lighting | 3 | Ann Arbor Township |
| Coherix (Agi Nex) | 40 | Pittsfield Township |
| Condat Corporation | 50 | Saline City |
| Control Gaging, Inc. | 35 | Pittsfield Township |
| Coyote Logistics | 78 | Ann Arbor City |
| Cultivate Coffee and Tap House | 2 | Ypsilanti City |
| Current Motor Company | 12 | Pittsfield Township |

Companies visited Jan 1 - Dec 31, 2016

| Company Name | Current FTE (as of growth visit) | Taxing Municipality |
|--|--|---------------------|
| Cybernet Systems Corporation | 25 | Pittsfield Township |
| Deepfield Networks | 50 | Ann Arbor City |
| Detroit Abrasives | 12 | Lima Township |
| Dexter Research Center, Inc | 52 | Dexter City |
| Duo Security | 154 | Ann Arbor City |
| Eberbach Labtools | 17 | Ann Arbor City |
| Eby Brown | 350 | Ypsilanti Township |
| Edwards Brothers Malloy-East | 650 | Scio Township |
| Enlighten | 75 | Ann Arbor City |
| ESCRYPT | 10 | Ann Arbor City |
| Expedia | 11 | Ann Arbor City |
| Fleetilla, Inc. | 15 | Pittsfield Township |
| Google AdWords | 400 | Ann Arbor City |
| Gudel Lineartec Inc. | 83 | Pittsfield Township |
| Hatch Stamping Headquarters | 235 | Chelsea City |
| HookLogic | 62 | Ann Arbor City |
| Human Element, Inc. | 20 | Ann Arbor City |
| Hyperion Roastery | 3 | Ypsilanti City |
| Image Data Conversion, LLC | 55 | Pittsfield Township |
| IMRA America, Inc. | 78 | Ann Arbor Township |
| IndustryStar Solutions LLC | 9 | Ann Arbor City |
| Inmatech, Inc. | 7 | Ann Arbor City |
| INORA Technologies | 12 | Pittsfield Township |
| Integrated Sensing Systems, Inc. (ISS) | 32 | Ypsilanti Township |
| IOSIX | 2 | Ypsilanti Township |
| ISciences L.L.C | 13 | Ann Arbor City |
| Ithaka | 145 | Ann Arbor City |
| Jacobsen&Daniels Associates | 20 | Ypsilanti City |
| Kalitta Air LLC | 80 | Ypsilanti Township |
| Karmaba Security | 5 | Ann Arbor City |
| Kyocera Unimerco Tooling Inc. | 54 | Pittsfield Township |
| Lakeside Software R&D | 14 | Ann Arbor City |
| Landline Creative Labs | 2 | Ypsilanti City |
| Liebherr-Aerospace Saline, Inc. | 155 | Saline City |

Companies visited Jan 1 - Dec 31, 2016

| Company Name | Current FTE (as of growth visit) | Taxing Municipality |
|--|--|---------------------|
| LLamasoft | 220 | Ann Arbor City |
| Local Orbit, Inc. | 9 | Ann Arbor City |
| Longbow Advantage | 3 | Ann Arbor City |
| LYONSCG | 39 | Ann Arbor City |
| Maggie's | 11 | Dexter City |
| Magnetic | 85 | Ann Arbor City |
| Manistee Group LLC | 6.5 | Ann Arbor City |
| Martinrea Bishop Circle Assembly | 520 | Manchester Village |
| Masco Cabinetry | 200 | Ann Arbor Township |
| McNaughton & Gunn, Inc. | 155 | Saline City |
| MDA Information Systems LLC - Ypsilanti | 160 | Ypsilanti Township |
| Menawat & Co. | 2 | Saline City |
| Menlo Innovations LLC | 13 | Ann Arbor City |
| Merit Networks | 100 | Ann Arbor City |
| Methods Consultants of Ann Arbor, LLC | 2 | Ypsilanti Township |
| Mi Bioresearch | 43 | Pittsfield Township |
| Michigan Critical Care Consultants, Inc. | 50 | Dexter City |
| Michigan Innovation Headquarters | 1 | Scio Township |
| MMI Engineered Solutions, Inc | 88 | Saline City |
| MSC | 40 | Ann Arbor City |
| NetWorks Group | 22 | Ann Arbor City |
| New Eagle, LLC | 25 | Scio Township |
| NewFoundry | 17 | Ann Arbor City |
| NoIR LaserShields | - | Salem Township |
| Northern United Brewing Company | 50 | Dexter City |
| Oberon Technologies | 20 | Ypsilanti City |
| Online Tech Corp. | 62 | Ann Arbor City |
| Orchid MacDee, Inc | 165 | Lima Township |
| Pinkerton | 30 | Ann Arbor City |
| Pixel Velocity, Inc. | 16 | Ann Arbor City |
| Quack Media | 8 | Ann Arbor City |
| Quantum Signal LLC | 35 | Saline City |
| Reconsider Michigan LLC | 2 | Ypsilanti City |

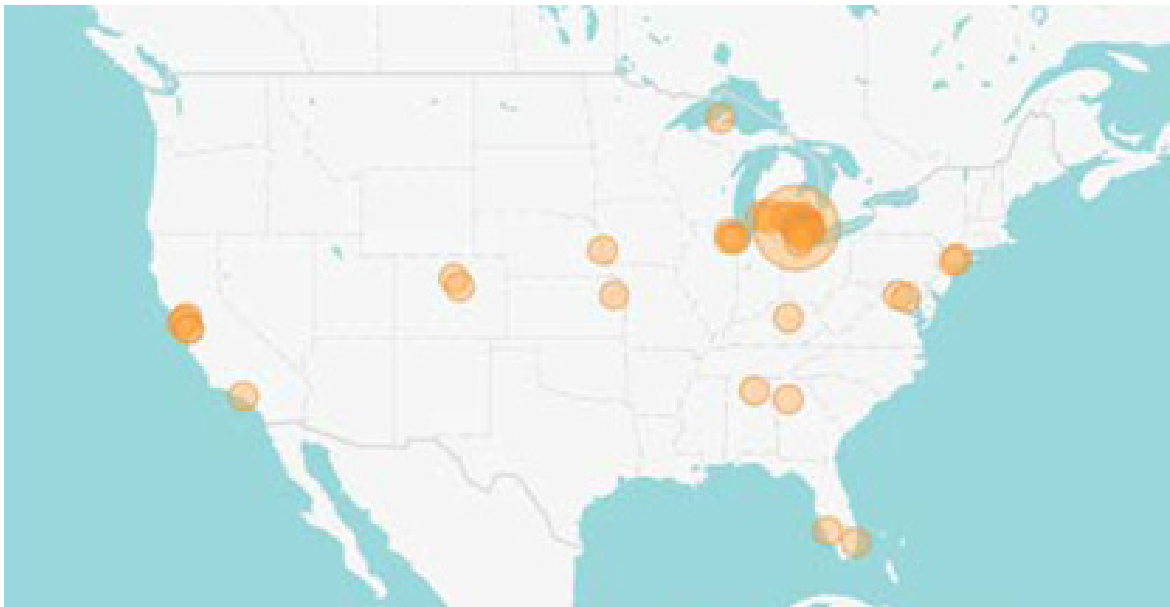
Companies visited Jan 1 - Dec 31, 2016

| Company Name | Current FTE (as of growth visit) | Taxing Municipality |
|--|--|---------------------|
| Rhe Tech, Inc. | 100 | Northfield Township |
| RightBrain Networks, LLC | 29 | Ann Arbor City |
| Robin Hills Farm | 8 | Sylvan Township |
| SBD North America | 8 | Ann Arbor City |
| Sensitile Systems | 25 | Ypsilanti Township |
| Sheridan Books- Chelsea | 239 | Chelsea City |
| SimuQuest, Inc. | 7 | Ann Arbor City |
| SkySpecs, Inc. | 12 | Ann Arbor City |
| SRI Technology Group | 35 | Ann Arbor City |
| Stirling Power | 15 | Scio Township |
| Subaru Research and Development, Inc. | 33 | Ann Arbor City |
| TD Ameritrade | 51 | Ann Arbor City |
| The Whole Brain Group, LLC | 12 | Ann Arbor City |
| Thetford Corporation | 150 | Scio Township |
| Thomson Reuters | 1200 | Pittsfield Township |
| Thomson-Shore, Inc. | 162 | Webster Township |
| Titania Software | 2 | Ypsilanti City |
| Torrent Consulting, LLC | 12 | Ann Arbor City |
| UBE Machinery, Inc. | 57 | Pittsfield Township |
| Unity Vibration Living Kombucha Tea LLC | 5 | Ypsilanti Township |
| Utilities Instrumentation Services, Inc | 52 | Dexter City |
| Vayu, Inc. | 8 | Ypsilanti Township |
| Voyomotive | 9 | Ypsilanti Township |
| WACKER - Silicones R&D Center | 8 | Scio Township |
| White Pine Software Technologies, LLC | 5 | Ypsilanti City |
| Windsor Mold Group-Saline | 52 | Saline City |
| Workforce Software - Ann Arbor | 17 | Ann Arbor City |
| XanEdu Publishing Inc. | 44 | Pittsfield Township |
| Zero Hour Parts | 43 | Scio Township |
| Zingerman's Family of Businesses | 700 | Ann Arbor City |
| Zomedica Pharmaceuticals Inc. | 8 | Ann Arbor City |
| Total # of companies visited: 129 | Total # of FTE at all visited companies: 10,162.5 | |

Facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns

- Ann Arbor SPARK leads the Greater Ann Arbor Region initiative, a six county economic development effort that is focused on regional opportunities and leveraging our region's combined assets to pitch opportunities for national and international projects. These efforts include specific marketing materials and social media channels. Our efforts have resulted in the region's ability to respond to new project opportunities.
- Business Summits: Ann Arbor SPARK worked with local partners in the City of Dexter and the City of Saline to host business summits to connect business leaders with local resources at the local and state level and connect local leaders with business leaders.
- Pure Michigan Business Connect: Ann Arbor SPARK partnered with the Michigan Economic Development Corporation (MEDC) and Pure Michigan Business Connect (PMBC) as well as our economic development partners in the greater six-county Ann Arbor region, to host a "match making summit" to connect suppliers from across the State of Michigan (with a focus on the Greater Ann Arbor Region) to our leading companies in the Greater Ann Arbor Region. In total, over 50 companies participated in the event and were connected to University of Michigan, Eastern Michigan University, Zingerman's, and Washtenaw Community College. The initiative is designed to connect Ann Arbor companies with opportunities to help them grow and expand. <http://annarborusa.org/PMBC>
- Tech Trek 2016: an annual community event where downtown tech companies opened their doors to the public to share their workplace, creations, opportunities, and culture in a family-friendly manner. Building on the success of Tech Trek 2015, the scope of Tech Trek has grown significantly. Many companies and community organizations approached us to become involved in a variety of ways. The number of participating companies ballooned from 25 to 66 (many of whom sought out SPARK for inclusion). 1,800 people registered for Tech Trek 2016, with 1,300 ultimately attending. With the increased size and complexity of the event, new measures were taken to maintain and improve the experience of the trekkers, such as the development Tech Trek app, which was developed in collaboration with Ann Arbor software firm Arbormoon.
- Ann Arbor SPARK held its Annual Meeting at the Marriott Eagle Crest on May 16, 2016. UM President Mark Schlissel was the keynote speaker, and the focus was on the synergy between the university, and the business community, between start-ups and existing businesses, and the talent connected to this region.
- Local Company Talent events such as the Thomson Reuters Talent Event held Feb, 2016. The Tax & Accounting business of Thomson Reuters has approximately 1,200 employees in the Ann Arbor area and is growing. Ann Arbor SPARK has assisted Thomson Reuters by hosting job fairs and promoting open positions which have resulted in a number of hires.

- The first annual Youth Career Expo took place in April of 2016, and was a wonderful success. The event included a mock career fair and a professional skills workshop for eighth grade students attending Ypsilanti Community Schools. Fourteen local companies participated in the mock job fair event, and over 100 students participated in the day. The success of the event was a testament to the partnership between the Washtenaw Intermediate School District, Washtenaw Community College, Ypsilanti Community Schools, Michigan Works, and Ann Arbor SPARK. We are looking forward to another excellent event in 2017.
- Ann Arbor SPARK organized a legislative outreach to our local legislators in order to emphasize the importance of economic development, and of committing resources to support economic development in this region. This meeting was held at SPARK Central in the first quarter of 2016.
- SPARK Job Portal: In 2016, the SPARK Job portal had over 1200 jobs posted, over 106K views and nearly 1000 resumes submitted. Employers can view resumes submitted by becoming a “job manager” here: <http://annarborusa.org/find-talent>
- Detroit Regional Chamber trip: Ann Arbor SPARK partnered with the Detroit Regional Chamber to showcase the City of Ann Arbor and the Ann Arbor region to over 7 different site selectors during a trip to Cleveland. Mcity, the expansion of technologies companies in Downtown Ann Arbor and the American Center for Mobility were highlighted during the trip.
- Tech Homecoming: In November, Ann Arbor SPARK sponsored Tech Homecoming, a showcase of Ann Arbor’s tech community to people that come “back home” the night before Thanksgiving – traditionally one of the busiest bar nights of the year. Tech Homecoming offered an opportunity for out-of-towners to learn about our technology companies and see if there are chances to find new careers in Ann Arbor. We had nearly 20 companies participate in the event at Babo, over 250 registrants from 17 different states, and developed a resume portfolio of over 150 people looking to work in Ann Arbor. We’ll look to build on this success in new ways in 2017. Registrations reached the following states:



Connections beyond our region

The Ann Arbor Area is an internationally recognized area; the following activities undertaken by SPARK increase its visibility and presence worldwide.

- Ann Arbor SPARK represented the Ann Arbor Region at a variety of site selection events. In the second quarter of 2016, SPARK attended Consultant Connect in Chicago and heard from site selectors on national and regional trends. The Ann Arbor region is viewed favorably for the most part, though the site selectors noted a general “gun-shy” attitude toward building new product in southeast Michigan. The event allowed SPARK to position Ann Arbor as an innovation hub with access to talent from the entire region; an important message that often gets lost in raw unemployment data. Ann Arbor SPARK also represented the region in other events in New York, Atlanta, and Cleveland.
- Fam Tour: The Greater Ann Arbor Region hosted a Familiarization Tour (Fam Tour) for site selectors in Michigan’s Prosperity Region 9 September 15-17, 2016. Site selectors are professionals that work with businesses on new location decisions. They produce roughly 30% of the leads for companies that are interested in relocating to or expanding in our region. The 3 day event was like a series of conference events, stakeholder meetings and community tours wrapped into one big event. Site Selectors came from Dallas, Texas; Atlanta, GA; Greenville, South Carolina; Cleveland, Ohio and Metropolitan Detroit. Over 60 different organizations representing the Greater Ann Arbor Region participated in the event. Partnering organizations included area universities, utility companies, business leaders, Michigan Economic Development Corporation, Ann Arbor Area Convention and Visitors Bureau (CVB), as well as the 6 economic development organizations representing the 6 county Greater Ann Arbor Region. Highlights of the event included a tour of Google AdWords headquarters in Ann Arbor as well as a lively discussion on the future of autonomous and connected vehicles as part of a tour of Mcity and overview of the American Center for Mobility. Site selectors connected with business leaders to share best practices and challenges regarding locating a business in Michigan. The success of the event will be measured by increased interaction between site selectors and economic development partners and the number of new projects that site selectors bring to the Greater Ann Arbor region in the form of jobs and investment.
- Silicon Valley outreach for Ann Arbor was conducted by SPARK at ITS America in June 2016. The event allowed SPARK to connect with Silicon Valley companies working with connected vehicles and mobility technology who are considering Ann Arbor as a relocation or expansion opportunity.
- In May 2016, SPARK hosted the Mayor of Tübingen, Germany (a sister city to Ann Arbor), hosting a luncheon at SPARK Central open to the public and showcasing 50 years of friendship between the two cities.
- Ann Arbor SPARK hosted international delegations from France, Pakistan, and Belarus at SPARK Central in the second quarter of 2016. The delegation from France was made up of French companies in the connected car and mobility industries, and the Belarusian and Pakistani delegations primarily consisted of young entrepreneurs. Each group received a tailored presentation on “Why Ann Arbor?” advocating the advantages of the region for international business expansion. As a result of their visit to Washtenaw County, Navya (a French mobility company) decided to test their autonomous bus at Mcity, and may consider business expansion into Michigan.
- Ann Arbor SPARK is a full member of the International Association of Science Parks and Areas of Innovation and made a presentation about the Ann Arbor region at IASPs world conference in Moscow in 2016. CEO Paul Krutko was elected vice-chari of IASP at the Moscow Meeting.
- SPARK receives 10 international business leads monthly through OCO Global, a foreign direct investment research organization, and conducts outreach accordingly.

Press releases - 2016

Duo Security, Inc. expanding in Ann Arbor, adding jobs: Duo Security, with locations in Michigan, California, London, and Austin, plans to expand its existing operations in Ann Arbor, growing its team of sales, engineering, security and product development professionals. Duo Security established its Ann Arbor technology facility in 2009. Citing the flourishing technology environment, attractive business climate, and highly qualified talent pool, the company chose to invest in its Ann Arbor headquarter operations over competing sites in technology heavy-hitters like Silicon Valley. The project is expected to generate nearly \$2.5 million in total investment and support the creation of up to 300 direct Michigan jobs over the next three years. Michigan Strategic Fund approved a \$2.5 million Michigan Business Development Program performance-based grant. Ann Arbor SPARK provided direct support to Duo in working with the state on its application for incentives. Going forward, SPARK will assist with talent recruitment and attraction.

TD Ameritrade to invest \$5.75 million, create 75 jobs in Ann Arbor: ThinkTech, Inc., a technology subsidiary of TD Ameritrade Holding Corporation (NASDAQ: AMTD), is expanding in Ann Arbor with support from the Michigan Strategic Fund and Ann Arbor SPARK, the Michigan Economic Development Corporation announced today. The project will generate a total capital investment of \$5.75 million and create 75 new jobs. "TD Ameritrade's investment means Michigan residents will find good job opportunities that could well have gone to other states," said MEDC Chief Executive Officer Steve Arwood. The company's decision to expand here demonstrates that our business climate and our state's world-class talent make Michigan a top destination for tech companies to locate, expand and grow new jobs."

LawnGuru Closes \$1 Million Seed Round, Moves to Ann Arbor: LawnGuru, the on-demand marketplace for lawn mowing and snow removal services, today announced that it closed a \$1 million seed funding round, led by Sierra Wasatch Capital. Other participants included Canyon Creek Capital, Briggs and Stratton and Sequoia Capital's scout program. LawnGuru will use the investment to support its national growth and expansion while continuing the research and development of the company's technology. "Ann Arbor SPARK has been a tremendous resource to LawnGuru, connecting the company with local talent, internship opportunities, and helping to build its presence in the Ann Arbor and Detroit tech community," explained Bill Mayer, Ann Arbor SPARK vice president, entrepreneurial services. "Going forward, we'll continue to provide support for LawnGuru's talent and business development needs. It's exciting to have this fast-growth company growing and attracting capital to the Ann Arbor region." In addition to closing its seed round, LawnGuru has recently achieved a series of exciting milestones. The company has grown its revenue by over 1100 percent since 2015. In April it moved headquarters to a new office in downtown Ann Arbor and this summer LawnGuru will be releasing an all-new Android version of its app.

Disher receives MEDC grant to support talent expansion in Michigan: Disher Corp., the nationally recognized product development and business consulting firm, is continuing to expand in Michigan, ahead of potential locations in other states. The company plans to invest more than \$1.4 million and create at least 42 jobs through its Ann Arbor and Zeeland offices. As a result, the project has been awarded a \$200,000 Michigan Business Development Program performance-based grant for hiring, space and training. Ann Arbor SPARK has also offered support to the project in the form of staff time, resources and connections.

Ann Arbor SPARK Supports Landline Creative Labs' Development of Historic Ypsi Site: With support from the Innovate Ypsi program from Ann Arbor SPARK, funded by Washtenaw County, Landline Creative Labs is redeveloping the former Michigan Bell Telephone building in downtown Ypsilanti. The space will become a mixed-use development, featuring high-quality office space for creative professionals as well as a restaurant. Landline Creative Labs, co-founded by Mark Maynard and Jesse Kranyak, will invest more than \$650,000 in the development of the space. Ann Arbor SPARK is providing support to the project with a \$56,000 Innovate Ypsi performance-based grant, and helped the company secure a tax incentive from the City of Ypsilanti.

Press releases - 2016 - continued

Australia-based Curo Technologies Launches U.S. Operations from Ann Arbor SPARK Central Innovation Center:

Curo Technologies, a health tech startup company, recently opened its first operations outside of Australia at the SPARK Central Innovation Center. Located on the business accelerator's fourth floor, Curo made the strategic decision to build its U.S. team from Ann Arbor, where it will hire software developers as well as a business development support team. Curo is the second international company to use the SPARK Central Innovation Center as a location for a 'soft landing' in the U.S. Curo plans to add six to eight to its team in Ann Arbor. The company will also begin aggressive sales activities to health care providers throughout the U.S.

Gestamp Chooses Ann Arbor Region for New Chassis, Paint, and Laser Welding Lines: Madrid, Spain-based Corporación Gestamp, an international supplier of metal parts and assemblies for auto manufacturers, recently chose to locate its new manufacturing facility in Chelsea, Mich. Gestamp Washtenaw, LLC, a new subsidiary of Gestamp, will invest \$68 million and create 195 new jobs over the next four years. Ann Arbor SPARK provided site selection assistance to Gestamp as it looked for a facility in this region. In addition, Ann Arbor SPARK connected the company to resources at Michigan Works that will help Gestamp find skilled labor. In addition to a Michigan Business Development Program performance-based grant awarded by MEDC, the City of Chelsea offered support to the project in the form of property tax abatements. Ann Arbor SPARK worked with the company to secure these incentives that resulted in Gestamp choosing Chelsea over competing locations outside of Michigan.

SF Motors to Invest \$10.7 Million, Create 150 Jobs in US R&D in Ann Arbor Region: SF Motors, with support from Ann Arbor SPARK, the Michigan Economic Development Corp. (MEDC), and Pittsfield Township, recently chose the Ann Arbor region for its U.S. research and development operations. The company will invest more than \$10.7 million in the project, which will create 150 new jobs. SF Motors is a subsidiary of auto manufacturer and supplier Sokon Industry Group, one of the top 500 private companies in China. The Ann Arbor region was chosen over a few competing sites outside of Michigan. SF Motor's expansion to the Ann Arbor region was awarded a \$1 million Michigan Business Development Program performance-based grant by the MEDC.

Willow Run Startup Vayu Secures Innovate Ypsi Funding to Attract Talent, Capital: With support from the Innovate Ypsi grant from Ann Arbor SPARK, Unmanned Aerial Vehicle (UAV) company Vayu was able to produce a promotional video to attract and recruit key talent as well as additional outside funding. The \$10,000 Innovate Ypsi performance-based grant will help the company achieve its hiring and manufacturing goals. With the Innovate Ypsi grant funding, SPARK's partners at Washtenaw County have shown a commitment to helping grow the region's businesses, and our economy. Vayu, which is based at Willow Run Airport, is a two-year old startup. Vayu currently has 12 employees and expects to add an additional four employees in the coming year. Vayu is the first startup company to secure Innovate Ypsi funding. The Innovate Ypsi incentive program is designed to provide grants, loans, and other economic assistance to businesses that create jobs and investment in Ypsilanti. The performance-based grants are available to qualified businesses that create qualified jobs and make new investment in Eastern Washtenaw County. The funds can be used for a variety of expenses, including marketing and business development, product development, and talent relocation and recruitment.

Eastern Washtenaw County Update

Toolbox for Eastern Washtenaw County - 48197/48198

Working together, Ann Arbor SPARK and Washtenaw County have created robust incentive options for businesses in Eastern Washtenaw County (48197 & 48198 zip codes) called Innovate Ypsi. Working directly with companies, Ann Arbor SPARK can help businesses identify the loans, grants, and incentives that fuel continued business growth. These outstanding incentives make the Ypsilanti area a destination where businesses can attract investment, create jobs, and achieve success. Projects are reviewed on a case-by-case basis by a review committee, with consideration given to the type of project, number of new employees, capital investment, financial support and impact on the community. Options are available for all types of companies, but some incentives are only available to certain industries.

2016 Innovate Ypsi Successes

In 2016, the Innovate Ypsi incentive program granted 4 awards totaling \$131,000 in incentives to four companies in Eastern Washtenaw County. The investment based Innovate Ypsi incentives are projected to create more than 50 new jobs and \$3.3 million in investment. Below are companies that received funding from the Innovate Ypsi program.

- **\$55,000 grant to VMAX (4/1/16):** VMAX, which specializes in manufacturing high performance batteries is building a new 28,000 square foot building in Ypsilanti Township to focus on designing and packaging solar panels. It is making a \$2.5 million investment and will add up to 15 new jobs. SPARK worked with the company to help them create an industrial development district and utilize the industrial development facilities tax abatement. The company received \$55,000 Innovate Ypsi Grant from SPARK.
- **\$55,000 Grant to Landline Creative (5/17/16):** Landline Creative Labs is redeveloping the former Michigan Bell Telephone building, which has been largely vacant since a fire in 2014, into a high-quality office space for Ypsilanti's growing community of creative professionals. The project totals over \$760,000 in investment and will provide office space for 20 creative employees. SPARK met with the Bank of Ann Arbor and wrote a support letter for bank financing, met with the City of Ypsilanti to support tax abatement and helped the project connect with the Michigan Economic Development Corporation for other funding sources. The project was issued a \$56,000 Innovate Ypsi performance based grant from SPARK on 5/17/16.
- **\$10,000 Grant to Vayu, Inc (7/26/16):** Vayu, Inc, an Ypsilanti based technology company, develops fully autonomous, long-range unmanned aerial vehicles (UAVs). Vayu's UAVs are designed specifically around last-mile delivery of critical healthcare supplies in developing countries, where aid is often impeded by poor infrastructure. SPARK provided an Innovate Ypsi grant of \$10,000 to Vayu to develop a video to help the company recruit talent and gain additional funding from investors. Company grew from 5 to 12 employees in the last year and is looking to add 5 employees at their Willow Run location. Vayu is a start-up in the Unmanned Aerial Vehicle (UAV) space and is headquartered in Ypsilanti at Willow Run Airport. They chose the Willow Run location as they needed high ceilings for testing. Vayu has raised \$1.6 million from Angel investors and Drone VC. Vayu worked with Ypsilanti based video company Little Hill to develop the video (at www.vayu.us)

Eastern Washtenaw County Update - continued

- **\$10,000 Grant to White Pine Software Technologies (10/10/16):** White Pines Software Technologies was formed in November 2014 and was a tenant of SPARK East. The company is graduating from the SPARK East incubator and expanding into new space in Downtown Ypsilanti at 300 N Huron. In the past year, the company has grown from 1 full time employee to 5 full-time employees and 2 part-time employees. Company plans to add 2 full-time people in the next year. The grant will be used to install new networking wiring and infrastructure to new space. Company is upgrading an historic Ypsilanti landmark which will also benefit other tenants in the building and provide more quality office space in Downtown Ypsilanti.

Other Ypsi Successes

- **Sensitile Systems (Ypsilanti Township):** Sensitile is an Ypsilanti Township based company located at 1735 Holmes Road. The company has experienced steady growth every year since it relocated its company from Detroit to Ypsilanti township in 2008. SPARK worked closely with the company to find its current home in Ypsilanti Township and has worked with the company over the years on issues related to finding talent as well as expanding its footprint. In 2016, the company applied for an Industrial Facilities Tax abatement (IFT) for its \$2.6 million expansion which will result in the creation of 4 new jobs.
- **306 W. Cross Street, Ypsilanti, Michigan:** Maggie's Organics is a wholesale provider of organics socks and clothing. It has been in business for over 22 years and all of its socks and 65% of products are made at family mills and co-ops in the USA. In 2016, the company was looking to expand and move from its location on 306 W. Cross Street. SPARK worked with the company to identify sites in Ypsilanti. Ultimately the company decided to sell its building in Ypsilanti and move to a new location in Dexter, closer to where the CEO lives. SPARK worked with Maggie's Organics and local brokers to help company find new buyers for their buildings. Ultimately, the company sold the building to an Ann Arbor based Entrepreneur who is opening up an Art and Antique gallery and restoration studio as well as space for entrepreneurs.

Marketing Efforts for Eastern Washtenaw County

Ann Arbor SPARK's marketing strategy uses an integrated approach that is turn-key so the team can deliver the same message across a broad range of channels and reach an extensive audience. The SPARK team has reached an audience that is becoming more and more engaged with social media, youtube videos, website content, and stories published in the media. This includes business successes, investment and opportunities that come with the American Center Mobility and more. For Innovate Ypsi and Eastern Washtenaw County, the marketing efforts have been focused on:

- A robust online presence, including a website with 40,000 visitors each month and is comprised of regional data for site selectors doing research, success stories so potential businesses investors can understand the potential, opportunities within automotive, mobility, technology, manufacturing and other industries in the, and available real estate. (Website page for Innovate Ypsi is: <http://annarborusa.org/Ypsilanti>)
- Social Media including LinkedIn, Twitter, Facebook, an active YouTube channel and 24 podcasts per year that feature community and business leaders; and regular newsletters on events, jobs, and business opportunities.
- Podcasts with a focus on Eastern Washtenaw County include: Landline Creative Labs, White Pine Software Technologies, Inc., Girls Develop It, EMU, WCC, American Broach, Reconsider, Washtenaw County, Visual Compass.
- Social media in 2017 has included 450+ posts, which equates to 7,875,000 potential impressions (eye-balls seeing the posts). (17,500 followers on Social Media channels).
- Public relations strategy to promote Eastern Washtenaw County, including press releases on successes:
 - Landline Creative Labs: The next step in Ypsi's renaissance? (Concentrate, March 16, 2016)
 - Willow Run Startup Vayu Secures Innovate Ypsi Funding to Attract Talent, Capital (Business Wire August 29, 2016, Yahoo Finance)
 - Multiple (too many to list) articles on American Center for Mobility

The American Center for Mobility

Willow Run's Connected and Automated Vehicle Center Overview

In January 2016, Governor Snyder announced the State of Michigan's intention to assist in the development of the former General Motors facility at Willow Run into the nation's connected and automated vehicle center. The Governor's announcement builds on years of involvement by Ann Arbor SPARK, Ypsilanti Township, elected officials, the University of Michigan, and numerous other partners to bring this project to the site.

Below are some of the activities and efforts related to this project, beginning in 2013. Note that this project is a key strategic project for the organization and this list cannot capture all of the activity and work that has been conducted over the past several months.

Key Timeline Activities:

- In 2013, Ann Arbor SPARK released "Ahead by a Century: The Future of Automotive Technology" outlining how the Willow Run site could be utilized as a connected and automated vehicle testing center.
- In February 2015, TASS International completed "The Willow-Run Automated and Connected Car Test Site: A Technical and Business Assessment," which outlined the site plan and key elements of Willow Run as a test center.
- In March 2015, SPARK staff began a series of meetings with key officials at the federal and legislative levels, briefing them on the importance of the project to the region, and to the state. Meetings included: Regular calls and meetings with the Michigan Congressional Delegation, including Representative Dingell, Senator Peters, and Senator Stabenow, as well as other members of the Michigan delegation. Briefings in Washington, DC with officials from the Department of Energy, Department of Transportation, Department of Commerce and the White House. Briefings with the Michigan Economic Development Corporation, Michigan Department of Transportation, University of Michigan, Ypsilanti Township and other community partners.
- In the spring of 2015, Ann Arbor SPARK, TASS International and Walbridge conducted a focus group to refine industry preferences for the site, and further refine industry's interest in the site. In addition, direct outreach to industry partners and groups was ongoing to discern the level of interest in the site.
- In May 2015, Ann Arbor SPARK and Walbridge were awarded a grant from the U.S. Economic Development Administration to conduct a feasibility study for the former manufacturing site to serve as a national center for connected and automated vehicle (CAV) research, testing, product development, validation and certification facility.
- In June 2015, a working group was designated to continue work on the study, including the Center for Automotive Research, the Detroit Regional Chamber, Business Leaders for Michigan, MEDC, MDOT, Walbridge, the University of Michigan. The working group met several times over the course of 2015 to provide direction, develop materials and work on next steps for the site.

- In the fall of 2015, continued outreach to stakeholders in Washington, DC and at the state level continued, as well as further development of the site plan and operating model.
- In the winter of 2015, work began to organize a non-profit entity that would operate the American Center for Mobility, as well as begin the due diligence process for development of the site, which is currently owned by RACER Trust. In addition, outreach to industry partners continued.
- In January 2016, Governor Snyder announced the State's intention to develop the site in his State of the State address. The American Center for Mobility was officially launched in January of 2016, ACM is a joint initiative among the State of Michigan – including the Michigan Department of Transportation and MEDC, the University of Michigan, Business Leaders for Michigan and Ann Arbor SPARK. The board of directors includes representatives from the university, BLM, SPARK, which initiated the project and will play a key role in economic development tied to the center. Automotive industry and community advisory boards will also be established. CEO Paul Krutko serves as Treasurer of ACM and Ann ARBOR SPARK provides back of the house administrative and managerial support to ACM.
- On July 26, 2016 the Michigan Strategic Fund approved a \$17 million investment for the finalization of the acquisition of land at Willow Run, operations, and to facilitate the design and construction of phase one of a state-of-the-art global center for research, development and testing for automated vehicles.
- On November 21, 2016 Gov. Rick Snyder joined state officials and automotive technology leaders to celebrate the official groundbreaking of the American Center for Mobility at Willow Run in Ypsilanti Township. Earlier in November, Willow Run Arsenal of Democracy (WRAD) Landholdings Limited Partnership completed the purchase of the property from RACER Properties LLC, which paved the way for construction of the new facility. The property at Willow Run was acquired from Revitalizing Auto Communities Environmental Response (RACER) Trust following a \$1.2 million purchase agreement that was reached in July with WRAD, which will then lease the property to the American Center for Mobility.
- In the winter of 2016, the American Center for Mobility reached an agreement with AT&T as an exclusive cellular network provider until 2020 - teaming up with the Center, car companies and tech start-ups to test automated and connected vehicles. AT&T will also provide network service to allow the cars to talk to infrastructure, pedestrians and also to another car. The current partnership will now essentially provide the center with a lot more data.
- Also in the winter of 2016, ACM competed with dozens of sites around the U.S. to receive federal designation, announced in January of 2017: **"American Center for Mobility designated by US Department of Transportation as national automated vehicle proving ground"**. The solicitation of proposals for the designation of the Automated Vehicle Proving Grounds Pilot program was announced in late November by the USDOT and 10 facilities were selected. More than 60 organizations applied to receive the designation.



<http://www.acmwillowrun.org/>

Work continues on the project, which involves continued engagement with numerous stakeholders, including the federal government, industry and other partners.



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Ann Arbor SPARK will advance the economy of the Ann Arbor region by establishing the area as a desired place for business expansion and location... by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations.