



forward together

PARTNERSHIP AND COLLABORATION

ANN ARBOR SPARK 2020 ANNUAL REPORT





from the chair

The work of economic development is not inherently exciting. The process of taking a concept from idea to market, expanding a business from 30 to 100 employees, or bringing a game-changing business to our region is often slow and imperceptible. It requires connecting all

the dots, engaging everyone who can help, and never missing a detail. As a public-private-academic partnership, Ann Arbor SPARK has always fostered the collaborative and innovative culture necessary to this process. But never has that culture been more important to our region than during this past year.

COVID forced us all to adapt to unprecedented realities. We learned how to work and learn remotely, to use new tools, and to find new ways to connect with and support each other and those we serve. SPARK was no different. In collaboration with both long-standing and new partners, Ann Arbor SPARK nimbly adapted to help the small businesses hit so hard by the pandemic.

SPARK quickly expanded its traditional focus of helping build new business and serving established ones to also become the hub for multiple resources that kept every element of our local economy moving forward. Those resources included public funding that SPARK worked to secure for our region, as well as private funding sources that looked to SPARK to ensure it was thoughtfully distributed to do the most good. SPARK created the processes and marshalled the knowledge needed to provide critically needed funding to the restaurants, childcare providers, retailers and so many others critical to the fabric of our community. But SPARK also continued to do the work it's always done to be sure that when COVID is finally behind us, no momentum has been lost.

Since its inception, part of SPARK's mission has been to ensure the Ann Arbor region is "recognized for our academic, business, and community resources, and our collaborative culture." I am proud of the leadership and staff at SPARK who proved this past year how important that culture is to the health of our local economy and how it positively impacts the people who make our community so special.

Sincerely,

David N. Parsigian

CHAIR OF THE BOARD, ANN ARBOR SPARK

from the president and CEO

This past year presented the world with unprecedented challenges. It also provided opportunities to extend our reach to help wherever we could. For the team at SPARK, it meant doing what we always do — thinking entrepreneurially to fill gaps in our regional economic ecosystem and saying, "Yes we can," when asked to help. This year, this meant expanding our mission to help small local businesses most impacted by the effects of COVID-induced closures.

In 2020, SPARK re-doubled efforts to assess our partners' needs and also identify those who could help. Two examples of this work immediately come to mind:

- Federal, state, and local dollars were made available through various grant opportunities, and SPARK developed new systems to rapidly disperse those funds.
- SPARK proactively engaged partners to address business owners' questions relative to navigating the challenges presented by COVID.

In this annual report, you will read the results of our efforts to support the region's economic vitality, including delivering an expanded a2Tech360 virtually with more partners and a growing national audience, and examples of new initiatives developed in direct response to the pandemic. You will also read how our mission-centric work continued and delivered — against the odds — economic benefit to our region:

- We supported 50 newly formed startups and provided direct support to an additional 267 existing early-stage companies.
- The Michigan Angel Fund invested \$7.2 million in startups, and its portfolio companies have attracted more than 44 times that amount in matching investment.
- Our business development team's efforts resulted in \$80.8 million in investment and 544 job commitments in our region.

While it may have been an unprecedented year, what resulted was unparalleled collaboration amongst business and community leaders. We experienced a powerful reminder of the impact we can have by coming together to help one another. These are the real successes that are the foundation for our future growth, and the entire team at Ann Arbor SPARK is proud to be part of that work.

Regards,

Paul Krutko

PRESIDENT AND CHIEF EXECUTIVE OFFICER, ANN ARBOR SPARK

ADMINISTERING FUNDS TO THE community

At the onset of COVID-19, Ann Arbor SPARK quickly mobilized and directly served businesses in Washtenaw and Livingston counties by working with partners to deploy critical funding.

WASHTENAW
SMALL BUSINESS
RELIEF FUND

\$1.48M

awarded to
529 companies

MICHIGAN
SMALL BUSINESS
RELIEF PROGRAM

\$900k

distributed to **199**
companies IN THE
GREATER ANN ARBOR REGION

MICHIGAN
SMALL BUSINESS
RESTART GRANTS

\$8.10M

awarded to **1,149**
companies IN THE
GREATER ANN ARBOR REGION

SUPPORTING ESSENTIAL WORKERS

\$900k

state loans

\$196k

a2Helps

\$ 23k

a2Neighbors

impact

2020 SUCCESSES

13 COMPANY GROWTH PROJECTS CREATING: **\$80.8M** in new investment commitments **544** announced jobs **150** retained jobs

267 STARTUPS ASSISTED **191** of those companies received intensive services and currently employ **658.5** FTE

96 INCUBATOR TENANTS NURTURED

23 BOOT CAMP TEAMS with **1** job created and currently employ **38.5** FTE

#1 Ann Arbor
BEST COLLEGE TOWNS & CITIES IN AMERICA, SMALL CITIES
WALLETHUB.COM 2021

#2 Ann Arbor
CITIES WITH THE BEST PUBLIC SCHOOLS IN AMERICA
NICHE.COM 2021

MICHIGAN ANGEL FUND

impact

Managed by Ann Arbor SPARK, MAF is the largest angel organization in Michigan. It invests in very early stage companies across the state that are not yet primed for venture and other sources of capital.

GENOMENON*

483 employed

SHOULDER INNOVATIONS

\$1.10M invested into **10** companies

\$11.3 MILLION INTO 32 COMPANIES SINCE 2012

ripple science

CIRCADIAN RISK

\$320M total funding attracted

Ocuphire PHARMA

AKADEM LIFE SCIENCES

ADAPTED

shoptelligence

2015–2020 RESULTS:

181 company growth projects creating:
\$768.9 million in new investment commitments
5,165 announced jobs
732 startups assisted, **526** received intensive services and have employed **2,636** FTE
9 pre-seed investments awarded to **8** companies (**\$199k**/company avg)
1,607 companies assisted with **6,266** job postings
220 incubator tenants nurtured and **153** incubator graduates
\$61.2 million community investments leveraged through federal and state grants, foundations, and other sources

LDFA ACCOMPLISHMENTS FY 2015–2020:

428 companies served
979 jobs created
137 incubator graduates
\$5.96 million in grants to startups
\$828.9 million private equity raised

Part of what makes our services possible is funding provided by **The Ann Arbor/Ypsilanti SmartZone LDFA**, which provides capital to commercialize technologies developed locally. LDFA grows these companies in Ann Arbor and Ypsilanti, funded by the State of Michigan.

community FABRIC

a2TECH360

TECH TREK, TECH TALK & OTHER EVENTS:

5,827	TOTAL VIRTUAL REGISTRATIONS
15	TOTAL EVENTS
9	SPARK-HOSTED EVENTS
5	PARTNER EVENTS
9	TECH TALK SPEAKERS
2	NEW TREKS — STUDENT & JOB SEEKER
77K	WEBSITE VISITS
3.2M+	SOCIAL MEDIA VIEWS
140K	CAMPAIGN EMAILS
250	STUDENT REGISTRANTS
200+	JOB SEEKER REGISTRANTS
5K+	MAP TOUR VIEWS
4.5K+	VIDEO TOUR VIEWS (to-date)
165+	HOURS WATCHED (to-date)
62	PARTICIPATING COMPANIES
19	FASTTRACK AWARD RECIPIENTS



PIVOTING TO SERVE

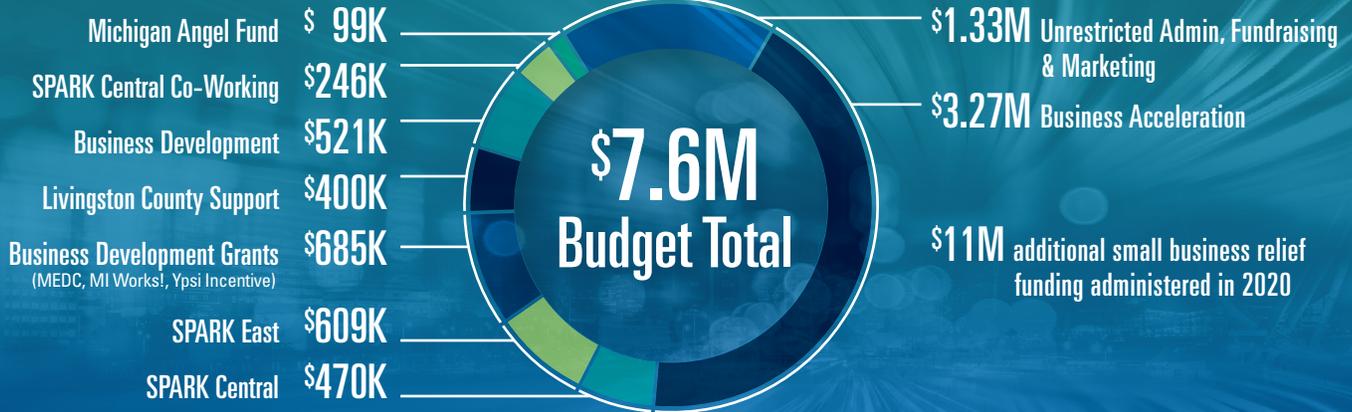
Our virtual a2TECH360 exceeded our expectations on every level. Delivering content online extended the reach of SPARK and our partners' programming outside of the Ann Arbor region, including attendees from **37 states** and **25 countries** — the most diverse attendance in the program's history. We were able to attract speakers from a broader geography and present their expertise to our audience. The SPARK team is looking forward to leveraging this experience for future a2TECH360 programs and continue to grow on this year's success.

300%↑
IN SOCIAL MEDIA VIEWS



While continuing to offer our key educational programs such as **Entrepreneur Boot Camp** and **SPARK.ed**, Ann Arbor SPARK worked with private sector partners to deliver specific, on-demand expertise to the business community. In response to COVID-19, we adapted our programming to include two new educational tracks: **SPARK.lead** and **SPARK.pivot**. These new learning opportunities were focused on topics such as diversity and inclusion, fundraising in a pandemic, and legal considerations in the face of volatile economic conditions.

2020 FINANCIAL HIGHLIGHTS



CURRENT FUNDERS as of December 2020

PRIVATE SECTOR – \$25,000+



PRIVATE SECTOR – under \$25,000

Ann Arbor Area Board of Realtors
 Arboretum Ventures
 Barracuda Networks, Inc.
 Bodman PLC
 Butzel Long Attorneys and Counselors
 Chelsea State Bank
 Citizens Bank
 Comerica Bank
 Consumer's Energy Foundation
 Domino's Farms Corporation
 Fifth Third Bank
 Ford Motor Company
 GDI Infotech, Inc.

Honigman LLP
 Huntington Technology Finance
 IBM Watson Health
 IMRA America, Inc.
 ITC Michigan
 Llamasoft
 Menlo Innovations LLC
 NSF International
 Old National Bank
 Oxford Companies
 Plante Moran, PLLC
 Ranger Power
 Rehmann
 Reinhart Realtors
 Rudolph Libbe Group
 SI Company

Thomson Reuters
 University of Michigan Credit Union

ACADEMIC PARTNERS
 Eastern Michigan University
 University of Michigan
 Washtenaw Community College

PUBLIC PARTNERS

Ann Arbor Charter Township
 Ann Arbor Downtown Development Authority
 Ann Arbor/Ypsilanti Local Development Finance Authority
 City of Ann Arbor
 City of Brighton

City of Chelsea
 City of Dexter
 City of Saline
 City of Ypsilanti
 EDC of Livingston County
 Michigan Economic Development Corporation
 Michigan SBDC
 Michigan Works! Southeast
 Pittsfield Township
 Scio Township
 Washtenaw County
 Ypsilanti Township

MICHIGAN ANGEL FUND
 SUPPORT GRANTS:
 Ralph C. Wilson, Jr. Foundation
 William Davidson Foundation

WASHTENAW COUNTY SMALL BUSINESS RELIEF FUND:
 Ann Arbor Area Community Foundation
 Jenkins Foundation
 New Economy Initiative
 Ralph C. Wilson, Jr. Foundation
 TCF Bank
 The Song Foundation
 DTE Energy Foundation
 Pittsfield Township Chemical Bank

LIVINGSTON COUNTY SMALL BUSINESS RELIEF:
 Livingston County Community Foundation
 Consumers Energy Foundation

partnership & collaboration

Ann Arbor SPARK collaborates with its public, private, and academic partners to achieve its mission to bring new companies, new projects, and new economic opportunity to our region.

“For multiple years, SPARK has helped us find and fund summer interns. These interns have been invaluable as they filled critical gaps that, as a lean startup, we couldn’t have filled otherwise. It’s been amazing to see how the program has helped interns get the work experience needed to bridge the gap between school and “the real world.”



MOLLY MCFARLAND
Co-founder, AdAdapted



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

WACKER



pocketnest

AMERICA'S
SBDC
MICHIGAN



EASTERN
MICHIGAN UNIVERSITY

City of
Brighton
MICHIGAN

ADAPTED

UNIVERSITY OF
MICHIGAN

WEAVE
WORKFORCE



Washtenaw
Community College

City of Brighton
Downtown Development Authority

academic

Last year, 48 interns were connected with 24 companies through SPARK’s internship program with **EASTERN MICHIGAN UNIVERSITY’S** Digital Summer Clinic. The interns accelerated the startups’ marketing efforts while gaining valuable work experience. Since 2016, 84 percent of the student interns who went through the program remained in Michigan post-graduation.

Five **UNIVERSITY OF MICHIGAN** students were matched with four companies in SPARK’s new internship program for alternative reality, virtual reality, and experiential reality companies. The students experienced the complex dynamics of startup life and were exposed to the growth of AR/VR/XR opportunities in our region.

WASHTENAW COMMUNITY COLLEGE worked closely with SPARK to connect soon-to-be graduates with growing companies. WCC recruited students to Tech Trek’s Student Trek as well as Tech Homecoming. Also, with SPARK’s support, WCC was awarded a \$10 million grant to create new robotics, automation, cybersecurity, and mobility programs.

private

Located on the third floor of SPARK Central, RXA — an advanced analytics and artificial intelligence company — established Weave Workforce LLC, its first studio company. RXA also expanded its team through the acquisition of Salt Lake City-based Yapa Group.

In 2020, SPARK Central graduate SkySpecs raised a \$17 million Series C and fellow graduate AdAdapted raised a \$2 million Series A round. Early-stage startup PocketNest, a current SPARK Central client, attracted \$750,000 in capital.

Expanding on the footprint it established in the region in 2017, Wacker Chemical broke ground on its new \$51 million research and product development center in Pittsfield Township. SPARK worked with the company, the Michigan Economic Development Corporation, and Pittsfield Township on the project.

#4 Ann Arbor
THE 10 BEST PLACES
TO LIVE IF YOU
WORK FROM HOME
MONEY.COM
2020

#6 Ann Arbor
BEST CITIES TO
LIVE IN AMERICA
NICHE.COM
2021

public

In partnership with the Michigan Small Business Development Center, Ann Arbor SPARK provided \$50,000 business accelerator grants to Bedestrian, Esperovax, and Orange Grove Bio to further development of innovative technologies in response to COVID.

Ann Arbor SPARK administered the Pittsfield Township Small Business Grant program, which awarded \$50,000 to 20 businesses experiencing COVID-related financial hardship. The funding provided \$2,500 grants to small businesses. SPARK convened a grant application review committee and managed the distribution of funding.

Ann Arbor SPARK, the City of Brighton, and the Brighton Downtown Development Authority teamed up to use a federal grant to create the Main Street Showcase, a new community mobile app that connects visitors and residents to the city's restaurants, retailers, and service establishments.

SPARK SERVICES AT-A-GLANCE

ENTREPRENEURIAL SERVICES

- Affordable office space for startups
- Entrepreneur Boot Camp
- Expert counsel to entrepreneurs
- Access to funding opportunities
- Educational & networking events

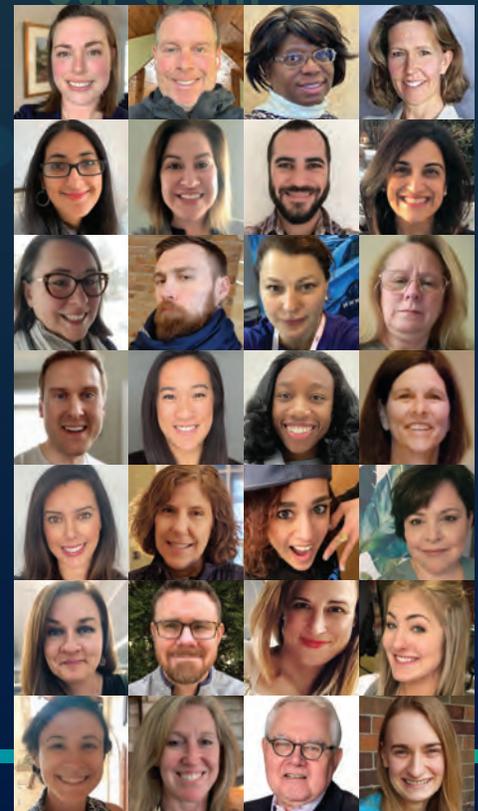
BUSINESS DEVELOPMENT

- Local business expansion
- Business attraction
- Business introductions & referrals
- Site search and selection
- Incentive support
- Talent services

MARKETING

- Promoting company successes
- Amplifying visibility of the best & brightest
- Supporting the needs of startups
- Publicizing the region to a global audience

our team



board of directors

David Parsigian (Chair)
Co-Managing Partner
Honigman LLP

David Ruud (Vice Chair)
Senior Vice President &
Chief Financial Officer
DTE Energy

David Snodgrass (Treasurer)
President & CEO
Lake Trust Credit Union

Dr. Rose Bellanca (Secretary)
President
Washtenaw Community College

Cynthia Wilbanks (Past Chair)
VP, Government Relations
University of Michigan

Mike Archinal
Township Manager
Genoa Township

Tom Crawford
City Administrator
Ann Arbor

Gregory Dill
County Administrator
Washtenaw County

Mara M. Farmer
Senior Vice President /
Regional Manager,
PNC-Certified Women's
Business Advocate
The PNC Financial Services
Group, Inc.

Tiffany Ford
President & CEO
University of Michigan
Credit Union

Leigh R. Greden
Attorney & Advisor to the
President
Eastern Michigan University

Mandy Grewal, Ph.D.
Supervisor
Pittsfield Charter Township

Jeff Hauptman
CEO
Oxford Companies

Brian Kelly
Entrepreneur-in-Residence

Paul Krutko
President & CEO
Ann Arbor SPARK

Mark LePage, MD, MBA
CEO
Integrated Health Associates
(IHA)

Lon Lowen
Associate Vice President,
Engineering
NETSCOUT

Timothy G. Marshall
President & CEO
Bank of Ann Arbor

John McLaughlin
Senior Director, Ann Arbor
Site Leader
KLA Corporation

Tim Petersen
Managing Partner
Arboretum Ventures

Venkat (DV) Rao
Senior VP, Strategy
Consumers Energy

Joanne Rau
President
Chelsea State Bank

Paul Roney
President
Domino's Farms

Kelly Sexton
Associate VP for Research
University of Michigan
Office of Tech Transfer

Sue Shink
Commissioner
Washtenaw County

Christine Sing
Principal
Rehmann

Brenda Stumbo
Supervisor
Ypsilanti Township

Mickey Swortzel
CFO/COO
New Eagle

Matthew VanBesien
President, University
Musical Society
University of Michigan

Christina York
CEO
SpellBound

Robert Young
Group VP, Purchasing,
Toyota Technical Center
Toyota Motor North America

SPARK will advance the economy of the Ann Arbor region as a desired place for innovation, business location and growth, and for talented people to live and work. The Ann Arbor region will be recognized for our academic, business and community resources, and our collaborative culture.



www.AnnArborUSA.org

