building a prosperous region for 10 YEARS
a letter from the president and CEO

To our colleagues, partners and community:

The strength of our region’s economy is completely unique. This is a community that is committed to collaboration. Collaborating with partners to create a prosperous region was the catalyst for Ann Arbor SPARK, and it’s as important to our team today as it was 10 years ago.

The ongoing growth and expansion of Toyota is a great example of how collaboration has a profound effect on our collective success. Working with the state and local partners, Ann Arbor SPARK was able to help Toyota consolidate its powertrain operations in this region, leading to an investment of $126 million and more than 250 jobs. In 2014, the region’s partners worked together to provide tours and information to workers relocating to Ann Arbor. This wealth of talent – an incredible asset to our economy – is choosing to call Ann Arbor home, and is becoming part of our neighborhoods, schools and the fabric of the community. This is the culmination of years of collaboration. Toyota has made investments in 2006, 2008, 2009, 2013 and now 2014.

The Toyota success story is just one example. Start-ups thrive here because they have access to a vast network of incubators and accelerators, working together to foster the growth of a strong entrepreneurial ecosystem. Our talent pool is stronger because existing businesses are influencing curriculum at our region’s universities, to ensure graduates have the skills and knowledge needed in the workforce. The examples of working together to achieve more are as numerous as they are impressive.

It’s this commitment to collaboration that motivates and inspires the Ann Arbor SPARK team to continue to pursue its mission of advancing the economy. We are proud to be part of a world-class community, and to work with others who share our vision of economic vitality and regional prosperity.

It’s exciting to think of what our community will look like 10 years from now, and to be part of that continued progress.

Regards,

Paul Krutko - PRESIDENT AND CHIEF EXECUTIVE OFFICER, ANN ARBOR SPARK

a letter from the chair

To our partners, funders and colleagues:

It’s incredible to look back 10 years, to when Ann Arbor SPARK was founded, and think of how far we’ve come. We’ve evolved from a region facing the loss of a leading employer, to a community that’s known as a destination for start-ups with big dreams and global powerhouses with big business needs.

It’s particularly remarkable to think back to being around the table with other community leaders from our businesses, our universities and our local government – before SPARK existed – and knowing that we had to do something. It was in that moment that SPARK was founded and our economy has been stronger ever since.

As a member of this community, I see the effect of this attention to advancing the economy, and benefit from it daily. I see houses for sale one day, marked “sold” the next day. I drive past award-winning schools on my way to the office. I notice the crowded coffee shops and restaurants filled with people who want to support local business. I see a vibrant region with undeniable energy, fueled by a growing economy and the state’s lowest unemployment rate.

Thanks to our region’s strong economy, unemployment is down, housing values are up and quality of life is a reality. SPARK’s partners, funders and supporters recognize that everyone benefits every time a business starts up or grows in the Ann Arbor region. As chair of SPARK’s board, I’m proud of the work that this organization does every day to make sure our economy continues to grow. As a citizen, I’m thankful for SPARK’s work and impact.

Looking forward, Ann Arbor SPARK’s deliberate, collaborative effort to cultivate a thriving area of innovation here in the Ann Arbor region will continue to make a difference in our community. The Ann Arbor SPARK Board of Directors, Executive Committee and staff are committed to this vision of our future, and grateful for the support in achieving this mission.

Sincerely,

Timothy G. Marshall - CHAIRMAN OF THE BOARD, ANN ARBOR SPARK
What is Economic Development?

It is the sustained, concerted actions that promote the standard of living and economic health of a community.

The Federal Economic Development Administration defines economic development as creating the conditions for improved quality of life by expanding the capacity of individuals, firms and communities to maximize the use of their talents and skills to support the innovation that drives economic growth.

THANK YOU to all of our academic, public, private and non-profit sector partners, who work tirelessly to cultivate economic prosperity throughout our region. Ann Arbor SPARK is proud to be part of a strong ecosystem supporting business growth in the region, and our work would not be possible without help from you. On behalf of the businesses and individuals who directly benefit from the culture of innovation in Ann Arbor, SPARK is grateful for your support of our mission.

“Cities are central to innovation and new technology. They act as GIANT petri dishes, where creative types and entrepreneurs rub up against each other, combining and recombining to SPARK new ideas, new inventions, new businesses and new industries.”

— RICHARD FLORIDA
The consistent, long-term growth of Toyota is proof positive that Ann Arbor has the talent, infrastructure and commitment to grow a global powerhouse. Since 2006, the company has invested more than $300 million and created 600 new jobs in the region. In 2014, Toyota announced several expansions here, including the consolidation of all of its powertrain operations to its Ann Arbor facility. Additionally, 250 procurement jobs are moving from Erlanger, Kentucky to Toyota’s York Township campus.
Atterocor is an Ann Arbor success story that shows just how powerful Ann Arbor SPARK’s support can be to a start-up business. The company received eight business accelerator grants in 2012, from financial modeling to recruiting employees and seed financing legal work. In early 2013, Atterocor received a Michigan Pre-Seed Capital Fund investment totaling $250,000, and went on to raise more than $15 million in venture capital funding that year – funding that helped launch clinical trials of its adrenal cancer drug. Today the company continues development of this potentially important new therapy and now has 10 employees in their downtown Ann Arbor office.
Entrepreneurial Ecosystem
Creating Companies and Growing Economic Prosperity in the Ann Arbor Economy

ABOUT SPARK & LDFA

ANN ARBOR COMMUNITY
Growing property values, award-winning schools, vibrant neighborhoods

DOWNTOWN ANN ARBOR
Companies create vibrant downtown increasing both tax base and building occupancy

START UP COMPANIES
8 out of 10 companies that SPARK served are still in business

TECH TRANSFER
Keeps university companies, research in Ann Arbor

MENLO INNOVATIONS
Grows from 2002 start-up to creation of incubator space for start-ups in 2014.
In 2014, 3,200 global visitors toured Menlo’s 17,000 sq ft Joy Inc. Factory.

WHAT WE DO
Entrepreneurial Services
Putting People to Work

From Boot Camp, the first program funded by the Ann Arbor/Ypsilanti Local Development Finance Authority (LDFA), to the expansion of the SPARK Central Business Incubator to accommodate second-stage companies, SPARK has a solid track record of helping businesses start up and grow in Ann Arbor.

Over 10 years, more Ann Arbor start-up companies are achieving success, faster than ever before. The Ann Arbor entrepreneurial ecosystem, anchored by SPARK, is the catalyst for companies bringing products to market, quicker and more efficiently.

Talent, capital, incubation and acceleration: Everything a business needs to start up and grow is available in Ann Arbor.

The University of Michigan and Ann Arbor SPARK have really helped us move our technology forward and in to the market. The University provides an enormous talent pool to draw from, whether we’re looking for a PhD in robotics or a first-year computer science intern. SPARK provided a business accelerator grant, assistance with our business plan and pitch through its Boot Camp program, and connections through its First Customer Program. The support available through our regional ecosystem was exactly what we needed to make things fly.

For Ann Arbor start-up SkySpecs, the sky’s the limit! Its WingMan platform uses artificial intelligence that allows an aerial drone to hover near an object without hitting it. Founder and COO Tom Brady explains:

The Ann Arbor/Ypsilanti SmartZone (LDFA) provides capital to commercialize products developed locally. LDFA funding grows these companies in Ann Arbor. The SmartZone is funded by the State of Michigan.
An exceptional workforce was a compelling reason behind Thomson Reuters’ consolidation in the Ann Arbor region, announced in 2014. The company committed to investing $19.9 million and adding at least 300 jobs, bringing its total number of employees in the region to more than 1,400. Thomson Reuters provides technology and information services to the financial, legal, tax and accounting, and intellectual property and science markets. It also includes the Reuters news organization.

Ann Arbor SPARK provided assistance to Thomson Reuters in securing critical incentives from MEDC and Pittsfield Charter Township. Ann Arbor SPARK continues to support the company’s talent and recruiting needs.
In the past 10 years, SPARK’s business development team has facilitated over 337 projects — growing and retaining businesses in the region as well as attracting global companies.

Hyundai America Technical Center invested $175M in a 2006 expansion of its Superior Township facility.

French automotive supplier Faurecia invested $45M in Saline in 2009 and an additional $85M in 2012.

In 2013, Lake Trust Credit Union announced it would build its new headquarters in Brighton, a $40M investment.

Dexter Fastener announced in 2013 that it would expand in Dexter Village, investing more than $33M.

Navitas announced in 2013 that it would expand in Pittsfield Township, a $9.3M capital investment.

Eberspächer North America, Inc. announced plans in 2014 to triple its plant in Brighton, where it will invest $122M.

**Ornicept**’s story of growing from start-up to small business highlights the need for seamless and easy-to-access entrepreneurial and business development support in Ann Arbor. Ornicept’s SPECTEO technology, developed at the SPARK Central incubator, is an all-in-one, high-tech solution for any kind of fieldwork data. It is now being used by Fortune 500 companies.

Throughout its early life, Ornicept benefited from key SPARK programs: Boot Camp, incubator space, business accelerator grants, Ann Arbor/Ypsilanti Local Development Finance Authority and state-funded microloans. When looking for a new office, Ornicept turned to the SPARK business development team, which helped it find a great space on North Main Street in Ann Arbor.

**MARKETING AT-A-GLANCE**
- Generate global awareness
- Promote the region’s unique assets
- Promote world-class talent and company success
- Multi-year Michigan Economic Developers Association Marketing Award Winner
- Awarded International Economic Development Council (IEDC) Excellence Award for New Media Marketing

**A2**
- 17,300 PR hits & views
- 7,700 social media impressions
- 13,700 YouTube plays
- 15,600 online impressions
- 439,000 website visits

**33% increase**
$1.48M OPERATING BUDGET SOURCES

Public 30% $442,800
Includes government & municipal funding

University 26% $383,760
University of Michigan, Eastern Michigan University and Washtenaw Community College

Private 44% $649,440
Includes contributions & sponsorships

$1,476,000

$5.35M BUDGET TOTAL

$1.48M Operating Budget
$1.7M Business Accelerator
$329K SPARK East Incubator
$1M Pre-Seed Fund
$206K Angel Fund Administration
$295K SPARK Central Incubator
$335K Livingston County Support

Current Funders AS OF DECEMBER 2014

UNIVERSITY
Eastern Michigan University
University of Michigan
Washtenaw Community College

PUBLIC
Ann Arbor Downtown Development Authority
Ann Arbor Township
Ann Arbor/Ypsilanti Local Development Finance Authority
City of Ann Arbor
City of Chelsea

City of Saline
City of Ypsilanti
Economic Development Council of Livingston County
Michigan Economic Development Corporation
Michigan Small Business Development Center
Pittsfield Township
Scio Township Downtown Development Authority
Superior Township
Village of Dexter
Washtenaw County
Washtenaw County Michigan Works! Agency
Ypsilanti Township

PRIVATE
2nd Stage Partners
AAATA (The Ride)
Ann Arbor Area Board of Realtors
Ann Arbor News (MLive)
Arboretum Ventures, Inc.
Bank of Ann Arbor
Barracuda Networks, Inc.
Domino’s Farms
DTE Energy
Fifth Third
2014 SPARK Successes

30 company growth projects creating: $238 million in new investment commitments 1,279 announced jobs

4 pre-seed investments awarded
253 start-ups assisted
1,774 start-ups assisted, 760 received intensive services and have employed 4,444 FTE
107 pre-seed investments awarded to 99 companies ($238k/company avg)
2,629 companies assisted with 10,324 job postings

7 microloans awarded
291 companies assisted with 1,299 job postings

71 incubator tenants nurtured

2006-2014 Results

337 company growth projects creating: $1.8 billion in new investment commitments 14,303 announced jobs

1,279 company growth projects creating: $238 million in new investment commitments 1,279 announced jobs

112 microloans awarded to 100 companies ($44.5k/company avg)*

200+ incubator tenants nurtured

$56.5 million community investments leveraged through Federal and State grants, foundations and other sources

*Includes PSF, LDFA & Eastern Washtenaw funds

First Martin Corporation
Flagstar Bank
Ford Motor Company
GDI Infotech
Honigman Miller Schwartz & Cohn
Huntington National Bank
Lake Trust Credit Union
Lyons Consulting Group, LLC
Mahindra GenZe
Menlo Innovations
Miller, Canfield, Paddock, & Stone, P.L.C.
NSF International

Old National Bank
Plante Moran
PNC
Rudolph / Libbe, Inc.
Saline Lectronics, Inc.
SI Company
Talmer West Bank
Terumo Cardiovascular Systems Corporation
Terumo Heart, Inc.
Thomson Reuters
Toyota Technical Center, USA
Truven Health Analytics

University of Michigan Credit Union
Walbridge

IN-KIND
Google
McKinley
PR Newswire
Russell Video
2014 FastTrack Winners
The Ann Arbor SPARK FastTrack award honors companies that achieve 20 percent year-over-year growth for three consecutive years. These companies are the future of the Ann Arbor region. They are creating high-paying jobs, investing in our community and shaping the vibrant quality of life we experience every day in Washtenaw County. Their success is our shared success, and we applaud their momentous accomplishment.

FastTrack has awarded 244 awards to 93 companies over the past 14 years.

ONE YEAR
TekWissen
FAAC Incorporated
Human Element
Image Data Conversion
InfoReady Corp

TWO YEAR
CEI Composite Materials
McCreddie Group, Inc.
Sungrace Software

THREE YEAR
Arbormoon Software
Estrakon, Inc.
Oxford Companies

SIX YEAR
Caelynx LLC
MedHub, Inc.

SEVEN YEAR
LLamasoft Inc.
Online Tech

SPARK Central tenant Seelio, a Platform company, recently hired Blake Nicholson, from Facebook, as its head of people analytics. In choosing to relocate to Ann Arbor, Nicholson said,

“There are so many good options in terms of neighborhoods and schools. In Ann Arbor, we can afford to live in a house in a safe neighborhood with good schools and a reasonable commute. In the San Francisco Bay Area, we would have to sacrifice at least one of those. I love that we can eat dinner as a family every night now.”

silicon valley is out of A players. don’t start your company here, start it in ann arbor. you won’t find the talent you need here, it’s in ann arbor.

STEVE BLANK
Silicon Valley Serial Entrepreneur

The 10 Most Intelligent College Towns in America
#1 Ann Arbor
2014 Zoomtens.com

“Best Places to Live”
Ann Arbor
2014 money.com

The 10 Best Midsize Cities to Raise Children
#3 Ann Arbor
2014 MyLife.com

NEXT GENERATION TALENT ON U-M CAMPUS
WORLD-CLASS DINING ON MAIN STREET
AMERICAN CHIEF ENGINEER FOR CAMRY SPEAKS TO LOCAL SCHOOL

Blake Nicholson is working with the Seelio team to help the company’s customers understand and maximize the value of analytics.
At-A-Glance:

- Highly educated workforce
- 50% of the region’s population holds a bachelor’s degree or higher
- #1 in engineering talent
- Affordable housing compared to areas like Boston and Silicon Valley
- Low cost structure for business – up to 1/3 less than West Coast
- Less than 30 miles from Detroit Metro Airport
- 270 International flights weekly to 25 destinations
- Variety of arts and cultural offerings
- World-class healthcare
- Nationally recognized education system
- “Big House” – the largest football stadium in the Western Hemisphere
- Recognized as “Start-up City”
- Home to dozens of incubators, co-working spaces
- Home to hundreds of software and IT companies
- Emerging Intelligent Transportation Systems hub

TOM FRIEDMAN
New York Times

In late 2012, after it outgrew its first Ann Arbor office, SPARK helped Barracuda Networks find a larger space, in the former Borders downtown location. Being downtown is an asset for the growing IT company, which has added 100 jobs since its move and currently employs nearly 300 people. Rod Mathews, who runs Barracuda’s Ann Arbor office, explains,

“The vibrant downtown area is a big draw for us as we hire employees, and it has also been a great location to hold internal sales meetings and customer events. The downtown area is a big advantage for us. The entrepreneurial feel downtown complements Barracuda’s approach to the market, and the universities in the area are great sources of talent and inspiration. We also have a great employee population in Ann Arbor, and see lots of opportunity to expand that population.”

Learn more about Ann Arbor SPARK

Top 100 Best Cities to Live,
#13 Ann Arbor
Livability.com
2014

#1 Most Educated Cities
2014 Forbes

Ann Arbor Barracuda team in their downtown office

KAYAKING THE HURON RIVER

ANN ARBOR - a 21st century economic leader

Ann Arbor USA
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.