




beyond

ANN ARBOR SPARK 2021 ANNUAL REPORT





From the Chair

Since SPARK's inception, our role provides an opportunity to hear what's on the minds of community leaders – Where are the opportunities? What are the challenges? How can we better collaborate and partner? Where do businesses and job seekers need day-to-day and long-term support?

As Ann Arbor SPARK began refreshing its strategic plan this year, those questions were at the heart of the process. Partners from the private, public, and academic sectors worked collaboratively with our staff and board leadership to determine the needs of our community and define SPARK's role in driving and supporting the region's success.

Throughout our conversations, themes emerged around sustainability, equity, and inclusion. We revised our strategic plan to support these areas while building on our strengths. Our plan reflects our expanded role in supporting our downtown areas— for instance, helping Main Street businesses in Brighton improve their reach, sales, and marketing—while driving sustainability and equity within our communities.

The process affirmed recent SPARK initiatives that propel us on this journey. Last year, we launched a DEI series to help startups grow with a focus on inclusivity. SPARK also worked with federal and state partners to secure grants for high-speed internet in the

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eastern part of Washtenaw County. We continue to be a strong partner for the city's A2ZERO initiative that focuses on innovation to achieve carbon neutrality.

As the region's needs and priorities evolve, we recognize we have a uniquely strong foundation to support the emerging priorities. We can build on what already makes Ann Arbor a destination for innovators, creatives, and change-makers that ties our community together and positions us for collective success.

At SPARK, our focus remains on innovation. Our strategic plan guides us toward advancing sustainability and equity for our region and helps drive the economic growth that will allow us to achieve it. This differentiates and inspires us, and we look forward to continuing our progress this year, together.

Sincerely,

David Ruud

CHAIR OF THE BOARD, ANN ARBOR SPARK



From the President and CEO

Without a doubt during my tenure as SPARK's CEO, the last two years have been the most difficult, but also among the most impactful. Our exceptional team was asked to deploy critical resources for our community when and where it was needed most, and we have grown both our service offerings and events. While modifying and expanding elements of our work, we maintained support for entrepreneurs and continued to attract growing businesses to the region. Our work continues to result in new opportunities for investments, jobs, partnerships, and collaborations in the Ann Arbor region.

In this year's annual report, we have chosen to specifically tell the stories of companies that were once small startups in our SPARK Innovation Centers that have been able to attract incredible amounts of investment funding illustrating how an idea can scale to tens and hundreds of jobs. The report also highlights initiatives like the A2GO autonomous shuttle in downtown Ann Arbor that involved a coalition of partners working together to demonstrate how new technologies can have a positive social impact on the broader community.

During this past year, we also completed an update to our strategic plan. The staff and our board recognize that the changes wrought by the pandemic require us to be nimble and responsive with our programming to make sure we continue to have the maximum impact. This means building on our strengths and working to fill new gaps that have emerged so that our region's growing prosperity continues and is shared more broadly with all our residents. During today's meeting, we will be sharing the updated plan's vision for sustained economic growth that enables our community to have the resources to meet our aspirations for environmental sustainability and equity across Washtenaw and Livingston counties.

I am proud that Ann Arbor is held in esteem by our peer areas of innovation around the world. We are a model of how the right support at the right time can help startups thrive. We are a living lab where new technologies are not only nurtured but proven. We successfully blend world-class amenities with growing businesses across a range of industries in our downtown areas to create a thriving ecosystem. For all our challenges, we have been able to continuously create ample opportunities for prosperity.

We are happy to meet with all of you at today's annual meeting luncheon again in person and share our collective success and hopes for the future. Economic development is a team sport. Without the financial support and organizational commitment of stakeholders and partners like you we could not do this important work. Thank you.

Regards,

Paul Krutko

PRESIDENT AND CHIEF EXECUTIVE OFFICER, ANN ARBOR SPARK

impact

2021 SUCCESSES

20 company growth projects creating

\$51.9M in new investment commitments	965 announced jobs	847 retained jobs
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317 startups assisted **230** of those companies received intensive services and currently employ **887** FTE

119 incubator tenants nurtured

36 boot camp teams with **9** jobs created and currently employ **65.5** FTE



Managed by Ann Arbor SPARK, **Michigan Angel Fund (MAF)** is the largest angel organization in Michigan. It invests in early stage tech companies across the state.

GENOMENON* **\$186.5M** total funding attracted

708 employed



BitLyft **\$2.02M** invested into **10** companies

\$20.8 million into 35 companies since 2012



2016—21 Results

163 company growth projects creating:
\$690.3 million in new investment commitments
5,239 announced jobs
784 startups assisted, **534** received intensive services and have employed **3,278** FTE
25 pre-seed investments awarded to **23** companies (**\$159K**/company avg)
154 companies posted **842** jobs that were viewed **36.5K+** times
234 incubator tenants nurtured and **154** incubator graduates

LDFA Accomplishments FY 2016—21

475 companies served
977 jobs created
154 incubator graduates
\$6.69 million in grants to startups
\$786.7 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.

A week of inspiring events showcasing Ann Arbor's spirit of innovation to the world:

a2TECH360



4,910+ | total registrations

1,030 | participating company video tours

119K | website visits

2.4M | social media views

18 | FastTrack awardees

68 | participating companies

24 | total events



#3 University of Michigan BUSINESS PROGRAMS U.S. NEWS 2021

Ann Arbor SPARK's a2TECH360 is a week of events celebrating Ann Arbor's spirit of innovation through experiences, conversations, and connections that strengthen and expand the region's vibrant ecosystem. The events are tailored to a variety of interests and audiences, including entrepreneurs, researchers, investors, businesses, academic institutions, non-profits, job seekers, and the general public.

Our **Tech Homecoming** event connects talented professionals with Ann Arbor and its vibrant tech ecosystem, which has produced hundreds of startups and billions in enterprise value in the past five years.

tech homecoming

2021 TECH HOMECOMING RESULTS:

175+ | jobs to be filled

23 | participating companies

63 | company representatives

219 | registrants from 14 states and 3 countries
Date: October 5, 2021

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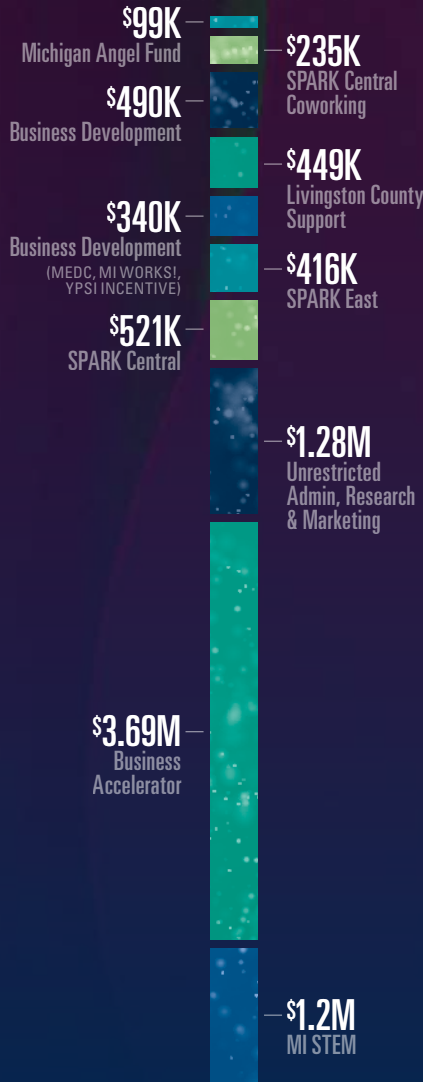
\$25,000

Twenty-five thousand

Ann Arbor SPARK

2021 FINANCIAL HIGHLIGHTS

\$8.6M Budget Total



\$4.7M additional small business relief funding administered in 2021

current funders AS OF DECEMBER 2021

PRIVATE SECTOR – \$25,000+



IHAcares.com



PRIVATE SECTOR – under \$25,000

Ann Arbor Area Board of Realtors
 Arboretum Ventures
 Bodman PLC
 Butzel Long Attorneys and Counselors
 Chelsea State Bank
 Comerica Bank
 Consumer's Energy Foundation
 Cunningham-Limp
 Domino's Farms Corporation
 Fifth Third Bank
 Ford Motor Company
 Honigman LLP
 IBM Watson Health
 IMRA America, Inc.
 ITC Michigan



Menlo Innovations LLC
 NSF International
 Old National Bank
 Oxford Companies
 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

start

We are **what entrepreneurs need** to hit the ground running.

\$10.1M	
\$5.3M	
\$13M	
\$10.3M	
\$118M	
\$17.5M	
\$3M	



Ann Arbor SPARK launched a new **Inclusive Workplace Series** that provides free training and guidance to growing companies who want to incorporate various aspects of diversity, equity, and inclusion as they grow and develop their business.

The SPARK East Innovation Center hummed with activity in 2021, including several exciting successes for startup companies.

Mountain Pass Solutions, a human capital management firm founded in 2013, optimizes complex hiring, performance evaluation, and personnel management workflows. Fueling its incredible 140 percent growth last year was several new, high-visibility clients and funding from InvestDetroit. Mountain Pass Solutions, a University of Michigan Innovation Partnerships spinout, has been a client of SPARK East since 2014.

Throdle, a digital platform for car enthusiasts and automotive businesses, secured first-round seed funding that included investment from SPARKcapital, Gibbs City Investments, and Pathfinders Partners. Ensuring its continued growth, the Best of Boot Camp winners also established marquee auto industry partners for marketing and co-promotion.

LoanSense, whose technology reduces student loan payments so borrowers can save money for a home, won \$50,000 at the information technology competition of Invest360 and an additional \$50,000 from People's Choice award.

A2GO

Embracing Ann Arbor as a living lab for advancing innovations, **May Mobility**, **SPARK**, and **Mcity** launched A2GO, a new autonomous vehicle shuttle service. The shuttles operate using self-driving technology and connect destinations all around the city. A2GO also includes a test of **!important Safety's** technology that helps predict accidents between pedestrians, bicyclists, motorcyclists, and vehicles, to trigger brakes before a collision occurs. Another of the project's partners was **4M**, Ann Arbor's first co-living townhomes that offer coworking and mobility solutions to their members. The project data will help 4M plan upcoming real estate projects and developments.



LOANSENSE



SPARK knows how to help startups achieve milestones, when companies should consider a pivot, and how they can move forward to opportunities.



Workit Health continues its phenomenal growth, investing \$14.8 million and creating up to 530 high-skill, high-paying jobs over five years. The company also raised \$118 million last year.

Nexient which currently employs nearly 500 people, expanded its footprint again — this time purchasing a facility in Scio Township. Nexient will invest \$12.45 million in renovations and create 100 new jobs at its new location.

Navitas Systems is located in Pittsfield Township, with a 48,000-square-foot R&D, engineering, and manufacturing center, and a 100,000-square-foot lithium battery systems manufacturing center. To accommodate its continued growth, Navitas announced it will invest \$3.36 million to expand in Scio Township where it will house its commercial battery manufacturing, additional engineering resources, office space, and 100+ new employees.

Homepoint, which located its headquarters in Ann Arbor in 2018, has quickly grown into the third-largest wholesale mortgage lender in the country. Due to its continued rapid growth, the company is investing \$3.7 million to add an operations center in Ann Arbor and create 155 new jobs.



 **Workit Health**

 **Nexient**

homepoint

grow

Last year, SPARK worked with the U.S. Economic Development Administration to secure a \$2.4 million broadband grant to add nearly 20 miles of underground fiber optic cable that will connect downtown Ann Arbor and downtown Ypsilanti. **The Ann Arbor-Ypsilanti Corridor Fiber Optic Backbone** project, matched by \$600,000 in local funding, aims to create public broadband infrastructure that tech companies, the cities, and businesses can utilize for innovative products, affordable and reliable broadband, and company location.

#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

measure

Web Content, Public Relations, Social Media, & Events

Our work helps attract high tech companies and knowledge workers, fueling economic growth and prosperity.

Thanks to the LDFA, Ann Arbor SPARK's marketing team provides direct services to startups. These services — which would normally be cost-prohibitive to early stage companies — include branding, website development, social media strategy, public relations, and other promotional materials. In 2021, the dedicated entrepreneurial marketing team delivered **275+ engagements with 57 of the startup companies** working with SPARK.

Business owners asked for more opportunities to deepen their expertise on specific skills, so we launched a new educational series, Accelerating Company Excellence (ACE). ACE helps small business owners learn from experts in finance, sales, marketing, and accounting. SPARK hosted **13 ACE events** in its inaugural year of the program.

Through speaking opportunities and product demos, Ann Arbor was once again represented on a global stage at SXSW, which was back in-person this year. With support from LDFA and the Michigan Economic Development Corporation, we were able to showcase stand-out companies from our region, including **Fly Money Games, ImagineChat!, May Mobility, Reaction Technologies, and Refraction AI.**

289K | website visits 

538K | video visits

7.2M | social media impressions 

645K | social media interactions 

538K | video views 

#4 Ann Arbor
THE 10 BEST PLACES
TO LIVE IF YOU
WORK FROM HOME
MONEY.COM
2021

#2 Ann Arbor
BEST PLACES
TO LIVE
LIVABILITY.COM
2021

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



livingston county 2011–2021

Celebrating 10 Years of Partnership, Positive Impact

The **City of Brighton** and the **Brighton Downtown Development Authority** partnered with Ann Arbor SPARK to attract, grow, and retain Main Street businesses in the downtown area. Most notably, the team developed the Main Street Showcase mobile app to create a unified platform for marketing, advertising, promotion, and communication across the DDA area.

Since 2015, **FTTechno of America (FTTA)** has operated an automotive vehicle evaluation center on proving grounds spanning approximately 950 acres in Handy Township. In 2021, FTFA invested in an expansion, constructing a 1.4 mile handling course, as well as an area of special surfaces for evaluating vehicle ride comfort, noise, harshness, and vibration.

A joint effort between SPARK and the **Greater Area Brighton Chamber of Commerce**, the *Manufacturing Collaborative* is a group of nine employers that meet regularly to share data and ideas to create a pipeline of talent for critical jobs in the county. Last year, the program expanded when Brighton-based **Work Skills Corporation** created a curriculum using virtual reality and computer-based online training methods to expedite workforce training for skilled trades positions.



\$3.3M new investment commitments

54 successful company growth projects

1,402 new jobs announced

5,048 jobs retained



Board of Directors

David Ruud (Chair)

Senior Vice President &
Chief Financial Officer
DTE Energy

Kelly Sexton (Vice Chair)

Associate VP for Research
University of Michigan
Innovation Partnerships

David Snodgrass (Treasurer)

President & CEO
Lake Trust Credit Union

Tiffany Ford (Secretary)

President & CEO
University of Michigan
Credit Union

David Parsigian (Past Chair)

Partner
Leader, Venture Capital
Practice Group

Mike Archinal

Township Manager
Genoa Township

Dr. Rose Bellanca

President
Washtenaw Community College

Gregory Dill

County Administrator
Washtenaw County

Milton Dohoney

City Administrator
City of Ann Arbor

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Senior Vice President /
Regional Manager,
The PNC Financial Services
Group, Inc.

Leigh R. Greden

Attorney & Advisor to the
President
Eastern Michigan University

Mandy Grewal, Ph.D.

Supervisor
Pittsfield Charter Township

Jeff Hauptman

CEO
Oxford Companies

Chris Kolb

Vice President Government
Relations
University of Michigan

Paul Krutko

President & CEO
Ann Arbor SPARK

Mark LePage, MD, MBA

SVP, Medical Groups and
Ambulatory Strategy
Trinity Health

Lon Lowen

Associate Vice President,
Engineering
NETSCOUT

Timothy G. Marshall

President & CEO
Bank of Ann Arbor

John McLaughlin

Global ESG Leader
Ann Arbor Site Lead
KLA Corporation

Tim Petersen

Managing Partner
Arboretum Ventures

Venkat (DV) Rao

Senior VP, Strategy
Consumers Energy

Paul Roney

President
Domino's Farms

Sue Shink

Commissioner
Washtenaw County

Christine Sing

Principal
Rehmann

Brenda Stumbo

Supervisor
Ypsilanti Township

Mickey Swortzel

CFD/COO
New Eagle

Simon Whitelocke

Vice President ITC Holdings Corp.
and President
ITC Michigan Corp.

David Wilhoit

President and CEO
Wacker Chemical

Christina York

CEO
SpellBound

Robert Young

Group VP, Purchasing,
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

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