

Amplifying Innovation

TALENT / COMPANIES / PLACE

ANN ARBOR SPARK 2019 ANNUAL REPORT



from the chair

Reflecting on the past provides an opportunity to appreciate how the economy in Ann Arbor has evolved and adapted to be one of the most enviable in the state, if not the country. As recent as 30 years ago, this wasn't the case. Like most of the Midwest, our economy was heavily based in manufacturing; the businesses and jobs in the Ann Arbor region weren't diverse. The model wasn't sustainable, as we'd soon learn.

When the global economy began to lean more heavily toward tech, Ann Arbor was better positioned than most regions to respond. We are home to one of the world's largest research universities and innovation was already beating at the heart of our community. When manufacturing began to lose prominence, we were able to shift and — in what was becoming a shrinking pond of opportunity — begin to make waves that would extend beyond the city center into our broader region.

Ann Arbor SPARK keeps the tides rising, to the benefit of our economy, our quality of life, and our reputation as a place where businesses and individuals thrive. Without SPARK, that outward momentum wouldn't have extended as quickly as it has. Ann Arbor SPARK's work is specific, strategic, and focused on attracting and growing the high tech companies that are the future of economic growth.

The rising tides of opportunity have expanded beyond the city and into our surrounding communities. We see growth and prosperity throughout the broader region. We should all be proud of this growth and confident in the foundation it has created. It's on this foundation that Ann Arbor SPARK and its partners will continue its work to attract and nurture innovation-based businesses and the jobs those companies create.

Sincerely,

David N. Parsigian

CHAIR OF THE BOARD, ANN ARBOR SPARK

from the president and CEO

I have the privilege of experiencing first-hand, every day, Ann Arbor's vibrant tech ecosystem. Every day, I work at the SPARK Central Innovation Center and get to experience the next-generation entrepreneur growing their business. This experience is invigorating and inspiring, and it's one that's easy to take for granted.

Since coming to Ann Arbor seven years ago, I've seen the downtown tech corridor mature. Where there were once empty storefronts and offices now are companies like Barracuda and Llamasoft. Every year, startups like Spellbound and Heal Pay graduate our incubator for their own office spaces — those companies are located above a popular local brewpub and BBQ restaurant, respectively.

I've seen this growth and maturity expand from the city center out to our neighboring communities. Nostrum Energy graduated from the incubator this year and is now located in Pittsfield Township. Groundspeed continues to grow and has new offices in Ann Arbor Township. Autonomous shuttle company Navya built a production facility in Saline. In the last three years, Pop Daddy has grown from a regional food startup to selling across the U.S. and Canada — growth made possible by an expansion of its facilities in Livingston County.

Our downtown, the heart of our region, is a vibrant, desirable place to both work and play. This economic prosperity radiates out, benefiting the quality of life in our region and the quality of opportunities for job seekers, investors, and business owners. It's exciting that we are well positioned now and into the future for continued success, and have a team at Ann Arbor SPARK committed to furthering this success for years to come.

Regards,

Paul Krutko

PRESIDENT AND CHIEF EXECUTIVE OFFICER, ANN ARBOR SPARK



BOUNDLESS GROWTH

a2TECH360

grew exponentially in 2019 — both in terms of events and attendance. New to our week-long series showing the innovation happening in our region was a biotech showcase at MI-HQ in Scio Township, the hackathon, Hack A2, at NETSCOUT located along the State Street corridor, and a design jam hosted at SPARK East. These new partner events, and new locations epitomize the expansion and success of businesses throughout Washtenaw County.

#1 top new U.S. tech hubs

ANN ARBOR ("BRAIN INDEX")
BLOOMBERG.COM
2019

1M+

SOCIAL MEDIA VIEWS

TECH TREK, TECH TALK & OTHER EVENTS:

6,000+	Total Registrations
15	Total Events
6	a2TECH360 Events
36K	Website Views
42K	Video Views
92K	Campaign Emails
1M+	Social Media Views
31	States Represented
15	Countries Represented



TECH HOMECOMING:

553	Registered
200+	Resumes Collected
17	Companies Participated



150%↑

IN EVENTS

35%↑

IN PARTICIPATING COMPANIES



19

FASTTRACK AWARD RECIPIENTS



“Tech Trek has been a phenomenal way to get connected with the tech community in our region and recruit talented folks that we can’t find elsewhere.”

DEEPAK BHASKARAN
DIRECTOR OF QA
DUO SECURITY

Supporting companies

NAVIGATING THE WAY

Startup to Success — from breakthrough idea to breaking ground on a headquarters, Ann Arbor SPARK is an expert partner that can help a business thrive through every twist, turn, challenge, and opportunity. After that first great idea, we help startups hit the ground running, accelerate their growth, and secure the resources necessary for long-term, sustainable success.

FEBRUARY 2015: Became SPARK virtual tenant

AUGUST 2016: First SPARK grant — built e-commerce website

SEPTEMBER 2019: Closed \$1.4M investment round

JUNE 2015: Established at SPARK Central

APRIL 2019: Grant award to hire intern

DECEMBER 2019: Graduated to own space in Pittsfield Township

DECEMBER 2014: Moved from TechArb to SPARK Central

2015, 2016, 2017, 2018, 2019: Grant funding

2020: Graduated to own space in Ann Arbor

2015, 2016, 2017, 2018, 2019: Digital Engagement Clinic intern support

2019: FastTrack Award winner

NOSTRUM
energy

IndustryStar



graduates: Since we opened the doors of the SPARK Central Innovation Center 12 years ago, **61 companies have been nurtured to the point of graduation** — expanding outside of our walls to an office space that accommodates long-term future growth. This year, Billy, ClariLegal, Dynamo Metrics, IndustryStar Solutions, Nostrum High Performance, and Parrable all graduated from Ann Arbor SPARK's incubator program. Upon graduation, our entrepreneurial services clients benefit from our business development team's services including finding a new office and securing incentives to support growth.

#9 most innovative metro areas in the U.S.

VERIZON.COM
2018



at every stage

BOOSTING INNOVATION

We focus on the driving industries that grow our economy and what those businesses need to grow deep roots in our region. This past year, we saw significant activity in the mobility and life science sectors — and our tech ecosystem. Ann Arbor SPARK is uniquely poised to help companies and individuals find what they need here to achieve.

mobility: One of the region's most prolific industries, mobility innovations are brought to life and bolstered by support from SmartZone / LDFA funding. **SPARK's activity in this industry last year speaks for itself:** Ford chose to pilot its City Insights Platform in Ann Arbor, Honda opened its Mobility Garage here, and May Mobility opened its new headquarters in Pittsfield Township's Avis Farms. Smart Eye from Sweden, Autaza from Brazil, and ImportantSafety from Montreal opened offices in Ann Arbor. Founded through our Entrepreneur Boot Camp, Intvo is expanding at the SPARK Central Innovation Center. Early stage mobility companies in the region attracted more than \$150 million in investment last year.

talent: In 2019, our **Entrepreneurs in Residence** assisted 31 startup companies, providing the expert mentoring and real-world advice that help accelerate the growth of new businesses. These industry vets are a vital resource in our tech ecosystem and prove that this region not only has assets to nurture startups but also retains the people who know what it takes to grow a business from scratch.

mi-hq: A sign of a healthy tech ecosystem is the range of participants helping startups unlock their potential. Ann Arbor SPARK works closely with MI-HQ to provide wet lab space, affordable office space, and other assets that help **biotech, med tech, and life science** companies start and grow here.



INTVO

smart eye

HONDA

#2 best cities to live in america
NICHE.COM 2019

#1 best college towns & cities in America
WALLETHUB.COM 2020



MI-HQ

\$2.5 | million expansion

40 | companies

160k | square feet

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

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.

LDFA ACCOMPLISHMENTS FY 2014-2019:

422	987	146
companies served	jobs created	incubator graduates

\$5.1	million in grants to startups
\$744	million private equity raised

impact

SPARK 2019 SUCCESSES

31 COMPANY GROWTH PROJECTS CREATING

\$132M

in new investment commitments

534

announced jobs

1,192

retained jobs

262 STARTUPS ASSISTED

165 of those companies received intensive services and currently employ 761 FTE

86 INCUBATOR TENANTS NURTURED

25 BOOT CAMP TEAMS

with 5.5 jobs created and currently employ 63 FTE

3 LIVINGSTON COUNTY PROJECTS

with \$10.2 million total investment, and 44 new jobs announced

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.

2014 — 2019 RESULTS

198

company growth projects creating:

\$926.7

million in new investment commitments

5,900

announced jobs

716

startups assisted, **494** received intensive services and have employed **2,479** FTE

7

pre-seed investments awarded to **6** companies (**\$190.5k**/company avg)

1,607

companies assisted with **6,266** job postings

19

microloans awarded to **17** companies (**\$31.6k**/company avg)*

202

incubator tenants nurtured and **146** incubator graduates

\$15+

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

*Includes PSF, LDFA & Eastern Washtenaw funds

407 | employed

\$1.05M

invested into **11** companies

\$6.4 MILLION INTO **30** COMPANIES SINCE INCEPTION

\$173M | total funding attracted

#1 University of Michigan
TOP PUBLIC UNIVERSITY IN AMERICA
NICHE.COM 2019

#1 top cities for female founders raising their first round
VENTUREBEAT.COM 2019

2019 FINANCIAL HIGHLIGHTS

PRIVATE SECTOR (\$25,000+)



PRIVATE SECTOR (under \$25,000)

Ann Arbor Area Board of Realtors

Ann Arbor State Bank

Arboretum Ventures

Barracuda Networks, Inc.

Bodman PLC

BusinessWire

Butzel Long Attorneys

and Counselors

Chemical Bank

Citizens Bank

Consumer's Energy
Foundation

DISHER

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

Mannik & Smith Group

Menlo Innovations LLC

Michigan Office Interiors

Miller Canfield

MLive Media Group

NSF International

Old National Bank

Oxford Companies

Plante Moran, PLLC

Rehmann

Reinhart Realtors

Rudolph Libbe Group

SI Company

TD Ameritrade

The Collaborative

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 Chelsea

City of Dexter

City of Saline

City of Ypsilanti

EDC of Livingston County

Michigan Economic
Development Corporation

Michigan SBDC

Michigan Works Southeast

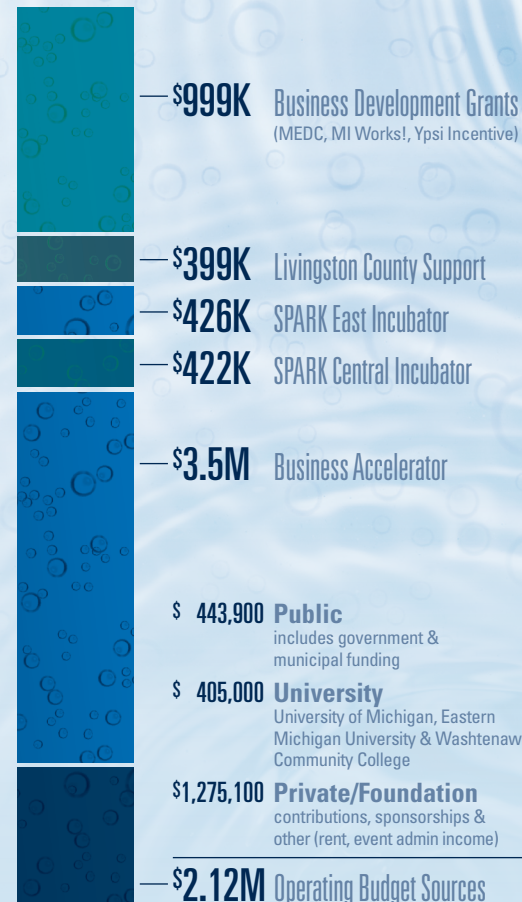
Pittsfield Township

Scio Township

Washtenaw County

Ypsilanti Township

\$7.87M BUDGET TOTAL



board of directors

David Parsigian (Chair)

Ann Arbor Office Co-Managing Partner –
Honigman LLP

David Ruud (Vice Chair)

President – DTE Power & Industrial
Business, DTE Energy

David Snodgrass (Treasurer)

President & CEO – Lake Trust Credit Union

Dr. Rose Bellanca (Secretary)

President – Washtenaw Community
College

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Michigan

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Regional President & CEO – Trinity Health
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Scott Griffith

President – Griffith Realty

Paul Krutko

President & CEO – Ann Arbor SPARK

Bhushan Kulkarni

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Richard B. Sheridan

CEO & Chief Storyteller – Menlo
Innovations LLC

James M. Smith, Ph.D.

President – Eastern Michigan University

Chris Taylor

Mayor – City of Ann Arbor

executive committee

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Senior VP & Regional Manager, Detroit
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Business Advocate – PNC

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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

Jason Morgan

Commissioner – Washtenaw County

Venkat (DV) Rao

Senior VP, Strategy – Consumers Energy

Joanne Rau

President – Chelsea State Bank

Paul Roney

President – Domino's Farms

Ann Marie Sastry

Founder & CEO – Amesite

Kelly Sexton

Associate VP for Research – University of
Michigan Office of Tech Transfer

Christine Sing

Principal – Rehmann

Brenda Stumbo

Supervisor – Ypsilanti Township

Mickey Swortzel

Co-Founder & CFO – New Eagle

Matthew VanBesien

President, University Musical Society –
University of Michigan

James Wickman

Township Manager – Township of
Hartland

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



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