

# Ann Arbor SPARK Semi-Annual Report

City of Ann Arbor

July 1, 2018 - December 31, 2018



<http://annarborusa.org/>

Ann Arbor SPARK will advance the economy of the Ann Arbor region by establishing it 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 its academic, business, and community resources, and its collaborative culture.

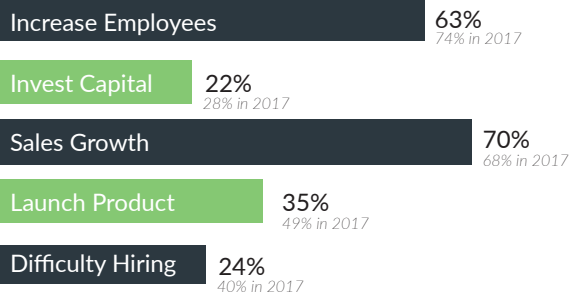
# 2018 Successes - Full Year Overview

## Project Successes

11

Ann Arbor T-shirt Company, Ashcom Technologies, Inc., Carma Car, Inc., DERQ USA, INC., Dusty Whitney Collision Group, Expedia, Groove.id, Logic Quantum, Logic Solutions Inc., SimuQuest, Inc., Trillium Secure, Inc. (includes 5 talent successes - see page 10).

In the next year, companies in Ann Arbor plan to...



In 2018, the majority of Ann Arbor companies visited by SPARK reported that they were hiring, and that they predicted sales growth in the next year.

## Projected New Jobs - 2018 Projects



## Retained Jobs - 2018 Projects

116



## Growth Calls

46



# of full time staff at these companies in Ann Arbor:

2,057

## 2018 Total Investment



\$5,351,140

Main sources of investment: Ann Arbor T-shirt Company, Expedia

## City of Ann Arbor ROI:

**\$71** / **\$1**  
Private Investment City Investment

## City of Ann Arbor Highlights

**Ann Arbor T-Shirt Company:** a major retention project for City of Ann Arbor. This company was contemplating moving to Scio Township and building a new building. Instead, they decided to buy an existing building and make major renovations to the building and stay in the City of Ann Arbor. The company bought a former industrial building that had been under the same ownership for over 25 years. Company invested over \$4 million in renovations and equipment and painted a new mural on the wall. SPARK worked with company to help connect them to various sources at the state and local levels to expedite their expansion process.

**Expedia:** with a history of having a quiet presence in Ann Arbor, Expedia does little promoting about their Ann Arbor Location. This all changed when Expedia participated in Tech Trek. Because of their participation in TechTrek, the company decided to expand their office, double their footprint and make major renovations to the 100 year old Nickels Arcade building. SPARK has been working with Expedia since 2015 to help company expand, recruit staff and connect to University of Michigan and other resources in the Ann Arbor community.

# Ann Arbor SPARK's Business Development Mission

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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 the City of Ann Arbor

COMPANIES ASSISTED	Q3-Q4 2018	Q1-Q2 2018
Number of retention visits	18	29
Number of responses to attraction prospect or site consultant requests for proposals <sup>1</sup>	4	12
<b>JOBS - 2018 PROJECTS</b> (see page 5)		
Projected to be created (over the next 3 years) <sup>2</sup>	27	32
Actual jobs created (in the first 6 months)	22	13
Jobs projected to be retained	116	0
Actual jobs retained	116	0
<b>TALENT - 2018 MICHIGAN WORKS! PROJECTS</b> (see page 12)		
Number of jobs supported by training funds <sup>3</sup>		128
Training funds leveraged		\$81,276
<b>INVESTMENT</b>		
Taxable value of new private investment	\$2,509,000	\$166,570
Total value of private investment	\$5,018,000	\$333,140
City of Ann Arbor Support		(2018 total) \$75,000
<b>MISCELLANEOUS</b>		
Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations	-	One State of Michigan incentive of \$240,000
Number of facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns	See Appendix	-
Number of start-up businesses assisted (exclusive of LDFA) <sup>4</sup>	-	-

<sup>1</sup>Number of requests to which SPARK electronically submitted properties located in the City of Ann Arbor.

<sup>2</sup>These 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.

<sup>3</sup>These are separate from the jobs reported on page 5 and refer only to jobs supported by grants received from Michigan Works! Southeast.

<sup>4</sup>All businesses that are start-ups in the region are assisted by the Entrepreneurial Services division of Ann Arbor SPARK, funded through the LDFA.

# Companies assisted during this semi-annual contract period

July 1, 2018 - December 31, 2018

SPARK acts as project manager for both Ann Arbor 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.**

Specific Projects Unique ID#	Projected New Jobs (2017-2019)	Actual new jobs (created since beginning of project)	Projected retained jobs	Actual retained jobs as of 12/31/17	Current FTE (As of last contact)
3241	0	0	100	100	100
3279	20	1	16	16	21
11163*	2	2	0	NA	2
<b>Total</b>	<b>22</b>	<b>13</b>	<b>116</b>	<b>116</b>	<b>123</b>

\*Attraction project, company new to the area.

# Companies assisted during previous contract periods

July 1, 2014 - June 30, 2018

Specific Projects Unique ID#	Projected New Jobs (at time of project)	Actual New Jobs (created since beginning of project)	Projected Retained Jobs	Actual Retained Jobs as of 6/30/18	Current FTE (as of last contact)
0513**	NA	15	60	60	75
0539	101	6	63	63	69
0704**	NA	47	175	175	222
0750	1	0	50	50	50
0794	20	40	180	180	220
0993	50	0	60	60	60
1379	1	0	25	25	25
1422	115	0	250	250	250
1717	9	10	10	10	20
1838	50	15	0	0	15
2280	9	0	9	9	9
3279	1	2	12	12	14
4506	25	30	20	20	50
4507	297	246	154	154	400
5091	5	-11	11	0	0
5510*	35	42	NA	NA	42
6289	80	162	45	45	207
6523	8	8	2	2	10
6926	75	89	51	51	140
7098	5	18	13	13	31
7113*	5	5	NA	NA	5
7152*	85	15	NA	NA	15
7162	1	1	1	1	2
7184*	12	13	NA	NA	13
7341*	2	9	NA	NA	9
7448*	9	9	NA	NA	9

(continued on next page)

# Companies assisted during previous contract periods

July 1, 2014 - June 30, 2018

Specific Projects Unique ID#	Projected New Jobs (at time of project)	Actual new jobs (created since beginning of project)	Projected retained jobs	Actual retained jobs as of 6/30/18	Current FTE (As of last contact)
7511*	6	6	NA	NA	6
7612*	7	20	NA	NA	20
7656*	1	2	NA	NA	2
7662*	1	1	NA	NA	1
7687*	2	2	NA	NA	2
7728*	1	5	NA	NA	5
7748*	1	47.5	NA	NA	47.5
7783*	8	8	NA	NA	8
7810*	15	7	NA	NA	7
7862	14	4	1	1	5
7869	20	0	145	145	145
8037*	4	7	NA	NA	7
8047*	2	1	NA	NA	1
8143*	30	7	NA	NA	7
8253*	1	1	NA	NA	1
8341*	10	21	NA	NA	21
8359*	2	9	NA	NA	9
8454*	65	52	NA	NA	52
8521*	3	3	NA	NA	3
8545*	70	75	NA	NA	75
8774*		4	NA	NA	4
8834*	2	2	NA	NA	2
Total	1,268	1,064.5	1,375	1,364	2,439.5

\*Attraction project, company new to the area (therefore will not have retained jobs).

\*\*Retention project, company considering leaving the area.

# Ann Arbor SPARK Metrics – Investment

July 1, 2018 - December 31, 2018

Investments are recorded based on publicly available information of capital expenditures on real property, leasehold improvements, and furniture and fixtures. Companies may make additional capital investments that we are **not aware of**, or they may use alternative methods such as leasing equipment to acquire assets for growth opportunities. Recent changes to property tax law that allow for personal property exemptions make it less likely that a company would record all investment dollars at the time of an expansion or attraction project.

Specific Projects Unique ID#	Projected New Investment	Taxable Value	Incentives
3241	\$4,000,000	\$2,000,000	-
3279	\$1,000,000	\$500,000	-
11163*	\$18,000	\$9,000	-
Total	\$5,018,000	\$2,509,000	-



## Ann Arbor SPARK Metrics - Talent

SPARK worked closely with Michigan Works! Southeast in 2018 to increase applications to the Skilled Trades Training Fund. **4 companies** in the City of Ann Arbor were successful in their applications as a result.

The purpose of this fund is to provide financial assistance for companies to invest in employee training to enhance talent, productivity, and retention. It's a win-win: employers receive the talent necessary for quality work and future growth while employees develop skills needed for good jobs.

Moving forward, Michigan Works! Southeast says their staff will be working closely with area businesses and the local economic development organizations to ensure employee training goals are met.



Company Name	# of Jobs Supported by Training Funds	Training Funds Leveraged	Current FTE
Ashcom Technologies, Inc.	5	\$7,500	7
Dusty Whitney Collision Group	108	\$56,852	142
Logic Quantum	3	\$3,370	10
Logic Solutions Inc.	5	\$6,105	50
SimuQuest, Inc.	7	\$7,449	7
<b>Total</b>	<b>128</b>	<b>\$81,276</b>	<b>216</b>

## Ann Arbor SPARK growth visit program

**Ann Arbor SPARK's Business Development team identifies companies for our growth program based on the following criteria:**

1. Large Employers
2. Previous Investments
3. All firms from the previous year growth program with indicators of rapid growth (hiring, increased sales)
4. Firms with large infusion of capital or grant funding in the previous two years
5. Companies that were sold, or that are new to Ann Arbor
6. Companies that are having difficulty finding employees
7. Business Accelerator companies that have achieved sales or staff levels that graduate them to Business Development companies

# 18

Between July and December 2018, SPARK held growth visits with 18 companies in the City of Ann Arbor.

### **Economic Indicators from Growth Visits 7/1/2018 - 12/31/2018**

- 63% of visited companies are projecting they will increase headcount
- 22% of visited companies indicate they will invest new capital beyond maintenance
- 70% of visited companies project new sales growth in the next year
- 35% of visited companies are planning to launch a new product or technology in the next year
- 24% of visited companies have difficulty finding new employees

## Growth visit highlights

SPARK held retention visits with 18 companies in the City of Ann Arbor from July-December 2018. These companies ranged from 2 to 245 employees and encompassed the following industries: Information Technology, Business Services, Mobility, Life Sciences, and Manufacturing.

Company Name	Current FTE (as of growth visit)
Akadeum Life Sciences, Inc	4
Amplifinity	25
Barracuda Networks, Inc.	245
Biovigil Hygiene Technologies, LLC	23
Blue Newt Software, Inc	22
Caelynx	23
CareEvolution, Inc.	35
Carma Car, Inc.	2
DaySmart Software	52
Endra Inc.	8
ePack, Inc.	9
Forever Labs, Inc	9
Groove.id	2
LLamasoft	225
NETSCOUT	160
NewFoundry	19
SBD North America	13
Treetown Tech LLC	5
<b>Total FTE of all visited companies</b>	<b>881</b>

## Business Development Customer Satisfaction and Testimonials



The Business Development team customer experience rating. The team sends satisfaction surveys out to all clients after the project has concluded.

*"SPARK's support allowed us to hire a summer intern who contributed to multiple important projects, which allowed our company to expand its focus on business development and successfully find new clients without distracting our focus from existing ones. At the same time, our intern received programming experience in a collaborative, real-world environment. It was a win-win for everybody."*

*"SPARK helped us find the perfect space for our team. Jennifer quickly got an idea of what we were looking for and within a week we had landed a sub-lease in Kerrytown. SPARK's network across the tech community are nothing short of awesome."*

## Ann Arbor SPARK Attraction prospect activity

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**When SPARK is contacted by the MEDC, consultants, individual firms, external referrals, and/or site selectors regarding attraction prospects and possible location requests we...**

- Respond with local area information: Demographics, industry sector information, university graduates, other useful information;
- Respond to site requests by searching for buildings, space, and vacant land based on site requirement, using site databases, broker blasts, and our knowledge of local real estate;
- Set up site visits with listing brokers and accompany company representatives on the site tour;
- Make introductions to local municipality officials to discuss the project and possible tax abatement;
- Work closely with MEDC on state incentives;
- Connect the attraction prospect with university, banks, attorneys, and other contacts to assist with integration into the business community.

# Ann Arbor SPARK Attraction prospect activity - continued

**Commercial Real Estate:** SPARK works to stay ahead of the curve to quickly identify new trends in the Ann Arbor real estate market in order to best inform attraction companies. In 2018, SPARK employees took part in multiple tours of local properties to gain a thorough understanding of all the spaces available. We use this knowledge, along with detailed conversations about a company's needs in order to effectively communicate and suggest appropriate sites. As part of this effort, we began publishing a blog post outlining the Swisher Vacancy Report each year. Below is an excerpt from the 2019 post, focusing on the most recent Vacancy Report:

1. **Demand for office space in Ann Arbor continues to grow.**
  - The total market occupancy rate for office and flex space is 93.6%, up from 92.3% in 2017 and from 79% during the Great Recession – this is now a 9-year trend of vacancy rate decreases.
2. **Demand is highest in North Ann Arbor, and in the medical campuses just east of M23.**
  - It is difficult to measure the new demand for North Ann Arbor because there were very few vacancies to attract prospective tenants. A vacancy rate of 1.4% is remarkably low. Given its proximity to major University of Michigan medical and research facilities, plus easy highway access to surrounding suburbs, office space in this area is in high demand.
  - The Clark-Golfside Medical Office Area vacancy rate experienced a considerable drop for the second consecutive year decreasing from 3.5% to 1.3%. (-2.2%). There appears to be a trend toward medical professionals consolidating into the larger medical campuses, rather than individually locating in the smaller outlying buildings. Supply and demand is pushing companies to seek more affordable office space.
3. **The vacancy rate in Downtown Ann Arbor jumped to 6.8%, and that's ok.**
  - The majority of this change is due to two downtown buildings showing large vacancies of approximately 30,000 square feet each. One of those buildings is marketing the second and third floors as office suites for the first time in decades. In addition, there are a number of smaller office suites that remained vacant at the end of 2018. All in all, the demand for downtown office space was less intense than in recent years.
  - This may also have to do with the south office area experiencing a higher level of demand, as larger companies looked to less impacted markets.
4. **The South Office Area experienced a 5% drop in vacancy rate. That's a lot.**
  - The SOA is the largest office market in Ann Arbor, and the vacancy dropped from 14.2% to 9.7% in a single year. It also contains the largest blocks of contiguous space for potential users. This availability contributed to the leasing of substantial square footage to a single user. The impact represents a nearly 1% decrease in the *total* market vacancy rate.
5. **West Ann Arbor's vacancy rate doesn't tell the whole story.**
  - The vacancy rate in West Ann Arbor decreased from 17.2% to 12.7%. Most of the rate decrease is due to a 10,000 square foot occupancy gain in one office park west of Ann Arbor and a 9,000 square foot occupancy gain at another office park off West Stadium Blvd.
  - It should be noted that over 50% of this vacancy is due to an empty 38,000 square foot building on Jackson Plaza.

## A2Tech360

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In 2015, Ann Arbor SPARK launched Tech Trek to connect the local community with the emerging tech scene in their hometown, allow companies to showcase their innovations, and provide job seekers an opportunity to explore potential employers up close. In 2018, for the first time ever, SPARK turned Tech Trek into a week-long technology-fueled event dubbed A2Tech360. The week's festivities included events such as: 2028: What the Future Holds, Meeting of the Minds, the FastTrack Awards, Tech Trek, Tech Talk, and Mobility Row. In 2018 we recorded our highest attendance ever, with Tech Trek and Tech Talk attracting over 6,000 registrations alone.



More information can be found at the [A2Tech360 Website](#), including a list events, and more about Tech Talk speakers and Tech Trek participating companies.

Videos about [A2Tech360](#) and [Tech Trek](#), as well as all Tech Talk speeches can be watched on the [Ann Arbor SPARK YouTube channel](#).



# A2Tech360

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Tech Talk experienced a 110% increase in registrations from 2017. The Ted-Talk Style event attracted more than 800 attendees to Michigan Theater, eager to hear from the executives of 13 top-notch local tech companies. Much of the increase in engagement can be attributed to a strategic marketing campaign with national scope.

The A2Tech360 series of events saw representation from **32 states** and **11 countries**, meaning 2018's events reached our widest audience yet! In re-branding Tech Trek to a week-long event, we hope to continue to expand our reputation as a nationally-recognizable technology hub.

## Press releases - City of Ann Arbor - 2018

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### **Ann Arbor SPARK Adds Laura Berarducci to Team as Director of Marketing and Communications:**

Ann Arbor SPARK recently hired Laura Berarducci as Director of Marketing and Communications. Berarducci's main responsibilities are to manage and develop strategy and content, supporting SPARK's mission of increasing awareness that the region is a competitive destination for business development and growth. Her immediate work includes launching a new website and developing a communications plan based on SPARK's new five-year strategic plan, both of which will be unveiled at the 2018 Ann Arbor SPARK Annual Meeting on April 16. She joins the talented team led by Jenn Cornell, vice president of marketing and communications.

**Ann Arbor SPARK Now Accepting FastTrack Award Applications:** Ann Arbor SPARK is now accepting applications for its annual FastTrack Awards. This impressive honor is presented to high-growth organizations, also known as gazelle companies, headquartered within Washtenaw County. The submission deadline is May 1, 2018 and there is no fee to apply. New this year, FastTrack award winners will be recognized on Thursday, June 14 at an evening reception the eve of 2018 Tech Talk and Tech Trek, joining the line-up for A2Tech360, the expanded timeline of events taking place that week. In addition to accounting partner Yeo & Yeo, Comcast will be supporting the event as a co-presenting sponsor. To be eligible for a FastTrack Award, companies must show revenue increases by at least 20 percent annually for three years or more, starting from a revenue base of at least \$100,000 in 2014. Presenting accounting partner Yeo & Yeo CPAs & Business Consultants, who has partnered with Ann Arbor SPARK for FastTrack for more than 10 years, will once again verify all of the award applications.

**Ann Arbor SPARK Honors 16 Fast Growth Companies with FastTrack Awards:** As part of the a2Tech360 series of events, Ann Arbor SPARK presented its 20th annual FastTrack awards to 16 Washtenaw County-based companies that have demonstrated fast growth. Several of the 2018 FastTrack award recipients were multiple year winners. For the first time, CEO Bhushan Kulkarni, accepted awards on behalf of two companies, GDI Infotech and InfoReady. "Over the years, SPARK has recognized 108 fast-growing companies from Washtenaw County with 270 FastTrack awards," said Paul Krutko, president and CEO of Ann Arbor SPARK. "This year's class exemplifies the tremendous talent and dedication that defines the Ann Arbor region's thriving business community."

**Pitch Club, for Entrepreneurs and Startups, Will be Hosted at Ann Arbor SPARK:** Kyyba Innovations and Bodman PLC are hosting Pitch Club on Tuesday, June 26th at Ann Arbor SPARK. Pitch Club is a mentoring and funding program aimed at connecting the various ecosystems and smart zones throughout Michigan. Pitch Club has ongoing monthly events that provide entrepreneurs the opportunity to learn from seasoned entrepreneurs and investors. As part of the events, 3 lucky entrepreneurs will receive the opportunity to practice their pitch and discuss business plan with funding experts, giving them a better understanding the mindset of an investor. The June 26th event at Ann Arbor will include 3 startup presentations, a pool of judges, and our special guest Mike Klein, CEO Genomenon, Inc. will be the keynote speaker.

**Ann Arbor SPARK Presents Second Annual Tech Talk on June 15:** Back by Popular Demand, Tech Talk Features 13 Presenters Offering Inspirational Talks on Innovation, Research, and Technology. From 9 a.m. to noon on June 15, Ann Arbor SPARK will present its second annual Tech Talk. The free event, to be held at the Michigan Theater, features inspiring "TED" style talks from leading innovators. Back by popular demand, Tech Talk, sponsored by PNC Bank, features some of Ann Arbor's most interesting and impactful business leaders. Presenters will offer key insights on evolving innovations, research, and technology.



## Press releases - City of Ann Arbor - 2018

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**Bank of Ann Arbor Announces Live @ Tech Trek Line-Up:** Bank of Ann Arbor is pleased to announce that it will present the first annual Live @ Tech Trek featuring live bands from noon to 3pm followed by a DJ spinning music until 7pm. The event will be held on Friday, June 15th at the corner of Washington and South Fifth Avenue in downtown Ann Arbor. Washington Street between S. Fifth Avenue and Division will be closed for the music festival and the inaugural Mobility Row featuring self-driving shuttles to leading edge connected car technology. As part of the 2018 A2Tech360 schedule of events, Bank of Ann Arbor will offer live music, food trucks, and a great time, immediately following the conclusion of the highly popular Tech Talk event.

**Ann Arbor SPARK Presents First Annual a2Tech360:** At its annual meeting, Ann Arbor SPARK unveiled a2Tech360, an extension of its popular Tech Trek event, to be held this year on June 15, that includes extended programming designed to spotlight the region's innovative people and businesses. An Ann Arbor SPARK initiative, a2Tech360 dedicates itself to promoting the ecosystem of the Ann Arbor area of innovation. A week of tech-related events, a2Tech360 creates connections between key community actors – innovators, researchers, investors, businesses, education institutions, non-profits, job seekers and the general public – that meaningfully generates discussion, ideas, and new opportunities.

**Trillium Secure establishes new location in Ann Arbor, investing \$240,000:** Trillium Secure, Inc., a provider of cybersecurity protection and secure data management for vehicles and fleets, is establishing its research and development lab and Midwest operations in the city of Ann Arbor. The facility will be the company's first Michigan location. In the first 12 months, Trillium has committed to invest \$240,000 in capital investment and create 25 new jobs in Michigan. The 25 new jobs are expected to generate over \$2.5 million annually in income for Michigan. The Michigan Strategic Fund board today approved a \$207,500 Michigan Business Development Program performance-based grant to support the private investment. Michigan was chosen over competing sites in Ontario.

**Accenture Expands Industry X.0 Capabilities with Two Acquisitions in North America:** Accenture has made two major moves to expand its Industry X.0 practice. The company acquired hardware engineering firm Mindtribe and entered into an agreement to buy smart embedded software company Pillar Technology. The two acquisitions will significantly boost Accenture's ability to help companies redefine smart connected software and physical products as the lines blur between the physical and digital world. Headquartered in Columbus, Ohio, Pillar Technology has a team of 320 people and offices in Des Moines, Iowa, Ann Arbor, Michigan, and Palo Alto, California. It possesses more than 20 years of experience in the rapid/agile development of high-quality and user-friendly embedded software used in smart, connected products such as autonomous vehicles.

**Mi Padrino Wins \$10,000 at the Desai Accelerator Demo Day:** For Mi Padrino, fourteen weeks of hard work as part of the Desai Accelerator's Summer 2018 cohort culminated in being awarded Best Pitch and earning a \$10,000 cash prize at the Desai Accelerator Demo Day. An online application that makes the planning and paying for Hispanic events, such as quinceañeras, weddings and baptisms, easy and effective, Mi Padrino offers planning resources, personal event pages and crowdfunding features tailored to the Hispanic community—a population that has been underserved until now.

## Press releases - City of Ann Arbor - 2018

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### **Ann Arbor SPARK's Paul Krutko Elected President of International Association of Science Parks and Areas of Innovation Board of Directors:**

Paul Krutko, president and CEO of Ann Arbor SPARK, has been ratified as the new International President of the International Association of Science Parks and Areas of Innovation board of directors. He begins his 2-year term following ratification at the 2018 IASP General Assembly in Isfahan, Iran, and having previously held the position of IASP vice president for two years. He leads the IASP International Board, which is made up of 18 members from 13 different countries. IASP is the worldwide network of science parks and areas of innovation, founded in 1984. With 347 members in 77 countries, IASP connects professionals managing science, technology and research parks and other areas of innovation from across the globe, and provides services that drive growth and effectiveness for members.

**Ann Arbor SPARK Connects Mobility Companies with the AAATA and City:** Two stand-out companies at the recent Techstars Mobility Demo Day are working with Ann Arbor SPARK to further develop their technology with an eye on commercialization. Humanising Autonomy and LaneSpotter tapped Ann Arbor SPARK for assistance in navigating the Ann Arbor mobility landscape which led to working with the Ann Arbor Area Transportation Authority and the City of Ann Arbor. Techstars Mobility invests in startups building technologies and innovative business models that impact how people and goods move across all modes of transportation.

**Mi Padrino, Hispanic Event Platform Announces Strategic Investments in Seed Round:** Mi Padrino, an event-planning and crowd-gifting platform for the Hispanic community, announced today that it has secured a Series Seed round. Launched in 2017, MiPadrino.com makes it easy to organize and fund Latino events like quinceañeras and weddings. Astia Angels led the round which includes industry leader XO Group (TheKnot) as well as Chloe Capital, Invest Detroit, Invest Michigan and others. An all-in-one marketplace, event hosts use Mi Padrino to register for gifts, find vendors, shop for products, and more. The funds raised will accelerate Mi Padrino's growth trajectory by enhancing its platform, expanding marketing efforts, and investing in user engagement and retention.

**Accelerate Michigan Innovation Competition Winner VerteCore to Move to Ann Arbor:** At the recent Accelerate Michigan Innovation Competition (AMIC), Ann Arbor SPARK entrepreneurial services client SpellBound won the Women-led prize of \$150,000 and Shoptelligence won the \$50,000 third place prize. Derq, who Ann Arbor SPARK worked to attract to the region this year, won the \$20,000 social enterprise prize. In total, eleven of the 2018 AMIC semi-finalists are Ann Arbor SPARK entrepreneurial services clients. VerteCore Technologies LLC, a Mississippi-based orthopedic medical device company, was awarded AMIC's \$500,000 grand prize and the \$10,000 people's choice award. VerteCore will be relocating to Ann Arbor in the coming months. Throughout its duration, Ann Arbor SPARK, via the Michigan Pre-Seed Capital Fund, has been the AMIC Investment Sponsor, providing \$250,000 of the total investment awarded to the winning company.

**SafetyBit Wins \$25,000 as "Best of" Ann Arbor SPARK Entrepreneur Boot Camp:** At the conclusion of its latest Entrepreneur Boot Camp, Ann Arbor SPARK awarded SafetyBit its \$25,000 Best of Boot Camp prize and Vidyut Wheels its \$10,000 runner-up prize. The winners were selected by an esteemed panel of experts, based on the business's investor pitch. Boot Camp is designed for entrepreneurs who are prepared to assess and validate the feasibility of their business concept, build a business model, and find beta customers. Best of Boot Camp winner SafetyBit, which is being incubated at the SPARK East Innovation Center, has developed and is launching its security technology application to eliminate the billions of dollars of cryptocurrency that have been stolen by hackers.

# The American Center for Mobility

## Willow Run's Connected and Automated Vehicle Center Overview

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**In 2018 the SPARK team assisted with business development for the site - representing ACM at national and international tradeshow - and promoted the site through events such as the ACM showcase in November.**

The opening and continued development of ACM builds on years of involvement by Ann Arbor SPARK, Ypsilanti Township, elected officials, the University of Michigan, the State of Michigan, Washtenaw County, and numerous other partners to bring this project to the site.

SPARK is deeply involved in the ongoing work of the American Center for Mobility, helping to manage all aspects of the process, including:

- CEO Paul Krutko serves on the Board and as Treasurer of ACM;
- Providing back of the house support to ACM staff (human resources and finance management);
- Supervising the development of a technology park at ACM;
- Development of funding solicitation proposals;
- Business development (lead generation and relationship management for both users and tenants of the site);
- Managing the entirety of the Request for Partnership process (to find a partner to develop the tech park and headquarters facilities).

SPARK also creates and maintains marketing material for the site, including:

- [The American Center for Mobility - Driving the Future of Transportation](#)
- [Michigan's mobility research cluster](#)
- [Mobility companies in the region](#)
- [Mobility assets near the American Center for Mobility](#)

Below are some of the activities and efforts related to this project, which began 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:

#### 2018

- In Q4, 2018, Ann Arbor SPARK planned and ran the ACM Showcase event, welcoming attendees of the Novi mobility auto show to the site for tours, presentations by mobility startups, and rides in autonomous vehicles. The event was so popular that over 350 people registered and over 200 showed up.
- Ann Arbor SPARK and the American Center for Mobility are currently hiring a Director of Business Development to serve as the core liaison between SPARK and ACM on economic development and marketing the use of ACM. This position will be responsible for promoting and marketing the Facility for events, Testing and Testing Support Service to maximize facility revenue. For more information, please see the job description [here](#).
- In Q3, 2018, ACM released the following press releases outlining the activity on and involving the site:
  - [Siemens and ACM announce expanded partnership to advance the next generation of connected vehicles](#)
  - [American Center for Mobility Announces Kirk Steudle as Interim President, CEO](#)
  - [Automated Vehicles will Create a Shift in Workforce Demands](#)
  - [Toyota Research Institute Joins Study of Workforce Impact from Automated Vehicles](#)
  - [American Center for Mobility establishes partnership with international proving grounds, harmonizes CAV testing protocols and best practices](#)
- In Q2 2018, SPARK continued to partner with ACM on business development activities, including:
  - Development of trade show booth materials
  - Showcase of the American Center for Mobility at the Autonomous Vehicle Test & Development Symposium in Stuttgart, Germany
  - Showcase of the American Center for Mobility at the Automated Vehicle Symposium in San Francisco
  - Showcase at “Mobility Row” at Tech Trek in downtown Ann Arbor
  - Hosting the Meeting of the Minds mobility event, showcasing startups and demonstrating Visteon’s automated vehicle technology on site at ACM
  - Hosting 10 site selectors at ACM as part of an economic development familiarization tour, hosted through the Michigan Economic Development Corporation
  - Hosting a delegation of 100+ officials and business owners from China through Michigan-China Week
  - Showcasing ACM and development opportunities to 100+ attendees of the Urban Land Institute, a national organization that hosts real estate developers and managers that was held in Detroit.
- In Q1 2018, three new partners were announced for ACM: Adient, Subaru, and Hyundai. In addition, the facility held its first “career exploration day,” exposing hundreds of students and other job seekers to opportunities in the mobility industry.

## 2017

- In December 2017, construction on Phase 1 of the project (the high speed loop) was completed, and American Center for Mobility opened its proving grounds for testing, with Visteon Corporation and Toyota Research Institute on site to begin testing operations.
- In September 2017, the American Center for Mobility and Ann Arbor SPARK released a Request for Partnership (RFP) for the development of its technology park which will include a headquarters and labs for the organization. The selected development partner will conceptualize and develop a world class tech park adjacent to the connected and automated vehicle proving grounds built on more than 500 acres at Willow Run. The partner will also manage the construction of the tech-park facilities. The 25 acre location for the 45,000 sq. ft. headquarters has already been selected based on its proximity to the ACM proving grounds. In addition to the headquarters, the project includes design and construction of a 13,500 sq. ft. lab that will be adjacent to the headquarters and the proving grounds. Ann Arbor SPARK is managing the RFP process. Throughout Q3 and Q4 of 2017, Toyota, Ford, Hyundai, and Visteon all announced their intent to support the American Center for Mobility (ACM) as Founder-level sponsors with a \$5 million contribution each.
- In April 2017, the Michigan Strategic Fund (MSF) pledged an additional \$15 million to see the autonomous and connected vehicle research facility in Washtenaw County reach the next stage in development. This brought total funding from the MSF to \$32 million.
- In Q1 2017, construction officially began at the American Center for Mobility at Willow Run in Ypsilanti Township. Phase 1 of the project - the high speed loop - should be complete by the end of 2017.
- 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.

## 2016

- 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. 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.
- 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.

- 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, and 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.

## 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, owned by RACER Trust. In addition, outreach to industry partners continued.
- Continued outreach to stakeholders in Washington, DC and at the state level, as well as further development of the site plan and operating model.
- 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
- 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.
- 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.
- 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.

## 2013

- 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.





# Appendix

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

- The website Livability named Ann Arbor as the [top place to live in 2018](#). Ann Arbor received an overall score of 694, coming in ahead of places like Manhattan, Kansas, and Corvallis, Oregon. “This dynamic city in southeastern Michigan earned high marks for education and civic engagement thanks to the beloved University of Michigan and its 44,000 students and 30,000 employees. In addition, the U of M Medical Center makes high quality healthcare easily accessible. Ann-Arborites have access to a wide variety of cultural amenities including fantastic restaurants, shopping districts and nightlife entertainment that contribute to a high quality of life. “A Squared” is also known for embracing the arts, including the four-day Ann Arbor Art Fair every July that draws about 400,000 visitors.”
- In April 2018, SPARK facilitated **two student “treks” through Ann Arbor**, both from UM and MSU. As Tech Trek happens in summer, college students don’t get a chance to take the Trek. SPARK partnered with the Center for Entrepreneurship at UM and the James Madison school at MSU to create mini-treks in April. Students visited companies like Menlo Innovations, Barracuda, and Duo, and learned about employment opportunities right here in Ann Arbor
- As part of the state’s **Michigan China Week** May 6-9 2018, the delegation spent a day in Ann Arbor. The Ann Arbor portion included a mobility tour of Mcity and the American Center for Mobility, a Michigan-China Industry and Innovation dialogue with policymakers from Michigan and China, and a startup summit organized by TusLink involving startups from Michigan and China. Throughout Q1 of 2018, Ann Arbor SPARK worked with our partners to designate census tracts eligible as **Opportunity Zones** under the new federal tax legislation. 7 census tracts in Washtenaw County are eligible as a result of this work. The MSHDA map and information on the legislation can be found [here](#).
- In May, SPARK sponsored the monthly Lunch meeting of **The Greater Ann Arbor Society for Human Resource Management** (GAASHRM). GAASHRM is a volunteer-run non-profit association dedicated to the advancement of the Human Resources profession and helping Human Resources professionals in the Ann Arbor area. SPARK promoted the new updates to the SPARK Talent portal, developed by Ann Arbor based TrueJobs.
- In June, Ann Arbor SPARK attended the **MB Financial Job Fair** as MB Financial announced in April that they were laying off 600 employees. SPARK gathered resumes from employees and forwarded to companies looking for talent in Ann Arbor.
- **Mobility:** Ann Arbor SPARK hosted more than 70 people at the Mobility Meetup in August at SPARK Central Innovation Center and toured May Mobility space at the September Mobility Meetup.
- In November 2018, Ann Arbor SPARK hosted the fourth annual **Tech Homecoming**, an event whose goal is to connect talented out-of-towners with Ann Arbor and its vibrant tech ecosystem, which has produced hundreds of startups and billions in enterprise value in the past five years. 120 people attended and over 300 registered, sharing their resumes and LinkedIn profiles with 14 regional tech companies.
- SPARK serves on the City of Ann Arbor’s Economic Development Leadership Group, with special focus on State Street improvement and business attraction.



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Ann Arbor SPARK will advance the economy of the Ann Arbor region by establishing it 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 its academic, business, and community resources, and its collaborative culture.