

Ann Arbor SPARK

Semi-Annual Report

City of Ann Arbor

January 1, 2022 – June 30, 2022



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.

<https://annarborusa.org/>



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Ann Arbor SPARK | City of Ann Arbor

Semi-Annual Report

This report focuses primarily on activity completed and results achieved by Ann Arbor SPARK during the first half of 2022 within the City of Ann Arbor. In the second half of 2022 and beyond, we look forward to expanding our strategic



Driving Smart Economic Growth in Service of Prosperity for All

The world is undergoing a sea of change of how people work, where they live, and what they value. The pandemic has exacerbated economic inequalities and made progress on environmental sustainability more difficult. A strategy of smart growth in service of prosperity for all will respond to these new challenges and create opportunities that will benefit our region. To deliver on this shared purpose with a strong commitment to equity and environmental stewardship, Ann Arbor SPARK will focus its efforts in the next three years on the four strategic directions below that have the potential to deliver value, mitigate risks, and are strengths of the organization. Our new priorities include:



Customized Business Attraction, Expansion, and Retention Support in Your Backyard

Ann Arbor SPARK is proud to serve your community and provide real-time, relevant resources for whatever you need related to business attraction, expansion, and retention, when you need it. Our team can assist with feasibility studies, review available sites for projects of any size, provide economic and labor market data and analysis, industry sector analysis, compensation analysis, facilitate connections to regional, state, and national partners, and much more. Contact Phil Santer at phil@annarborusa.org to learn more.



Ann Arbor SPARK Business Development Mission

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.



AT A GLANCE | January 1 – June 30, 2022



3
PROJECT
SUCCESSSES



188
NEW JOB
COMMITMENTS



61.7M
TOTAL
INVESTMENT

SUCCESS #1

ADASTEC Corp. continued their investment in the Ann Arbor region with considerable job growth and capital raise expected in the next three years.

SUCCESS #2

DEO moved their company operations to the fourth floor of the SPARK Central Innovation Center in Downtown Ann Arbor.

SUCCESS #3

Sartorius AG's consolidation of five sites across the U.S. into one new 130,000 sq. ft. state-of-the-art facility within the City of Ann Arbor.

SARTORIUS GROUNDBREAKING

Sartorius broke ground on June 23, 2022, on their new \$57M flex-tech building that will employ 300+ individuals once fully operational. The 130,300-sq. ft. project features 60,000 sq. ft. of office space across two stories and 70,300 sq. ft. of R&D space on one story. It also includes 299 parking spaces, 150 of which will be outfitted with electric vehicle charging stations, and 64 spaces for bike parking.



AT A GLANCE | January 1 – June 30, 2022

BUSINESS RESILIENCY INTERVIEWS

Phil Santer, Senior Vice President of Ann Arbor SPARK recently conducted interviews with Lisa McLaughlin, Co-Chief CEO of Workit Health and Danny Ellis, CEO of SkySpecs to learn more about how they managed to grow their businesses in recent years despite the pandemic. The interviews explore the impact of the pandemic, challenges faced by the businesses, critical support provided at different stages of their business growth, and recommendations for the City of Ann Arbor and the surrounding region to ensure a strong startup ecosystem.

Key takeaways from these meetings include the importance of retaining local talent as companies downsize, a renewed focus on maintaining the startup ecosystem in Ann Arbor by supporting and promoting programs for early-stage companies, universal internet access and the possibility of becoming a smart wired city, and the importance of embracing virtual/remote or hybrid work environments because they are here to stay. Contact [Phil Santer](#) for more information regarding these interviews.

ONGOING COMMITMENT TO CARBON NEUTRALITY

SPARK continues to be a strong partner for the city's A2Zero initiative that focuses on innovation to achieve carbon neutrality and our very own Director of Mobility Programs, Komal Doshi, is actively engaged as a steering committee member. SPARK staff are committed to providing sustainability resources to companies looking to locate or expand within the region. A great example of this is the new Sartorius site which will include many sustainable features, including capacity for electric vehicle charging stations, 200 kilowatt solar panels on the roof, utilization of MI Green Power via DTE, and the research park's first storm runoff pond to protect against flooding and erosion. The site is also seeking LEED certification for new construction and major renovation by the U.S. Green Building Council.

COMING SOON: [a2tech360 2022](#)

A promotional banner for a2TECH360 2022. The background is a vibrant, abstract pattern of purple, blue, and pink. On the left, the text 'a2TECH360' is written in a large, bold, sans-serif font, with 'a2' in green and 'TECH360' in white. Below it, 'VIRTUAL & IN-PERSON EVENTS' is written in white, and 'COMMUNITY, TECHNOLOGY, & INNOVATION' is written in a smaller white font. On the right, the dates 'OCTOBER 7 – 14, 2022' are displayed in a large, bold, white font. Below the dates, there are logos for 'ANN ARBOR SPARK' and 'IDA' under the heading 'ORGANIZED BY', and 'RUSSELL VIDEO Script to Screen' under the heading 'MEDIA SPONSOR'.

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.

[Applications are now open for Tech Trek and Mobility Row 2022!](#)

City of Ann Arbor Metrics

Companies Assisted		January 1 – June 30, 2022
Number of growth visits		29
Number of attraction prospect site visits ¹		0*
Number of responses to attraction prospect or site consultant requests for proposals ²		4
Jobs		
Projected to be created (over the next 3 years) ³		188
Jobs projected to be retained		163
Investment		
Taxable value of new private investment		\$ 30,854,500
Total value of private investment		\$ 61,709,000
Miscellaneous		
Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations ⁴		1 Brownfield Credit Awarded: \$2,735,438 1 MBDP Grant Awarded: \$1,200,000

¹Number of discreet projects that were physically toured around sites in the City of Ann Arbor.

²Number of requests to which SPARK electronically submitted properties located in the City of Ann Arbor.

³These 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.

⁴ [Michigan Economic Development Corporation Business Development Program Projects](#)

*The COVID-19 crisis limited our ability to physically tour space. This figure includes virtual visits done with site consultants that lead global site search projects.



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.

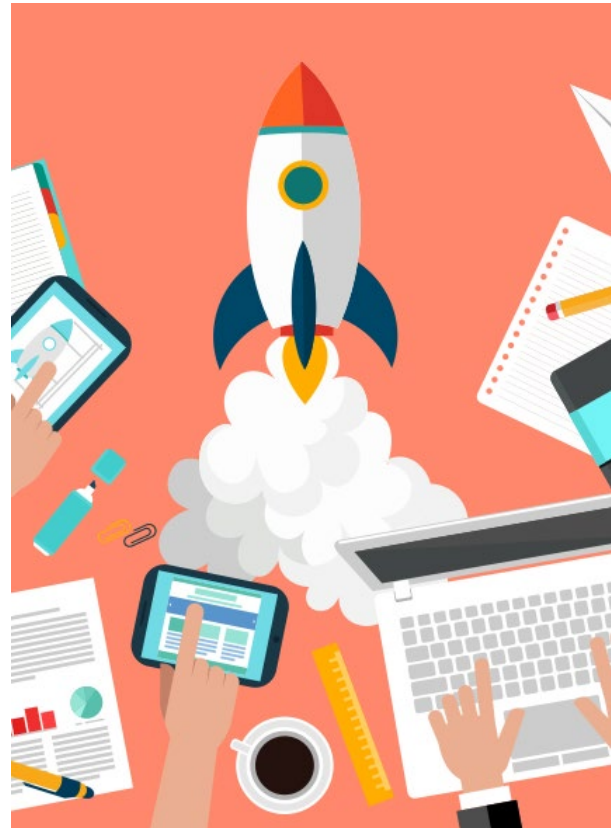
Ann Arbor SPARK Metrics:

JOBS

SPARK acts as project manager for both the communities it supports 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.

January 1 – June 30, 2022

COMPANIES VISITED

Growth calls are a core economic development strategy that involve proactively outreaching and engaging with the existing employer base in our region to determine where they face opportunities and challenges. Growth calls recognize that businesses are dynamic entities that involve constant change. These calls allow SPARK to:

- gather information about local businesses that can be aggregated to reveal trends,
- determine valuable resources that could assist in the company's development,
- identify growth projects that require assistance, and
- serve as an ombudsman between businesses and government.

SPARK conducts hundreds of targeted growth calls each year that result in numerous referrals to resources, services and opportunities of which companies are often unaware. The most common referrals involve accessing talent, access to capital or business development/sales opportunities. Proactive outreach helps companies address challenges before they become problems, supports their continued growth and helps them see that this region is invested in their success.



SPARK HELD GROWTH VISITS WITH

29 COMPANIES

January 1 – June 30, 2022

These companies ranged from 1 to 700 employees and encompassed a wide range of industries including Life Sciences, Advanced IT, Alternative Energy, Business Services, Research and Development, Homeland Security and Defense Technology.

Together, they represent over 2,110 full-time employees.

January 1 – June 30, 2022

COMPANIES VISITED

Company Name	Current FTE (as of growth visit)
!Important Safety Technologies USA Inc.	5.5
AdAdapted, Inc.	76
ArborMetrix	60
Atomic Object	81
Biovigil Hygiene Technologies, LLC	30
Censys, Inc.	125
DO:Better	3
Falcon Innovations	10
Fifth Eye, Inc.	10
KLA Corporation	405
Kumanu, Inc.	32
LLamasoft	150
MemryX Inc.	30
Menlo Innovations LLC	43
Merative	700
NETSCOUT Systems, Inc.	140
Nimbus AV LLC	12
Republic Pharmaceuticals	3
Ripple Science Corporation	12
RXA, LLC	38
SafeSend	45

January 1 – June 30, 2022

COMPANIES VISITED

Company Name	Current FTE (as of growth visit)
SafeSend	45
SDocs, Inc.	30
Sequoia Applied Solutions, Inc.	11
SiTime	15
Sniffer Robotics, LLC	16
ThingSmiths	2
Topiary Capital	1
Torrent Consulting, LLC	25
VectorRock, Inc	3

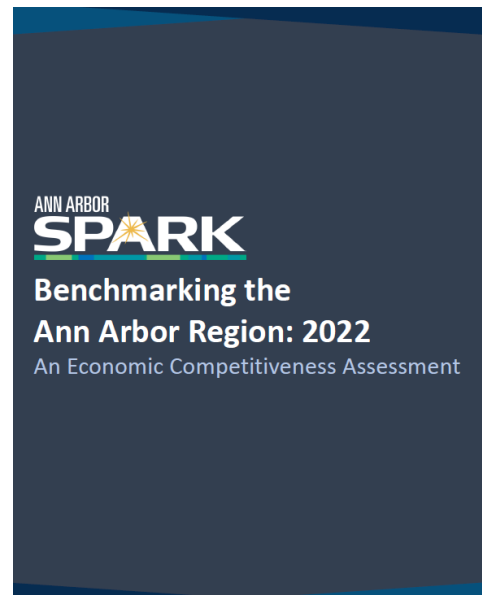
Benchmarking the Ann Arbor Region

An Economic Competitiveness Assessment

2022 Benchmarking Report Compares Ann Arbor Region to Other U.S. Tech Hubs

Ann Arbor SPARK recently released the fourth iteration of its **Benchmarking the Ann Arbor Region** report. The purpose of the report is to compare Ann Arbor to regions that are competitive in attracting companies in growing industries and in-demand knowledge workers, including Boulder, CO, Silicon Valley, and Austin, TX. The report provides clear, unbiased data and a regional analysis for a series of eight metrics:

- University R&D
- Population Movement
- Share of Remote Jobs
- Venture Capital Activity
- Housing Affordability
- Percent of People Experiencing Poverty
- Driving Industry Employment
- Labor Market



Washtenaw County Economic Outlook Highlights and Takeaways | 2022 – 2024

Gabriel Ehrlich and Michael McWilliams from the [Research Seminar in Quantitative Economics](#) (RSQE) at the University of Michigan presented the economic outlook for Washtenaw County during a luncheon organized by the Washtenaw Economic Club — an event that Ann Arbor SPARK is proud to sponsor. The event took place at The Kensington Hotel in Ann Arbor on March 24, 2022 and marked the return to in-person Washtenaw Economic Club events.

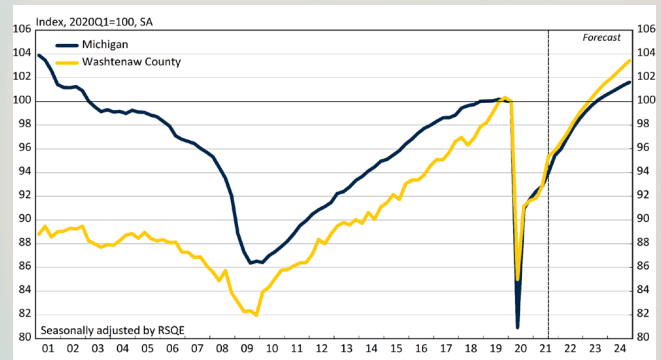
Ann Arbor SPARK's Director of Research Melissa Sheldon, who moderated the event, provided this high-level summary of the Washtenaw County Forecast.

[Read the full report](#)

[View the presentation](#)

Washtenaw County's economy continued to recover from the losses it suffered at the beginning of the COVID-19 pandemic and recession throughout 2021 and, according to RSQE, improvement is expected to continue through 2024. Washtenaw County's overall payroll employment level is expected to surpass the pre-pandemic level by mid-2023 and the unemployment rate is expected to decline to 2.7 percent. This is great news for our region and for blue-collar jobs for which recovery has been strong. However, recovery for the lower-education services sector has been slow and employment levels are expected to remain slightly lower (3 percent) than the pre-pandemic levels by the end of 2024.

Quarterly Payroll Employment Indices, Michigan and Washtenaw County



RSQE, March 2022

RSQE identified a prominent pattern in this year's forecast in that industries with higher average wages are more likely to make a full employment recovery by 2024 than industries with lower average wages. Industries not expected to make a full recovery by the end of 2024 include accommodation and food services; arts, entertainment, and recreation; retail trade; natural resources and mining; and other services.

Inflation continues to be a risk for the local and national economy and is currently running at its fastest pace in 40 years. Inflation is expected to remain high in the near term, but there is hope that the Federal Reserve can engineer a "soft landing", in which it brings down inflation without undermining the recovery in the labor market. Despite these inflation trends, average real wages in both the state and county have increased substantially since over the past 3 years.

New for the 2022 outlook is RSQE's analysis of employment and wages in computer and math occupations and how Washtenaw County stacks up against peer communities. The county has a higher share of computer and math jobs than the nation overall, but local wages in these occupations are lower than the national average after adjusting for the cost of living. To remain a technology-driven community, Washtenaw will need to find ways to pay more competitively in these occupations — especially now that the potential exists for more than 20 percent of all work hours nationally to be performed remotely through 2024 and beyond.



Ann Arbor SPARK Talent Engagement and Marketing the Region

For more than 15 years, SPARK has served the greater Ann Arbor region as a catalyst for economic development. We accomplish this by building awareness of the region as a destination for business and manufacturing development and growth. Our team of knowledge experts attracts, develops, strengthens, and invests in driving industries to help our communities prosper.



Inclusive Workplace Series

DEI Awareness

Ann Arbor SPARK is launching its new Inclusive Workplace Series of educational events on Wednesday, January 19, at 11:30 a.m., with [DEI Awareness](#). This free online event series is designed for small business owners and will cover a range of topics: DEI awareness, unconscious bias training, navigating workplace harassment, building a diverse workplace, and cultural competency. Each session will drill down into a specific topic and participants will benefit from the event’s interactive format.

The Inclusive Workplace Series provides training and guidance to growing companies in the greater Ann Arbor region who want to incorporate various aspects of diversity, equity, and inclusion (DEI) as they grow and develop their business. The series helps executives, HR professionals, team members, and all champions and allies learn how to build a more inclusive workplace culture that can result in improved hiring, employee retention and engagement, and deliver ROI in terms of innovation, performance, and growth.

“Given our work with startups, we know that the seeds of future success are planted early on,” said Paul Krutko, Ann Arbor SPARK president and CEO. “The Inclusive Workplace Series is designed to help early-stage businesses incorporate DEI principles into their company culture and practices from the start, so that they are part of standard operations as they grow. The more that DEI is reflected within our business community, the more successful we will be in attracting and retaining both job seekers and companies looking to start and grow here.”

INCLUSIVE WORKPLACE SERIES SCHEDULE

SESSION	DATE
DEI Awareness	January 19
Unconscious Bias Training	January 26
Navigating Workplace Harassment	February 9
Intro to Building a Diverse Workplace	February 16
Cultural Competency	February 23
DEI Awareness	March 9
Unconscious Bias Training	March 16
Navigating Workplace Harassment	March 23
Intro to Building a Diverse Workplace	April 13
Cultural Competency	April 20
DEI Awareness	April 27
Unconscious Bias Training	May 11
Intro to Building a Diverse Workplace	May 18
Navigating Workplace Harassment	May 25
DEI Awareness	June 8
Unconscious Bias Training	June 15
Intro to Building a Diverse Workplace	June 22
Navigating Workplace Harassment	June 29

ACE ACCELERATING COMPANY EXCELLENCE

Accelerating Company Excellence (ACE) is designed to help small business owners learn new skills and reinforce best business practices by learning from subject matter experts in finance, sales, marketing, and accounting. ACE also offers the opportunity for in-person networking where business owners can share tips, challenges, and opportunities with each other.

Each ACE session is distinct and business owners do not need to attend all sessions to benefit from the curriculum.

The weekly events will feature a deep dive on specific skills necessary for businesses to accelerate their growth. Topics include best financial practices, do-it-yourself marketing, online sales, and team building and leadership.

ACE is sponsored by Fifth Third Bank, UHY, and the Ann Arbor/Ypsilanti SmartZone Local Development Finance Authority (LDFA) and is presented in partnership with the Michigan Small Business Development Center and Washtenaw Community College.

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January 1 – June 30, 2022

Ann Arbor SPARK Press Releases

Ann Arbor SPARK Launches New Inclusive Workplace Event Series for Small

Businesses: Ann Arbor SPARK is launching its new Inclusive Workplace Series of educational events on Wednesday, January 19, at 11:30 a.m., with [DEI Awareness](#). This free online event series is designed for small business owners and will cover a range of topics: DEI awareness, unconscious bias training, navigating workplace harassment, building a diverse workplace, and cultural competency. Each session will drill down into a specific topic and participants will benefit from the event's interactive format.

1/5/2022

Canadian-Based Exro Expands to Ann Arbor Area, Hiring Engineering and Office

Positions: In November 2021, Exro Technologies Inc. announced the launch of its services arm to provide vehicle integration solutions for automakers pursuing electrification. The new division, called Exro Vehicle Systems, provides end-to-end electric vehicle (EV) design and engineering services. At the same time, Exro shared plans to expand with a Michigan-based facility to service the top automakers pursuing aggressive EV goals. 1/31/2022

Michigan Native Returns, Contributes to Ann Arbor Startup Economy:

Ann Arbor is a dynamic center of innovation and entrepreneurship — one that is sustained by a network of public, private, and academic organizations. Since Alison Todak returned to Michigan from Washington, D.C. in 2015, she has played a critical role within Ann Arbor's entrepreneurial ecosystem helping create, fund, and grow startups. Today, Alison is applying her vast experience at [Plymouth Growth](#) as the director of platform.

2/8/2022

Ann Arbor SPARK Hosts NASA's Dr. Thomas Zurbuchen at Annual Meeting on May

17: Ann Arbor SPARK will host its annual meeting on Tuesday, May 17, 2022, from 10:30 a.m. to 1 p.m. at the Eastern Michigan University Student Center. Ann Arbor SPARK's annual meeting is attended by business, government, and academic leaders from across the Ann Arbor region and delivers a unique networking opportunity. 2/17/2022

Comcast RISE Announces Major Expansion to All Women-Owned Small Businesses Nationwide Starting in 2022:

Comcast Corporation announced a major expansion of [Comcast RISE](#) to all women-owned businesses nationwide, furthering its efforts to advance digital equity and help provide underrepresented small business owners with access to the digital tools and funding they need to thrive. 2/24/2022

January 1 – June 30, 2022

Ann Arbor SPARK Press Releases

Global AV Software Company ADASTEC Locates U.S. Headquarters in Ann Arbor:

ADASTEC has chosen to locate its U.S. headquarters at the SPARK Central Innovation Center as the company looks for a permanent location in the region. ADASTEC chose Ann Arbor because of the incredible amount of mobility innovation happening there and the support for future growth available throughout its robust tech ecosystem. 3/1/2022

U-M Desai Accelerator Welcomes Program Manager + New Location: Since its launch in 2013, as a partnership with the Ross School of Business and the Zell Lurie Institute, the Desai Accelerator has made many pivots and innovative leaps in response to the needs of technology driven entrepreneurs. Today, the University of Michigan alumni accelerator welcomes a program manager and new office space in downtown Ann Arbor.

"I am pleased to introduce Steve Janssens, Desai Accelerator's new program manager," said Angela Kujava, managing director of Desai. "Steve is a Michigan native returning to the local startup ecosystem and comes to us as the chief operating officer of LastBasic, a global marketplace for product development based in Madrid, Spain." 3/7/2022

UMCU Creates Year in Review of Charitable Efforts in Community: Titled, "UMCU Gives Back 2021", UMCU underscores its dedication to the communities it serves through financial education, local campaigns, university partnerships, social programs supporting art, K-12 schools, and literacy, as well as donations to local charities and continued service to local businesses in the Ann Arbor, Ypsilanti, Flint, Dearborn, and Saline communities. 4/21/2022

Jennifer Hayman Joins Ann Arbor SPARK as Senior Vice President of Marketing, Communications and Events: Ann Arbor SPARK has hired Jennifer Hayman to serve as senior vice president of marketing, communications and events. In this executive role, Hayman will spearhead marketing and communication efforts across the organization. Prior to this role, Hayman served as the director of marketing at Ann Arbor-based Human Element. 4/21/2022

Ann Arbor SPARK Annual Meeting Celebrates Regional Investments, Reveals Updated Strategic Plan: The updated three-year strategic plan focuses on driving smart economic growth in service of prosperity for all. SPARK established the Michael A. Finney Leadership award recognizing the legacy of the visionary leader who had a profound impact on the region's economic development. 5/17/2022



ANN ARBOR
SPARK

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