



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator

CC: Matt Horning, Interim CFO/Treasurer
Karen Lancaster, Finance Director

SUBJECT: LDFA

DATE: April 29, 2016

Question #35: In response to my request for a spreadsheet that shows jobs created and jobs retained, new investment, companies utilizing the services, number of education programs and events – all the LDFA and SPARK’s key outcome metrics - over the last five years or so, the LDFA folks indicated it was available and they would provide it. That too would be appreciated. (Councilmember Lumm)

Response: Please see the attachment.

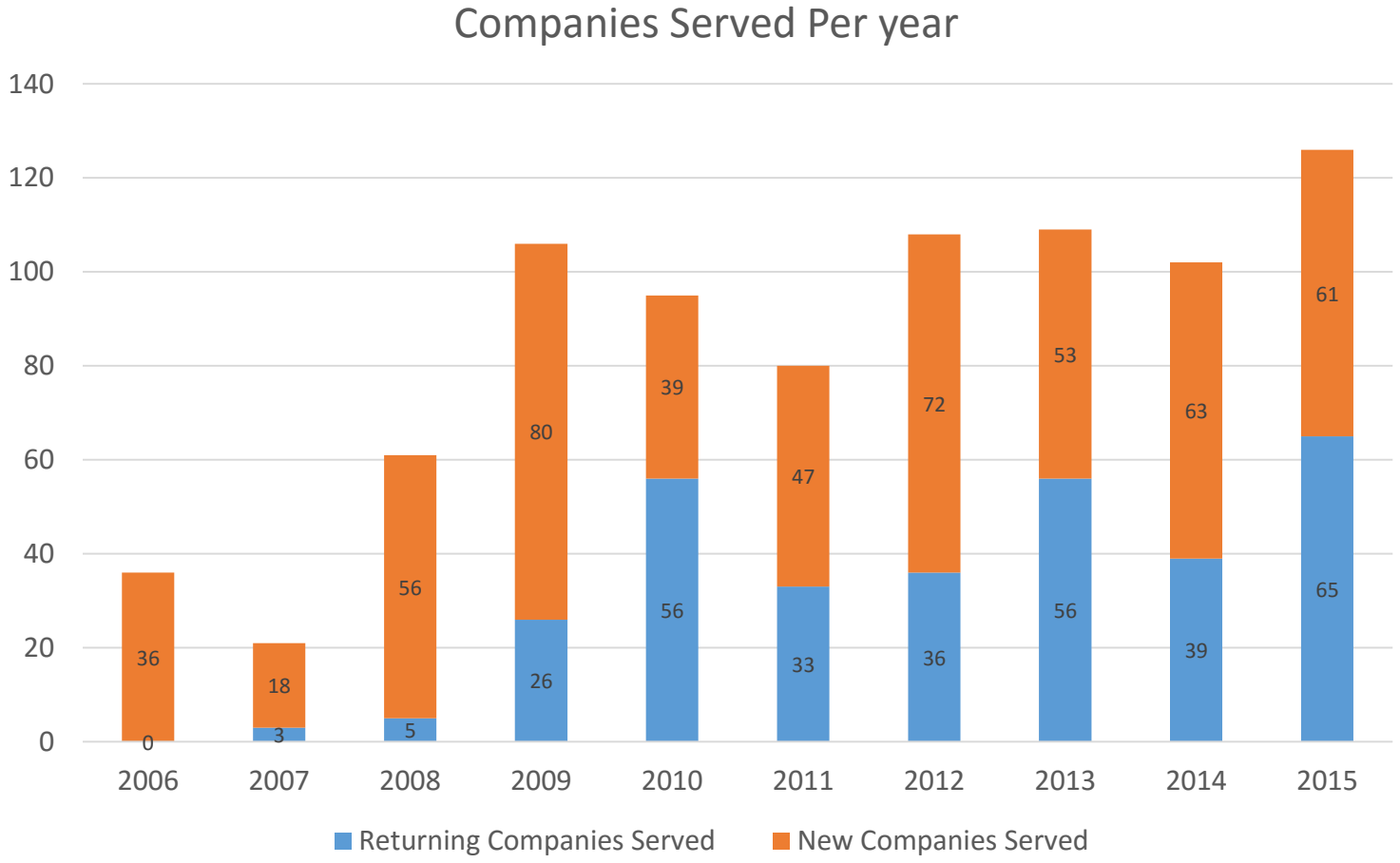
Question #36: Also related to the LDFA, can you please update us on the status of the Ann Arbor and Ypsilanti incubator expansions that were funded in the LDFA FY16 budget? (Councilmember Lumm)

Response: The upgrades and expansion of the incubator at 330 E. Liberty is complete. The work on the ground floor and 4th floor took a few months longer than anticipated to complete. Space started renting to new tenants in October, 2015. Occupancy is currently 90+% on the ground floor, which now accommodates 3 – 5 more startups. Fourth floor occupancy is about 75% occupied. Current and prospective startup and growth companies that have seen the new space have been very impressed. They’ve indicated the space provides a better environment for growing their businesses and attracting talent.

No changes have been made at the incubator in Ypsilanti.

Startup Ecosystem, SPARK's Role Growing

While a large number of new companies are forming and requiring assistance, SPARK has evolved to also help the now more established companies survive and grow.



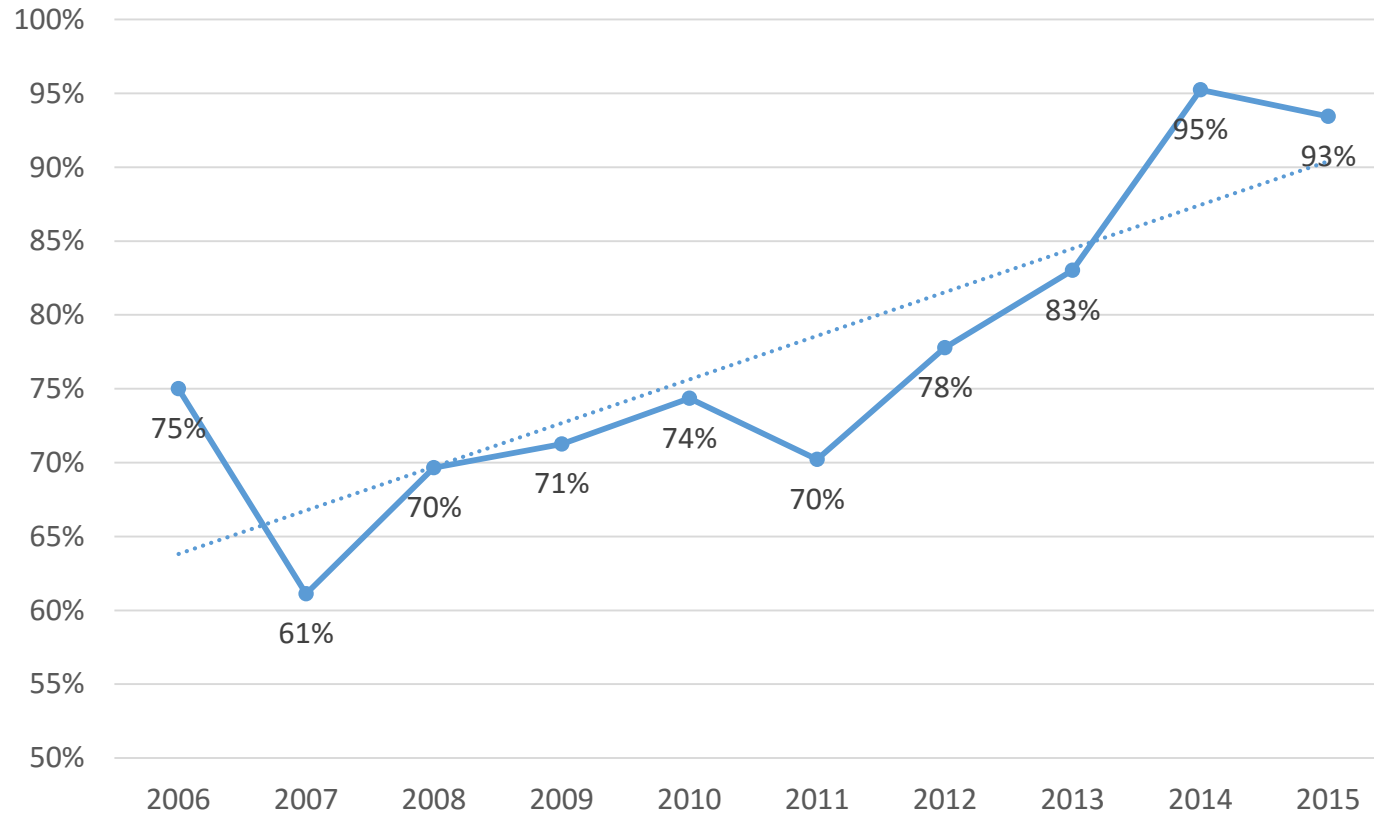
Graphs represent data pulled from SPARK CRM database.

Data is collected and compiled by SPARK over the course of years via annual surveys and personal contact.

Ann Arbor Startups More than Double the National Survival Rate

Early mentorship and funding are critical to improving the survival rate of start-ups for long-term success

Company Survival Rate by Year of Initial Service



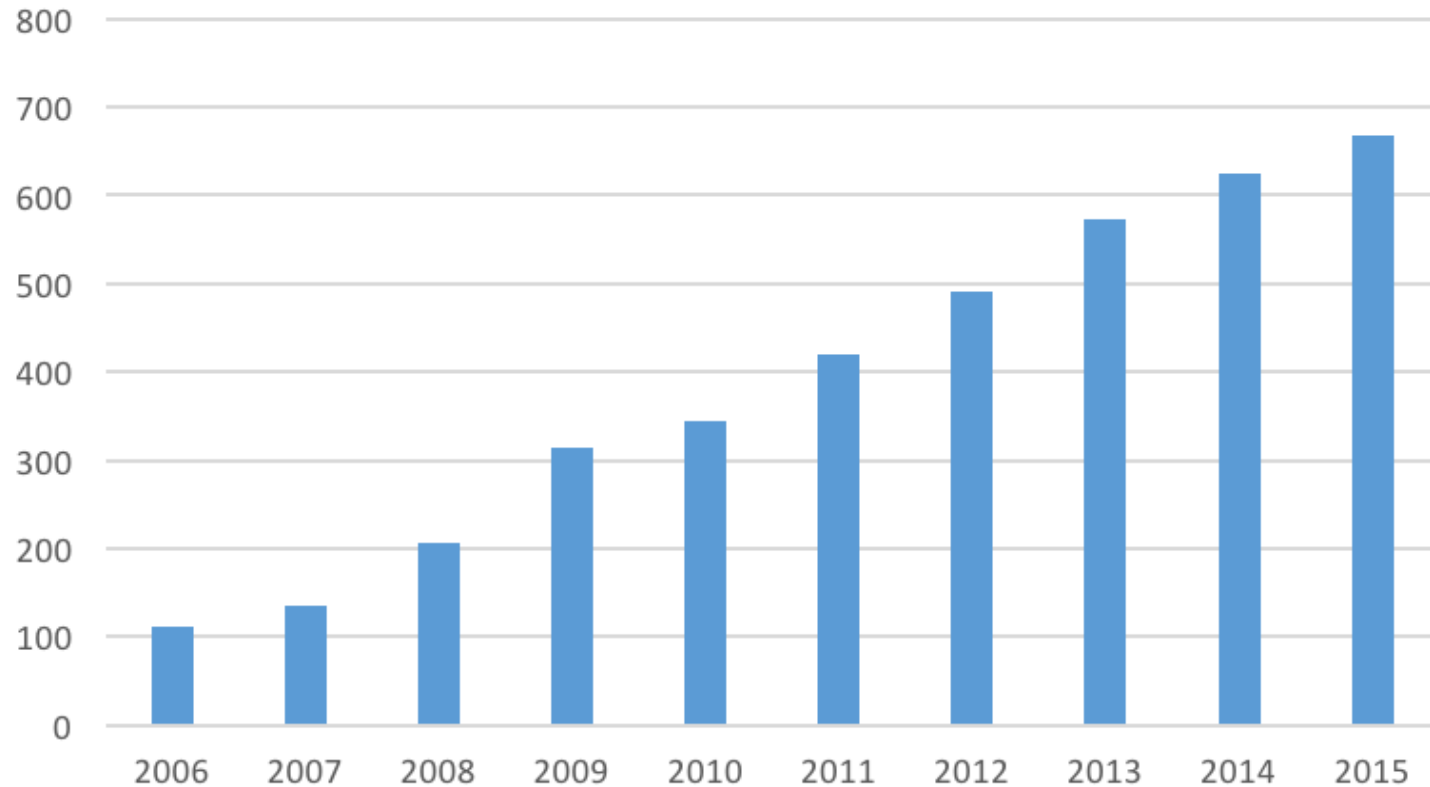
- 74% of companies initially served in 2010 are still in business today.
- SBA.gov states half of small businesses survive 5 years, one third survive 10 years.

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Employment Increases as Served Companies Age

Cumulative Jobs Created by Companies Initially Served per Year



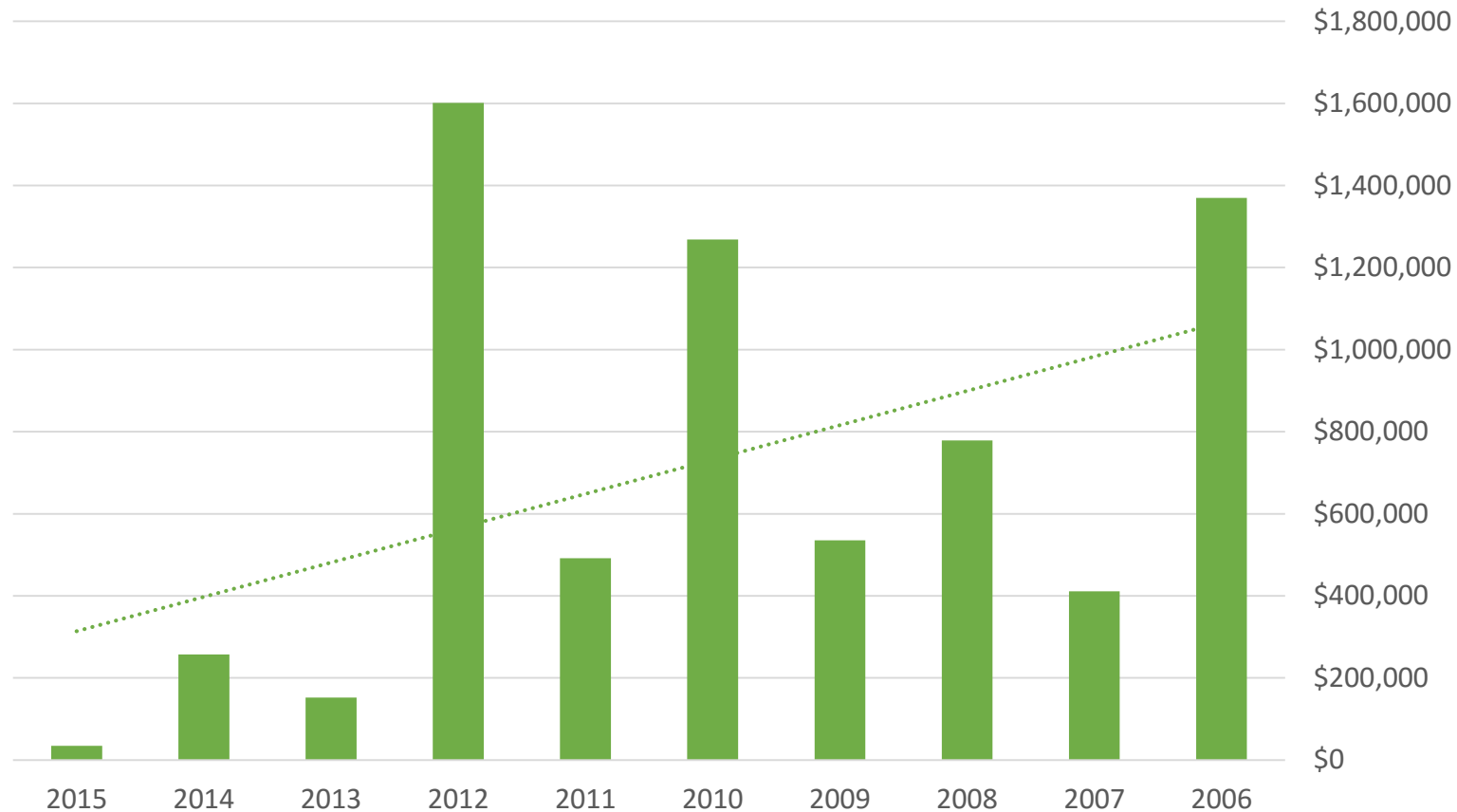
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Capital Invested Increases as Served Companies Age

Most of the funds raised by SPARK companies ends up being spent locally

Capital Raised per New Company Served



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