

PROGRAMMATIC HIGHLIGHTS

52
Projects funded

\$27,099,933
Total deployed

\$104,710,643
Total leveraged

464
Jobs created/retained

► REAL ESTATE

Projects funded

13

Deployed

\$21,787,174

Leveraged

\$71,951,971

Residential units created

142

Affordable units created

55

Total Square Footage

497,110

Developer demographics

Minority: 2

Detroit resident: 4

Project Highlight

In February 2018, Detroit resident Matt Hessler broke ground on the vacant B. Siegel Co. building at the corner of Seven Mile and Livernois – a neighborhood targeted for Strategic Neighborhood Fund investment. The project is a mixed-use development combining new construction with redevelopment of the original building.



Matt Hessler

When complete in 2019, the project will have 10 second-floor residential units, 29 underground parking spaces, and a robust mix of retail, professional services, and restaurants filling more than 20,000 square feet of ground floor commercial space and creating approximately 30 new jobs. Matt's vision is to rebuild this prominent corner as a new anchor to strengthen the Avenue of Fashion and serve its adjacent neighborhoods. He worked to create a sustainable project plan that would meet this goal and City of Detroit requirements. While the potential for impact was great, financing a neighborhood project of this size was a significant challenge, especially with the addition of needed underground parking. Invest Detroit, Capital Impact Partners, the State of Michigan, and the Detroit Economic Growth Corporation came together to fund the development.



Strategic Neighborhood Fund (SNF) Highlights

- The fundraising effort to expand SNF from 3 to 10 neighborhoods was very successful (details below under organizational highlights). In addition to significant funding from Kresge, Kellogg, and Chase, seven new corporations have committed to the effort.
- Work in each of the 10 neighborhoods begins with a community-driven planning study. So far, 8 of the 10 studies are either completed or underway, and we have identified potential mixed-use development sites in every neighborhood.
- We are working closely with the City of Detroit to coordinate on all fronts, including implementation, financing, donor stewardship, and communications.

► VENTURE

Companies funded

24

Deployed

\$2,149,759

Leveraged

\$23,139,362

Founder demographics

Women: 9

Minority: 6

Detroit-based: 4

Immigrant: 5

Other Highlights

The ID Venture team had an exceptional year and is currently working on a plan to create an evergreen fund that will provide seed investment to Michigan startups in perpetuity. By combining existing resources with philanthropic support, the team is looking to raise up to \$30M starting in 2019 to build a sustainable fund.

In addition to a very successful pitch competition event at the Lexus Velodrome in Detroit, Accelerate Michigan received the Michigan Venture Capital Award for community impact. The Community Impact Award recognizes organizations, events, or individuals that create the meaningful, effective connections necessary to build Michigan's entrepreneurial economy.

Project Highlight

Serving as a leader in the field of genetic research, Genomenon collects research materials to be used for better diagnosis and treatments. The company, based in Ann Arbor, focuses on making scientific papers easier to read through use of artificial intelligence. Through its Mastermind Genomic Search Engine, researchers can view and interpret data 5-10x faster than traditional means. Used by 200 labs and over 2,200 clinicians, the Mastermind Genomic Search Engine leads to better and faster methods of treating diseases. Genomenon recently completed a \$2.5M financing round, including an ID Ventures investment, allowing the company to reach a larger audience of labs, pharmaceutical, and tech companies. Now, more groups will be able to determine relationships between genes and disease, revolutionizing the field of research.



Mark Kiel,
Founder, Genomenon

► COMMERCIAL AND INDUSTRIAL

Projects funded

15

Deployed

\$3,163,000

Leveraged

\$10,451,696

Owner demographics

Women: 11

Minority: 7

Detroit resident: 6



Project Highlight

In 2018 Invest Detroit was able to help the Detroit School of Digital Technology, and its CEO Ms. Jamie Kothe, acquire a permanent home in Southwest Detroit—another neighborhood targeted for SNF investment. The school trains Detroit residents, veterans, and returning citizens for high-paying careers in the local technology sector. Working with companies like Ford Motor Company, Quicken Loans, and Google, among others, the school is helping to connect residents with local opportunities and to lead the conversation for tech-based job training in the city. In February of 2019, the school hosted JPMorgan Chase as they made a public announcement of their \$5M grant to SNF and \$10M in additional low-cost capital to Invest Detroit.

ORGANIZATIONAL HIGHLIGHTS

- ▶ In 2018, we simplified our organization by reducing the number of managed funds from 11 to 7, releasing restrictions on \$24M in formerly restricted net assets and streamlining our capital structure. This provided increased capacity and flexibility for investments in mission aligned projects and businesses.
- ▶ Additionally, we re-messaged the organization to clarify our three areas of focus—real estate, commercial and industrial, and venture investment. The new messaging framework was introduced in the 2018 Annual Report and will continue to roll out in other organizational materials (e.g. the website just launched in February 2019).
- ▶ To increase efficiencies, we reimagined our digital support tools and selected a CRM and new loan and accounting software. The systems will work together to improve our processes, data capture, and metrics tracking when fully implemented.
- ▶ We have received our renewed Aerie rating— three-star, double A. As a reminder, this is a rating given to CDFIs based on performance and organizational metrics that potential partners and funders use to help judge the quality of a CDFI. For a CDFI of our size, this rating is exceptional and is the same as last year's.

▶ FUNDRAISING TOTALS

Strategic Neighborhood Fund

(goal of \$56M plus additional for operating)

\$12,667,086 in formal commitments
\$28,930,000 in verbal pledges
\$18,125,000 in outstanding proposals

\$59,722,086

Venture team's First Capital Fund

(goal repositioned to \$30M for evergreen fund)

\$2,500,000 in verbal pledge
\$3,000,000 in outstanding proposal

\$5,500,000

Accelerate Michigan Innovation Competition

(\$IM goal)

\$1,059,000 in 2018 sponsorships
\$25,000 in multi-year gift from 2017

\$1,084,000

Hacker Fellows Program

(\$600K goal)

\$345,783 in formal commitment
\$250,000 in outstanding proposal

\$595,783

Operating Support

(\$1.25M goal)

\$27,500 in formal commitment

Other

\$2,250,000 in formal commitment for Core City Strategic Fund