Invest Detroit
Celebrating 20 Years of Economic Development
<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Created or Retained</td>
<td>7,037</td>
</tr>
<tr>
<td>Housing Units Created or Renovated</td>
<td>4,051</td>
</tr>
<tr>
<td>Residential Square Feet Developed</td>
<td>4,679,569</td>
</tr>
<tr>
<td>Commercial Square Feet Developed</td>
<td>4,002,746</td>
</tr>
<tr>
<td>Retail Square Feet Developed</td>
<td>765,577</td>
</tr>
<tr>
<td>Investment Since Inception</td>
<td>$251,258,268</td>
</tr>
<tr>
<td>Total Investment Leveraged Since Inception</td>
<td>$1,420,000,000</td>
</tr>
</tbody>
</table>
Investing for a Better Detroit

Throughout the Greater Downtown you can see cranes lifting steel into place, hear jackhammers carving concrete and watch construction workers moving about development sites. People are walking, biking and shopping. The demand for housing remains at an all-time high, new retail attractions are flourishing and there are lines at many new restaurants. These signals of economic growth are gratifying and tell a story of public, private and philanthropic collaboration. In this 2015 Annual Report marking Invest Detroit’s 20-year anniversary, we are celebrating the positive changes to the landscape and the partnerships that continue to make them possible.

In 1995, with a vision of creating a catalyst for investment, the founders of Invest Detroit launched one loan fund capitalized with $48M to attract and expand businesses and support real estate development in the City of Detroit. Its mission was to create jobs, increase the tax base and provide a better quality of life for Detroit residents. As the portfolio grew and the economy shifted, new partnership opportunities were identified and new development strategies were envisioned. The

<table>
<thead>
<tr>
<th>1995</th>
<th>2001</th>
<th>2004</th>
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</thead>
<tbody>
<tr>
<td>Detroit Investment Fund founded by members of Detroit Renaissance (now Business Leaders for Michigan)</td>
<td>Board of Directors focused on market-rate housing and job creation</td>
<td>Developed targeted loan program to promote housing density in the Lower Woodward Corridor</td>
</tr>
</tbody>
</table>
public, private and philanthropic sectors recognized the
tremendous potential of collaboration and worked in
concert to create financing tools and initiatives to
advance their compelling vision to revitalize the City of
Detroit. Over time, as a key partner in these efforts,
Invest Detroit transitioned from one targeted fund to
nine funds.

The transition began in 2001, when Invest Detroit’s
Board of Directors and management encouraged a
broader toolset to provide the layered project financing
needed to eliminate blight and create vibrant
communities. New loan funds were added resulting in
the redevelopment of signature buildings such as the
Kales, the Iodent, Westin Book Cadillac Residences and
others. In 2009, a CDE was created allowing for the
receipt of New Markets Tax Credit (NMTC) allocation.
NMTC became a powerful tool to promote M-1 RAIL
streetcar transit (the QLINE) and to redevelop landmark
buildings such as the David Whitney, Broderick Tower,
the Auburn and First National Building. That same year,
financing for neighborhood retail was added to the
spectrum of tools concurrent with the creation of Invest
Detroit’s venture funds to promote emerging and high-
growth companies. Soon after, supportive programs to
promote entrepreneurial business development and
talent retention were introduced.

In 2010, the Invest Detroit Foundation was created. The
Foundation, and its certification in 2011 as a CDFI,
accelerated the growth and broadened the scope of
Invest Detroit. These credentials provided a financing
platform which opened doors of greater opportunity to
impact economic growth and to attract additional
investment. Partnership efforts were gaining traction and
there was evidence of change in the Greater Downtown.
These activities linked neighborhoods, added housing
options, restaurants, greenways and entertainment
venues creating jobs and providing residents and
workers with a sense of “place.”
In the pages that follow, we are celebrating representative strategies such as the revitalization of Capitol Park and the Transit Oriented Development Plan for the Woodward Corridor. We are also celebrating the economic development partners who were steadfast in their vision and pursuit of innovative opportunities to promote economic growth.

To date, Invest Detroit has supported the creation or retention of more than 7,000 jobs, and the development of 4,051 housing units, more than 4.6M SF of residential space and 4.7M SF of commercial/retail space. Invest Detroit’s loans and investments totaling $251M have leveraged more than $1.42B in total investment.

As Invest Detroit celebrates these partnerships and their impact after 20 years of operations, we are looking to the future and the added role of revitalizing targeted neighborhoods. With the creation of the Strategic Neighborhood Fund, a revolving loan and equity fund, we are applying lessons learned and working with community leadership organizations to elevate neighborhood strengths. This Fund will activate the development of Microdistricts, attracting additional investment, residents and businesses to create momentum for sustainable economic growth and a better place for all.

Matthew P. Cullen, Chairman

Edward J. Miller, Vice Chairman

David Blaszkiewicz, President & CEO
Focused Development To Create Sustainable Growth
After decades of disinvestment and decline, there is an incredible shift in momentum in Detroit’s Greater Downtown. This strong upswing in economic development has been driven by collaborative partnership efforts and focused economic growth strategies developed by the public, private and philanthropic sectors as described on the following pages.
The Greater Downtown Transit Oriented Development (TOD) Strategy is designed to accelerate the revitalization of Detroit’s Woodward Corridor. Developed and endorsed by more than 28 community partners representing the public, private and philanthropic sectors, the strategy focuses on targeted development to create density in three Core Districts: the Central Business District (CBD), Midtown and New Center. The TOD approach to revitalization is to: 1) Initially promote the development of each Core District beginning at the District Center, then build out from the Center to create a critical mass of residents and neighborhood amenities necessary for contiguous areas of walkability; and 2) Provide infrastructure to connect other districts and neighborhoods to transit locations.

Invest Detroit continues to play a key role in the TOD Strategy which focuses on the creation of Complete Neighborhoods, defined as self-sufficient with interconnected transit and commercial districts. This approach to creating vibrant, walkable neighborhoods centers on providing a critical balance between residential and commercial facilities connected in a pedestrian oriented environment. It also focuses on projects with large scale community impact such as the development of public spaces, improved safety and pedestrian mobility, and access to fresh food, healthcare, work and entertainment.

Promoting a vibrant and sustainable Greater Downtown Detroit to attract and retain residents, workers, visitors and businesses - creating density and Complete Neighborhoods to support all life stages and incomes.
Select Invest Detroit TOD Projects

**Housing**
- Forest Arms
- Kirby Center Lofts
- Willys Overland Lofts
- Carlton Lofts
- Springfield Lofts
- Fisher Kahn Building
- Westin Book Cadillac Residences
- 5734 Woodward

**Mixed-Use Housing/Retail**
- The Scott at Brush Park
- The Ashley
- The Strathmore
- The Auburn
- David Whitney
- Broderick Tower
- Elliott Building
- Kales Building

**Commercial**
- Woodward Garden Theater
- Iconic Building
- Lafer Building
- First National Building
- Grand Circus
- Julian Madison Building
- 110 East Ferry Street
- Inn on Ferry Street
- Newberry Hall
- Woodward Willis Building

**Public Spaces**
- Midtown Greenway Loop

**Retail**
- Seva
- Fountain Bistro
- La Feria
- Detroit Yoga Lab
- RUNdetroit
- Batch Brewing Co.
- 8 Degrees Plato
- Jolly Pumpkin Detroit
- House of Pure Vin
- Selden Standard
- Mac n’Cheez! Midtown
- Shoppes on Woodward
- Slows To Go
- Woodhouse Day Spa
A challenged economy presented opportunity for innovative planning to shape future development

Invest Detroit commissioned the West District / Capitol Park Reinvestment Strategy to assist in the creation of an overall economic development agenda for Downtown Detroit’s west side area. This agenda addressed the Washington Boulevard / Capitol Park areas from Michigan Avenue to Grand Circus Park. Early investments of Invest Detroit, the City of Detroit and other community partners to implement this place-making effort included financing for the redevelopment of the Westin Book Cadillac Hotel and Residences, rebuilding Capitol Park, and improvements to building façades and Washington Boulevard. The goal of this strategy is to leverage these projects, support existing properties while attracting additional investment and leveraging the City’s capacity for economic development.

The overall strategy provided recommendations for catalytic projects as priorities for public-private investment, while giving the entire area a plan to encourage density. Business attraction, housing initiatives, retail and restaurant locations, and public spaces as well as links to adjacent areas and transit plans are all incorporated in the strategy.
We recognize that our entrepreneurial climate is not going to change on its own

Invest Detroit Ventures is promoting the region and state’s entrepreneurial ecosystem by providing capital, ongoing mentorship, and community engagement. As part of its strong commitment to growing a robust tech community in Detroit and throughout Michigan, two early-stage venture funds and new development programs are being implemented. These activities are designed to help build and promote scalable businesses with a focus on being inclusive and supportive of minority, immigrant and women entrepreneurs.

Invest Detroit Ventures engages with entrepreneurs that don’t fit the traditional molds, and invests in women and minorities at 4x the national average. Detroit has the momentum to fulfill its promise of being a high-growth tech hub. The Invest Detroit Ventures team goal is to connect local talent with the influx of exceptional people attracted to the City of Detroit to create a startup community unlike any other.

Operating out of Invest Detroit’s new satellite office in Midtown, Invest Detroit Ventures is in the heart of Detroit’s Innovation District. Encompassing 4.3 sq. miles and centered along the new QLINE, the Innovation District clusters and connects startups, incubators, and accelerators with leading edge anchor institutions and companies to fuel economic growth.

Venture Strategy

- **86** Companies Funded
- **$6.4M** Funds Deployed
- **$300M** Investment Capital Leveraged
- **48%** Impact Investments

![Map of Detroit](image-url)
Invest Detroit Ventures administers two early-stage funds including First Step Fund and Detroit Innovate; and three venture development programs, Hacker Fellows, Accelerate Michigan Innovation Competition, and PowerMoves@Detroit, that are designed to promote success, enhance talent, and increase capital availability—while building an inclusive startup community.

<table>
<thead>
<tr>
<th>Funds</th>
<th>Programs</th>
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<tr>
<td><strong>Detroit Innovate</strong></td>
<td>Early-growth venture fund focused on providing seed and growth capital to Southeast Michigan technology entrepreneurs</td>
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<tr>
<td><strong>First Step Fund</strong></td>
<td>Early-stage venture fund focused on providing early institutional capital to Southeast Michigan technology entrepreneurs</td>
</tr>
<tr>
<td><strong>Hacker Fellows</strong></td>
<td>Matches talented computer science graduates with Michigan startups to meet expanding need for software engineers and to retain talent in the state</td>
</tr>
<tr>
<td><strong>Accelerate Michigan Innovation Competition</strong></td>
<td>Premier business plan competition, fueling early-stage startup companies and promoting Michigan as a location for innovation</td>
</tr>
<tr>
<td><strong>PowerMoves@Detroit</strong></td>
<td>National initiative to increase the number of minority-founded, venture-backed companies in high-tech and high-growth sectors</td>
</tr>
</tbody>
</table>
Invest Detroit Accomplishments for the Year 2015
The significant funding commitments received by Invest Detroit in 2014 provided a strong platform for growth and deployment throughout 2015. During the year, Invest Detroit provided financing of more than $37.6M (including NMTC allocation) which leveraged total investment of $322.2M. We are pleased to present the following project highlights.
Orleans Landing is a mixed-use development currently underway on a five-block area (7.7 acre site) within view of the Detroit River. McCormack Baron Salazar, Inc. is the developer of this East Riverfront multi-phase, mixed-income neighborhood. Phase One includes construction of 278 housing units comprised of 30 two-bedroom townhomes, and one- and two-bedroom flats. The development will have open community space, flexible retail, and 378 parking spaces. This location is adjacent to the recently redeveloped Michigan DNR Outdoor Adventure Center (the Globe Building), and bound by Woodbridge, Atwater, Riopelle, the pedestrian and bike friendly Dequindre Cut Greenway and Milliken State Park and Harbor. Orleans Landing is supported by key public, private and philanthropic sector partners including the Ford Foundation, The Kresge Foundation, Michigan Strategic Fund, Detroit Economic Growth Corp. and Detroit LISC. Invest Detroit financing for Orleans Landing leveraged $60M in total investment. The developer anticipates project completion in May of 2017.

Orleans Landing links the East Riverfront to the Downtown and Central Business Districts and adds residential and retail density

| 278 | Mixed-Income Housing Units |
| 6   | Full-Time Jobs + Retail    |
| 350  | Construction Jobs          |
| 10,500 | Flexible Retail Square Footage |

“The support of and investment in the Orleans Landing development by Invest Detroit were critical to its success. The efforts of Dave Blaszkiewicz and Mary King were instrumental in attracting outside investment, and creating confidence among all the investors that Detroit was on the mend. We are deeply appreciative of their work.”

– Richard Baron
CEO, McCormack Baron Salazar
The Scott at Brush Park is a market-rate, mixed-use development under construction on a two-acre site at the southeast corner of Woodward Avenue and Erskine Street in Midtown Detroit. The project consists of a five-story apartment and commercial building. Retail is planned for the first floor along Woodward Avenue with restaurants and a leasing office planned along Erskine Street. Upon completion, the 199 residential units will be located on floors two through five and many of the units will have either a balcony or private rooftop terrace. The residential unit mix includes micro studios, small and large one-bedroom/one-bathroom, two-bedroom/two-bathroom and three-bedroom/two-bathroom units. Planned on-site amenities include a fitness center, lounge and 12,000 SF roof terrace with heated pool and other outdoor amenities. This project will add density to the Woodward Corridor and help to create a vibrant, walkable community in a formerly blighted location. Invest Detroit financing included funding from its Chase Invest Detroit Fund, representing JPMorgan Chase’s commitment to help revitalize the City of Detroit.

**The Scott at Brush Park**

$61.3M Total Project Cost

199 Market-Rate Residential Units

52 Full-Time Equivalent Jobs

362 Full-Time Equivalent Construction Jobs

337,170 Gross SF Developed

14,693 SF Retail/Commercial

“People are excited about living in Detroit. There is a vibrant, passionate energy as people are moving back to the downtown core to live, work and play, and we are honored and thrilled to be part of the resurgence.”

– Richard B. Broder
CPM®, CEO, Broder & Sachse
Real Estate Services
Sakthi Automotive Group (Sakthi) is a division of a diversified global industrial organization headquartered in India and a supplier for all major auto manufacturers. Sakthi established operations in the US in 2012 after acquiring the former ArvinMeritor plant on West Fort Street in Detroit to manufacture and distribute powertrain and chassis components for the automotive industry. The company has committed to make at least $30.8M in capital improvements and create at least 350 new jobs over the next four years including hiring two recently paroled Michiganders per month over the next two years. Sakthi’s CEO, Lalit Verma, meets with each parolee to explain the importance of their performance, both to the company and the community. Working with the Michigan Department of Corrections on re-entry services, this program is helping to generate a productive and dedicated workforce for Sakthi. The company is currently constructing a 100,000+ SF casting facility in the same area and plans to shift 90 percent of its aluminum castings work, which is currently done overseas, to its Detroit plant. Separate from the current expansion, Sakthi plans to rehab several other vacant buildings near its Detroit site, which were recently purchased through a joint venture. Invest Detroit provided financing for business expansion.

“Sakthi is very pleased with its decision to locate its business in Detroit and to have received the strong support of Invest Detroit. Their team worked closely with us to ensure a smooth due diligence process for our financing needs, which was vital to our success as a growing company.”

— Lalit Verma
CEO, Sakthi Automotive Group

**Sakthi Automotive Group**

- **350+ Jobs Created or Retained**
- **80,000 Commercial Square Footage**

Sakthi is a division of a diversified global industrial organization headquartered in India and a supplier for all major auto manufacturers. Sakthi established operations in the US in 2012 after acquiring the former ArvinMeritor plant on West Fort Street in Detroit to manufacture and distribute powertrain and chassis components for the automotive industry. The company has committed to make at least $30.8M in capital improvements and create at least 350 new jobs over the next four years including hiring two recently paroled Michiganders per month over the next two years. Sakthi’s CEO, Lalit Verma, meets with each parolee to explain the importance of their performance, both to the company and the community. Working with the Michigan Department of Corrections on re-entry services, this program is helping to generate a productive and dedicated workforce for Sakthi. The company is currently constructing a 100,000+ SF casting facility in the same area and plans to shift 90 percent of its aluminum castings work, which is currently done overseas, to its Detroit plant. Separate from the current expansion, Sakthi plans to rehab several other vacant buildings near its Detroit site, which were recently purchased through a joint venture. Invest Detroit provided financing for business expansion.

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— Lalit Verma
CEO, Sakthi Automotive Group
Walker-Miller Energy Services, LLC is a minority-owned, woman-owned, Detroit-based company that provides energy-efficiency/optimization strategies and sustainable technologies to utility companies, commercial businesses, and residential homeowners. The company was established by Carla Walker-Miller in 2000 as a distributor of energy-related products for the utility industry and has grown its staff to 63 employees. In November 2015, it was selected as a prime contractor by DTE to service energy optimization programs, which necessitated the company to build workforce, facility, and equipment capacity. Walker-Miller’s elevation to a prime contractor is an indicator of DTE’s commitment to Detroit-based businesses and resulted in a two-year contract to provide services in the following areas: Residential Energy Efficiency; Home Energy Consultation; Home Energy Survey; Multifamily; and Schools. Invest Detroit funding provided Walker-Miller with the capacity to increase staff, add office space and make the necessary expenditures to ramp up for the DTE contract. Ms. Miller is a recent graduate of the Goldman Sachs 10,000 Small Businesses program.

“Invest Detroit financed the largest contract in the history of our company. After an exhaustive effort to understand the intricacies of the contract, Karl Bell of Invest Detroit helped us develop a realistic forecast of startup capital needs, and not the optimistic one natural to my entrepreneurial perspective. The financing positioned us for successful execution, enabling unprecedented company growth.”

— Carla Walker-Miller
Founder, President & CEO
Walker-Miller Energy Services, LLC
The Jolly Pumpkin Detroit

The Jolly Pumpkin Detroit is a brewpub/restaurant that opened its doors in the retail side of the Willys Overland Lofts development in 2015. Located on W. Canfield Street in Midtown, the venue consists of a 5,480 SF restaurant and tasting room on the first floor. With first floor seating capacity for 108 patrons on the inside and 24 additional seats on the patio, the Jolly Pumpkin provides a friendly décor complemented by memorabilia, photographs, and artifacts from its 10-year history. This location is adjacent to Willys Overland Lofts, a 68 unit, for-sale condominium project and is central to a variety of other housing developments. The Jolly Pumpkin enjoys a long beer brewing tradition (New York Times Best Belgian Style Sour) and serves a wide variety of artisan ales and craft cocktails currently produced under the brands of the related entity, Northern United Brewing Company, LLC. The menu is focused on wood fired pizzas, handmade sauces, truffle fries, salads and unique artisan sandwiches with fresh offerings from local farmers and food suppliers like Avalon Bakery. This Jolly Pumpkin location received national attention when President Obama dropped in for lunch on his visit to Detroit in January 2016. Invest Detroit provided development financing.

45
Jobs Created

$1.26M
Total Project Cost

5,480
Total SF Developed

“Working with Invest Detroit was like having a partner at the local level. They worked hand in hand with Sue Mosey to help us open in the most exciting City in America. They not only cared about our financing but cared about our business and people.”

– Jon A. Carlson
Co-Founder, Manager & Co-CEO
Northern United Holdings, LLC
and Northern United Brewing Company
The Iconic Building

Matt Hessler was looking for a building to redevelop in Detroit, and with the help of Midtown Detroit, Inc., he found it just up the street from his alma mater, WSU. The Iconic Building was blighted and abandoned; however, Matt believed in its potential and location on Cass Avenue in the center of Detroit’s former China Town. Special care was taken to preserve the historic nature of this building, originally constructed in 1923. During reconstruction, it presented some welcome surprises with the exposure of brick and clay tile surfaces, terrazzo floors, and stonework. Now a Midtown neighborhood asset, the Iconic houses a variety of retail and service businesses which include: Iconic Tattoo, Downtown Detroit Bike Shop, 8 Degrees Plato and Peterboro Restaurant. Invest Detroit provided redevelopment financing for the Iconic and also for its 8 Degrees Plato tenant (as described below).

When proprietors Brigid Beaubien and Tim Costello developed their concept for 8 Degrees Plato as a retail store and gathering place to celebrate a great variety of craft beers, they were intent on finding a Detroit location. With a love for the City and rich history dating back to Ms. Beaubien’s ancestors arriving on shore with French explorer Antoine de la Mothe Cadillac, they found their location in the Iconic Building. A fast growing market for craft brews coupled with their deep knowledge and appreciation for their product, led them to success as an outlet for hard-to-find and limited run brews.

40 Jobs Created or Retained
9,100 Retail Development Square Footage

“The lenders at Invest Detroit were extremely helpful and responsive in their efforts to help bring this project to completion.”

– Matt Hessler
Managing Member
Iconic Downtown Property, LLC

“Derek Edwards of Invest Detroit was great in helping us to navigate the various opportunities for financing.”

– Brigid Beaubien & Tim Costello
Co-Owners
8 Degrees Plato
Varsity News Network (VNN) provides a platform allowing local communities to engage in the conversation about school sports beyond the Friday game. The media company has created a centralized hub to communicate and manage the fanfare surrounding high school athletics, consolidating what used to be fragmented communication between athletes, families, coaches, athletic directors and alumni. Launched in 2012, VNN’s product offering is driving its rapid expansion into 1,600+ high schools nationwide.

Having delivered on its core value propositions: simple interface, seamless integrations with complementary software, and a central location for all athletic needs, VNN now has a stronghold in Michigan with 195 participating high schools.

Invest Detroit Ventures’ 2014 First Step Fund investment allowed VNN to prove their product and with a follow-on investment in 2015 from its Detroit Innovate Fund, VNN solidified their largescale market opportunity by rolling out a national sales strategy.

- Patti Glaza, Managing Director of Invest Detroit Ventures, played a vital role in the company’s early success when she led the Series A round in 2014, and supported our continued growth in 2015.”

- Ryan Vaughn
  CEO & Co-Founder
  VNN
MakerOS is a Detroit-based company building a cloud-based, SaaS platform to assist 3D printing firms to manage their project procurement processes from initial inquiry to final billing. Originally developed as a platform to field their own in-bound 3D printing project inquiries, MakerOS combines elements of Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Content Management System (CMS), as well as project management into a seamless and cost-effective solution.

As an early mover in the space with a niche focus on 3D printing firms, MakerOS has a large market opportunity. Since launching its public beta, the company has provided their platform to 100+ 3D printing firms across the country and has a pipeline of an additional 700+ firms. Although the 3D printing market is relatively new, the industry has experienced marked growth in recent years and is projected to exceed $21B in global revenues by 2020 with more than 285,000 3D printing firms in the US.

Invest Detroit Ventures’ 2015 First Step Fund investment allowed the company to achieve major milestones including: the completion of their product development, the hiring of a sales manager, and the submission of their provisional patents.

“Invest Detroit was one of the key partners I sought since the beginning of our Seed Round fund raise due to their expertise and understanding of tech-based entrepreneurship along with a deep understanding of our advanced manufacturing market. Martin Dober has been instrumental in creating new contacts and opportunities within the tech-funding scene in SE Michigan and beyond. We look forward to growing with Invest Detroit and are excited to have them as a valuable partner in MakerOS.”

– Mike Moceri
CEO & Founder
MakerOS
Invest Detroit is working in partnership with the City of Detroit and its community partners to revitalize Detroit neighborhoods

In recent years, the collaborative revitalization efforts of the public, private, and philanthropic sectors have resulted in visible progress in the Greater Downtown. Building on the successes and lessons learned from these activities, Invest Detroit and its community partners are expanding their geographic focus to implement a tailored development model which will drive economic growth in Detroit neighborhoods.

The need is great. The City of Detroit has a 139 SQ MI footprint consisting of many diverse neighborhoods, each with unique characteristics. And after decades of disinvestment, these neighborhoods are experiencing barriers to economic growth such as vacancy, deteriorating parks, and concerns for safety and mobility. As a result, legacy residents and young families who would like to stay in their neighborhoods struggle with a variety of issues including the lack of quality housing and neighborhood retail.

To address these challenges, neighborhood specific development plans utilizing relevant data have been created. These plans are modeled on local and national best practices and are aligned with community objectives. To assist with implementation efforts, Invest Detroit, in partnership with the City of Detroit, has launched the Strategic Neighborhood Fund, a new loan and equity fund to co-invest with community funders and leverage financing from the public, private and philanthropic sectors. The Fund will be utilized to promote and stabilize real estate projects and mixed-income housing, create jobs and enhance community infrastructure and services such as safety and security, pedestrian lighting, park activation and improvements, and mobility interventions. Additionally, the Fund will help to build the capacity of Detroit-based and minority developers and architects by providing opportunities and experience based on the Fund’s projects.

Initial revitalization efforts will target neighborhoods considered to be at economic tipping points, with population density, housing stock and commercial corridors well suited for focused investment. Three neighborhoods will be targeted for development over the next five years. The strategic plans will activate an eight to twelve block Microdistrict in each of the three neighborhoods and support a total of twelve projects, four in each area.

The development model will continue to be refined, tailored and extended to additional neighborhoods resulting in applied revitalization efforts for a total of ten Detroit neighborhoods over the next decade.

The overarching goal is to break the cycle of persistent distress for Detroit neighborhoods by mitigating risk for “first-in” financing needed to catalyze economic growth
Following the Great Recession, management had been focused on recovering assets, recapitalizing existing loan funds and developing new programs to address underserved communities and markets. During 2015 Invest Detroit began to transition back to deployment mode, creating momentum going into 2016. Strategic growth in staffing resulted in new loans and investments totaling $20M and a commitment to fund another $12.2M at year end. As summarized in the following comparative financial statements (audited by Plante Moran), Detroit Investment Fund (DIF) reported an increase in total assets of $985K for the year ended December 31, 2015, and Invest Detroit Foundation (IDF) reported a $5.9M increase in total assets.

Detroit Investment Fund Consolidated

<table>
<thead>
<tr>
<th>Financial Statements</th>
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<tbody>
<tr>
<td><strong>STATEMENT OF OPERATIONS</strong></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>Interest Income</td>
</tr>
<tr>
<td>Fee Income</td>
</tr>
<tr>
<td>Gain on Investments</td>
</tr>
<tr>
<td>Loan Loss Recoveries</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
</tr>
<tr>
<td>Staffing</td>
</tr>
<tr>
<td>Operating</td>
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<tr>
<td>Loss on Investments</td>
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<tr>
<td><strong>Total Expenses</strong></td>
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<tr>
<td><strong>Net Income</strong></td>
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<thead>
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<th><strong>BALANCE SHEET</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Loan Loss Reserve</td>
</tr>
<tr>
<td>Real Estate Owned</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
</tr>
<tr>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Partners’ Equity</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Partners’ Equity</strong></td>
</tr>
</tbody>
</table>

- DIF reported 2015 net income of $946K, reflecting profitable lending operations and improvement of the portfolio. Net income of $2.2M in 2014 included a $1.5M net gain from two non-recurring transactions.
- Total loans and investments outstanding at year-end 2015 were $30.7M, a $2M increase from year-end 2014 reflecting deployment of $7M offset by $5M in repayments. Commitments to fund closed loans totaled $6M at December 31, 2015.
- Loan quality showed continued improvement with no loans written off and a $220K reduction in the loan loss reserve (LLR).
Invest Detroit Foundation Consolidated

**STATEMENT OF ACTIVITIES**

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<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>Unrestricted Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution and Grant Revenue</td>
<td>$3,720,219</td>
<td>$1,438,570</td>
</tr>
<tr>
<td>Investment and Fee Income</td>
<td>1,578,325</td>
<td>1,957,244</td>
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<tr>
<td>Net Assets Released from Restriction</td>
<td>6,019,026</td>
<td>3,808,162</td>
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<tr>
<td>Total Unrestricted Revenue</td>
<td>11,317,570</td>
<td>7,203,976</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing</td>
<td>1,533,288</td>
<td>2,014,472</td>
</tr>
<tr>
<td>Program Services</td>
<td>3,424,301</td>
<td>2,785,534</td>
</tr>
<tr>
<td>Operating</td>
<td>612,145</td>
<td>619,666</td>
</tr>
<tr>
<td>Loan Loss Provision (Recoveries)</td>
<td>608,200</td>
<td>319,518</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>6,177,934</td>
<td>5,739,190</td>
</tr>
<tr>
<td>Increase in Unrestricted Net Assets</td>
<td>5,139,636</td>
<td>1,464,786</td>
</tr>
</tbody>
</table>

**Temporarily Restricted Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation and Other Grants</td>
<td>15,475,388</td>
<td>1,417,142</td>
</tr>
<tr>
<td>Investment Income</td>
<td>548,533</td>
<td>504,591</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>(6,019,026)</td>
<td>(3,808,162)</td>
</tr>
<tr>
<td>Increase in Temporarily Restricted Net Assets</td>
<td>10,004,895</td>
<td>(1,886,429)</td>
</tr>
<tr>
<td><strong>Increase in Net Assets</strong></td>
<td>$15,144,531</td>
<td>$(421,643)</td>
</tr>
</tbody>
</table>

**STATEMENT OF FINANCIAL POSITION**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$21,879,802</td>
<td>$21,216,704</td>
</tr>
<tr>
<td>Contributions, Grants and Other Receivables</td>
<td>8,210,405</td>
<td>5,364,556</td>
</tr>
<tr>
<td>Investments</td>
<td>24,186,522</td>
<td>34,615,051</td>
</tr>
<tr>
<td>Loan Loss Reserve</td>
<td>(2,382,565)</td>
<td>(2,438,545)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$51,894,164</td>
<td>$57,757,766</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$621,784</td>
<td>$869,564</td>
</tr>
<tr>
<td>Other Obligations and Deferred Revenue</td>
<td>2,637,325</td>
<td>2,207,808</td>
</tr>
<tr>
<td>Loans Payable</td>
<td>6,000,000</td>
<td>12,466,982</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>6,867,243</td>
<td>8,332,029</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>35,767,812</td>
<td>33,881,383</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$51,894,164</td>
<td>$57,757,766</td>
</tr>
</tbody>
</table>

- IDF reported a decrease in net assets of $422K for the year on a consolidated basis which is due to the recognition of grant income in 2014 for programmatic activities that were expended in 2015.
- Total investments, recoverable grants and loans outstanding at December 31, 2015 were $34.6M, an increase of $10.4M over year-end 2014, reflecting strong investment activity. Of the total increase in investments, $6.5M was funded with debt capital.
- The reserve for loan losses at December 31, 2015 of $2.4M was $56K more than at year-end 2014 reflecting a $320K provision for loan losses offset by $188K in loans written off and the deconsolidation of Detroit Innovation Fund I, LP which held $75K in LLR at year-end 2014.
- IDF continues to grow the depth and breadth of its programs which will require additional staff and resources. Staffing expenses increased $481K from 2014 to 2015, and will continue to increase in 2016.

In summary, 2015 performance reflected solid growth in Invest Detroit’s core lending and investment activities and the development of new strategies to drive economic growth in targeted Detroit neighborhoods.
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General Motors

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Tahirih Ziegler
Detroit LISC
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Aaron Seybert
The Kresge Foundation

Eliot R. Stark

Jeffrey Tischler
Conway MacKenzie

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Comerica Bank

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W.K. Kellogg Foundation

Edward Egnatios
W.K. Kellogg Foundation

Carmen Heredia-Lopez
W.K. Kellogg Foundation

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Hudson-Webber Foundation

Malinda L. Jensen
Detroit Economic Growth Corporation

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Katy Locker
John S. and James L. Knight Foundation

Keegan Mahoney
Hudson-Webber Foundation

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Michigan Economic Development Corp.

Aaron Seybert
The Kresge Foundation

William Smith
Detroit RiverFront Conservancy

Paul Trulik
Apparatus Solutions, Inc.

James Wahls (through February 2016)
W.K. Kellogg Foundation

Ray Waters
Detroit Development Fund

Tahirih Ziegler
Detroit LISC

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Midtown Detroit, Inc.

Robert Gregory
Downtown Detroit Partnership

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David Blaszkiewicz
Invest Detroit

Jed Howbert
City of Detroit Mayor’s Office

Scott Sporte
Capital Impact Partners

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Renaissance Venture Capital Fund

Patricia Glaza
Invest Detroit

Jack Ahrens
TGap Ventures, LLC

Karl Bell
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MK Capital

Martin Dober
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Patricia Glaza
Invest Detroit

Tom Porter
Trillium Ventures

Ryan Waddington
Huron River Ventures

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Invest Detroit

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JPMorgan Chase & Co.

Brian Holdwick
Holdwick Development Group

Denise Lewis
Honigman

Eliot R. Stark
As we celebrate 20 years of economic development efforts for Detroit and the state, we would also like to acknowledge and celebrate the collaborative efforts and vital support of our funding partners. Their vision and approach to revitalization contributed both financing and programmatic tools to assist Invest Detroit’s mission-driven activities.

We are extremely thankful for the partnership and trust of our community sponsors and supporters and their significant contribution to the impact of Invest Detroit’s financing activities.