

Invest Detroit

Rebuilding a city. Building community.



Creating a place you want to work in, and live in.

Message from the Board

1

Revitalizing Detroit Neighborhoods in Partnership with the City of Detroit

4

Job Creation

12

Invest Detroit Ventures

14

Finishing What We Started in Greater Downtown

18

Financial Statements

26

A Detroit for everyone!

Message from the Board

This is a shining moment in time for Detroit's revitalization! The sheer number of new commercial businesses and residential, retail and entertainment developments in Greater Downtown is remarkable. The long-awaited M-1 RAIL QLINE has begun operations and the streets are lined with activity. This highly-visible progress is creating a positive public snapshot which is changing the conversation. Local and national publications have moved away from the story of abandonment and blight, and are citing Detroit as a city of resurgence; one with an engaged city administration and philanthropic sector, smart and creative entrepreneurs invested in their community, and active stakeholders working together to elevate the City's strengths.

Development efforts that began more than 20 years ago are creating promising momentum and an economic environment offering opportunity and demand. Restoration of world-class architecture, park improvements, and increased mobility options are all adding to the attraction and retention of businesses, residents, workers and visitors, prompting national retailers and developers to enter the Detroit market. In 2016, Invest Detroit financing assisted ASH NYC, a

continued on next page





New York-based developer currently renovating the landmark Wurlitzer building into a 106-room hotel and retail space. As described in the following report, ASH NYC has also embraced the community and is working with local organizations to identify its workforce and local retail tenants.

Since inception, Invest Detroit has deployed \$294.83 million in loans, investments, and tax credit allocations which leveraged \$2.02 billion in total investment. This support for development projects and businesses has resulted in the creation or retention of more than 8,000 jobs, and the development of over 4,300 housing units, and 5.29 million square feet of commercial and retail space, primarily in Greater Downtown.

Over the years, collaboration and innovation have been the key drivers for successful economic development. As Invest Detroit expands its capacity and targeted geography, the lessons learned now provide a strong platform for its added role of revitalizing Detroit



neighborhoods. In 2016, in partnership with the City of Detroit, Invest Detroit formed the Strategic Neighborhood Fund and identified its first three neighborhoods for development over the next five years. Aligned with community objectives, activities will serve to promote and stabilize real estate projects and mixed-income housing, create jobs and enhance community infrastructure and services. The development model will continue to be tailored and extended to a total of ten Detroit neighborhoods over the next decade. Featured in this report is the first project of this initiative, The Coe, a new, mixed-income and mixed-use project located in West Village.

In recent years, a stronger bond of purpose and optimism has emerged as the public sector, nonprofits, other funders and community organizations work in concert to accelerate development which fosters diversity and inclusion, and sustainable economic progress. Detroit continues to gain strength as a community and is positioned for economic growth, a striking contrast from



just a decade ago, and a fitting testament to the City's resilience and commitment of its advocates. It is important, however, to stay focused at this critical time and ensure this trajectory for development continues.

We would like to extend a special thanks to Invest Detroit's funders and sponsors, as identified in this report, for their participation, trust and generous support for our organization's mission-driven activities. In the past year, Invest Detroit's fundraising efforts have generated more than \$9.3 million for investment in the future of Detroit and the region.

On the pages that follow, Invest Detroit is proud to share some highlights of its 2016 activities and introduce you to some of the individuals who made them possible.

Sincerely,

Matthew P. Cullen, Chairman

Edward J. Miller, Vice Chairman

David Blaszkievicz, President & CEO

Jobs Created or Retained

8,442

Housing Units Created or Renovated

4,331

Residential Square Feet Developed

4,812,060

Commercial Square Feet Developed

4,359,008

Retail Square Feet Developed

940,613

Investment Since Inception

\$294,835,427

Total Investment Leveraged Since Inception

\$2,028,368,909

Revitalizing Detroit Neighborhoods in Partnership with



the City of Detroit

Over the past 21 years, Invest Detroit has been expanding its funding tools and programs to accelerate economic growth promoting jobs, density and a vibrant urban core. As businesses have opened their doors and high-profile and in-fill development projects have been completed or announced, financing gaps in the Greater Downtown market are beginning to narrow. Density has increased and momentum for growth is strong.

We have learned from these efforts that sustainable revitalization is based on two key pillars: leverage and leadership. Leverage is created by focusing the toolkits of collaborative partners on strategic development; and leadership is moving the process forward aligned with community partners and objectives. Building on these strengths, Invest Detroit is working in partnership with the City of Detroit and its community partners to revitalize Detroit neighborhoods. These efforts are guided by a strategic plan derived from national and local best practices to spur economic growth which fosters equity and inclusion, develops Detroit talent and leverages resources from the public, private and philanthropic sectors.

Plans to address the challenges for economic growth in Detroit neighborhoods are multifaceted, data driven and designed to support a variety of financing needs. In 2016, in partnership with the City of Detroit, Invest Detroit formed the Strategic Neighborhood Fund, a \$30 million loan, grant and equity investment tool to promote

continued on page 6



neighborhood specific economic growth. Initially, plans are targeting three neighborhoods considered to be at economic tipping points, with population density, housing stock and commercial corridors well-suited for focused investment. The development template will be tailored and applied to ten neighborhoods over the next decade. Central to the initiative's mission is to empower residents with a sense of ownership and place.

This initiative includes support for four multi-family, retail, or mixed-use rehab/new-construction real estate projects in each neighborhood over the next five years. The residential projects will target an 80/20 split of market-rate and affordable housing, to curb the pressures of displacement and ensure vibrant, mixed-income neighborhoods for all Detroiters. Project developers, architects, and builders will be drawn from

the surrounding communities and will engage with residents early in the development process for maximum community input.

Invest Detroit and the City of Detroit are convening funders, stakeholders, community leadership and residents to bring people and ideas to the table to ensure that the planned revitalization and placemaking efforts are aligned with community objectives. Alongside the City of Detroit, Detroit Development Fund, Opportunity Resource Fund and neighborhood initiative funders, we are making progress with these efforts initially targeting West Village, Southwest Detroit and Livernois-McNichols.

The first neighborhood project is **The Coe**, located at Van Dyke and Coe streets in historic **West Village**. This new construction will result in a 12-unit, mixed-use development with eight townhomes, four apartments (three of which will be affordable), and two small independent retail units.

continued on page 8

Neighborhood Redevelopment The Coe

“ I was inspired to work in West Village because it actually is a neighborhood of Detroit. It has close proximity to Downtown, Eastern Market and the Riverfront while sitting in between Indian Village (which has sustained itself) and Island View (which could use additional attention). There are so many awesome people in all three of these neighborhoods as well as the commercial strip along Agnes who have worked hard to ensure the neighborhood is what it is, and this felt like a tipping point. We like to choose projects and opportunities we believe can have a transformative impact. An added bonus is that the Downtown Boxing Gym is around the corner, and it is extremely important for the kids at the gym to see activity in the neighborhoods and developers who mirror them.

This is and has been an invaluable opportunity to drive a development as a lead. Too often developers our size who aren't independently wealthy or exposed to wealth don't get opportunities or have to take on projects completely on their own.

Our team is extremely grateful for the support we have received, the encouragement and the opportunity to bring the excitement of cranes in neighborhoods. ”

Clifford Brown, Partner
Woodborn Partners



Placemaking activities and improved public infrastructure are key components of successful strategies supporting vibrant and sustainable economic growth. This includes planning, design and management of public spaces which capitalize on local assets and promote a sense of community for residents, visitors and workers. Projects in the planning phase for the neighborhood of West Village include: a new bike share station, a storm water remediation green alleyway project

and matching grant support for Project Green Light, the City's commercial property camera security system.

Additionally, the neighborhood initiative will support local entrepreneurs who are working to develop community retail and lifestyle options. A representative project is **Live Cycle Delight**, a new fitness center offering classes in cycling, yoga and weight training that recently opened on Agnes Street in West Village.

Southwest Detroit's cultural vibrancy and Latino heritage strongly support its community and commercial corridors. Plans there are focused on resident-led engagement and include a pilot of Detroit's first participatory budgeting process where residents democratically determine how to invest capital in their community's public infrastructure. The redevelopment of **The Murray**, a seven-unit rowhouse adjacent to Clark Park, is a top priority largely because the community has communicated the importance of its reactivation.

continued on page 10



The Murray



Neighborhood Redevelopment Live Cycle Delight

Amina Daniels, a native Detroiter and founder of Live Cycle Delight, is a passionate fitness leader with experience in high-powered retail, marketing, and branding. She previously enjoyed more than ten successful years in luxury retail management and client service assistance in New York City, Atlanta, and Los Angeles, where she honed world-class customer service skills as a representative of global brands.

“ While in New York City, I fell in love with cycling as a complete source of exercise and eco-friendly transportation. Having survived a bicycle accident, I realized during my recovery that there was a need for space that promoted safety and awareness, in addition to fitness enjoyment. It was important to me to bring my vision home and that my business be in close proximity to the revitalized area of Detroit, and to also be accessible to those who reside outside the city limits in addition to the surrounding community, schools included. As part of the planning process, I often biked through the area of West Village to have a better understanding of the neighborhood and fell in love with the community. It is nice to be in a welcoming environment and I am thrilled to have opened Live Cycle Delight in this Detroit neighborhood. ”

Amina Daniels
Founder, Live Cycle Delight

Ms. Daniels is a winner of Hatch Detroit and Motor City Match. Both are competitive grant programs designed to promote local independent entrepreneurs. Live Cycle Delight was financed in part by Invest Detroit.





Rendering by Spackman, Mossop and Michaels

Neighborhood Redevelopment Public Good Infrastructure

At the intersection of **Livernois and McNichols** you can see blocks of well-maintained housing strewn with vacant lots and blighted homes. Two historic college campuses and the nearby famous Avenue of Fashion, are interspersed with blocks of empty retail and few people walking the streets of this once lively and dense area. A key partner and major contributor to revitalize this corridor is the Reimagining the Civic Commons initiative which is providing funding for an integrated vision. The Civic Commons development strategy connects two anchor institutions (University of Detroit Mercy on the east and Marygrove College on the west) with mixed-use housing, and walkable, safe streets, while introducing an ambitious open-space strategy in the Fitzgerald neighborhood that includes the creation of a new public park and two greenways connecting the two university anchors.

This exciting placemaking development will be implemented by Invest Detroit, the City of Detroit, University of Detroit Mercy, Marygrove College, Detroit Economic Growth Corporation, Detroit Land Bank Authority, The Greening of Detroit and Detroit Collaborative Design Center. Live6 Alliance is a strong local partner providing community leadership. These partners are the liaisons to the community and integral to the success of large-scale redevelopment initiatives such as Reimagining the Civic Commons.

With strong partnership support from the public, private and philanthropic sectors, and focus on inclusion and diversity, Invest Detroit is working to elevate intrinsic neighborhood strengths, enhance opportunity, and promote sustainable economic growth to create a better place for all.





Job Creation

Since inception, job creation has been a key objective of Invest Detroit's financing activities.

We are pleased to feature the following representative projects supported by Invest Detroit over the past year.



R & L Color Graphics provides a wide range of full color printing services as well as website design and management. The company recently expanded, adding four employees.

“When our company had outgrown our leased office space, we began looking for new space in both the Detroit and Southfield areas. We have been in business for 24 years in our local community and wanted to remain and serve our Detroit customer base.

We pride ourselves as a small minority business, employing people in our community while trying to keep ourselves financially above water. We tried for years to obtain traditional financing to relocate and grow our business but we were unsuccessful.

Invest Detroit has made it possible for R & L Color Graphics to expand its footprint in the city. We have purchased a building in Detroit with their financial assistance. We took a vacant building and turned it into a state-of-the-art multi-media center. Our business remaining within the city of Detroit also combats community deterioration and economic blight. This

investment in R & L Color Graphics has made a positive residual effect on the community and has allowed us to grow, modernize and employ highly skilled workers from within the city.

Invest Detroit was a great savior when we needed financing for our new move and expansion and traditional funding was unavailable to us. We are grateful that Derek Edwards and Invest Detroit saw our potential and assisted us with the necessary paperwork and financing, understanding we just needed that extra help to get to the next level.

Invest Detroit made it possible for us to purchase our own building and we are no longer renters. We are truly loving our independence. We are now in control of our own destiny. ”

Linda Davis
CEO, R & L Color Graphics

Ms. Davis is a graduate of the Goldman Sachs 10,000 Small Businesses Program.

ASH NYC is a New York City-based real estate development, investment and design firm. The company is completing a comprehensive restoration and redevelopment of the Wurlitzer Building.

“Over the last several years you have welcomed us to Detroit and allowed us to become a small part of the rebuilding of a great American city. It has been the honor and experience of a lifetime. The hospitality, generosity and kindness we have received since stepping foot in your city three years ago has reaffirmed our belief in the power of community and we intend to spend at least the next three years trying to repay you all.

When we undertook the restoration of the Wurlitzer Building, we knew that this was the last bite at the apple, so to speak. If we couldn't find a way to physically and financially stabilize and restore this fading gem in short order, the wrecking ball would come next.

Fortunately, the timing was good and the deterioration reversible, and come this fall we will unveil our newest hotel with 106 guest rooms and at least seven food, beverage and retail venues.

Detroiters continue to show us their generosity of spirit. What attracted us to Detroit in the first place—the architectural heritage, the cultural primacy, the resilience of the local community—goes on endlessly. For us, the love affair is stronger than when it began. None of our tiny contribution to the future of Detroit could have been contemplated, never mind achieved, without the towering efforts of our local collaborators.

Thank you again for your support and hospitality. We look forward to sharing more with you in short order.”

Ari Heckman
CEO, ASH NYC



The Wurlitzer

Total Project Cost: \$22.7 Million

Project Funding: Sponsor Equity (HM Detroit Hotel LLC), Invest Detroit, Chase (New Markets Tax Credit Investor), Michigan Community Revitalization Program, InSite Capital (Federal Historic Tax Credits), Chemical Bank (construction lender)

Commercial Development: 47,645 SF

106 Room Hotel

60 FTE Construction Jobs

16 FTE Jobs Post Completion (working with local agencies to hire locally)

32 FTE Jobs Created by Third Party Tenants and Operators

Over the past seven years, Invest Detroit has invested in growing the technology entrepreneurial ecosystem with capital and strategic programming. Starting with a mandate in Southeast Michigan, the team has expanded its reach to support early-stage companies across the state. Our vision is to help this region recapture its role as an innovation leader – creating exciting, quality jobs that will retain our state’s talent, attract newcomers from across the globe, and assist in developing a diverse economy needed for strong regional growth.

Since its inception in 2010, Invest Detroit’s **First Step Fund**, powered by the New Economy Initiative (NEI), has invested in over 74 Michigan start-ups, 19 in Detroit, deploying close to \$5 million in capital to help foster the emerging tech community. This initial venture fund helped build Invest Detroit’s reputation as a strong community partner, a leader in identifying and funding early-stage companies in the region, and as a team with a larger mission. Invest Detroit Ventures understands that the best ideas are not always found in traditional places. We work hard to identify women, minority, and immigrant tech entrepreneurs that may not have access to the same capital networks, and work with these leaders to participate in start-up development programs, to connect them to support services, and to help them find capital to grow their businesses.

Over the past three years, Invest Detroit Ventures has tripled its funds under management, adding two new funds to address gaps in early-stage financing. Our latest fund, the First Capital Fund, is designed to provide entrepreneurs their first institutional funding to

help them achieve milestones that will drive further venture investment. We will rapidly deploy capital to this funding bottleneck through early 2019. Look for our update on the First Capital Fund in next year’s annual report.

The team continues to actively deploy the late-seed **Detroit Innovate Fund**. Our investment partners, including the Michigan Strategic Fund, NEI and private individuals, have enabled us to invest in teams solving big problems – cancer diagnostics, addiction recovery, measuring healthcare quality, lightweight materials - to name just a few. Close to half of the fund has been deployed since 2014 across ten investments. We anticipate another six to eight companies joining this fund over the next two to three years. In addition to the initial capital, we have continued to support our portfolio companies both with capital through subsequent rounds of funding and in operational assistance through board participation.

A strong start-up ecosystem isn’t just about capital. Our work is based on the philosophy that while we cannot invest in every entrepreneur we meet, we can provide assistance to every one of them. Our platform includes **Accelerate Michigan**, the state’s largest business plan competition, and **Hacker Fellows** – a program that retains software development talent from Michigan universities and matches them to growing technology ventures, including many of our portfolio companies. We are fortunate to have so many partners across the state that assist us with our efforts including our universities, accelerators, investment funds, foundations, and the Michigan Economic Development Corporation.

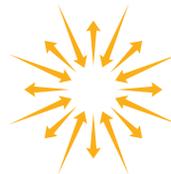


As we look forward, our team will continue to execute under the banner of Invest Detroit Ventures – helping start-ups navigate the ever-changing seas of bringing a new technology or innovation to market. Every entrepreneur we fund becomes a part of the Invest Detroit Ventures family. As our family continues to grow, we will explore new ways to bring our companies together to learn from each other’s successes and failures. We are also actively broadening our network of co-investors to help our companies find the right funding partners when ready. Big goals that the team is excited to be tackling as we continue to serve the start-up community.

Sincerely,

Patricia (Patti) Glaza
Managing Director

Martin Dober
Managing Director



Invest Detroit VENTURES

First Step Fund:

Portfolio Companies

74

Total Investment Deployed

\$4,500,000

Total Investment Leveraged

\$392,991,000

Detroit Innovate:

Portfolio Companies

10

Total Investment Deployed

\$2,260,000

Total Investment Leveraged

\$62,100,000

Invest Detroit Ventures Success Snapshot

Workit Health

Full-Time Employees: 10

Customers: Priority Health, Beaumont Health Systems and Steelcase

Impact: 80% of Workit Health graduates have successfully decreased their alcohol and drug use

Invest Detroit Ventures has developed a comprehensive venture investment platform that features a suite of accessible financing, as well as venture development programs propelling Michigan start-ups. The team currently manages three venture capital funds: the First Capital Fund (\$4 million Pre-Seed Fund), the First Step Fund (\$5 million Seed Fund), and the Detroit Innovate Fund (\$12 million Seed – Series A Fund), while administering the Accelerate Michigan Innovation Competition (\$1 million Prize Offerings) and the Hacker Fellows programs (Tech Talent Retention).

Workit Health, a digital health company, is one of the few companies that has capitalized on almost all of the offerings provided by Invest Detroit Ventures. Workit Health provides on-demand access to a real-time, facilitated recovery program for high-risk alcohol and drug users. Substance abuse is an issue that affects 33% of Americans, and addictive habits cost our country nearly

half a trillion dollars annually. The current addiction recovery methods are antiquated, and have largely been insignificant, as only 10% of affected people ever receive treatment. Workit Health meets users where they are by creating a private and holistic avenue for change through a bottom-up approach. The company selects and trains mentors to deliver the 90-day recovery program through a simple, user-friendly interface that allows for real-time mentoring.

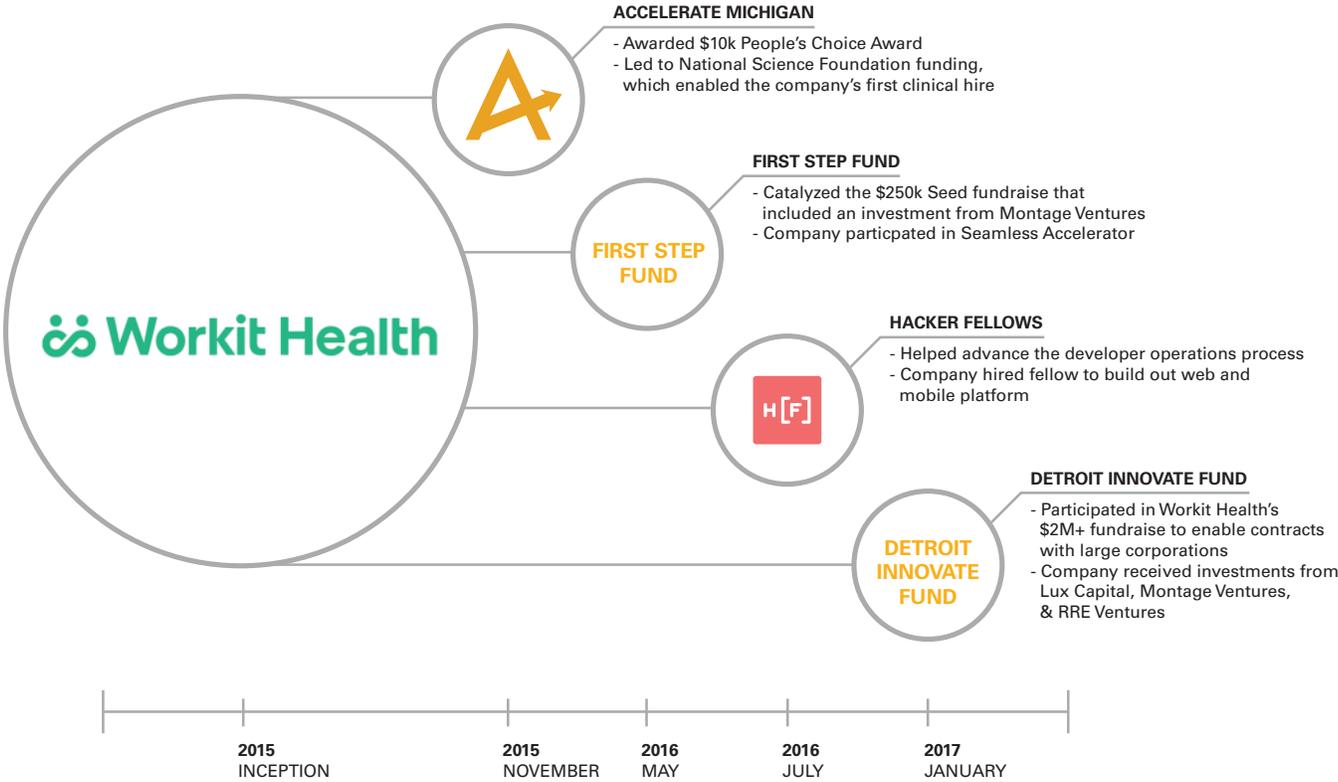
Workit Health originally connected with Invest Detroit Ventures in 2014 as it transitioned from San Francisco to Ann Arbor. Through the Invest Detroit Ventures' network, the company was able to seamlessly integrate into the Michigan tech ecosystem. They made a grand introduction at the **2015 Accelerate Michigan Innovation Competition** when the company took the People's Choice Award, which was the first outside money into the company. Based on this early investment and exposure, the company was able to close a \$1.1 million fundraise in a national syndicate supported by the **First Step Fund** – money that was used to conduct its very first employer rollout with Steelcase. The initial rollout was so successful that the company garnered immediate interest from a greater audience, which led to **Detroit Innovate** participating in Workit Health's \$2 million fundraise to





solidify additional contracts with Priority Health and Beaumont Health Systems as well as to test out new marketing strategies for mass appeal. In the process of its upward growth, the company worked with one of our **Hacker Fellows** on several projects, which pushed the team to solidify its developer operations' processes and adhere to a more systemic approach of pushing out feature sets. Workit Health has leveraged Invest Detroit Ventures' services to raise more than \$3 million in total funding while securing contracts with multi-billion dollar corporations. The company is well on its way to becoming Michigan's posterchild for digital health.

Workit Health offers its digital health solution to employers, insurance companies, and insurance resellers to help solve addiction hardships for affected individuals. Five years from now, the company anticipates becoming the equivalent of the Mayo Clinic (cancer and specialized treatment) to addiction recovery. Invest Detroit Ventures is extremely excited to support the positive efforts of Workit Health and to see the company grow into a scalable, digital health platform.



Finishing What We Started in Greater Downtown

As a testament to strategic partnership initiatives and stakeholder engagement spanning more than two decades, today's Greater Downtown is exhibiting new and exciting energy. Residents, workers and visitors have increased opportunity to access neighborhood retail, greenways, parks, cultural institutions, the RiverWalk and more - all providing a sense of place. Additionally, support for commercial businesses and residential development continues to spur job creation, density and growth.

Although this momentum is evident in Greater Downtown, the need for a strong and comprehensive financing platform promoting economic development still exists. The area's funding gap is narrowing, however independent retailers, developers, entrepreneurs and adaptive re-use projects continue to

require non-traditional financing. Ongoing development of in-fill projects is vital at this critical juncture for Detroit's revitalization – while the market builds attraction and the focus of private, public and philanthropic support is strong. Adding density and developing out from the City's core to link neighborhoods is essential for Detroit's continued resurgence and central to Invest Detroit's mission to promote sustainability.

In 2016, Invest Detroit and its community partners supported a variety of projects accelerating and complementing the economic growth of Greater Downtown. Descriptions and stories inspiring the City's new energy and dedication of retailers and developers follow in this report.

*In an area rich with history and a commemorative background, **Third & Grand** will be a great asset driving the revitalization of New Center.*



“ **Third & Grand** is a new \$53.2 million residential building that is the first development of its kind in New Center in more than 30 years. The six-story, 231-unit development will be located on the northwest corner of Third Avenue and West Grand Boulevard, within blocks of Henry Ford Hospital, the Fisher Building and Cadillac Place, as well as the Lodge Freeway and the QLINE. In addition to the rental apartments, Third & Grand will add 17,425 SF of retail and approximately 330 structured parking spaces.

Third & Grand will be built on the site of what was once a Howard Johnson Motor Lodge. Max M. Fisher, the father-in-law of Platform Principal Peter Cummings, helped break ground on that hotel in 1964. In 1978, the hotel was acquired by Henry Ford Hospital and turned into the New Center Pavilion. It was imploded in 1997, and the site has served as a parking lot ever since.

Third & Grand demonstrates that significant development is possible outside of the Central Business District and Midtown. The location of the development is unique due to its proximity to the historic neighborhoods north of the Fisher Building and the opportunity to tie into the established institutional anchors. The collaborative efforts between the lending partners, Fifth Third Bank, Invest Detroit and the Michigan Economic Development Corporation, have made it possible to develop a building of this scale in the up and coming New Center district. ”

Clarke Lewis
Development Manager, The Platform

The building was designed by Cline Design Associates of Raleigh, N.C., and will be built by O’Brien Construction.



Third & Grand

- Total Project Cost: \$53.2 Million
- 210,000 SF Developed
- 17,425 SF Retail/Commercial
- 185 Market-Rate Residential Units
- 46 Affordable Residential Units
- 170 FTE Construction Jobs
- 53 FTE Jobs Post-Completion



Cake Ambition recently sweetened retail options in Greater Downtown.

Inspired by her great-grandmother, her growing passion for baking and history of effusive compliments on her baked goods, Jessica Bouren left her job as an interior designer in Louisville, Kentucky in 2009, to move home to Michigan and pursue her dream.

“ While others were moving out of Michigan due to the economy, I decided to move back. I wanted to share my passion with my community and home state. ”

Having worked as an award-winning pastry chef and former Executive Pastry Chef of the Whitney Restaurant in Midtown, she recently capitalized on her background in business, and fine arts and design to launch *Cake Ambition*. She has not looked back since. As a winner of Motor City Match, a competitive grant program which supports local independent entrepreneurs, and with financing from Invest Detroit, Jessica opened the doors of her new retail shop at 511 W. Canfield St. in Midtown in May 2017. She is recognized as one of Detroit's best cutting-edge cake artists.

“ This is not my job, it's what I was born to do. When it comes to cake.....anything is possible! ”

Jessica Bouren
Cake Artist, Owner, *Cake Ambition*

The development of increased housing options, including affordable housing is a strong focus for Invest Detroit and its community partners.

Midtown Detroit, Inc. and Nailah, LLC are the developers of **Nailah Commons**, a \$7.2 million, 58-unit townhouse project. This development is located at East Ferry and Kirby in the Art Center area of Midtown Detroit and proximate to a number of cultural amenities and major employment and education centers including the Detroit Medical Center, Wayne State University, College for Creative Studies and Detroit Institute of Arts.

This market-rate and affordable rental project will feature new construction which includes eight two- and three-story townhomes. There will be 46 one- bedroom units, 12 two-bedroom units and 78 surface parking spaces. Invest Detroit provided a loan to bridge the Brownfield Tax Credits and partnered with Capital Impact Partners to complete the financing.

“*Nailah Commons fills in one of the last large vacant sites in the Art Center neighborhood. With its completion, the project provides a connection to schools, parks and residential units that will create a more walkable environment.*”

Sue Mosey
Executive Director, Midtown Detroit, Inc.



The Capitol Park District is one of the oldest, continuously active neighborhoods in Downtown Detroit. However, as the city suffered decades of decline, this area of significant architecture, once filled with thriving businesses and activity, was in need of revitalization.

Nearly a decade ago, the collaborative West District / Capitol Park Reinvestment Strategy identified the potential impact of supporting a critical mass of mixed-use redevelopment to once again create a walkable and vibrant neighborhood. The redevelopment of three vacant and historic structures surrounding the park were key to this successful strategy and included the **Farwell Building** at 1249 Griswold, and the buildings at 1145 and 1212 Griswold. Karp + Associates was selected as developers through a Request for Proposal process and

is currently completing the redevelopment of its third project, The Farwell Building. The renovation of these buildings along with the City's replacement of lighting, and improvements to the park and streetscapes, complete the triangle in Capitol Park. We greatly appreciate the many partnership efforts of the public, private and philanthropic sectors to support this revitalization initiative resulting in the creation of a thriving neighborhood attracting residents, workers and visitors.

The overall place-making strategy for West District / Capitol Park began with the redevelopment of the Westin Book Cadillac Hotel and Residences as well as the David Whitney Building. Invest Detroit supported the historic renovations of both iconic buildings which have contributed greatly to the City's resurgence.

Farwell Building

The redevelopment of the historic Farwell Building at 1249 Griswold in Capitol Park will result in the creation of 82 apartment units (11 affordable) and 38,289 SF of commercial space. This eight-story, mixed-use project will create 400 construction jobs and 40 FTE positions.





1212 Griswold

114,145 SF Developed

43,377 SF Residential

50,974 SF Commercial

56 Housing Units



1145 Griswold

72,000 SF Developed

53,000 SF Residential

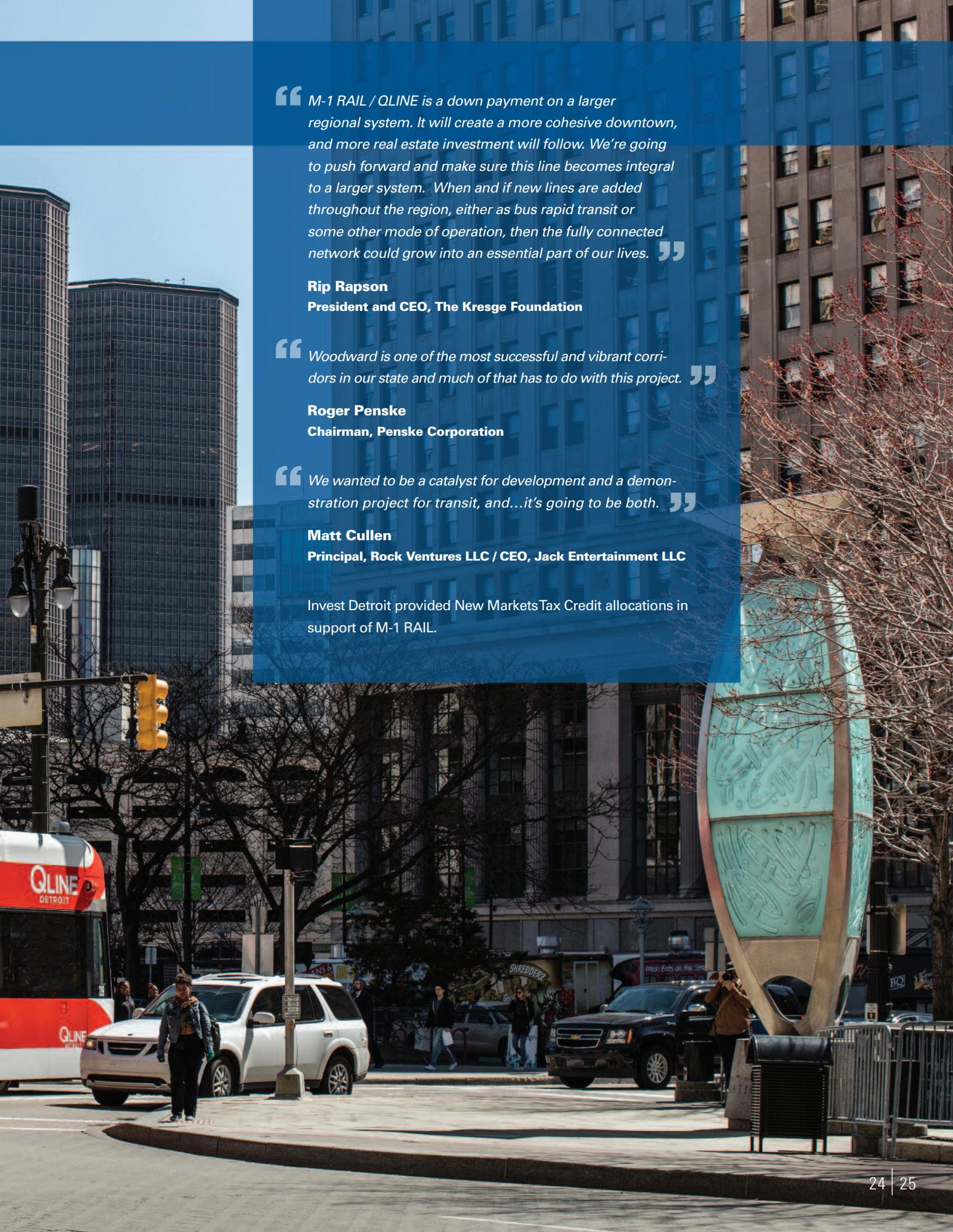
18,664 SF Retail

63 Housing Units

FINNEY BARN
 Seymour Finney conducted one of the principal passenger underground railroad operations in the Detroit area. Finney, a tailor by trade, later became a hotel-keeper, and it was in this capacity that he assisted fugitive slaves in the era prior to 1861. In 1850 he purchased a site where in later years stood the Finney Hotel, and also erected a large barn which he operated along with his tavern. Strongly sympathetic with the abolitionist cause, Finney employed every means to assist escaping slaves across the river into Canada. Detroit was one of the most important "stations" en route to Canada; if a fugitive reached this city, he was comparatively safe. Finney Barn served as a hiding place for runaways until they could reach the river bank and freedom.

The Game Changer: Driving \$7 Billion in New Investment





“ M-1 RAIL / QLINE is a down payment on a larger regional system. It will create a more cohesive downtown, and more real estate investment will follow. We’re going to push forward and make sure this line becomes integral to a larger system. When and if new lines are added throughout the region, either as bus rapid transit or some other mode of operation, then the fully connected network could grow into an essential part of our lives. ”

Rip Rapson
President and CEO, The Kresge Foundation

“ Woodward is one of the most successful and vibrant corridors in our state and much of that has to do with this project. ”

Roger Penske
Chairman, Penske Corporation

“ We wanted to be a catalyst for development and a demonstration project for transit, and...it’s going to be both. ”

Matt Cullen
Principal, Rock Ventures LLC / CEO, Jack Entertainment LLC

Invest Detroit provided New Markets Tax Credit allocations in support of M-1 RAIL.

Financial Statements

2016 was a year of robust activity for both the Detroit Investment Fund (DIF) and the Invest Detroit Foundation (IDF). As represented below, DIF reported net income of \$2.1 million and an increase in net assets of \$2.4 million for the year. These results were driven by strong loan growth and significant improvement in the quality of the loan portfolio. Likewise, IDF reported an increase in net assets of \$9.9 million and an increase in total assets of \$15.5 million for 2016. These results reflect record levels of grant revenue related to the new Strategic Neighborhood Fund coupled with strong loan growth in other IDF funds. Strong performance by both DIF and IDF are also the results of management's continued focus on organizational development and its leadership in creating new initiatives to address the needs of the neighborhoods and other markets.

Detroit Investment Fund Consolidated

STATEMENT OF OPERATIONS	2015	2016
Revenue		
Interest Income	\$1,711,604	\$2,125,086
Fee Income	547,751	696,859
Gain on Investments	10,461	175,857
Loan Loss Recoveries	220,384	837,029
Total Revenue	2,490,200	3,834,831
Expenses		
Staffing	905,741	1,064,564
Operating	593,891	710,381
Loss on Investments	44,324	638
Total Expenses	1,543,956	1,775,583
Net Income	\$946,244	\$2,059,248

BALANCE SHEET

Assets		
Cash	\$24,245,803	\$14,658,619
Accounts Receivable	594,009	719,171
Investments	30,615,322	41,373,591
Loan Loss Reserve	(6,158,687)	(5,321,658)
Real Estate Owned	48,773	45,744
Other	676,828	962,844
Total Assets	\$50,022,048	\$52,438,311
Liabilities		
Accounts Payable	\$247,168	\$287,300
Other	593,117	910,000
Partners' Equity	49,181,763	51,241,011
Total Liabilities and Partners' Equity	\$50,022,048	\$52,438,311

Invest Detroit Foundation Consolidated

STATEMENT OF ACTIVITIES	2015	2016
Unrestricted Revenue		
Contribution and Grant Revenue	\$1,438,570	\$3,170,378
Investment and Fee Income	1,957,244	2,004,008
Net Assets Released from Restriction	3,808,162	6,647,133
Total Unrestricted Revenue	7,203,976	11,821,519
Expenses		
Staffing	2,014,472	2,171,808
Program Services	2,785,534	1,952,976
Operating	619,666	1,198,468
Loan Loss Provision (Recoveries)	319,518	191,343
Total Expenses	5,739,190	5,514,595
Increase in Unrestricted Net Assets	1,464,786	6,306,924
Temporarily Restricted Net Assets		
Foundation and Other Grants	1,417,142	9,689,445
Investment Income	504,591	530,618
Net Assets Released from Restriction	(3,808,162)	(6,647,133)
Increase in Temporarily Restricted Net Assets	(1,886,429)	3,572,930
Increase in Net Assets	\$ (421,643)	\$ 9,879,854

STATEMENT OF FINANCIAL POSITION

Assets

Cash	\$20,216,704	\$25,979,687
Contributions, Grants and Other Receivables	5,364,556	5,344,302
Investments	34,615,051	44,548,893
Loan Loss Reserve	(2,438,545)	(2,579,888)
Total Assets	\$57,757,766	\$73,292,994

Liabilities

Accounts Payable	\$869,564	\$589,814
Other Obligations and Deferred Revenue	2,207,808	2,178,021
Loans Payable	12,466,982	18,431,893
Unrestricted Net Assets	8,332,029	14,638,953
Temporarily Restricted Net Assets	33,881,383	37,454,313
Total Liabilities and Net Assets	\$57,757,766	\$73,292,994

In summary, 2016's strong performance can be attributed to a continued focus on quality in underwriting and lending practices, identification of strategic redevelopment opportunities, and a commitment to the long-term success of our borrowers and sustainable growth of the organization.

Invest Detroit Board, Staff and Credit Committees

Board of Directors and Officers

Matthew P. Cullen - Chairman
Chair, Board Executive Committee
Principal
Rock Ventures LLC

John Blanchard
Director of Local Government Relations
General Motors

David O. Egner (through October 2016)
President & CEO
Ralph C. Wilson, Jr. Foundation

Frank Fountain (through December 2016)
Chairman
Escambia Enterprises, LLC

Roderick D. Gillum
Chair, Board Governance and
Nominating Committee
Partner, Jackson Lewis, LLP

Richard A. Manoogian
Chairman Emeritus
Masco Corporation

Charles G. (Chip) McClure
Chair, Board Audit & Finance Committee
Managing Partner
Michigan Capital Advisors

Edward J. Miller
Chair, Board Investment Committee
Vice Chairman
Invest Detroit

Jerry Norcia
President & COO
DTE Energy

Chris Rizik
Chief Executive Officer
Renaissance Venture Capital Fund

Alan S. Schwartz
Partner & Vice Chairman
Honigman

Suzanne Shank
Chairwoman & CEO, Co-Founder
Siebert Cisneros Shank & Co., LLC

Bernard Silverstone (through October 2016)
Chairman & CEO
Ford Motor Credit Company

Laura J. Trudeau
Managing Director (Retired)
Community Development, Detroit
The Kresge Foundation

Dave Blaszkiewicz
President & CEO
Invest Detroit
Ex-Officio Board Member

Sarah McClelland
Chief Operating Officer
Invest Detroit
Ex-Officio Board Member

Donald Kunz
Partner
Honigman
Invest Detroit Board Legal Advisor

Other Officers of Invest Detroit
Paul Trulik, Secretary & Treasurer

Invest Detroit Staff Members

David Blaszkiewicz
President & CEO

Edward J. Miller (through December 2016)
Vice Chairman

Sarah McClelland
Chief Operating Officer

Maureen Anway
Neighborhoods Coordinator

Jason Barnett
Vice President

Karl Bell
Senior Vice President

Keona Cowan
Senior Vice President

Lettice Crawford
Vice President, Credit

Martin Dober
VP, Invest Detroit
Managing Director, Invest Detroit Ventures

Valerie Doyle
Manager, Loan Accounting

Derek Edwards
Senior Vice President

Sam Ging
Program Manager, Hacker Fellows

Amber Gladney
Vice President, Administration

Patricia Glaza
VP, Invest Detroit
Managing Director, Invest Detroit Ventures

Jamie Grimaldi
Controller

Sue Hamilton
Executive Assistant

Karen Harris
Senior Vice President, Administration

Bradley Hoos
Executive Director, Hacker Fellows

Lindsey Marvicsin
Underwriting Associate

Thomas Million
Senior Vice President

Therese Nottingham
Manager, Accounting

Adrian Ohmer
Principal, Invest Detroit Ventures

Seun Oyewole
Analyst, Invest Detroit Ventures

Mary Seaberg King
Senior Vice President

Michael R. Smith
Director of Neighborhood Strategies

Cristina M. Thibodeau
Executive Assistant

Marcia Ventura
Senior Vice President

CDE Board Members

Dave Blaszkiewicz
Invest Detroit

Edward J. Miller (through December 2016)
Invest Detroit

Joshua R. Elling
Jefferson East, Inc.

Susan Mosey
Midtown Detroit, Inc.

Moddie Turay
Detroit Economic Growth Corp.

Tahirih Ziegler
Detroit LISC

Investment Committee Members

Edward J. Miller (through December 2016)
Invest Detroit

Freddie DuBose
Painia

Richmond Hawkins
New Detroit, Inc.

Brian Holdwick
Holdwick Development Group

Joel Kellman
Dykema

Thomas Lakocy
J.P. Morgan Securities, LLC

Denise Lewis
Honigman

Tim Monahan
KPMG

Gregory Nelson
Pulte Corporation (Retired)

Michael Rhodes
JPMorgan Chase & Co.

David Schostak
Schostak Brothers & Company, Inc.

Aaron Seybert
The Kresge Foundation

Eliot R. Stark

Jeffrey Tischler (through April 2017)
Conway MacKenzie

Oversight Committee Members

Edward J. Miller (through December 2016)
Invest Detroit

Brian Holdwick
Holdwick Development Group

Denise Lewis
Honigman

Aaron Seybert
The Kresge Foundation

Eliot R. Stark

Advisory Committee Members

James S. Bernacki
Comerica Bank

Edward Egnatios
W.K. Kellogg Foundation

Stacy Esbrook
Michigan Economic Development Corp.

Carmen Heredia-Lopez
W.K. Kellogg Foundation

Jennifer Hudson-Parke
Hudson-Webber Foundation

Malinda L. Jensen
Detroit Economic Growth Corporation

Katy Locker
John S. and James L. Knight Foundation

Keegan Mahoney
Hudson-Webber Foundation

Lisa Pung (through May 2017)
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

Program Partner Representatives

Susan Mosey
Midtown Detroit, Inc.

Robert Gregory
Downtown Detroit Partnership

Small Business Fund Investment Committee

David Blaszkiewicz
Invest Detroit

Jed Howbert
City of Detroit Mayor's Office

Scott Spote
Capital Impact Partners

First Step Fund & First Capital Fund Investment Committee

Chris Rizik - Chairman
Renaissance Venture Capital Fund

Patricia Glaza
Invest Detroit

Jack Ahrens
TGap Ventures, LLC

Karl Bell
Invest Detroit

Adrian Fortino
Mercury Fund

Rob Jandernoa
42 North Partners

Alisyn Malek
General Motors

Carla Walker-Miller (through February 2017)
Walker-Miller Energy Services, LLC

Charlie Moret
Invest Michigan

Doug Neal (through February 2017)
Michigan eLab

Ray Waters
Detroit Development Fund

John Roberts (through February 2017)
State of Michigan

Detroit Innovate Investment Committee

Jim Adox
Venture Investors

Josh Beebe
MK Capital

Martin Dober
Invest Detroit

Patricia Glaza
Invest Detroit

Tom Porter
Trillium Ventures

Ryan Waddington
Huron River Ventures

Funding Partners

As Invest Detroit continues to expand its targeted geographies and drive development initiatives promoting sustainable economic growth, we would like to express our sincere appreciation to our funding partners. Their vision, trust and support have greatly assisted and leveraged our collaborative efforts to create jobs, density and opportunity in underserved communities and markets.



We're all business.





Community Foundation

FOR SOUTHEAST MICHIGAN



JPMORGAN CHASE & CO.



Invest  Detroit





www.investdetroit.com | 313.259.6368 | 600 Renaissance Center, Suite 1710, Detroit, MI 48243