



# **NEWS RELEASE**

## **STATE EMERGENCY OPERATIONS CENTER**

**FOR IMMEDIATE RELEASE**  
**No. 144 – APRIL 16, 2020**

For more information contact:  
[Courtney Overbey](#)

## **Tech Startup Stabilization Fund Offers Support for Early-stage Tech Companies During COVID-19 Outbreak**

**LANSING, MICH.** The Michigan Economic Development Corporation announced today the creation of a \$3 million [Tech Startup Stabilization Fund](#) to help stabilize early-stage tech startups in Michigan that are being impacted by the COVID-19 outbreak.

“In the face of this public health crisis and the economic uncertainty it is creating, it is more important than ever to encourage and support high-tech companies in the state in bringing their innovations to life,” said Fred Molnar, vice president of the Entrepreneurship and Innovation initiative at the MEDC. “Through the creation of this fund, we are hoping to provide a critical source of capital for early-stage tech companies in Michigan that will allow them to survive and succeed once this crisis is over.”

Administered by [ID Ventures](#), the Tech Startup Stabilization Fund will provide early-stage tech companies direct investments or loans that can be converted into equity. Investment and loan sizes are expected to range between \$20,000 to \$100,000, depending on the stage of the company, the sector, estimated runway, and demonstration of need. Larger amounts may be awarded in scenarios where justified. The fund will prioritize early-stage tech companies that are beyond ideation and have previously raised capital from angel and/or venture capital sources. Fundraising to increase the impact of the fund is ongoing. Startups can visit [TSSFund.com](#) to apply for the fund or learn more.

The fund will prioritize investments and loans for early-stage companies that demonstrate the following criteria:

- Technology-based companies headquartered in Michigan with the majority of employees located in the state
- Early-stage technology and innovation-based businesses with fewer than 50 employees
- Strong team that has proven execution capability
- Prior investment from angel or venture capital sources, with matching angel and or/venture capital funds encouraged
- Pre-COVID-19, was on path for next round of funding, with favorable relationships in place
- Strong customer value proposition
- Conveys that company can survive and thrive post-crisis

“ID Ventures is an investor in many early-stage tech startups across Michigan and deeply embedded in the state’s startup ecosystem. We are already seeing firsthand how the pandemic is negatively affecting promising companies with a high potential for job creation,” said Patti Glaza, managing director of ID

A PROUD tradition of SERVICE through EXCELLENCE, INTEGRITY, and COURTESY since 1917

Ventures and executive vice president of Invest Detroit. “Just as important as supporting main street businesses, we need to ensure we are protecting the economic diversity of our economy by shoring up our high-tech community. We are grateful to the MEDC for this critical assistance and eager to get this investment to the companies that need it.”

ID Ventures currently manages the [First Capital Fund](#), which has become a vital source of capital for Michigan’s early-stage tech companies and startups, having supported businesses from all corners of the state and throughout both peninsulas. Since its inception in 2017, the fund has invested more than \$5 million in more than 40 companies, helping to create over 200 Michigan jobs and raise more than \$50 million in leveraged capital. ID Ventures has also implemented statewide initiatives supported by MEDC in the past, including the Hacker Fellowship Program and the Accelerate Michigan Innovation Competition, making them a strong fit for administering the Tech Startup Stabilization Fund.

Today’s announcement is just the latest effort of MEDC and the state’s small business support organizations to assist small businesses, startups, entrepreneurs and communities throughout the state in the face of the COVID-19 virus. Earlier this week, the Michigan Strategic Fund (MSF) awarded \$3 million in [Pre-Seed III funds](#) to be administered by Michigan State University Foundation to better support entrepreneurs and tech startups across Michigan over a one-year period. The board also approved the [MSF Awardee Relief Initiative program](#), which authorizes emergency relief to businesses and community projects that have previously received grants, loans or other forms of economic assistance from the MSF.

Other resources for businesses across Michigan to assist them in recovering from economic losses as a result of the COVID-19 virus can be found online at [michiganbusiness.org/covid19](http://michiganbusiness.org/covid19). This site includes resources offered by the U.S. Small Business Administration including emergency loans, the [Pure Michigan Business Connect virtual procurement and donation platform](#), support services offered through the Small Business Development Center and more. The MEDC has also developed a FAQ for Michigan businesses and communities at [michiganbusiness.org/covid19-faq](http://michiganbusiness.org/covid19-faq).

Information around this outbreak is changing rapidly. The latest information is available at [Michigan.gov/Coronavirus](http://Michigan.gov/Coronavirus) and [CDC.gov/Coronavirus](http://CDC.gov/Coronavirus).

For those who have questions about the state’s actions to mitigate the spread of coronavirus, please call the COVID-19 Hotline at 1-888-535-6136 between 8 a.m. to 5 p.m. daily.

#### **About Michigan Economic Development Corporation (MEDC)**

The Michigan Economic Development Corporation is the state’s marketing arm and lead advocate for business development, job awareness and community development with the focus on growing Michigan’s economy. For more information on the MEDC and our initiatives, visit [www.MichiganBusiness.org](http://www.MichiganBusiness.org). For Pure Michigan® tourism information, your trip begins at [www.michigan.org](http://www.michigan.org). Join the conversation on: [Facebook](#) [Instagram](#) [LinkedIn](#), and [Twitter](#).

#### **About ID Ventures**

ID Ventures was created by the nonprofit Invest Detroit in 2009 to enhance its overall mission to support inclusive growth of entrepreneurial ventures. As one of few venture funds located in Detroit, ID Ventures is one of the most active early stage investors in the state and have invested in over 120 Michigan-based companies across multiple sectors including life sciences and healthcare, information technology, fintech, mobility, advanced manufacturing and materials, among others. ID Ventures only invests in Michigan-based companies or those that are in the process of relocating and oversees additional programs designed to grow and support the state’s startup ecosystem.

###