

CRAIN'S DETROIT BUSINESS

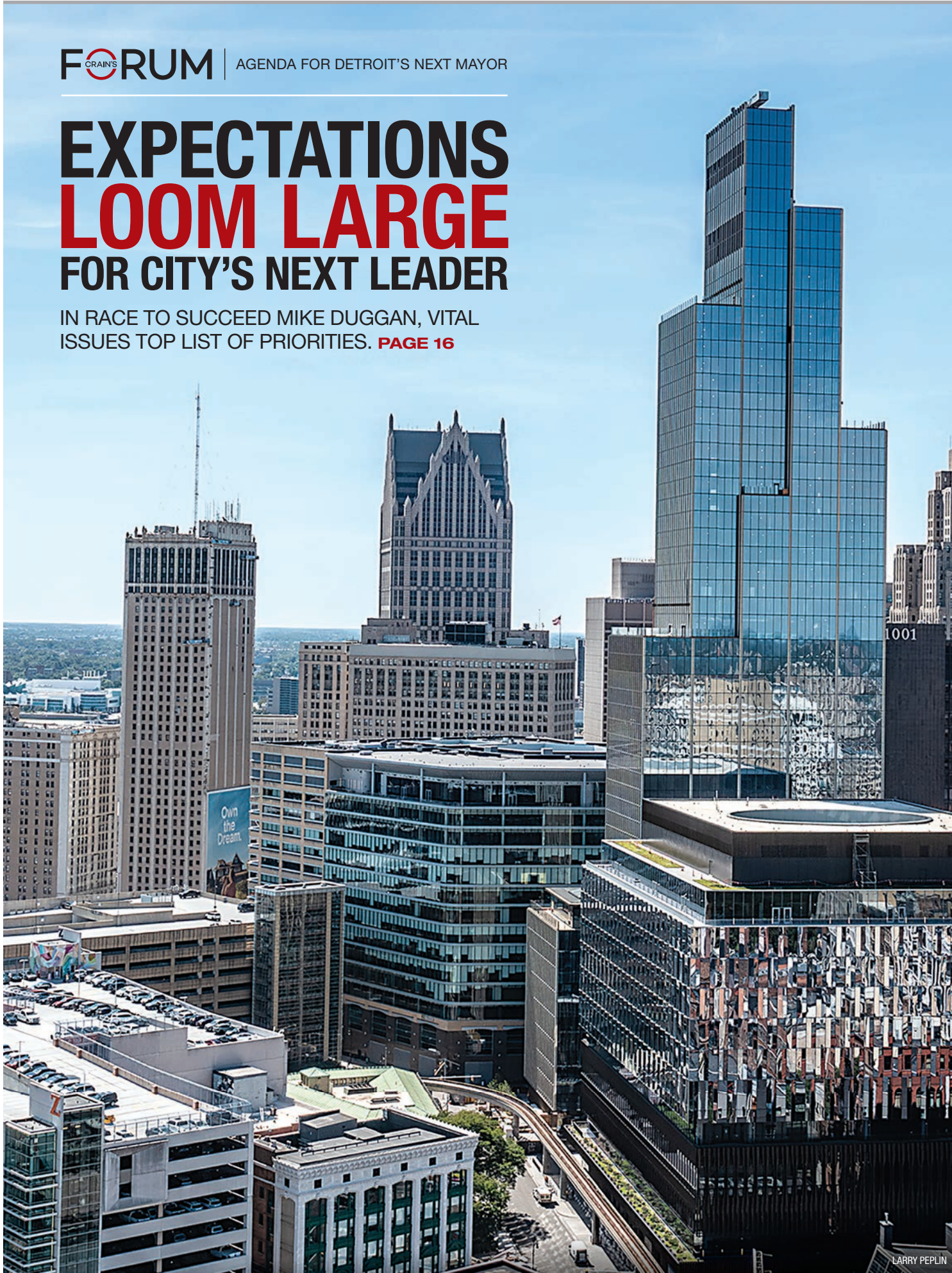
A CRAIN FAMILY BRAND

JULY 28, 2025

FORUM | AGENDA FOR DETROIT'S NEXT MAYOR

EXPECTATIONS LOOM LARGE FOR CITY'S NEXT LEADER

IN RACE TO SUCCEED MIKE DUGGAN, VITAL ISSUES TOP LIST OF PRIORITIES. **PAGE 16**



Electric truck startup plots major growth in the Big 3's hometown

By Kurt Nagl

Slate Auto has been growing quietly in metro Detroit, but now that the minimalist electric pickup truck startup is out of stealth mode, officials are laying out bold plans to disrupt the market.

The company's headcount has swelled to about 250 at its Troy headquarters, within a pair of office buildings formerly occupied by automotive supplier Mahle. Slate is hiring for 90 more positions as it gears up to launch production in Indiana, CEO Chris Barman told Crain's.

She expects the company will eventually take over another of the supplier's office buildings as part of its growth strategy, and if all

See **TRUCK** on Page 29

How state's microchip project deal collapsed

By Kurt Nagl

It was supposed to be Michigan's next great comeback story. Instead, the Flint-area microchip project that promised as much as \$63 billion in investment and 10,000 jobs died at the finish line.

Gov. Gretchen Whitmer, the Michigan Economic Development Corp. and a consortium of regional agencies bet big on the project, which was three years in the making. Just a month ago, it looked like it would come to fruition.

See **COLLAPSE** on Page 30

STARTUPS

Software company moves to Detroit, plans to triple staff.

PAGE 3

HEALTH CARE HEROES



Meet the professionals defining what it means to care.

PAGE 8

Cottage Inn Pizza's new owner plots expansion

By Jay Davis

Ann Arbor-based Cottage Inn Pizza plans to grow to 100 locations over the next year.

The effort is led by attorney Christina Narra, who acquired the once family-owned business in 2023. Narra has helped the 77-year-old company grow from 54 to 70 locations since she took over. Cottage Inn is in talks with franchisee-led groups in Florida and Texas on multi-unit deals, according to company spokesperson Jimmy Asner.

The company has stores in Michigan, Indiana and Ohio, including eight corporate-owned stores and 62 franchisee-run locations. Most of the stores are carry-out and delivery-only locations.

Cottage Inn recently opened stores in St. Clair Shores, Traverse City, and South Bend, Ind.

The expansion plan includes openings in Grand Rapids, Holland, Muskegon, Clarkston, Port Huron, Brownstown Township, Wixom and Owosso. A Cottage Inn Pizza & Pub restaurant is planned for Big Rapids that will sell beer and wine, along with more than 30 varieties of pizza.

Narra took over ownership of

Cottage Inn after working as executive vice president and head of legal for West Bloomfield-based Premier Hospitality. Premier Hospitality specializes in real estate development, and owns and operates more than two dozen hotels. Narra earned a law degree from Loyola University Chicago School of Law and a bachelor's in psychology from Oakland University.

Narra said the company's food and franchisees are at the heart of the expansion plans.

"Cottage Inn's growth plans to 100 stores is a testament to our superior products and the passion of our franchisees," Narra said in a news release. "Our gourmet pizzas, made with the finest ingredients, set us apart in a competitive market, and we're excited to bring our unique flavors to new communities across the nation."

The plans come as Cottage Inn sees a bump in sales. The company's sales are up 9.7% year over year, Asner said. That number should continue to increase as new stores open, he said. The company is part of a U.S. pizza market that topped \$50 billion in 2024.

Cottage Inn is actively looking for new franchisees. The company



The owner of Ann Arbor-based Cottage Inn Pizza has set a goal for the company to grow to nearly 100 stores by July 2026, up from its current 70 locations in Michigan, Indiana and Ohio. | COTTAGE INN PIZZA

began franchising in 1986. It costs \$200,000-\$350,000 to open a Cottage Inn location, which includes a \$20,000 franchise fee.

The brand's appeal to franchisees is strong, said Cottage Inn Vice President of Franchise Sales J.D. Witherell, who is also a Cottage Inn franchisee.

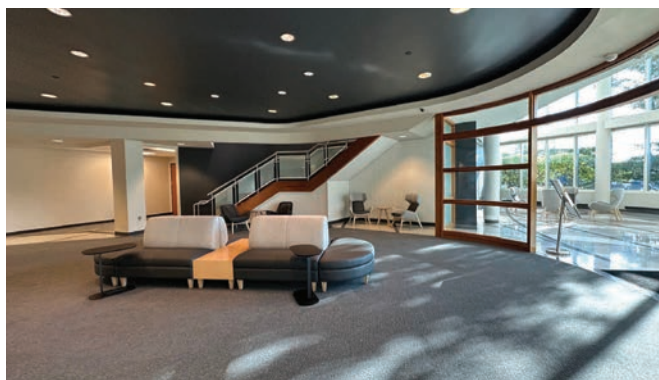
"Our proven business model and exceptional product quality create tremendous opportunities for franchisees," Witherell said in the release. "There's a lot of money to be made when you combine sound operations with Cottage

Inn's gourmet offerings."

The Original Cottage Inn Gourmet Pizza was founded in 1948 at 512 E. William St. in Ann Arbor. In 1960, Nick Michos and George Petropoulos purchased what would become Cottage Inn Pizza's flagship restaurant. The company's first franchise location opened in 1986 in Ypsilanti. A second generation led by Jim, Theo and George Michos ran the company from 1998 until the sale to Narra. Narra worked directly with the Michos family for more than a year on the acquisition.

"We are fortunate to be part of the incredible legacy established by Nick Michos and his family," Narra said in an email to Crain's. "The history, product quality and resilience of the Cottage Inn brand are the foundation on which we will continue to build on as we grow into the future."

The Original Cottage Inn in Ann Arbor closed last year after being sold to another restaurant operator. The space at 512 E. William St. is now a Coratti's Pizzeria Bar & Bocce, which also has restaurants in East Lansing and Howell.



THE DRAKE

YOUR SPACE INTO REALITY

PROPERTY OVERVIEW

LOCATION
27500 Drake Road
Farmington Hills, Michigan

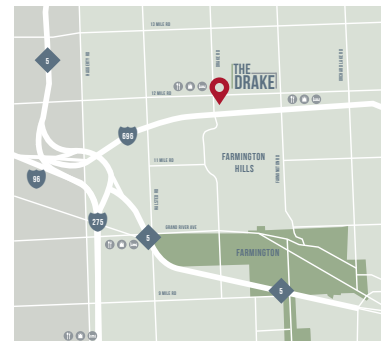
SQUARE FOOTAGE / STORIES
Up to 140,000 SF / Three

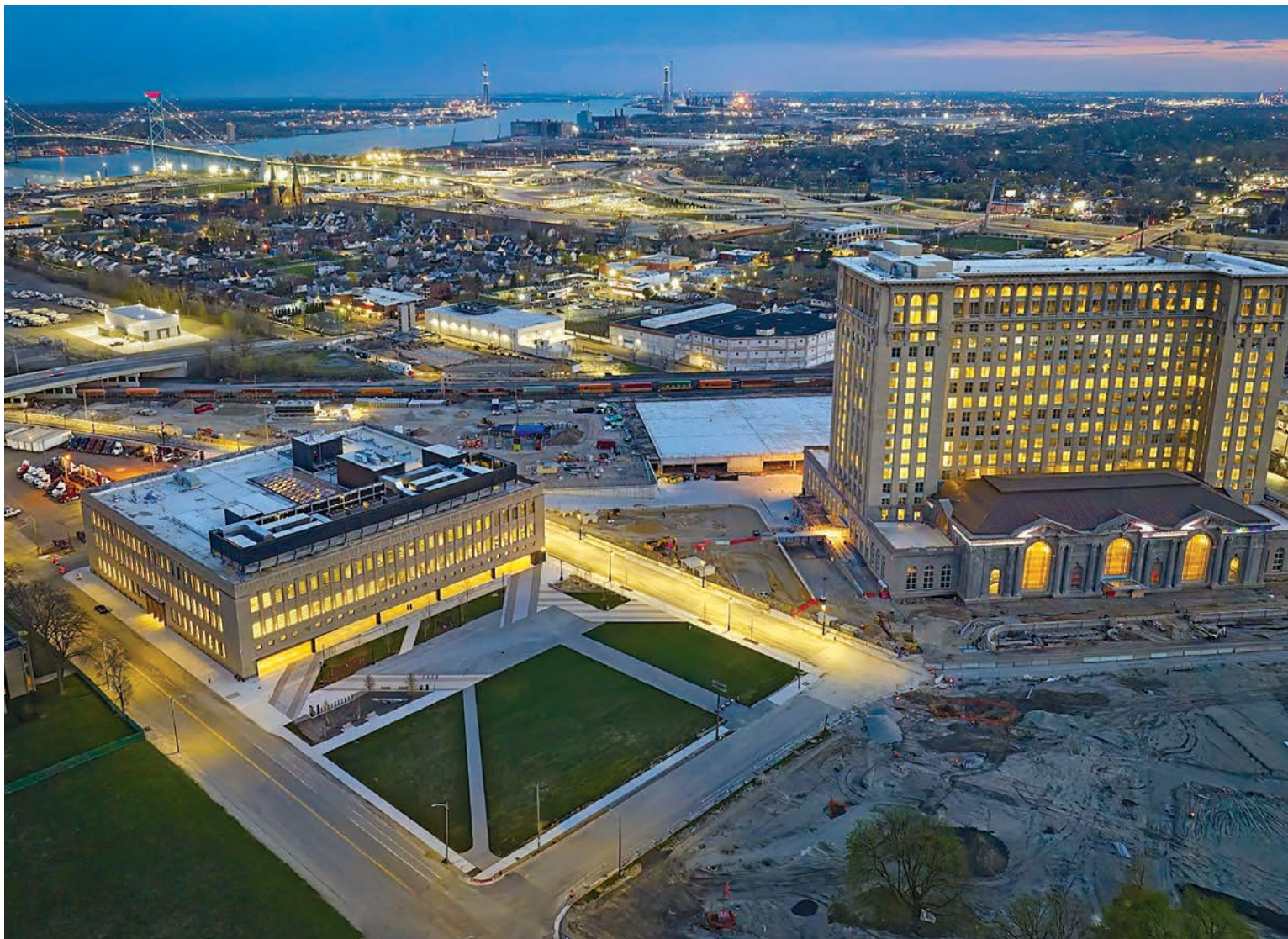
PARKING:
625 well-lit surface spaces

SIGNAGE AVAILABLE:
Building and Monument

AMENITIES:
Fitness Center, Food Service & Conference Room

RENOVATIONS & ADDITIONS IN 2023:
Lobby Renovation
Fitness Center & Conference Room Addition





Newlab and Michigan Central Station are the two main buildings on the Michigan Central campus in Detroit's Corktown neighborhood that are the focus of many new partnership agreements. | JASON KEEN/NEWLAB AT MICHIGAN CENTRAL

Key incentive for RenGen, other 'transformational' developments in legislative limbo

By David Eggert

LANSING — The future of a key tax incentive that has been used to spur some of Michigan's most prominent redevelopments is in legislative limbo and, as a result, so are would-be projects in the pipeline.

The highest-profile plan, to partially tear down and renovate General Motors' Renaissance Center in Detroit, hinges on whether lawmakers raise a \$1.6 billion cap so new Transformational Brownfield Plans can be authorized beyond the 13 that have been approved or invited to apply since the program was enacted in 2017. But it is not just GM and its partner, Bedrock, that are watching closely following a half-year of inaction on many issues in the state Capitol, which culminated with legislators breaking for the summer with no state budget deal.

Developers who want to tear down much of the closed Lakeside Mall in Sterling Heights and replace it with a mix of uses are waiting. So is the owner of the Suburban Collection Showplace in Novi, who plans a new hotel, among other things, near the convention center.

Also in the wings are Muskegon and Holland, where officials hope to re-envision waterfront sites where a paper mill and power plant were demolished in recent years. In Traverse City, the subsidy could assist in finishing what has been a successful redevelopment of an old, massive state psychiatric hospital complex.

Supporters of expanding the program so more projects qualify beyond three for which funding is being held aside, like the Fulton & Market development in Grand Rapids backed by the DeVos and Van Andel families, are cautiously optimistic despite no bill having been introduced yet. They are working behind the scenes to build support so when budget negotiations conclude — possibly not until Sept. 30, the 11th hour — the Legislature can take up the pending legislation, which will be proposed in the House.

"The reality is we are kind of in a posture of patience," said Jared Fleisher, vice president of Dan Gilbert's Rock Family of Companies, which includes Bedrock.

He pointed to the budget situation, which is tied in part to friction over road funding.

"I think all of us remain cautiously optimistic that there will be an opportunity for this legislation to be considered after (the) budget," Fleisher said, saying there is "broad support for transformational brownfields" among lawmakers. "Folks have seen the record of the program. They support brownfield redevelopment. And, most importantly, the mechanics of the program continue to

Dug Song-backed software startup moves to Detroit with plans to triple its staff

By Anna Fifelski

For Jacob Allen, CEO and co-founder of Reportwell, moving his startup to Detroit feels like a sort of homecoming.

Allen, originally from Seattle, started the company in 2023 in Indianapolis alongside fellow charter school founders Lani Luo, COO; Jennica Adkins, chief customer officer; Jacob Peters, chief product

officer; and David Spitz, who serves as an adviser to the company.

In their roles working at public and charter schools, the co-founders realized that the software used to file regulatory records is outdated, if it exists at all. It opened an opportunity for a company to create an all-in-one platform to simplify compliance, legal filings and reporting for companies.

"We were trying to find sales and

marketing talent who were locally based. And it became like trying to find a needle in a haystack," Allen said of the Indianapolis talent market. "Early on, even though we were founded in Indianapolis, it became pretty evident that we were going to have to relocate somewhere."

Reportwell opened its office in Newlab at Michigan Central at the beginning of July following a nationwide search for a new head-

quarters. Now Allen and four of the other co-founders share a house in Midtown, nearly a century after his grandparents lived in Detroit.

The founders also considered Chicago, Austin, and Salt Lake City for a new headquarters.

In 2024, Reportwell participated in Techstars Detroit, which granted the founders an

See **STARTUP** on Page 27

Bedrock flexes its real estate portfolio to grow Detroit's tech ecosystem

By Anna Fifelski

Dan Gilbert's Bedrock LLC is leveraging its extensive real estate portfolio to become a leader in Detroit's emerging tech and innovation ecosystem.

The event space of Bedrock's new 12-story office block building next to the still under construction 49-story Hudson's Detroit building downtown was the marquee venue this month for Reindustrialize, a manufacturing summit which welcomed more than 1,000 founders, investors and government leaders

According to Bedrock's leadership, the building underscores how Bedrock's property portfolio is doubling as a tech-ecosystem accelerator.

Nearby, Bedrock is planning a new building at Gratiot Avenue and Interstate 375 to house BAMF Health as its anchor tenant, as

well as offices for Ferris State University, startup incubator MI-HQ, and Wayne State University and TechTown. The facility aims to fill the absence of wet lab space for startups in Detroit, while the Rock Family of Companies works to both bring startups to Detroit and keep them here.

Kevin Mull, senior director for Bedrock's Office of Urban Strategy and Innovation, said other Bedrock properties like the Detroit Smart Parking Lab and the Urban Tech Xchange offer locations for startups to join Detroit's ecosystem.

Connections with Rock Family of Companies' investment arm, Detroit Venture Partners, also bear fruit for Bedrock.

"We meet a startup that we like and that we're working to deploy, and we'll say, 'Hey, DVP, have you met these guys?' We kind of pass the ball back and forth where we're



A view of the Hudson's Detroit skyscraper with its exterior facade completed

both looking at this startup from a little bit of a different perspective," Mull said. "Or it'll go the other way, where they're like, 'We're thinking about this company, and we would love to see their product in action. Could you deploy it at the UTX or at the DSPL?'"

Bedrock's real estate footprint gives it an advantage when it comes to working with startups.

Bedrock, Atlanta-based Orange Sparkle Ball and NoHo Hospitality recently launched an autonomous

See **BEDROCK** on Page 26

See **INCENTIVE** on Page 27

Detroit mayoral candidates call for cuts in red tape, property taxes

By Nick Manes

Leading Detroit mayoral candidates steadfastly agree that there's great need to reduce the city's infamously high property taxes, but have some disagreement over how that should be done.

The issue was one of several touched on July 23 during a candidates forum hosted by Crain's Detroit Business at The Icon in Detroit's Rivertown district. The three candidates in attendance largely agreed on a host of policy issues — improving the business climate and cutting red tape, continuing to grow Detroit's population, ensuring the mayor's office plays a larger role in public schools — but have some differences around how they'd approach such challenges.

Candidates in attendance July 23 were:

► **Fred Durhal III**, a sitting member on Detroit City Council representing the 7th District on the city's west side. Durhal is also a former member of the state House of Representatives.

► **Saunteel Jenkins**, a former Detroit City Council president who left office in 2014 to become CEO of nonprofit The Heat and Warmth Fund (THAW), which assists Detroiters with energy and utility issues.

► **Mary Sheffield**, the sitting City Council president representing District 5, which encompasses much of the central part of the city.

The Rev. Solomon Kinloch Jr., pastor of Detroit-based Triumph Church, was also invited but declined the invitation. Former Detroit Police Chief James Craig was also invited but had to drop out



Crain's Detroit Business Senior Reporter David Eggert (left) moderates a Detroit mayoral candidate forum on July 23 at The Icon in Detroit. On stage are candidates Fred Durhal III (second from left), Saunteel Jenkins and Mary Sheffield. | DEAN STORM/CRAIN COMMUNICATIONS INC.

July 23 for jury duty, according to a campaign spokesman.

Following are some highlights from the July 23 forum:

Property taxes

The three candidates who participated in the event agreed that property taxes in Detroit — among the highest in the nation — continue to serve as a significant barrier to bringing in new residents, keeping the residents the city already has and attracting new businesses.

To be sure, outgoing Mayor Mike Duggan — now running for Michigan governor as an independent — has made some progress in lowering property taxes, but candidates agree much more work is needed. But threading the needle

of lowering taxes and coming up with a way to replace that lost revenue is no easy task.

Property taxes account for roughly 40% of the city's revenue, Jenkins pointed out.

Jenkins and Sheffield called for a local sales tax, with the former calling for a 1-cent sales tax in the city.

"Anything will need a change in (state) legislation, but a penny local sales option tax would be the option that could generate the most revenue, that would enable us to reduce our property taxes in a significant way," Jenkins said.

Sheffield, meanwhile, called for a half-cent local sales tax and pointed to Columbus, Ohio, as one peer city that has done so, largely for transit, according to a report in The Columbus Dispatch.

"I think it has to be thoroughly researched," Sheffield said of lowering property taxes but replacing them with something else. "We have to ensure that we are not overburdening our residents with additional taxes, but we must achieve real structural property tax reform, and it is something that my administration will be laser-focused on."

For his part, Durhal has pushed a plan that's similar to one supported by Duggan, essentially calling for a Land Value Tax that would raise taxes on undeveloped or blighted property, but lower taxes on occupied or improved property. Doing so, Durhal said, would be "revenue-neutral" and allow for a 19.5 mill property tax cut. Duggan's push for a similar initiative failed to gain traction in the state Legislature.

"But we're also going to add a blight tax on top of that," Durhal said. "And we're going to charge folks 25 times what the property tax millage is if you are a contributor to blight here in the city of Detroit... And that way, we'll generate a significant amount of revenue."

Business development and regulations

The three candidates who participated in the Crain's forum July 23 were in agreement that more work is needed to continue cutting red tape for business formation in the city.

Durhal and Sheffield, both sitting members of City Council, pointed to recent steps the body has taken to improve the climate for starting a business in the city, specifically for restaurants. But such work is just the tip of the iceberg, they said.

In general, each candidate agreed that a significant reduction in the number of steps required to open a business is needed. Jenkins said it should take no more than 30 days to obtain the required permits to do so.

Durhal has also called for, and did so July 23, expanding the boundaries of the Downtown Development Authority, which captures local taxes and can be

used for development purposes. The candidate said he'd like to see the DDA boundaries expanded beyond just the central business district and out to Detroit's major corridor roads as one way of generating more small business formation.

Sheffield said that one of Duggan's strengths was marketing the city, and particularly the downtown area. Under her administration, she'd continue that marketing effort and expand it to include Detroit's neighborhoods and small business corridors.

Each candidate also expressed support for Motor City Match, a signature program of Duggan's administration that provides funds and support for those seeking to open small businesses in the city.

Schools

In Detroit, the mayor and City Council have minimal oversight of the city's public school system. Rather, the Detroit Public Schools Community District is run by a full-time superintendent and an independently elected school board.

No candidate has called for an overhaul of that system, but in general each believes there's space for the next mayor to play a larger role in interacting with the school district.

"I believe that the mayor has to be intimately involved (and) be a greater partner in ensuring better outcomes for our young people," Sheffield said. "We will have a position within the mayor's office that works directly as a liaison with our superintendent and our school board."

Sheffield and Jenkins called for greater emphasis on after-school programs to ensure young students have somewhere to go after the school day concludes.

Business leaders

Each candidate was asked to name a business leader who has inspired them. Both Sheffield and Durhal named Huntington Bank Chairman Gary Torgow.

"(Torgow) is a good actor," Sheffield said, pointing to his work as a real estate developer who has worked to address poverty and support unions. "He is just someone who I believe is a great example of how to do business and be a phenomenal leader in the city of Detroit."

Jenkins pointed to Carla Walker-Miller, CEO of Walker-Miller Energy Services, and Jim Nicholson, chairman of Detroit-based PVS Chemicals.

In addition to Torgow, Durhal also named Dan Gilbert and Chris Ilitch.

"A lot of folks try to give him a bad rap," Durhal said of Ilitch, whose family owns Little Caesars Pizza, the Detroit Tigers and Red Wings, and several other holdings. "But (they) forget that the Ilitches stuck and stayed in this town when a lot of folks were heading for the hills."

Providing products that make lives better as we focus on sustainability

Marathon | **Detroit Refinery**

Why agentic AI could be Detroit's next big advantage in business and tech innovation

Multiagent systems are helping local companies streamline operations and enhance experiences

By Jeff Hood, Principal, Deloitte Consulting LLP, and Biljana Petrovski, Managing Director, Deloitte & Touche LLP

Few technologies have more quickly and profoundly changed the world than artificial intelligence: AI has leapt from automatic friend-tagging on social media, to chatbots that answer questions, to models that code, to agents that handle complex tasks, and – now – multiagent systems. If you're wondering when this wave will reach our business community, well, it already has. And there's clearly more to come.

Leaders are bullish on agents

Deloitte predicts that 25% of companies that use generative AI (GenAI) will launch agentic AI pilots or proofs of concept this year, growing to 50% in 2027, according to our 2025 TMT Predictions report. Detroit's dominant business sectors are already piloting or at least exploring high-impact AI use cases that boost efficiency, insight and business performance.

AI can be a force multiplier for business. The city of Detroit supports this view, encouraging vendors to leverage responsible AI and improve efficiency, enhance services and optimize operational performance.

Agents' exponential impact

Large language models (LLMs) and GenAI-powered tools like chatbots serve as helpful assistants: A human worker enters a prompt, and GenAI quickly produces an output. However, this interaction is largely transactional and limited in scope.

Agents can do a lot more; they are more like skilled collaborators that will not only respond to a request but plan the whole process to help solve a complex need. Using sophisticated reasoning, they tap into the necessary data, digital tools and contextual knowledge to orchestrate the process end to end, autonomously. The impact is beneficial across industries.

Agents equipped with long-term memory can remember customer interactions, including emails and phone calls, continuously learning and adjusting personalized recommendations. This contrasts with typical LLMs that are limited to session-specific information.

Use cases demonstrate agentic AI value

In automotive manufacturing, agentic AI is helping create smarter, more resilient supply chains. The technology is optimizing

parts flow, reducing delivery delays and reconfiguring disrupted supply networks. Multiagent AI systems can rapidly integrate analysis based on vast amounts of real-time data. Multimodal GenAI can be trained on sensor data, maintenance logs and warehouse images to recommend ideal stock quantities.

In health care, AI agents are supporting clinicians and streamlining administration; they're triaging patients in emergency rooms, scheduling patient visits, documenting the visit, suggesting diagnoses and treatment and drafting long-term care plans. To serve patients and policyholders, health care providers and insurers can improve upon conventional scripted interactions by using agents to field plain-language requests and generate natural responses reflecting the customer's history, preferences and real-time context.

In Detroit's growing fintech sector, AI is personalizing financial planning, detecting fraud in real-time and helping to on-board new clients. Multiagent AI systems can analyze diverse data sources – including the customer's financial history, real-time market data, life events, and even behavioral patterns – to personalize financial advice.

Harnessing the power of agentic AI locally

Now is the time for companies in Detroit to embrace and explore the transformative power of agentic AI. By integrating these advanced systems, businesses can improve efficiency, enhance services and optimize operational performance, positioning themselves at the forefront of innovation. Let's harness this technology to drive growth and meet the evolving needs of our residents.

The future is now, and Detroit can continue to be a beacon of technological advancement.

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Building Trust in the Era of Generative AI

Embrace the future with confidence. Deloitte's AI Institute presents "Trust in the Era of Generative AI," a comprehensive guide to navigating the ethical and security challenges of AI. Learn how to ensure fairness, transparency, and safety in your AI deployments. Discover strategies for responsible AI governance and risk mitigation to build trust with your stakeholders.

Stay ahead in the AI landscape with insights from Deloitte. Visit www.deloitte.com/ai-institute to explore our full range of resources and join the conversation on trustworthy AI.

EDITORIAL

Decision time in Detroit mayoral primary

Detroit's mayoral race is coming down the final stretch ahead of the Aug. 5 primary election voting deadline.

In this week's Crain's Forum section, Crain's reporter Nick Manes looks at the issues facing the city and the nine candidates on the ballot. We also were proud to host several of the top candidates to succeed Mayor Mike Duggan at a breakfast forum July 23.

At that and other events, it has been reassuring to hear the candidates strongly echoing the need to keep the momentum going that the city has built during Duggan's three terms: population that is finally growing again, blight being eliminated, city finances that are strong, city services that work.

The candidates at Crain's Mayoral Breakfast forum were remarkably aligned on some key issues, not least of which is the need for the city to cut red tape involved in creating and running a business or developing real estate in the city.

For all of Detroit's progress, we agree that's an area where the city still has a long way to go.

The current inefficiencies amount to an extra tax, which councilman Fred Durhal III noted at the forum: "If you're a business owner, or if you are a developer here in the city of Detroit, often you come in front of us as a city ... and you have an idea of what your project costs or what your business will cost, and by the time you leave Detroit City Council, it's \$2 (million) to \$3 million more expensive than when you started."

In other words, sometimes the most im-



Detroit mayoral candidates (top row from left): Jonathan Barlow, James Craig, Fred Durhal III, Joel Haashiim, Saunteel Jenkins and (bottom row from left) Solomon Kinloch, Todd Perkins, Mary Sheffield and DaNetta Simpson

portant pro-business policy is not in some government program, but rather in government simply not posing an obstacle. It was good to hear the candidates echo that goal.

On this and other issues, it's hard to find significant policy daylight among the leading candidates based on how they're talking publicly. All seem to agree that the city needs to keep growing by attracting residents and employers. No matter where you live in Michigan, the mayor of the state's largest city matters. The resurgence of Detroit, years and years in the making, has an undeniable effect on how Michigan is perceived nationally and around the world.

But brands are hard to change. Detroit still has far to go in shedding its reputation

for crime, decay and dysfunction — as well as a reputation for hostility to business, despite all the progress in recent years. The next mayor not only has to deal with those problems, he or she has to be the city's chief marketer when it comes to telling the world and changing perceptions.

Crain's does not customarily offer endorsements of political candidates, and we're not making one here. We urge Detroit residents in our audience to study up on the candidates who are running in this week's Crain's Forum section and other sources of information.

Regardless of who advances to the November general election, it's a critical vote that will

determine the city's future trajectory.

It's key that Detroit's next mayor remembers that what's good for the city's residents and what's good for business are, mostly the same things. Transit, economic development, good schools, reductions in crime, functional city services: All are direct benefits for both residents and businesses.

Detroit needs a leader who can not only maintain the progress the city has made, but expand on that and elucidate a vision for what is next.

The next mayor inherits advantages that predecessors in recent decades have not: A city on the rebound, rising home values, a growing reputation as a great city to visit. It's a city with momentum and opportunities.

But there are challenges that are only going to grow. The next mayor is unlikely to get the benefit of the large infusions of one-time cash from the federal government that benefited Duggan administration budgets. Pension payments for city workers will be back to normal following the bankruptcy's reprieve.

The top two vote-getters in the Aug. 5 primary will run a hard race until the Nov. 4 general election. But the winner will face an even harder job.

As voters cast their ballots, they should ask who has demonstrated the ability to work on behalf of both? Who understands that Detroit's continued success depends on maintaining the fiscal discipline and pro-growth policies that have brought us this far?

We hope voters choose wisely, and the eventual winner governs wisely.

COMMENTARY

'Vibe manufacturing' is coming, and Michigan companies must seize the moment

Manufacturing stands at the precipice of its most significant transformation since the Industrial Revolution. Just as ChatGPT changed how we interact with technology, a similar transformation will soon reshape physical production. The manufacturing world is approaching its own "ChatGPT moment" — and those unprepared may find themselves left behind.

Additive manufacturing technology has been around for decades yet remains underutilized in mainstream production.

Despite its promise, today's additive manufacturing faces significant challenges. Current 3D printing processes struggle with consistency across production runs, lack robust quality certification frameworks, and face traceability issues that traditional manufacturing has spent decades refining. Many manufacturers still view additive methods as too slow, expensive and unreliable for serious production applications.

These limitations are not inherent to additive manufacturing itself, but stem from evaluating new technology through the lens of legacy systems. The real break-

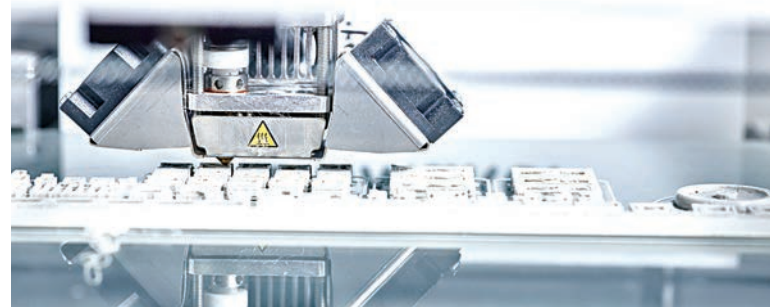


Pavan Muzumdar is the CEO of Project DIAMOND, a public-private partnership working to advance additive manufacturing capabilities in southeast Michigan.

through lies in recognizing that AI will mitigate these weaknesses.

The software revolution comes to manufacturing

The software industry is currently experiencing a similar transformation. It is being disrupted by what developers call "vibe coding" — where AI generates code using natural language descriptions from humans. What once required months of work from large development teams can now be accomplished in days or even hours by smaller teams working with AI. This revolution is promising to slash costs and democratize access to sophisticated software development.



3D printing is expected to combine with AI to change manufacturing in coming years. | GETTY IMAGES

Manufacturing is next. "Vibe manufacturing" — where engineers use conversational language to direct AI design generation, is rapidly evolving from concept to reality. While 3D printing has existed for decades, AI promises to remove the fundamental barriers that have prevented its widespread adoption: scalability, repeatability, quality certification and traceability. The global additive manufacturing market is expected to grow from \$16.2 billion in 2024 to \$47 billion by 2031, according to Additive Manufacturing Research.

Applications for 3D printing extend be-

yond manufacturing to industries such as housing. As "60 Minutes" noted in an episode that aired on June 16, 3D printing has the capability to revolutionize housing. In the episode, Leslie Stahl profiled an 8-year-old Austin, Texas, company called Icon that is using 3D printers to build both low-income housing and luxury housing.

The segment showcases how 3D printing can be done for a lower cost and with a lower environmental impact than traditional construction methods. To date, Icon has 3D-printed nearly 200 homes and structures across the U.S. and Mexico.

The blind spot

Many traditional software engineers remain skeptical of AI's ability to deliver high-quality code — a parallel to manufacturing's hesitancy toward additive technologies. This blind spot ignores AI's exponential growth rate, which outpaces Moore's Law. By the time traditional computing power doubles, AI capabilities increase eight-fold. Our human minds, evolved for incremental change, struggle to comprehend such acceleration.

Dismissing AI's capabilities based on today's limitations is a strategic error. While integrating AI systems will require human team dynamics to be reconfigured — a process that will happen incrementally because as humans, we naturally resist change — the technology itself won't wait.

The manufacturing community has historically been cautious about adopting new technologies. This time though, the transformation is different in both speed and impact. Participants would be well-advised to pay attention now rather than trying to catch up later.

Traditional manufacturing is constrained by centralized facilities, labor-intensive quality control processes and rigid tooling requirements. These constraints aren't inherent to production itself — they're remnants of legacy approaches that will soon be rendered obsolete.

AI-driven additive manufacturing will be:

- ▶ Distributed rather than centralized
- ▶ Flexible rather than rigid
- ▶ Iterative rather than linear
- ▶ Responsive rather than planned

This new paradigm will enable unprecedented innovation cycles, with product iterations in days rather than months and agility impossible under traditional manufacturing constraints.

Regional economic impact

For state and regional economies, this shift creates extraordinary opportunities. Communities with the right infrastructure and mindset will see entrepreneurial ventures bloom, job creation accelerate, and supply chains become more resilient and responsive.

Automation Alley has been preparing Michigan for this transformation for years. Through its Project DIAMOnD (Distributed, Independent, Agile Manufacturing on Demand) initiative, we're creating the collaboration and infrastructure needed for businesses to thrive in this new environment.

Funded primarily by Oakland County, Project DIAMOnD connects designers, engineers and manufacturers in a secure ecosystem that fosters innovation while providing the critical foundations for quality certification and traceability. By democratizing access to these capabilities, we're ensuring that both small innovators and established enterprises can participate equally in the wealth creation

that AI-enhanced manufacturing will generate.

Nationally, the talent shortage in additive manufacturing is intensifying. As with many sectors of manufacturing, companies are finding it difficult to find workers with the skills needed to participate in a world where manufacturing is becoming digitized. This includes design competencies and thinking with a digital, software first mindset. Smaller and mid-sized companies are struggling in retaining and attracting talent for key technical roles, according to the 2024 Additive Manufacturing Salary Survey

by Alexander Daniels Global, a recruitment firm specializing in the 3D printing and additive manufacturing industry. Positions such as machine operators and technicians are in high demand.

Here again, this is an opportunity for Michigan. The state needs to invest in workforce development aimed at teaching workers the necessary skills.

At Automation Alley, we opened a Digital Transformation Center last fall in Auburn Hills that provides companies access to industrial 3D-printing equipment, training and support. But this is not enough.

We would like to expand this model and provide these services statewide. We would also encourage the state and its agencies to look at ways to support workforce development for designers, engineers and operators at colleges and universities across the state.

The AI revolution in manufacturing is here. Forward-thinking manufacturers are already using how AI to transform their design and production processes. Those who wait to see how things shake out will find themselves struggling to catch up in a radically transformed competitive landscape.

By embracing collaborative platforms and investing in additive manufacturing capabilities now, manufacturers can position themselves at the forefront of this revolution — creating new opportunities for growth, innovation and regional prosperity.

The future of manufacturing belongs to those who recognize this moment for what it is: not merely a technological shift, but a fundamental reimagining of how we create physical products. The question isn't whether this transformation will happen, but whether your business will be leading it.



NEW PRICE TAG



255 CAMELOT WAY | \$2,290,000
OAKLAND TWP

Nestled on a 2.59-acre private lot, this custom-built estate with 5 bedrooms and 7.5 bathrooms is a true showcase of superior construction and breathtaking architecture. Lush landscaping and detailed hardscaping lead to a stunning two-story foyer with elegant crown molding. A retreat awaits in the Grand Primary Suite on the main level, featuring a spa-like bathroom with custom shower and jetted tub. Heated marble and hardwood floors offer comfort year-round. The spacious eat-in kitchen features professional-grade appliances and a balcony overlooking the picturesque backyard. Floor-to-ceiling windows in the great room flood the space with natural light and serene views. A stately two-story mahogany office offers elegance and function. The fully finished walk-out basement—with kitchen, bar, high ceilings, fireplace, laundry, and theater room setup—provides ideal space for guests or multigenerational living. Outdoors, enjoy patios, a wood-fired pizza oven, and private pond for paddleboarding or fishing. All just minutes from downtown Rochester.

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HEALTH CARE HEROES

Heroes in health care take many forms. From front-line physicians to executive leaders and educators, these individuals were nominated by their peers and colleagues as champions of transformative change for expanding access, innovating with new procedures and opening doors with new programs.

These 19 health care professionals are not only advancing medicine — they are defining what it means to care: blending science with empathy, accessibility with innovation and policy with personal impact. Their work spans a cross section of the industry, from gene therapies to a beating heart transplant to mobile health care. Above all, each has worked to improve the health and well-being of patients and communities.

Methodology: Crain's Detroit Business editors and Senior Health Care Reporter Dustin Walsh ranked Health Care Heroes nominees through an online system. We then selected the highest-ranking candidates in each category. Health Care Heroes was managed by Leslie D. Green, assistant managing editor of special projects for Crain's Detroit Business.

HEALTH CARE HEROES PHYSICIAN



DR. NIKHIL HEMADY

Chief medical officer,
Honor Community
Health

Only 4.6% of family medicine and internal medicine residents train at community health centers that treat the underserved. Coupled with the fact that 10% of the U.S. population, about 32.5 million people, receive primary care at community health centers, it's clear the math doesn't add up. Safety-net providers are not getting enough physicians.

To push more residents into serving the underserved, Dr. Nikhil Hemady, chief medical officer at Pontiac's Honor Community Health, launched in 2023 the nation's first-ever residency program

at a federally qualified health center — providers that care for the uninsured or underinsured regardless of ability to pay. The program is now recruiting its third class of residents.

Hemady also launched a centering department at Honor, providing group setting care to expectant parents involving health assessments and educational classes, as well as expanding the providers' medical services to the homeless in the area.

He's also implemented technology initiatives, which are often lacking at federally qualified health centers that

get the majority of revenue from government programs like Medicaid and Medicare. Implementing real-time appointment reminders and follow-up protocols reduced no-shows at Honor.

Hemady also spearheaded the launch of Honor's telehealth medicine initiative, providing critical access to patients. Honor doesn't use an app-based telehealth provider like most health systems, but instead a web-based platform that patients can access from public computers if they do not have access to one in their home.

— By Dustin Walsh



DR. TISA JOHNSON-HOOPER

Founder and medical
director, GROW
Clinic at Henry Ford
Health

Roughly one in every 31 children born is eventually diagnosed with autism spectrum disorder in the U.S. Add in other developmental ailments, and nearly 15% of all school-aged children have an intellectual disability.

Dr. Tisa Johnson-Hooper was one of the co-founders of the Henry Ford Center of Autism and Developmental Disabilities, which provides applied behavior analysis therapy for those on the spec-

trum. But there was more to be done, and in January, Johnson-Hooper launched the Generational Resilience Opportunity & Wellness or GROW Clinic at Henry Ford Health. The center is a multidisciplinary program, mixing pediatric care across specialties, diagnostics, therapies and research for pediatric patients with autism or another intellectual disability.

As a board member for the National Alliance to Advance Adolescent Health, Johnson-Hooper also led HFH's effort

to more effectively transition pediatric patients to adult care when they age out of pediatric services. She's published papers on the topic and is among the nation's leading experts in health care transition methods.

She also served on the board of the nonprofit Autism Alliance of Michigan and has become a leading voice across the country for supporting patients on the spectrum.

— By Dustin Walsh



DR. JENA KRUEGER

Pediatric neurologist,
Corewell Health
Helen DeVos
Children's Hospital

Children with neuromuscular diseases in West Michigan who were once expected to decline in physical health are now expected to thrive, largely thanks to Dr. Jena Krueger and her team.

"They eat on their own. They're walking, they're jumping, they're climbing, and they're completely defying and surviving far past what they would have been expected to," Krueger said.

She helped usher in gene therapy and new forms of physical therapy and neuropsychology for diseases like spinal muscular atrophy and Duchenne muscular dystrophy. SMA is a neuromuscular disorder that is most often diagnosed in infants and causes the wasting of muscle.

Large amounts of research to under-

stand the impact of the new treatments, as well as safety and efficacy standards, are conducted by Krueger's team. She has also spread awareness of the treatments to other department leaders in case rare side effects like liver problems or heart issues occur.

Krueger, who specializes in child neurology and epilepsy, founded the Strategic Team for Advancement of Rare Disease Treatment at the hospital.

"As we started thinking about bringing these really complex, expensive, multi-system diseases or treatments to Helen DeVos, we realized pretty quickly that it's not going to be able to stay [only] within neurology," she said.

SMA gene therapy, which Krueger introduced to the hospital in 2019, has increased life expectancy for patients who

were previously expected to live for only two years.

It was ushered in after two years of clinical trials and Helen DeVos became the first hospital in Michigan to treat an SMA patient with gene therapy.

"I think clinical trials are pivotal to treating kids with rare diseases," Krueger said. "There are amazing opportunities... coming through and getting approved by the FDA continually."

She said her personal reward for making a diagnosis and helping provide treatments is the moment a child walks for the first time and the resulting celebration with their family.

Part of the excitement, she said, also comes from helping people locally.

"We take care of people in our backyard."
— By Ryan Kelly



DR. ERICA MARSH

Professor, Obstetrics and Gynecology; section head, Reproductive Endocrinology and Infertility, Michigan Medicine

Dr. Erica Marsh is spearheading research on biological, social and genetic factors that contribute to reproductive disorders and disparities in reproductive health.

"We commonly assume that what we do [as clinicians] has the most significant impact on an individual's health, [though] studies have shown that proper health care itself is only responsible for about 20% of health outcomes," Marsh said.

African American women have higher estrogen levels on average than white women, fibroids are much larger in African American women on average than in white women, and diseases might affect rural populations differently than urban populations, she said.

Marsh founded and directs on-WHARD, the Women's Health and Reproductive Disparities Collaborative, which recently received a \$7.8 million grant to study underlying health disparities and uterine fibroids.

The foundation's projects include the study of fibroids in Latina women, an investigation into ovarian aging in African American women and a study on COVID-19 equity.

Marsh, who spends around 20% of her time seeing patients, 60% of her time on research and 20% of her time on administrative work, said that the positive outcomes of her work aren't limited to women and minorities.

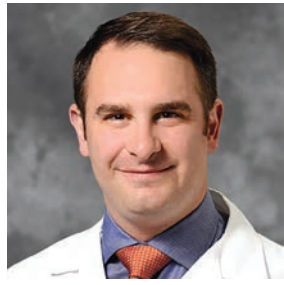
"I think a huge misconception about health disparities and health equity research is that its goal is to help one group over another," she said. "The goal is to acknowledge that there are differences, try to understand why those differences exist, and in turn elevate everybody to a higher standard."

Marsh also works to expand health education and women's health research in Ghana, serves as co-principal investigator on a \$71 million grant for clinical health and research, and was among four UM faculty members to be elected to the National Academy of Medicine.

Part of her team's momentum is fueled by feedback from its community partners.

"We realized that in order for us to be relevant as a scientific entity, we have to understand the needs of the people who we ultimately want to see," she said.

—By Ryan Kelly



DR. KYLE MILETIC

Senior staff physician, Division of Cardiac Surgery, Department of Surgery, Henry Ford Health

Dr. Kyle Miletic returned to Southeast Michigan in 2021, six years after working as a resident in integrated cardiothoracic surgery at the Cleveland Clinic. Born in Birmingham, he has served as a senior staff physician in the Division of Cardiac Surgery in Henry Ford Health's surgery department since 2021.

In 2024, Miletic, 36, performed the state's second-ever beating heart transplant. A transplant typically occurs by stopping and restarting a heart to transport it, which limits the distance from where a heart can be sourced. From the moment the heart first stops, "the clock is ticking," Miletic said. Recipients in Detroit often get their hearts from a 1.5-hour radius around the city, due to the amount of time it takes to deliver and operate on the heart.

A beating heart transplant has a variety of benefits to the patient and opens up the entire continental U.S. for recipients.

Miletic said that, to him, heroes in health care can be found in all levels of medical practice, and being a hero is about a person's individual actions that reap positive impacts.

"I see myself as kind of wanting to continually push the boundaries of what myself, and, personally, in our field, collectively, are able to do," Miletic said. "(That) involves constantly using new technology and new devices and new techniques to improve the lives of our patients."

Miletic and his team have performed four additional beating heart surgeries since his first in July 2024.

In his line of work, Miletic said he values the immediate improvement to patients' quality of life that he can provide to patients through heart surgery. He recalls patients who were short of breath and struggling to walk or even move beyond lying down in bed.

"You give (these patients) a new heart, and within days, they're already feeling better than they have in years," Miletic said. "And then several weeks after the operation, they go back to a normal life and are able to exercise and see their kids and their grandkids grow up. They have not only a new quality of life, but a new quantity of life that they never would have had otherwise."

—By Anna Fijelski



DR. BRADLEY J. NORAT

Child abuse pediatrician, Children's Hospital of Michigan

Dr. Bradley Norat is a Michigan man. Or, at least, a man of Michigan. Except for a brief stint in Texas, during which he would have much preferred to stay in-state, Norat's entire life and career have been in the Great Lakes state.

Norat, 36, was born and raised in metro Detroit. He attended the University of Michigan-Dearborn for his undergraduate degree, and after that, medical school at Michigan State University's College of Human Medicine. Now, he serves as the assistant professor of pediatrics for Central Michigan University, and specializes in child abuse pediatrics at the Children's Hospital of Michigan.

To specialize in child abuse pediatrics, doctors must attend a specialty fellowship program. As Michigan has none, Norat traveled out of state to the University of Texas Health Science Center in San Antonio for a fellowship in child abuse pediatrics.

"During residency, a position for a child abuse pediatrician opened up at Children's Hospital ... I did not expect that position to still be open when I was completing the fellowship, but it was, and it was kind of a great fit, because I got to do what I loved while being around my family," Norat said.

Moving forward in his career, Norat aims to establish a similar program in the state of Michigan.

"If I could have stayed here, I absolutely would have for fellowship training and everything. The only reason I left was because there were no fellowship opportunities here," Norat said. "One of my goals, even in first accepting this position, I said, from the start, 'I want to stop losing people to other programs, in making them have to go other places to get this kind of training.'"

Norat also has a love of teaching. In his role, he does educational programs for teachers, counselors, physical and occupational therapists, and the hospital's outpatient pediatric clinic to discuss the signs and impact of childhood trauma.

"I was so nervous that I wouldn't be able to be here," Norat said, regarding the child abuse pediatrician role. "It impacts the community that I grew up in. It's just a little bit different when someone says 'Oh I'm from Sterling Heights,' 'I'm from Novi,' 'I'm from Detroit' ... And I can have a hand in potentially changing things for them."

—By Anna Fijelski



DR. RAYMOND WEITZMAN

Medical director, Dr. Gary Burnstein Community Health Clinic

After graduating from the University of Michigan Medical School, Dr. Raymond Weitzman, 79, began his career as a rheumatologist at a private practice in metro Detroit, where he spent the majority of his career. He retired in 2013 at 68, but realized he wanted to stay active in medicine.

He joined the Gary Burnstein Community Health Clinic shortly thereafter and serves as the volunteer medical director. GBCHC provides free medical, dental and pharmacy services to patients who otherwise would not be able to afford care.

In his role, he leads a team of volunteer providers, including family practice and internal medicine and 11 specialty clinics.

"I think we've changed a lot of lives, and this is an underserved population that would not be getting treatment without the clinic," Weitzman said.

Through his leadership, the clinic has served thousands of uninsured individuals, and his work ensures that patients with conditions like diabetes, hypertension and rheumatoid arthritis can receive ongoing care at no cost.

Weitzman is known at the clinic for his ability to diagnose rare diseases, and will often identify them in patients visiting for regular checkups and unrelated issues.

During a routine visit, Weitzman diagnosed a patient with breast cancer, after paying meticulous attention to her symptoms, though she'd anticipated a simple checkup for high blood pressure. Today, that patient is cancer-free.

Weitzman said that throughout his career, being able to make diagnoses like that is something he is most proud of, and makes him feel the most fulfilled in his decision to continue practicing medicine. He plans to continue volunteering at GBCHC for the rest of his life.

"Something I find the most gratifying about the Burnstein Clinic is that it's a teaching institution ... So every time I'm there, I'm teaching and developing a relationship with physicians who are about to graduate," Weitzman said.

Because of GBCHC's wide range of offerings, there are ample opportunities for students to gain experience in multiple disciplines. Weitzman mentors students from universities throughout Southeast Michigan on their journeys to pursue a career in medicine.

—By Anna Fijelski



FRANKA ARCANGELI

Owner, International Therapy Solutions

Franka Arcangeli, 39, founded International Therapy Solutions in 2017. The women-owned, women-led outpatient mental health center is headquartered in Warren, and has a second location in Ann Arbor.

The clinic offers services to patients including cognitive behavioral therapy, dialectical behavioral therapy, eye movement desensitization and reprocessing, psychodynamic therapy and interpersonal work.

Arcangeli, who is an Albanian refugee, said she wanted to work to destigmatize mental health across cultures and eliminate barriers to receiving treatment.

"What led me to (this career) is hoping that I could be source of light and education and help people who are struggling

in all different kinds of cultures, and hopefully decrease the stigma of mental health in all cultures, and allow people to get in sooner rather than later, to decrease that exacerbation of mental health symptoms," Arcangeli said.

International Therapy Solutions also focuses on hiring recent college graduates as limited licensed master social workers, which offers them field experience and provides them with a vital platform to launch their careers. Arcangeli works as a mentor for current and former students and said she values the ability to educate the next generation on different modalities of interventions to facilitate better treatment.

"Mental health is a big proponent in

many things. It's almost like it's the engine of the car. And so when we think of somebody who's helping an individual better themselves and decrease these symptoms that are debilitating to them, I consider that person a hero," Arcangeli said.

Her work with students emerging into the field of social work encapsulates a few of her proudest achievements throughout her career, which began at the University of Michigan's School of Social Work, and where many of her mentees hail from.

"A lot of my referrals come from patients that I've had, so it's rewarding to see that, and they trust me to be able to refer a friend or refer a loved one to me because of how much I've helped them," Arcangeli said.

— By Anna Fifelski



DR. CHIQUITA BERG

Vice president, Community Health and Well-Being, Trinity Health Michigan

Dr. Chiquita Berg's focus on the social determinants of health and well-being of patients has led to improvements in care for the most vulnerable populations.

"There is so much more baggage that people are carrying, and you really have to see the whole person," she said.

Berg, a practicing OB-GYN, spends more than half of her time leading a team of 55 community health workers who help patients find access to transportation, financial resources, nutrition and housing resources. The team, spread across nine hospitals, also helps patients complete applications for Medicaid, financial and pharmaceutical assistance, and helps them find furniture or clothing.

The community health workers often

travel to public parks, restaurants or the patients' homes and "help them navigate that world, that space," said Berg.

Substance use disorder programs, youth mental illness programs and food insecurity programs have also expanded under her leadership.

Last year three Trinity hospital-based farms in Michigan provided over 19,000 boxes of food to community members and families in need.

Growing up in poverty and having spent 10 years at a Federally Qualified Health Center in Jackson, Berg thoroughly understands the social barriers to health care and the root causes of health problems.

"Conditions and personal behaviors... we know those things really impact more

than 80% of an individual and the clinical piece is about 20%," she said.

Berg was the first of her family to earn a college degree and after 20 years of working as a physician, she earned an MBA, which she uses to guide more systemic change in strategy, finance and patient experience.

"I can do a lot as a clinician... but I always felt like there was something missing," Berg said. "How can I impact the lives of many, many more?"

She added that the focus of health care is shifting and that clinical and social care will need to be further integrated for improved outcomes.

"That's the way we're going to actually move the needle," Berg said.

— By Ryan Kelly



BARBARA WOLF

Corporate director, Behavioral Health Education and Physician Well-Being, McLaren Health Care

Before a violent crime took her life in December, Barbara Wolf spent 30 years helping employees regulate their emotional and mental health.

"There is almost no place in the company that she didn't touch," said Justin Klamerus, chief clinical officer at McLaren Health Care. "Whenever a crisis would occur, whenever a personal challenge developed that rose to a level that our colleagues across the health system would need someone to lean on, [Wolf] was there."

Wolf, a clinical psychologist and meditation instructor, surveyed the McLaren physicians, residents, fellows and faculty to understand their levels of burnout, professional fulfillment and psychological stress.

She designed a course that teaches meditation and mindfulness, called Mindful Medicine, that was developed in part from a program at the University of Rochester in New York.

It is one of several programs that Wolf, three mindfulness instructors and 15 psychologists use to help the McLaren team.

"Stress levels of residents and fellows are often overlooked," said Phil Incarnati, president and CEO of McLaren. "The residents take a huge burden. [Wolf] was not only an inspiration. She was a major form of access and teaching for all of them as they enter their careers and what they're likely to face."

Mindful Medicine was expanded to include leaders across the company.

Wolf also developed a digital wellness platform called McLaren Thrive and she led the rollout of a telehealth support system for employees. She also played a large role in the support of colleagues during the COVID-19 crisis and was on-site immediately after the Oxford mass school shooting when victims arrived at McLaren for treatment.

On Christmas Eve last year while driving with her daughter, Wolf stopped on the side of the road to check on a stranded motorist, who shot and killed her.

"Even when you look at the circumstances," said Incarnati, "and I don't profess to have all of them... she was stopping to help someone."

— By Ryan Kelly

HEALTH CARE HEROES ADVANCEMENTS IN CARE



DR. D'ANGELA PITTS

Medical director of Maternal Health Equity, Henry Ford Health

The leading cause of maternal mortality is preeclampsia, a complication of pregnancy that causes large blood pressure spikes that can lead to a deadly stroke. Roughly 75% of preeclampsia deaths occur postpartum at a time when mothers are consumed with caring for a new baby and often put their own health needs to the side.

Women are expected to get a postpartum checkup within three weeks of leaving the hospital with a baby, but often that just doesn't happen, particularly for low-income mothers, said Dr. D'Angela Pitts, medical director of maternal health equity at Henry Ford Health.

"Having a brand new baby, it's hard to make those appointments, especially if

you struggle with transportation," Pitts said. "We have a high no-show rate."

So Pitts created a program to connect new mothers to HFH's Mobile Integrated Health Unit, which sends health professionals in unmarked vans into the field to do routine care for underserved patients.

The unit visits new mothers to check for preeclampsia and refers them to the hospital for follow-up, or even calls an ambulance if the mother's blood pressure is too high. There are currently 270 patients enrolled in the program.

Pitts also launched the first-of-its-kind hospital doula program last year, following the state implementation of a Medicaid doula services benefit. Pregnant Medicaid recipients can now get \$1,150 of doula services covered.

The program places a certified doula with expectant mothers as a connection to caregivers during and after pregnancy to prevent maternal and infant mortality.

"Traditionally, pregnant women spend only 2 1/2 to three hours with their provider during a pregnancy," Pitts said. "Doulas provide critical support, from breathing techniques to being a trust liaison to decrease issues such as pre-term births."

The system now employs seven doulas and has enrolled 287 women in the program.

"Everyone should have a doula, regardless of your economic status," Pitts said. "But especially those high-need individuals."

— By Dustin Walsh

Congratulations on being named 2025 Health Care Heroes

Administrator Hero:



Robert Fitzgerald, M.D.
President
Corewell Health Helen DeVos
Children's Hospital

Physician Hero:



Jena Krueger, M.D.
Pediatric Neurology
Corewell Health Helen DeVos
Children's Hospital

Thank you for making health care better for
everyone in our communities.



MARIA BOBO

Director of Nursing Professional Development & Education, Michigan Medicine

Maria Bobo is leading an increase in recruitment, retention and ongoing education models for nurses and nursing students at a time when Michigan is facing a nursing shortage.

"When I see someone else carve out their own path," said Bobo, "which doesn't have to be like me, but they really find their passion and they're really practicing at their top level...that drives me to help others."

Overseeing a staff of 25 people who are responsible for the career paths of 7,000 nurses at UM Health, Bobo is continually moving the needle on nurses' satisfaction and fulfillment scores.

She helped build a professional development program for student nurses that places them into the health system for one year before they graduate, giving them professional exposure and the chance to build a place for themselves at UM after graduation.

"It's kind of like we're interviewing them informally," said Bobo. "It's like an enhanced nurse internship program."

She also co-leads a partnership between the School of Nursing and nurses

at Michigan Medicine, is responsible for the training of more than 250 nursing mentors and does her own one-on-one mentoring.

Nursing school is aggressive, Bobo said, and students sometimes need an extra voice of support.

"Early in my career, I didn't have anyone who was really guiding me," she said. "I do think it's helpful to have someone to support you, give you advice, be transparent with you, give you pause and give you the feedback you need."

Continuing education for nurses is crucial as well, Bobo said, especially to prepare some of them for leadership positions. She teaches leadership courses at the hospital and also leads a team that does training.

Bobo has also led diversity, equity and inclusion trainings and presentations, and authored a DEI publication. She served as the co-chair of Michigan Medicine's Anti-Racism Oversight Committee and was one of the diversity, equity and inclusion leaders for the UM Health nursing department.

- By Ryan Kelly



VICTORIA COLUMBUS

Chief pharmacy officer and co-owner, SGRX Health

In 2017, Victoria Columbus and her partner were tapped by the owners of ScriptGuid-eRX, or SGRX, in Grosse Pointe Park to take over the business.

Before that, however, she built a decades-long career as a Michigan pharmacist.

Columbus, 55, attended the Eugene Applebaum College of Pharmacy and Health Sciences at Wayne State University and earned her pharmacy license in Michigan in 1994, while living in Windsor as a permanent Canadian resident.

"As a health care professional, we all take an oath, and so I think it's really in our DNA to help people and so we're all heroes, in a way," Columbus said. "I'm just fortunate enough to be in a position, in a role where I can do it on kind of a broader scale, and hopefully the more people hear about it, the more people we can help with these opioid funds."

Columbus built her career around retail and hospital pharmacy, but shifted to management health care because it was important to her that she work directly with the public and have a hand in population health.

As co-owner of SGRX, a pharmacy benefit manager, Columbus has worked to end the opioid epidemic in Michigan by working with other organizations committed to the cause and led

her team in the creation of numerous clinical edits, medication therapy management programs and patient assistance programs.

"The Michigan Building Trades Association got a piece of legislation passed back in 2022 that allows individual patients to decline being treated with an opiate by their prescriber both in an ambulatory community setting and in a hospital setting, and we're the only PBM in the country that's compliant with that health care directive," Columbus said.

Columbus and her team offer a variety of services for patients prescribed opioids, including soft approaches and hard approaches, depending on the necessary course of action. That consists of sending a message to make the patient aware of the directive form, and a follow-up phone call offering education on the dangers of opioid drugs and possible alternatives, or a blanket prior authorization denial will be coded in the system, to ensure an opioid is not prescribed and filled without interaction with an SGRX clinician.

SGRX also leads patient assistance and patient advocacy programming to ensure patient access and support while managing the financial risk and helping patients find resources, support and alternative treatment options.

- By Anna Fifelski



HONORING A LEGACY OF CARE

RECOGNIZED FOR PURPOSE REMEMBERED WITH GRATITUDE

Dr. Barbara Wolf was a healthcare hero in every sense of the word to her colleagues at McLaren Health Care and beyond. Her commitment to mental health, provider wellness, and community engagement were unparalleled.

Her memory and selfless spirit will continue on through the lives and careers of the countless patients, physicians, students, colleagues, and friends whose futures she helped shape.

DR. BARBARA WOLF
McLAREN HEALTH CARE





DR. ROBERT FITZGERALD

President, Corewell Health
Helen DeVos Children's
Hospital

Children are not small adults. It's a common axiom in pediatric care. But budget constraints and efficiency often get in the way.

For example, children in need of emergency transport to a hospital are moved and triaged by EMTs and ambulances equipped to handle the most common emergencies for adults.

"They have all the equipment, but not all the equipment for all the sizes," said Dr. Robert Fitzgerald, president of Corewell Health Helen DeVos Children's Hospital in Grand Rapids. "EMTs, who are very capable, are not used to treating children and sometimes lack the expertise that's required. We want better outcomes."

In March, Corewell launched its pediatric critical care ground unit, operated by Life EMS.

Fitzgerald spent 10 years trying to make that service a reality.

The new ambulance focuses on older children with critical needs — Corewell already operates a neonatal ambulance unit — who are too close for a helicopter transport.

In its first 2 1/2 months, the unit has already transported 100 patients.

Another elegant solution orchestrated by

Fitzgerald is the opening of the hospital's pediatric medical psychiatric unit last summer.

In the unit, psychiatrists, medical physicians, social workers, child life specialists, nurses, chaplains and pharmacists work in concert to not only treat a medical issue, but also psychiatric problems. The unit solves an ongoing problem, as psychiatric hospitals don't treat medical problems.

The average time it takes for a pediatric patient to be admitted into a psychiatric hospital can take anywhere from a few days to a few weeks; this unit cuts that down, he said.

"Pediatric psychiatric patients are separated into two patient populations — a behavioral problem alone and a medical and behavioral problem," Fitzgerald said. "That second bucket of patients, they can't go anywhere. You can't get them placed in a psychiatric facility. There is no medical coverage. What the unit did for us, those kids with both medical and psychiatric issues, we can get them placed (in a psychiatric hospital) faster by diagnosing and treating both problems."

Fitzgerald is also working to open Corewell's first pediatric heart transplant program, expected to launch in 2026.

— By Dustin Walsh



TAWANA NETTLES-ROBINSON

Executive director, Trinity
Health Detroit Ministry

Tawana Nettles-Robinson, the former Chrysler production manager-turned-ministry director for the Michigan market of Trinity Health, is using her skills in lean management and continuous improvement from the auto sector to expand the Catholic system's care for the underserved.

She rapidly expanded Trinity's Mercy Primary Care Center to provide showers, clothing and addiction treatment to Detroit's homeless community.

"The community would come get medical treatment, then go back home to local shelters and often didn't have opportunities for showers or access to basic needs like toothpaste and toothbrushes," Nettles-Robinson said. "But it's also about getting them connected to a community health liaison so we can get them into stable housing or drug treatments. We used to send them back out into the streets; now we're getting them in, treating them and getting them where they need to be."

She is also leading the development of an early childhood development center in the Cody Rouge neighborhood in De-

troit in partnership with Cody Rouge Community Action Alliance and Grand Rapids nonprofit mission-driven developer IFF.

The development will also include 48 low-income housing units.

"In essence, we want a community hub on that corner where families can obtain health care resources," Nettles-Robinson said. "As well as hiking and walking and other healthy resources for the whole community."

But the Trinity ministry also performs, under Nettles-Robinson's watch, daily health care for the underserved who have little or no ability to pay for health care. In 2024 alone, that amounted to nearly 20,000 primary care visits, 17,900 prescriptions, 1,720 behavioral health visits and aid to more than 780 Detroit Public School students.

"I am blessed to have found what I was meant to do," Nettles-Robinson said. "I want to expand the scope of the people we help in the city of Detroit, where I was born and raised. It is what I think about and pray about every day."

— By Dustin Walsh

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CHRISTINA BOYLAND

Administrator of Clinical Forensic Nursing Services, Turning Point Inc.

Christina Boyland worked as a nurse for 10 years before she found her current career. She'd been successful at nursing, but she was intrigued by an email for a continuing education awareness event.

When Boyland discovered the world of forensic nursing, she knew it was a path she wanted to take. She attended Oakland University's Forensic Nursing graduate program in 2016, and since then has worked as the administrator of Clinical Forensic Nursing Services at Turning Point Inc., a domestic abuse treatment center in Mount Clemens.

"There's huge gaps in forensic nursing care in Southeast Michigan hospitals," Boyland said. "I really wanted to bring and build and bridge these gaps that were happening. I wanted to bring these services in the hospital setting, where there were such huge gaps for forensic nursing, because forensic nursing is an umbrella."

Under that umbrella falls interpersonal violence, trauma, maltreatment, child abuse, elder abuse, human trafficking, intimate partner violence, death investigations and more, Boyland said.

In her role at Turning Point, an emergency and support services nonprofit, she's become the state's foremost expert in nonfatal strangulation, and has expanded Turning Point's outreach and training programs to provide educational information to hospitals, emergency medical services and technicians, Child Protective Services and foster care workers, and law enforcement.

Boyland also serves on the faculty at Oakland University and teaches on the topic of strangulation and facilitates the clinical skills lab.

In 2022, the clinic was awarded a \$111,000 grant from Impact100 Macomb County to continue providing a strangulation exam for patients, and increase awareness of the issue through community programming and additional support for those affected. The grant also allowed the clinic to provide educational resources to law enforcement and other health care providers, Boyland said.

"Our strangulation exams from last year, if you include pediatric strangulations, increased just over 106%," Boyland said.

Through her work, Boyland has had a significant impact on health care workers' understanding of strangulation and its dynamics, how it is recognized and treated in the medical field, and the overall survival rate, safety and well-being of survivors of violence.

— By Anna Fifelski



DORRIE DILS

CEO, Gift of Life Michigan

In death, there can be life.

It's a sanguine view of death and dying, but one that more than 4.5 million Michiganders share as organ and tissue donors.

Under CEO Dorrie Dils, nonprofit Gift of Life Michigan is inspiring more and more individuals in the state to become donors and aid in saving the lives of fellow Great Lakes State natives. Roughly 206,000 in the state — about the population of Grand Rapids — signed up to become donors in 2024.

The flow of new donors is attributed to the Check Your Heart Act, signed into law in July 2023 by Gov. Gretchen Whitmer, that allowed residents to sign up as donors on their state income tax forms. Dils led the lobby effort to the legislature in hopes of boosting more donor signups and saving more lives. Roughly 14,000 people have signed up to be organ donors through their tax forms.

Last year, 1,119 organs were transplanted from 533 organ donors and a record 1,960 donated tissue.

Gift of Life Michigan also organized the world's first bone marrow transplant from a deceased donor last fall. A 68-year-old Flint woman with acute myelogenous leukemia received cryogenically preserved bone marrow from the Indianapolis cryogenic facility of San Francisco-based biomedical engineering firm Ossium Health. Gift of Life Michigan executed its relationship with the company to claim the bone marrow, which was used by physicians at Henry Ford Hospital in Detroit to perform the transplant.

The transplant resulted in a clinical trial called Preserve 1, where Gift of Life works with health systems in the state to use stem cells of deceased donors to treat other patients with leukemia.

As the CEO of the 11th-largest organ and tissue program in the country, Dils also serves on several national boards, including as the president of the Association of Organ Procurement Organizations as well as on the board of the Organ Procurement and Transplant Network.

— By Dustin Walsh



JOANNE MOTINO BAILEY

Director of the Nurse Midwifery Service, University of Michigan, Von Voigtlander Women's Hospital

Joanne Motino Bailey developed ways to better care for patients in the maternity ward and reduce pressure on the triage team.

By spearheading a program for postpartum virtual checkups, she has reduced the wait times for appointments and lightened the burden on her staff.

"It's all about trying to make sure we're taking care of the patients at the right time, in the right place," she said.

Bailey spends roughly 35% of her time as a midwife and 65% of her time as a problem-solver for her team of 46 midwives.

"It is not about me," she said. "I am just the one who likes to fix problems."

Bailey recently helped champion MiHeart, a remote outpatient program that allows patients with a hypertensive disorder diagnosis in pregnancy to be discharged while continuing to have their blood pressure and symptoms monitored via a text program.

Prior to MiHeart, these patients had to remain at the hospital longer and schedule follow-up appointments for several weeks after being discharged.

The appointments were hard to schedule; it was difficult for some patients to get back to the hospital and many had a better experience being at home, Bailey said.

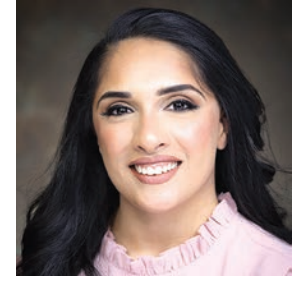
"People who you can keep at home safely with some increased monitoring; keeping them home is the best place for them," she said. "Our hospitals and our maternity units weren't really built assuming the length of time it takes to do an induction. It's a changing aspect of how pregnancy is managed."

Bailey also introduced a workshop for trauma-informed care, and she initiated trauma screenings and trauma-related care planning for patients.

Several aspects of reproductive health care, including intimate exams, instruments and the use of commanding language, can trigger people who have histories of sexual assault, she said.

"We don't know most people's stories before they come for care. And so what are the things we can provide for every person, and then create an environment where people feel really safe?" Bailey said.

— By Ryan Kelly



NAVNEET STRICKLAND

Pain nurse practitioner, Henry Ford Health

In 2011, Michigan recorded only 72 overdose deaths from synthetic opioids — including deadly fentanyl. In a decade, that figure spiked by more than 3,076% to 2,287.

It is a crisis.

Navneet Strickland, a pain nurse practitioner for Henry Ford St. John Hospital, formerly Ascension St. John in Detroit, had a novel plan to save lives: give life-saving Naloxone away for free and in public without oversight of medical professionals.

Naloxone is the brand name for Narcan, the powerful medicine that rapidly reverses an opioid overdose via a nasal spray.

Strickland approached administrators with her plan last year to repurpose two newspaper boxes in the city of Detroit to offer free Naloxone.

They approved and Strickland stocked both boxes with more than 200 doses of Naloxone. Within 24 hours, the boxes were nearly empty.

"We send a message with the vending machine," Strickland said. "It shows that we recognize there is an issue in the community and that we're here to help. If we have this here and recognize the problem, we hope that tells people that we welcome them at St. John with their opioid use disorder. It's a simple strategy, but effective."

More than 1,500 doses of Naloxone have been distributed through the newspaper boxes since the program launched in August last year.

Michigan public health officials credit programs like Strickland's with aiding in reducing overdose deaths by 5% since the 2021 peak.

"This is just one piece of the puzzle," Strickland said. "We take care of a lot of opioid use disorder patients and it's a difficult disease to treat. But Naloxone can help save a life, and that's what is best for the patient and the community."

Strickland is now bent on creating a multidisciplinary team at St. John to change the culture of treating complex pain management.

"Substance abuse, opioid abuse and pain in general should not be a topic that's misunderstood, but it is," Strickland said. "Caregivers should not run away from these issues."

— By Dustin Walsh

Michigan fines its legal cannabis companies more than any other state, report finds

By Dustin Walsh

Michigan is the U.S. weed capital in more than just per capita sales. The state's regulatory body also issues more license violations than any other state in the country.

Violations from the Michigan Cannabis Regulatory Agency accounted for about 37% of all violations issued from 25 legal cannabis states in 2024, according to an analysis by Connecticut-based industry marketing firm Cannabiz Media. The CRA issued 928 violations last year, more than double the next most-fined state, California at 458.

The violation totals stand in contrast to the fact that the CRA has little legal ability to target illicit operations and unregulated cannabis.

The CRA has been criticized for years over lack of enforcement. The industry is convinced illicit-market marijuana making its way into the legal market is a major culprit behind depressed prices. Marijuana prices in the state have collapsed to an average of \$62.91 per ounce of flower in June from more than \$500 per ounce in the early days of adult-use sales in 2021.

Operators are being squeezed by their own ambition by an over-supplied market. In June, there were 1.19 million pounds of fresh frozen cannabis at growers and processors waiting to be turned into oils, concentrates and infusion liquids, down just 7% from May. In May 2024, there were less than 227,000 pounds of fresh frozen product in the market.

However, some in the industry have told Crain's privately they suspect illicit product is getting mixed into the fresh frozen totals, though there's been no evidence to support that.

It's unclear precisely what impact illicit product is having on legal market prices.

Brian Hanna, executive director of the CRA, has said the agency lacks the legal authority to crack down on illicit operations, as the agency only regulates the legal market. He called for operators to contact lawmakers in Lansing to demand changes to the state's marijuana laws to give authorities more power to dissuade the illicit market.

"Right now we're currently enforcing what is current law and upgrading the rules in our current capacity that we can as an agency," Hanna said in a June 26 CRA meeting. "Our Michigan law is simply inadequate to address the industry as it exists today."

Instead, the CRA is blanketing the legal industry with violations and fines to rein in bad actors in the legal market in hopes of cutting off the knees of the illicit market that's feeding illegal product into the legal market.

For instance, the CRA logged at least 10 violations against Mount Morris processor Sky Labs, for violations ranging from not registering inventory in the state cannabis tracking system to illegally accepting 20 shipments of hemp flower from an unknown source.

Its most recent formal complaint came in January with the



Michigan regulators issue more fines to legal cannabis companies than any other state. | BLOOMBERG

CRA alleging Sky Labs concealed where it sourced more than 2,200 pounds of cannabis isolate — a pure form of cannabis extracted from hemp and often converted to the psychoactive form of cannabis. The CRA alleged Sky Labs accepted more than 1 million grams of the hemp isolate between April and July last year. But the company doesn't hold a hemp-processor license in the state, therefore it cannot legally hold or process hemp products, the CRA said.

Earlier this month, Sky Labs withdrew its request for an administrative hearing to oppose the CRA's attempts to revoke its license and its operations ceased.

On July 18, the agency issued 27 complaints against operators for varying violations, including Puff Cannabis in Sturgis allegedly sell-

ing product the CRA put on administrative hold while an investigation was ongoing; and Alvarez Cultivation allegedly not maintaining proper financial ledgers.

However, the punitive damages from the fines appear meager. Alvarez was fined \$5,375 for the violation and Puff a mere \$500.

In fact, the CRA's average fine in 2024, according to the Cannabiz Media analysis, was just \$6,549.

California had the second-lowest fine average at nearly \$30,000.

There were 568 violations that resulted in fines in Michigan last year, netting the CRA more than \$3.7 million, or about 34% of the total fine in the states analyzed by Cannabiz Media. Fines represent about 11% of the CRA's \$33.7 million budget.

On July 1, the CRA also an-

nounced it had reduced fines on "nearly two-thirds" of the violations.

"We've heard from licensees, advocates, and industry leaders, and we are pleased to make changes that reflect that input," Hanna said in a press release.

CRA declined to comment directly on the report.

Florida, which only has legalized medical cannabis sales, issued more than \$2.6 million in fines in 2024, but \$2.3 million of the total was issued against one company, Ayr Cannabis, according to Cannabiz Media.

The CRA also plans to open its own reference testing lab this year — funded by \$4.4 million allocation from the state's budget — to crack down further on illegal cannabis being sold in legal dispensaries.

Whitmer taps aide to replace key energy regulator

By David Eggert

LANSING — Gov. Gretchen Whitmer on July 21 tapped one of her aides to fill an opening on the Michigan Public Service Commission, which regulates energy utilities and telecommunications services.

Shaquila Myers, a senior adviser in the governor's office, previously was chief of staff to former House Speaker Joe Tate, chief of staff for Lt. Gov. Garlin Gilchrist II and had other legislative jobs. Her full term, which began July 21, will expire in July 2031.

She replaces Alessandra Carreon, whom Whitmer did not reappoint. Carreon will become the state's chief climate officer in August, succeeding Cory Connolly, who announced this month that he had stepped down in June.

Whitmer credited Myers, of Lansing, with the passage of economic development and

clean-energy laws along with work on criminal justice reforms and other initiatives. She has a master's degree in public administration and a bachelor's from Oakland University.

"Shaquila is a community-based, policy-focused leader who has spent her career fighting for working people," Whitmer, a Democrat, said in a statement. "As chief of staff to the Speaker of the Michigan House during a historically productive legislative session, she helped shepherd the passage of bold clean energy legislation that established our 100% clean energy standard, created jobs, improved reliability, and lowered household

utility costs for families. As a senior member of the executive office, she oversaw the passage of transformational legislation to bring advanced manufacturing back home and grow our clean energy economy. She knows what it takes to get things done in the leg-

islative and executive branches, and I know she will serve the people of Michigan well in her new role on the MPSC." The news release did not say why Carreon, of Detroit, was not reappointed to the three-member panel after serving the final two years of a partial term.

Public Service Commission Chair Dan Scripps said he has worked with Myers for many years.

"Shaquila is a true policy expert who will be a tremendous asset to the MPSC as we continue to keep our state running," he said.

Laura Sherman, president of the Michigan Energy Innovation Business Council, previously expressed disappointment over Carreon's departure.

"Commissioner Carreon has been a steadfast champion for ratepayers and communities across Michigan during her time at the Michigan Public Service Commission," she said. "She has taken a measured approach to cases before the Commission, and has exhibited a deep curiosity and



Shaquila Myers



The Public Service Commission regulates energy utilities and telecommunications services throughout Michigan. | CRAIN'S DETROIT BUSINESS

passion for equity and clean energy issues. We hope that Shaquila Myers will carry on Commissioner Carreon's work of leading on clean energy, equity, and affordability for Michigan's communities."

Carreon will lead the Michigan Department of Environment, Great Lakes and Energy's Office of Climate and Energy.

"Alessandra is a tremendous

addition to our team," EGLE Director Phil Roos said. "Her background in environmental consulting, regulatory compliance, and corporate sustainability makes her an ideal fit for this role. We are confident that her leadership will drive significant progress in our efforts to promote clean energy solutions and enhance environmental practices."

EXPECTATIONS LOOM LARGE FOR CITY'S NEXT LEADER

IN RACE TO
SUCCEED MIKE
DUGGAN, VITAL
ISSUES TOP LIST
OF PRIORITIES



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LARRY PEPLIN CRAIN'S/DETROIT BUSINESS

By Nick Manes

For outgoing Detroit Mayor Mike Duggan, the race to replace him is relatively straightforward.

“It’s crime, it’s neighborhoods, it’s jobs,” Duggan said in April of the main issues the next mayor needs to focus on. “But I don’t need to explain that to (the candidates). They’re running good campaigns.”

The three-term outgoing mayor, now mounting an independent bid for Michigan’s governorship, has built a reputation as a shrewd politician, and had won reelection by sizable margins. Described as a “technocrat,” his State of the City speeches featured lengthy PowerPoint presentations citing metrics from improved trash collection and other city services to near-constant before and after images of new development or blighted buildings now leveled to the ground.

Such policies have endeared Duggan to many of the city and broader region’s power brokers.

“He’s got great political instincts,” John Rakolta, chairman of Detroit-based general contractor Walbridge, said of Duggan. “To some degree, he’s a technocrat with good business instincts. I would sort of define him as (having) pro-business sensibilities. I think he’s a turnaround specialist who delivered really measurable results.”

Those running in a crowded primary to replace him tend to give considerable credit to Duggan, but they also seek to differentiate themselves with their own policy preferences and managerial styles. And therein lies the rub.

The issues the next mayor should prioritize and how they should be handled draw varied opinions from many who live and do business inside the city.

Business support

The adage “business wants certainty” applies. And an election cycle that will culminate in new leadership and different priorities is inherently a time of uncertainty.

Several candidates have rolled out policy platforms with varying levels of specificity, but some local executives say they’re anxious not fully knowing which programs they’ve come to rely on may be prioritized as part of a new administration.

Inkwell Partners is a real estate development firm launched in Detroit in 2017 by partners Devon Caldwell and Ryan Zampardo, with most of its portfolio — predominately multi-family — scattered around the city’s neighborhoods largely outside red-hot areas such as Midtown and Corktown. The firm has now grown its portfolio to about 320 residential units spread among nearly 20 buildings with about \$50 million invested.

The trajectory of Inkwell and its map of assets effectively align with that of the Strategic Neighborhood Fund, launched by the Duggan administration in 2017 with various philanthropic and private sector partners, aimed at revitalizing key Detroit neighborhoods.

Now on its third iteration with more than \$75 million raised, the first fund focused on three neighborhoods: Islandview/Greater Villages, Vernor/Southwest and Livernois-McNichols.



Developers Devon Caldwell (left) and Ryan Zampardo of Inkwell Partners have renovated a multi-family apartment building in Southwest Detroit's Hubbard Farms neighborhood. |

NICK MANES

While no candidate has publicly stated a desire to wind down the SNF — and its aim seemingly plays into various candidates' stated goals around continued development beyond the 7.2 square miles that encompass the greater downtown area — it's an example of the unknowns associated with a change in leadership at the city.

"Naturally, each politician has different views and ways that they want to incentivize growth and development," said Caldwell. "Any real estate project takes two, three, five years, and to place something in motion now (when) you don't know what the climate and atmosphere is going to be like when it delivers is what makes us naturally uneasy."

With a background in corporate logistics management, Damon Cannon now runs Hired Muscle Logistics Labor and Moving based in Detroit.

Duggan, who once ran a large health system, has done better than most with his small business initiatives, Cannon believes. But he wants to see greater specificity and "sincerity" from the candidates.

"Small business initiatives are so vague and so blah," Cannon said. "It seems to be just that passive, 'hey, how you doing?' And that same energy where nobody really wants to know how you're doing and they're just saying it to be polite."

Such initiatives could be improved, he said, with a greater focus on the communities they're designed to serve, and with politicians working hand in hand with small business constituents, particularly when it comes to government procurement.

"You want to be mindful to source to contractors who are intentional and committed to their communities," Cannon said.

City finances

While Duggan gets considerable accolades for his work managing Detroit's finances, he's also been the beneficiary of circumstances beyond his control. The three-term mayor took office when the city was just emerging from bankruptcy, effectively giving the long debt-burdened city a clean bal-

ance sheet right at the start of his mayorship.

And the city also got nearly \$1 billion in federal funding in the wake of the COVID-19 pandemic. Still, Duggan and his administration draw praise for how they managed finances, experts say.

"It's been very sound budget practices, as you would hope for coming out of bankruptcy," Eric Luper, president of the Citizens Research Council of Michigan, previously told Crain's of Detroit's last decade and more. "Creating certainty, not running deficits. That's a practice that we hope to continue going forward."

Indeed, the next mayor will have fiscal tailwinds upon taking office.

Last month, the city announced another upgrade to its credit rating giving the next mayor even greater ability to tap debt as a mechanism for investing in their chosen priorities.

Now rated Baa1, the city's highest credit rating since 1999, Detroit "has a track record of solid operating performance, in large part because of its strong governance practices and it maintains robust reserves and low leverage, all of which will help it to weather the adverse effects of an economic slowdown, should one occur," according to credit ratings agency Moody's.

A core issue for the next mayor will be continuing to reduce Detroit's property taxes. Earlier this year, Detroit City Council approved a Duggan-supported 3-mill property tax cut, which city officials say would save a homeowner with a house valued at \$100,000 about \$150 annually.

A handful of mayoral candidates have called for various tax measures as a way of offsetting lost revenue from further property tax cuts.

City Council President Mary Sheffield, viewed as the frontrunner in the race, has called for an entertainment tax of sorts — fees on sporting events and concert tickets that could be used to offset a reduction in millage rates for residents.

Saunteel Jenkins, a former city council president, has called for a city-specific sales tax. Meanwhile, Fred Durhal, a sitting member of

County executives have a wish list for Detroit's newest leader

By Nick Manes

The next mayor of Detroit will have a role that extends beyond the city limits.

Political leaders around Southeast Michigan say a strong Detroit is a boon for the broader region, and they are keeping close tabs on the crowded field of candidates seeking to advance in an Aug. 5 primary and move ahead to the Nov. 4 non-partisan general election.

The elected leaders of Wayne, Oakland and Macomb counties — which make up the core of metro Detroit — have specific attributes they're eyeing when evaluating candidates, but broadly hope to have a mayor who is willing to work regionally and who recognizes that a stronger Detroit means a stronger metro region.

Warren Evans, Wayne County

Wayne County Executive Warren Evans holds a unique position in that each resident of Detroit is a constituent of his county, Michigan's largest, with about 1.75 million residents.

Given that reality, Evans says that during his decade in office, he's continued to see overlap between services in Wayne County and in the city of Detroit, and more opportunity remains to tear down silos.

"Detroit has done great things over the last 11 years, and I like to think that the county has done the same," Evans said, noting that he does expect to make an endorsement in the mayoral race, but is unsure whether that would come before or after the primary. "But the connective tissue between Detroit and Wayne County leaves a lot to be desired, I think. And so what I would like to see — what I'm most concerned about — with the new mayor is that connective tissue be stronger than it's been historically."

Specifically, Evans pointed to the overlap between Wayne County's health department and a separate health department

operated by the city. Evans stressed he doesn't believe one should take over the other, but rather that the services provided by each have largely continued to operate independently and that with more communication, services could be better provided to residents.

Evans has had conversations with some mayoral candidates around health services and other topics, and such discussions have been generally positive, he told Crain's.

"I think the message has been well received," Evans said. "Generally, I think the feedback I've gotten is, 'yes, there should be more collaboration.' I mean, we haven't had specific discussions about what that would look like and how that would look, but there was no pushback conceptually at all."

Dave Coulter, Oakland County

Oakland County Executive Dave Coulter shares a policy priority with many of those running for Detroit mayor: strong neighborhoods in the city.

Several in-demand Oakland County communities— Hazel Park, Ferndale, Oak Park — sit directly north of Detroit just on the other side of Eight Mile Road. And stronger Detroit neighborhoods make those communities stronger, Coulter contends.

"It is advantageous to Ferndale to have strong, safe and vital neighborhoods in our neighbors to the south," Coulter, who lives in Ferndale, told Crain's. "And the stronger those neighborhoods are across the border of our two counties, the better it is for our southern (Oakland County) communities directly in terms of their home values and safety of the communities."

The topic of stronger Detroit neighborhoods has been prevalent throughout the Detroit mayoral race, particularly as several candidates have argued that outgoing Detroit Mayor Mike Duggan has been overly focused on development activi-

ty in the city's central business district and immediate surrounding neighborhoods such as Midtown and Corktown. Duggan, however, disputes that.

But even as Detroit's economy continues to improve, Coulter said he's not using those improving conditions to go on an economic hunting mission. Rather, metro Detroit and Oakland County need to continue positioning themselves in the global marketplace, he said.

"Now there's always going to be ... a company moving from here to there, or vice versa. But to me, that's a zero-sum game," Coulter said. "We are not trying to recruit, as a general strategy, companies and jobs from the city of Detroit. We're trying to attract them from other parts of the country and other parts of the world."

Mark Hackel, Macomb County

Similar to his counterparts, Macomb County Executive Mark Hackel hopes the next Detroit mayor continues to take a regional approach.

To Hackel, "Detroit vs. everybody" may make for clever branding but it is not the best way for the city's leaders to conduct business.

"I'm not one that's really kind of bought into that," Hackel said. "I've always looked at it as 'everybody with Detroit.' How do we flip the script on that and start having those conversations? Because it almost sounds like it's kind of like it's accepted to negate the city of Detroit, or Detroit is always out there on their own, when, really, they're not."

While acknowledging that the next mayor of Detroit needs to represent city constituents, he said success in no small part will come down to being a willing partner with the rest of the region. "So I think the outreach needs to go outside just the city of Detroit or Wayne County," Hackel said. "Having a willingness to have that relationship and the partnership really makes a difference."

"The connective tissue between Detroit and Wayne County leaves a lot to be desired, I think. And so what I would like to see — what I'm most concerned about — with the new mayor is that connective tissue be stronger than it's been historically."

— Warren Evans, Wayne County executive

the city council and former member of the Michigan House, last month unveiled his Homeowner & Business Property Tax Relief Plan with three core components.

That includes a version of a split

rate property tax championed by Duggan that failed to materialize, which would put a higher tax burden on vacant and undeveloped land while existing, well-kept structures would enjoy tax relief,

ultimately reducing the city's property tax millage of 19.5 mills, according to the Durhal campaign.

Durhal's plan would also include a tax on blight and estab-

9 candidates vie for top-two finish in Detroit mayor primary

By Nick Manes

Nine Detroiters are vying to be Detroit's next mayor, including two sitting members of City Council, a former City Council president and a prominent religious leader. The top two vote-getters in the Aug. 5 primary will then move on to the Nov. 4 nonpartisan general election. The field is wide open as Mike Duggan, the city's current three-term mayor, is running as an independent to be the next Michigan governor. The candidates for mayor:

lishing a property tax relief fund that would invest "surplus revenue" and offer discounts to long-time homeowners in the city.

Education and public schools

Education has long been a fraught political topic in Detroit, as the mayor and city council have little sway over the city's public school system. Instead, that responsibility falls to an independently elected school board and appointed superintendent.

Many contend that the city's mayor should play a larger role in improving educational outcomes. "Detroit's education system is deeply fragmented, yet the urgency for a unified vision and coordinated action has never been greater," the Detroit-based Skillman Foundation wrote in a recent memo. "With the state, county, and Detroit Public Schools Community District closely intertwined, the mayor holds a pivotal role in bridging these entities and driving collaborative progress. By championing strategic investments — such as expanded out-of-school learning and career pathway programs — the mayor can help unlock opportunities for Detroit's youth."

Rakolta, a former U.S. ambassador to the United Arab Emirates and longtime advocate for education reform in Michigan, believes the issue needs to be elevated above local governments. Michigan, Rakolta notes, is one of only a handful of states where education is accountable at the local level.

"I'm not a big fan of electing a school board," Rakolta said. "I think that you elect the mayor, you elect the governor, and they (should) appoint the school board. ... Without a first-rate public education system in the city of Detroit, (the city) will never reach its full potential. It's as simple as that."

Crime and public safety

The next mayor of Detroit will also have to keep addressing public safety. While improvements have been made, work remains.

Over the Fourth of July weekend, for instance, multiple shootings, many involving youth, were reported. The Duggan administration, in turn, announced a new curfew for the city's juveniles, according to published reports.

While some candidates have outlined plans for their would-be administrations, local business leaders express urgency, saying action is of considerable importance.

"If you think about what made Mayor Duggan successful, I wouldn't call it pro-business policies. The city's been successful, for example, because it's a safer city," Jared Fleisher, a top lobbyist for billionaire businessman Dan Gilbert and the vice president of government affairs for Rocket Companies Inc., told Crain's at the Mackinac Policy Conference. "That's not just pro-business, right? We want folks who are not ideological, who are truly about, 'OK, we have a proven record of



Mary Sheffield

Mary Sheffield, the current City Council president, was first out of the gate to declare her candidacy for mayor in December. Sheffield, a member of City Council for more than a decade, took the early lead in fundraising. "People want vibrant neighborhoods and walkable communities," Sheffield said at her campaign launch. "People want safe streets, affordable housing and opportunities for home ownership. That's the core of what I believe Detroiters want."



Fred Durhal III

Fred Durhal III, also a member of City Council from Detroit's west side, entered the race in late January. The former state lawmaker ran for City Council in 2021 and chairs the body's Budget, Finance and Audit Standing Committee, experience he says would serve him well as mayor in navigating the city's fiscal stability. Durhal has made neighborhood development a core tenet of his candidacy, particularly in key commercial corridors, and he stated a desire to expand tax capture powers held by the city's Downtown Development Authority as one way to achieve that goal.



Saunteel Jenkins

Saunteel Jenkins is a former president of Detroit City Council and nonprofit executive. She resigned as CEO of The Heat and Warmth Fund to join the race in January, pitching her experience in government and philanthropy as a winning combination. "Detroit is a story of resilience, strength and boundless potential," she said during her campaign launch. "I believe my story, both personal and professional, have truly prepared me for this moment."



Todd Perkins

Detroit attorney Todd Perkins launched his campaign with a focus on the city's neighborhoods. "I believe the next mayor is someone who must put the people of Detroit first and also work with the business community for the benefit of all," Perkins said at his campaign launch, according to a report in the Detroit Free Press. "I am the only self-made CEO running for mayor."



Solomon Kinloch

Solomon Kinloch, the pastor of Detroit-based Triumph Church, which has locations spread throughout the region and thousands of parishioners, kicked off his campaign in February. Kinloch has launched a strong ground game and brings name recognition as a regular fixture on local television. Among his leading campaign initiatives are an ambitious plan to build 10,000 homes in Detroit and launch community grocery stores around the city. "We are willing to work with any CEO, any corporate leader that is willing to work to invest in the future of the well-being of the people of the city of Detroit," Kinloch said in his campaign launch address.



James Craig

James Craig is the only stated Republican running in a heavily Democratic city and the former Detroit police chief has pledged to use his past connections to President Donald Trump to the city's benefit. "It's important that any city in America have a direct link into the White House," Craig said at his March campaign launch. "And I tell you, I will have that connection." He brings strong name recognition as the police chief who made news in 2020 when the city was spared much of the violence seen elsewhere in the aftermath of the killing of George Floyd by a Minneapolis police officer.



Joel Haashiim

A Detroit businessman who got his start in the party store business, Joel Haashiim has stressed resident inclusivity as a core theme of his campaign. "It is with great responsibility that I step up to the plate as a true resident of our city. I understand what is needed for our city to come out of the mud and regain the Crown we once had," he wrote on his campaign website. "I won't be able to do this without your help; this is about us and we."



Jonathan Barlow

Entrepreneur Jonathan Barlow, a graduate of Detroit Public Schools who attended Wayne State University, is pitching economic development as his main focus, and sharing a similar viewpoint to that of outgoing Mayor Mike Duggan. "There is no 'downtown' and 'the neighborhoods' — there's one Detroit," Barlow said in a statement last month announcing his candidacy. "And if this city is going to win, everybody has to pitch in. We don't get ahead by dividing ourselves — we rise by coming together, investing in each other, and making sure that every Detroiters has a stake in this city's success."



DaNetta Simpson

DaNetta Simpson, a two-time mayoral candidate, has made improving Detroit's water system a priority, according to a report in the Detroit Free Press.

what has worked to move the city forward. How do we keep it going, build on it and expand it? That's what we're looking for."

State of the race

In the upcoming Aug. 5 primary, the top two vote-getters move forward to the November general election. Sheffield, the city council

president, holds a strong lead, according to available polling.

In early June, The Detroit News and WDIV-TV (Channel 4) released a poll showing Sheffield substantially ahead of the rest of the field, grabbing more than 38% of the primary vote.

Trailing behind Sheffield is effectively a three-way battle for second, with the Rev. Solomon Kin-

loch Jr. at 14%, and former Detroit Police Chief James Craig and Jenkins clocking in with 9% and 8%, respectively, per the poll.

The remaining candidates were all under 2% with 22% of voters undecided.

Of course, a successful candidate will also need a hefty bankroll to break through. On that front, it's been six months since the last offi-

cial fundraising deadline, but in late January, Sheffield had the clear cash advantage on that front as well.

Sheffield's campaign, in June, announced that it had cleared the \$1 million mark. Official fundraising numbers for each campaign will be released at the end of July.

— Crain's reporter Kurt Nagl contributed to this report.

Detroit needs a bold strategy for small business

As Detroit prepares to elect its next mayor, one truth must be front and center: The city's future is directly tied to the success of its small businesses — especially Black-owned ones. If we are serious about building a Detroit that is globally competitive and thriving, small business cannot be a sidebar. It must be the strategy.



Charity Dean is president and CEO of the Michigan Black Business Alliance.

The Michigan Black Business Alliance, the state's leading voice for Black entrepreneurship, has spent the last four years building systems of support — connecting entrepreneurs to capital, providing development resources, and advocating for small businesses at every level of government. That work has led to real results, including:

- ▶ Connecting Black businesses to over \$12 million in funding
- ▶ Creating programs like Capital Connect, Hardy Hospitality Success, UpNxt Youth Entrepreneurship, BizWiz (free business assistance), and our Global Growth Accelerator
- ▶ Successfully advocating to include microbusiness perspective in House Bill 4002
- ▶ Leading procurement reform in Detroit, including raising the threshold for City Council approval and protecting Detroit-based business preferences in construction contracts
- ▶ Advocating for a simplified food grading ordinance and the creation of a director of entrepreneurship within city government
- ▶ Successfully advocating for the

recently passed ordinance that streamlines business licensing and provides concierge services to Detroit entrepreneurs

These wins show what's possible when policy meets purpose but our work is far from done. In our 2025 Detroit Policy Survey, more than 200 Black-owned businesses told us:

- ▶ 69% face barriers accessing funding.
- ▶ 66% struggle to find affordable commercial space.
- ▶ 89% say the city isn't doing enough to support capital access.

These are more than data points. They reflect real stories from real entrepreneurs facing persistent systemic barriers. They also serve as a blueprint for change.

The next mayor and City Council must understand that Detroit's prosperity depends on a bold and comprehensive small business strategy. Here's why:

1. Jobs:

Over 50% of Detroiters are employed by small businesses. A thriving small business ecosystem supports a growing workforce.



2. Neighborhoods:

Vibrant commercial corridors rely on local businesses. Any serious neighborhood development plan must center on small business.

3. Revenue:

Small businesses generate real tax revenue. When they grow, so do the neighborhood, city, and state.

To that end, MBBA recommends the following priorities for the next administration:

1. Create a department of small business affairs.

Detroit needs a central office dedicated to supporting small businesses—not scattered initiatives, but sustained infrastructure. The current administration has taken steps in this direction; the next must build on and expand them.

2. Modernize and democratize procurement.

Make city contracting transparent and accessible. Require city requests for proposals to include data on minority-owned and mi-

crobusiness participation. Let opportunity match the rhetoric.

3. Invest in commercial corridors.

Partner with the private sector to offer grants or zero-interest loans for storefront buildouts and tenant improvements in developments downtown and in the neighborhoods. Repurpose city-owned properties into hubs for Black-owned businesses. Our neighborhoods deserve walkable, vibrant corridors powered by local ownership.

4. Increase access to capital.

Launch a city-backed investment fund in partnership with Community Development Finance Institutions and community lenders. Pair funding with technical assistance. Capital alone isn't enough — support matters.

5. Reform Detroit at Work to serve small businesses.

Small businesses should be able to tap into Detroit's talent pool through the city's workforce agency. That means tailored workforce

development programs — especially in hospitality, retail and marketing — that directly serve small and microbusiness needs.

6. Build a tech-forward, future-ready city.

Detroit cannot be a city of innovation while clinging to outdated policies. The recent cashless ordinance — banning small businesses from going cashless while exempting downtown parking lots, and attaching a criminal misdemeanor penalty — is not only inequitable, it's bad for business. The next mayor must be bold enough to align government systems with the speed and tools that modern entrepreneurs rely on.

The next mayor doesn't have to start from scratch. MBBA stands ready to partner with the incoming administration to make Detroit the best place to start, scale and sustain a business. Centering small business, especially Black-owned business, is not just the right thing to do; it's the smartest economic decision Detroit can make for its future.

Job one for new mayor: Ease the tax burden

The challenge of the next administration will be continuing the positive changes that the Duggan administration was able to carry out after being handed the positive reforms of the bankruptcy settlement.

The positive momentum is seen on many fronts. Detroit has had successive fiscal years finishing with a surplus, the Census Bureau reported positive population growth for the first time in decades, new buildings and building rehabs are common in downtown, and the city's bond ratings recently have been upgraded.

As mayoral candidates create their platforms to identify policy stances that will set themselves apart and the newly elected mayor prepares to take office, we suggest that a necessary first step is to sort issues into those the city can control and those controlled by others. Tax policy is among those the



Eric Lupher is president of the Citizens Research Council of Michigan, a nonpartisan, not-for-profit research group dedicated to

improving state and local government.

city can control, and it should be a focal point to accomplish the No. 1 goal to grow the population: city leaders need to lower the cost of being in the city relative to the cost in the suburbs.

Several cost drivers are beyond the city's reach. The cost of construction in downtown Detroit is higher than other places in the region. This is true for most big cities with significant downtowns.

The cost of housing construction is such that it is difficult for devel-

opers to construct 1,200-square-foot factory housing. The current economics of construction point developers toward building larger, more expensive single unit housing and multi-unit housing.

It costs more to insure drivers and properties in Detroit than in surrounding communities. This reflects underlying conditions in the city that will be affected by policy changes, but it is not something a new mayor or City Council can affect immediately.

On the other hand, there are policies that city leaders can affect. Chief among these costs are the taxes Detroiters pay. The cumulative property tax rate paid by property owners ranks as one of the highest in the nation and the seventh highest in the state. The city operating millage contributes to part of the burden, but taxes paid to repay debt account for a large part of what separates Detroit from sur-

rounding communities. This includes the city and school district debt millages. Additionally, the Detroit Public Library tax is levied at a higher rate than those levied for other municipal libraries.

On top of this, the city's income tax creates a burden for being in the city. Detroit is one of only 24 cities in Michigan to levy this tax and it levies it at higher rates than any of the other cities.

These high tax rates affect the city in multiple ways. First, this is the message on the metaphorical welcome mat for the city. Businesses, developers and individuals comparison shopping for new locations, investment opportunities or homes can see the tax rates and, even before seeing the sites and opportunities, they know it will cost more.

Second, much of the Detroit population does not have the wealth of other areas, so the tax hits especially hard and is less pro-

ductive than taxes levied at lower rates on larger tax bases in other communities. This means that Detroit is less able to afford the level of services residents and businesses receive in other communities.

Finally, state and city policies have been devised to create workarounds for the high tax rates. Businesses are offered tax abatements to compensate for high costs. Poverty exemptions are provided to homeowners who cannot afford the high burden.

Lowering the tax burden should be the focus of city policy moving forward. If successful, this will take the city out of the business of picking winners and losers with tax abatements. It will announce that the city is open for business, which will attract people and businesses. It will grow the tax bases of the income and property taxes to improve the city's ability to afford the services expected in urban centers.

Regional vision key for Detroit-county partnership

Many of us can still remember when regional collaboration and mutual success existed more in theory than reality. Regional challenges — from economic development to roads, to water and sewer, to a connected transit system — were admired while territorial priorities inevitably won out. Practically speaking, each conversation felt like a baby step, real and important but also painstaking, in the long game of true regional partnership.

Thankfully, we are in a much different position today. The city of Detroit shines on a national and global stage while community assets throughout Southeast Michigan bolster Detroit's reputation with some of the country's most enviable experiences and opportunities.

The wins for Detroit and our region keep piling up:

- ▶ A new crossing to Canada featuring expanded access with a biking and pedestrian lane
- ▶ An award-winning riverfront
- ▶ A robust and increasingly connected trail and park system
- ▶ Over \$4 billion in military contracts
- ▶ Some of the most cutting-edge vehicle research in the country
- ▶ Major infrastructure improvements following historic flooding events
- ▶ A new regional Flooding Task Force to ensure our region's resilience into the future

Our work is not done, of course. Strengthened resilience to extreme weather events is essential to maintaining our quality of life and protecting our natural and built assets. We also need a stronger workforce; competitive educational opportunities for resi-



Amy O'Leary is the president of the Metropolitan Affairs Coalition and CEO of the Southeast Michigan Council of Governments.

Governments.

dents; a more connected and nimble economic development system; and yes, a regional transit system that matches the quality of our region's other assets.

We recently asked the Macomb, Oakland and Wayne county executives to share their perspectives on Detroit's mayoral election and how they see working together going forward.

Their answers affirmed that now is the time for us to step on the gas:

Mark Hackel, Macomb County executive: "The city of Detroit is the urban center of our region, and provides tremendous value to Macomb County. We have developed strong partnerships throughout the city which have had a transformational impact on everything from economic development, infrastructure and community revitalization. We look forward to continuing this shared progress with the city as their residents elect a new mayor."

David Coulter, Oakland County executive: "[I'm] excited to work with the next mayor of Detroit, along with county executives Warren Evans and Mark Hackel, to continue the momentum for regional transit solutions — including collaborating on a Bus Rapid Transit system — because we all recognize that the young people we need to keep in metro

Detroit and those considering moving here demand easy and accessible public transit."

Warren Evans, Wayne County executive: "[Detroit] residents and Wayne County residents deserve someone who values collaboration, who understands progress doesn't stop at the city line, and who is committed to working across jurisdictions to create shared opportunities. Regional cooperation isn't just good politics. It's smart leadership. The next Detroit mayor should be a partner and should strive to lift the entire area, not just the city they serve."

What does stepping on the gas mean? Remember the grand vision the Amazon recruiting team put together in hopes of landing an out-of-state tech giant (complete with \$4 billion pot-sweetener)? Now is the time for that kind of visioning, but doing it for Detroit and the region.

With the positive momentum we can all see and feel, this is an historic opportunity to vision something that is uniquely Detroit and uniquely Southeast Michigan. Our regional leaders help us to define what success looks like, create that vision, and ultimately guide us on a steady and collaborative course to realize it.

At the Metropolitan Affairs Coalition and the Southeast Michigan Council of Governments, we are excited to welcome a new administration to the regional conversation. We stand ready to support and help sustain the regional conversation with our unique ability to convene Southeast Michigan's leaders across local government, education, business and labor and provide relevant data and expertise that fortify effective decision-making.



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Tax fairness is a form of racial justice Detroit needs

Detroit is a majority Black city built by workers, sustained by neighborhoods and powered by everyday people who give their all. But as we head into another local election cycle, we must face a hard truth: While many Detroiters are doing their part, the city's wealthiest are not, and that inequality is not just economic. It's racial.

In Detroit, billionaires, the wealthy and major developers are allowed to do things differently — paying less, taking more and too often deciding the future of a city they do not live in, at the expense of Black residents. Meanwhile, those residents are asked to make do with less. We still have delayed buses, a growing population of unhoused Detroiters and limited public services.

This isn't just about fairness. It's about extraction. It's about how power and wealth have been pulled out of a Black city, out of Black neighborhoods, out of public control, and transferred into the hands of a wealthy few, most of whom do not share in the daily life or struggle that Black Detroiters do.

At the same time, federal cuts to critical programs, from housing assistance to health care to community development, are placing even more pressure on Detroiters. As outside support is threatened, it becomes even more urgent for local leaders to protect and expand the resources our communities depend on. We cannot continue to funnel public resources to those who need it the least.

For years, Detroit has handed out tax breaks, land deals and incentives to the region's richest developers. These deals are sold to residents as "investments," but they drain resources from communities that need them most and provide wealthy developers with property tax abatements that can last up to 15 years. While across Black Detroit, residents watch their tax dollars subsidize luxury towers and their basic needs go unmet. They are expected to cheer



Linda Campbell is director of the Detroit People's Platform.

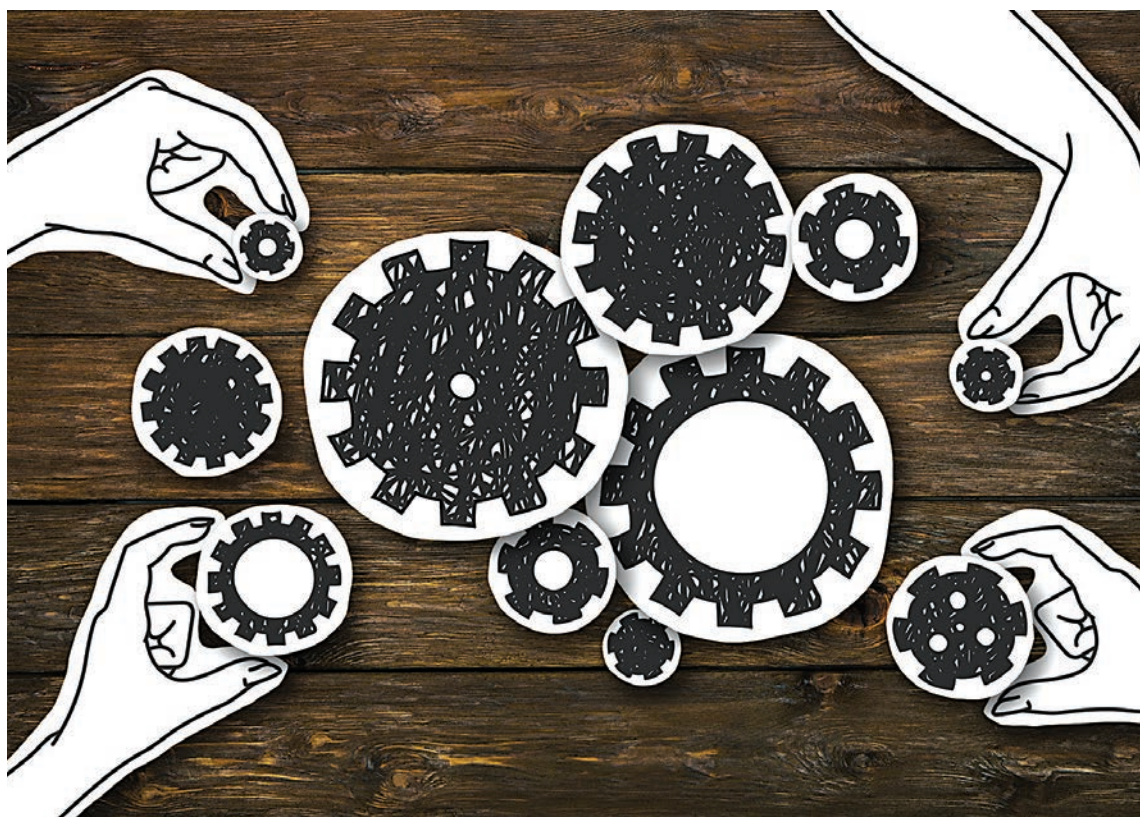
for "revitalization" that doesn't include them.

As candidates campaign for our votes, Detroiters must ask: Who are they accountable to? Do they support real investment in neighborhoods, or just more giveaways to corporate interests? Will they wield the powers of their office on behalf of community or developers? Will they leverage the value of the city to negotiate more fair and equitable deals with these private developers?

And perhaps most critically: will the newly elected mayor unlock the Downtown Development Authority, so its wealth can finally flow back into the neighborhoods since most of the taxes generated in the DDA remain in the DDA? Because equity isn't just about intentions, it's about power. We need a mayor who understands that tax fairness is a form of racial justice. That accessible, truly affordable housing, affordable water and high equitable public transit, for example, are civil rights issues. That fairness requires rebalancing who decides, who pays and who benefits.

This election is not just about who becomes mayor. It's about whether Detroit will once again become a place where Black neighborhoods can thrive or remain a city that will continue to be sold off to the highest bidder. The stakes for majority Black Detroit in the post-Mike Duggan era could not be higher.

In a fair-share future Detroit, billionaires and corporations pay into the system like everyone else, budgets are transparent and participatory, public money funds the public good — homes, buses, libraries, schools, not corporate PR projects — and the city works with its Black majority, not around it.



ADOBESTOCK

LARGEST LOBBYING FIRMS IN MICHIGAN

Ranked by 2024 lobbying expenses

	Company	Top Michigan executive(s)	Total lobbying expenses 2024/2023	Total Michigan registered lobbyists 2024/2023	Total Michigan employees January 2025/2024	2024 clients % change vs. 2023	Top lobbying clients 2025
1	Karoub Associates Lansing	Scott Faustyn, Shelly Stahl , Partners	\$2.2 million \$2.3 million	9 9	19 18	138 +7.0%	Anheuser-Busch Cos., Apple Inc., Blue Cross Blue Shield, Ford Motor Co., FedEx Corp.
2	Kelley Cawthorne Lansing	Melissa McKinley , President; Robert Elhenicky , CEO	\$2.1 million \$1.9 million	15 12	20 19	152 +5.6%	DTE, Wayne State, Rehmann, AT&T, White Law
3	Midwest Strategy Group of Michigan LLC Lansing	Nicole Nystrom , Founder and President	\$1.8 million \$1.7 million	10 10	12 12	150 +2.0%	Veterinary Virtual Care Association, Coalition for Sensible Public Records Access, GeoToll Inc., Michigan Downtown Association ¹
4	Governmental Consultant Services Inc. Lansing	Michael Hawks , CEO	\$1.4 million \$1.9 million	12 12	20 20	175 +1.2%	Auto Dealers of Michigan LLC, Blue Cross Blue Shield of Michigan, Consumers Energy, city of Detroit, Michigan Beer and Wine Wholesalers Association, University of Michigan
5	Public Affairs Associates LLC Lansing	William Wertz, Becky Bechler , Co-Managing Partners	\$1.0 million \$874,183	9 9	12 13	120	Empowerment Plan, Bloomfield Township, Grand Rapids Art Museum, Niskanen Center and its Affiliates, DJI Technology Inc. ¹
6	Khoury Johnson Leavitt Lansing	Stephanie Johnson , Managing Partner	\$945,605 \$890,152	9 8	N/A 10	N/A	Locust Real Estate Investments LLC, Deon Health Plan, Abundant Housing Michigan Inc., Vapor Technology Association, Xpressbets ¹
7	Michigan Legislative Consultants Inc. Lansing	Timothy Ward , President	\$750,311 \$712,081	8 8	15 13	94 +13.3%	AT&T Michigan, IBM, Oakland County, Zillow, AECOM
8	The WinMatt Group Lansing	Brandon Dillon , CEO	\$621,707 N/A	7 5	N/A 8	48 +2.1%	Sandisk Technologies Inc., CNG Holdings, Muskegon County Road Commission, Armenian Community Center, Grand Rapids African American Health Institute ¹
9	Capitol Strategies Group Inc. Lansing	Matthew Miner , CEO	\$614,975 ¹ \$608,845 ¹	N/A 3	N/A N/A	N/A	N/A
10	Capitol Affairs Inc. Lansing	Robert Kennedy , President	\$566,525 \$352,920	4 3	4 3	32 +33.3%	HTC Global Services, Spectrum Human Services, Magellan Health, Pharmaceutical Care Management Association, Team Wellness Center
11	Muchmore Harrington Smalley & Associates Lansing	Adrian Cazal, Bret Marr, Sandra Jones , Partners	\$565,000 \$525,739	7 7	11 11	140 +3.7%	Ilitch Holdings, Oakland County, Delta Air Lines, multiple Southeast Michigan based clients
12	Obsidian Advocacy Group (OSG) Lansing	Tyrone Sanders, Jr. Founder, Managing Director	\$536,077 ¹ N/A	N/A N/A	N/A N/A	N/A	Humana Inc., WK Kellogg Co.
13	MGS Consultants Lansing	Jeremiah Mankopf , CEO and President	\$445,000 ¹ \$324,000	N/A 3	N/A N/A	N/A	Dort Financial Center ¹
14	Dykema Gossett Detroit	Leonard Wolfe , Chair and CEO	\$420,427 N/A	19 19	293 276	49 +4.3%	Wayne County Treasurer, CoinFlip ¹
15	Capitol Services Inc. Lansing	Todd Tennis , Partner/President; Stephanie Glidden, Ben Bodkin, Noah Smith , Partners; De'Shondria Bedenfield , Lobbyist	\$346,190 N/A	5 N/A	8 8	53	Pollard Banknote Limited ¹
16	Scofes & Associates Consulting Inc. Lansing	Stephen Scofes , Partner and CEO	\$273,821 ¹ \$232,256	N/A 3	N/A 4	N/A	N/A
17	Kindsvatter, Dalling & Associates Lansing	Derek Dalling , CEO and President	\$241,192 ¹ \$173,665	N/A 3	N/A N/A	N/A	Northwest Region Airport Authority ¹
18	Kheder Davis & Associates Inc. Lansing	Noble Kheder, John Davis, Heather Nicholoff , Principals	\$218,931 ² \$349,568	3 4	4 4	16 +6.7%	Acadia Healthcare, Covenant HealthCare, Lumen Technologies, Merck & Co., Michigan Institute of Urology
19	Warner Norcross + Judd LLP Grand Rapids	Mark Wassink , Managing Partner	\$211,027 ¹ \$350,285	N/A 5	433 423	N/A	Otsuka America Pharmaceutical Inc., Premier Land LLC ¹
20	Clark Hill Detroit	John Hensien , CEO	\$150,373 \$150,373	4 4	331 N/A	24	Verizon, Johnson & Johnson, Priority Health, Tenet Health, National Kidney Foundation of Michigan
21	Northern Strategies 360 Traverse City	Gabriel Schneider , Founder and Principal	\$135,000 ¹ \$110,000 ¹	N/A N/A	N/A N/A	N/A	N/A
22	Honigman LLP Detroit	David Foltyn , Chair and CEO	\$130,725 ¹ \$145,878	16 15	587 588	24 -4.0%	Accenture, Bayer, Delta Air Lines, Molina, U.S. Steel
23	McKinney & Associates Lansing	Kevin McKinney , President	\$114,920 ¹ \$62,170	N/A N/A	N/A N/A	N/A	Michigan Osteopathic Association, Sinas Dramis Brake Boughton and McIntyre
24	Plunkett Cooney Bloomfield Hills	Jeffrey Gerish , CEO, President	\$109,324 \$105,074	N/A N/A	N/A N/A	N/A	N/A
25	Capitol Relations LLC Farmington Hills	Michael Garavaglia , Founder and Principal	\$101,500 ³ \$72,000	N/A 2	N/A N/A	N/A	N/A

Researched by Sonya D. Hill: shill@crain.com This list of traditional lobbying firms as well as businesses such as law firms that offer lobbying services is an approximate compilation of the largest such firms in Michigan. "Lobbying expenditures" reported to the state cover all spending above minimum amounts. This includes general lobbying expenses along with travel, lodging, food and beverages provided to public officials and mass mailings and advertising. Information was provided by the companies and the state of Michigan Michigan Transparency Network (MiTN) Lobbying Search, <https://mi-boe.entellitrak.com/etk-mi-boe-prod/page.request.do?page=page.miboeLobbyPublicSearch>. N/A = not available. **1.** From state of Michigan. **2.** As of Aug. 30, 2024. From state of Michigan. **3.** As of Sept. 3, 2024. From state of Michigan.

Download the data behind this list, and much more, at crainsdetroit.com/data.

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LARGEST PHYSICIAN GROUPS IN THE DETROIT AREA

Ranked by number of physicians

Company	Top executive(s)	Physicians January 2025/2024	Full-time employed physicians January 2025/2024	Part-time employed physicians January 2025/2024	Type of organization	Hospital affiliation
1 Arvon CIN (formerly Beaumont ACO) ¹ Southfield	Walter Lorang , Executive Director, COO; Belal Abdallah , CEO	4,487 4,402	0 0	0 0	ACO	Corewell Health hospitals in Royal Oak, Dearborn, Farmington Hills, Grosse Pointe, Taylor, Trenton, Troy and Wayne
2 McLaren Physician Partners Auburn Hills	Gary Wentzloff , CEO, President	2,568 2,661	1,330 1,147	N/A N/A	CIN	McLaren Health Care Corp., Karmanos Cancer Center, McLaren Bay, McLaren Caro, McLaren Central Michigan, McLaren Flint, McLaren Greater Lansing, McLaren Lapeer, McLaren Macomb, McLaren Bay Special Care, McLaren Northern Michigan, McLaren Oakland, McLaren Port Huron, McLaren Thumb Region
3 The Physician Alliance LLC St. Clair Shores	Michael Madden , CEO, President; Karen Swanson , Chief Medical Officer	2,355 2,301	629 629	0 0	IPA	Henry Ford Health, Corewell Health, Detroit Medical Center, McLaren
4 Henry Ford Physician Network Detroit	Bruce Muma , CEO, President	2,258 ^e 2,258	N/A 1,652	N/A N/A	CIN	Henry Ford Health, others. Includes 1,652 employed physicians in the Henry Ford Medical Group, 606 independent physicians and those who are part of HFPN Physician Networks in Southeast Michigan.
5 University of Michigan Faculty Group Practice Ann Arbor	Timothy Johnson , Senior Associate Dean for Clinical Affairs	2,000 ^e 2,300	N/A 2,300	N/A N/A	Group practice	Michigan Medicine (formerly University of Michigan Health System)
6 United Physicians Inc. Bingham Farms	Michael Williams , CEO, President; Diane Slon , EVP, COO	1,700 1,700	0 0	0 0	IPA	Ascension, Corewell Health, Children's Hospital of Michigan, and affiliates, Detroit Medical Center hospitals, Garden City Hospital, Henry Ford Health System, Karmanos Cancer Center, McLaren Health Care Corp., Oakland Regional Hospitals, Select Specialty Hospitals, St. Joseph Mercy Health System, Trinity Health Livonia, Triumph Hospital of Detroit, UM Hospital, others
7 McAuley Health Partners ACO LLC Ann Arbor	Eric Ferguson , Chairman; Leah Corneail , VP, Population Health	1,373 1,254	1,373 1,254	N/A N/A	ACO	Trinity Health Ann Arbor, Trinity Health Chelsea, Trinity Health Livingston, Trinity Health Livonia, Trinity Health Oakland
8 United Outstanding Physicians LLC Dearborn	Yasser Hammoud , CEO, Medical Director	1,300 1,300	0 0	N/A N/A	ACO	Henry Ford Hospital - main, Henry Ford Hospital-Wyandotte, Garden City Hospital, and all hospitals designated by health plans with which UOP physicians are contracted.
9 Corewell Health Medical Group East (formerly Beaumont Medical Group) Southfield	Daniel Frattarelli , President; Kendall Troyer , Senior VP	1,000 ^e 921	1,000 ^e 921	N/A N/A	Group practice	Corewell Health Dearborn Hospital, Corewell Health Farmington Hills Hospital, Corewell Health Beaumont Grosse Pointe Hospital, Royal Oak, Taylor, Corewell Health Trenton Hospital, Corewell Health Beaumont Troy Hospital, Corewell Health Wayne Hospital.
10 GMP Network Clinton Township	Angela Vanker , Executive Director; Bruce Kelly , Senior Director of Business Operations	977 894	523 488	N/A N/A	IPA	N/A
11 IHA Health Services Corp., (dba Trinity Health IHA Medical Group) Ann Arbor	Cindy Elliott , President; Jason Harris , COO	831 783	831 783	59 58	Group practice	Trinity Health Ann Arbor, Trinity Health Chelsea, Trinity Health Livingston, Trinity Health Livonia and Trinity Health Oakland hospitals, Michigan Medicine
12 Medical Network One Rochester	Ewa Matuszewski , CEO; Robert Pejas , Director, Human Resources and Talent	801 875	0 0	0 0	IPA	Henry Ford Health, Corewell Health, McLaren Health System, ProMedica
13 Oakland Physician Network Services Sylvan Lake	Renny Abraham , President; Kristopher D'Amore , Executive Director	750 645	15 15	735 630	IPA	Trinity Hospital, Detroit Medical Center, Corewell Health, McLaren, Henry Ford
14 Oakland Southfield Physicians PC Southfield	Rodrigo Tobar Jr. , Medical Director	715 599	0 0	0 0	IPA	Corewell Health System, Detroit Medical Center Health System, Children's Hospital of Michigan, Henry Ford Health System, McLaren Health System, Trinity Health System
15 Michigan Healthcare Professionals PC Farmington Hills	Jeffrey Margolis , President	561 542	561 542	8 8	Group practice	Corewell Health, Corewell Health Beaumont Hospital Farmington Hills, Crittenton Hospital, Detroit Medical Center hospitals, Garden City Hospital, Henry Ford Hospital West Bloomfield, Huron Valley-Sinai Hospital, McLaren Macomb, McLaren Oakland, McLaren Lapeer, Pontiac General Hospital, Port Huron Hospital, St. John Providence Health System, St. Joseph Mercy Oakland, St. Mary Mercy Hospital
16 Olympia Medical LLC Livonia	Randall Bickle , CEO, President	400 ^e 400	N/A 15	N/A N/A	IPA	Corewell Health Farmington Hills, Garden City, Trinity Health Livonia, Providence Park, St. Joseph-Ann Arbor
17 CCA Health ACO (formerly Reliance ACO) ² Northville	Dawn Johnson , VP, ACO Performance and Growth	300 ^e 325	N/A 0	N/A N/A	ACO	Ascension, Henry Ford, Corewell Health, Trinity, DMC, McLaren, Garden City
17 Wayne Health (Wayne State University Physician Group) Detroit	Mark Juzych , CEO, President	300 ^e 299	N/A 299	N/A N/A	Group practice	Ascension Michigan, Corewell Health, Detroit Receiving Hospital, Harper University Hospital, Henry Ford Health System, Huron Valley-Sinai Hospital, Hutzel Women's Hospital, Karmanos Cancer Center, McLaren-Macomb, Rehabilitation Institute of Michigan, Sinai-Grace Hospital, Children's Hospital of Michigan, DMC Heart Hospital, St. Joseph Mercy Livonia.
19 Accountable Healthcare Advantage Allen Park	Robert Jackson , President, Medical Director	299 294	0 0	0 0	IPA	Henry Ford Wyandotte Hospital, Trinity Health Livonia, Corewell Health, St. Joseph Health System, Michigan Medicine, Lake Huron Medical Center
20 DMC Medical Group	Brittany Lavis , CEO, Detroit Medical Center	250 ^e N/A	N/A N/A	N/A N/A	PHO	Detroit Medical Center

Researched by Sonya D. Hill: shill@crain.com This list of physician organizations encompasses physician hospital organizations and independent practice associations and is an approximate compilation of the largest such groups in Wayne, Oakland, Macomb, Washtenaw and Livingston counties. IPA = Independent practice association. PHO = Physician hospital organization. ACO = Accountable care organization. CIN = Clinically integrated network. This is not a complete listing but the most comprehensive available. Unless otherwise noted, information was provided by the organizations. Consortium of Independent Physician Associations (CIPA), which ranked No. 13 last year, is not included this year because Aledade acquired Medical Advantage Group, which included CIPA in April 2024. N/A = not available. ^e. Crain's estimate. ¹. The Beaumont Accountable Care Organization (ACO) changed its name to Arvon Clinical Integration Network (CIN) in September 2024. ². CCA Health Michigan was launched following a majority stake acquisition of Reliance Healthcare by Commonwealth Care Alliance in March 2022. The ACO was rebranded in November 2022 as CCA Health ACO.

Download the data behind this list, and much more, at crainsdetroit.com/data.

#1 Distribution of payments

#1 Physician-led organization

#1 Hospital network partnership



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ACCOUNTING

Fenner, Melstrom & Dooling, PLC

Ryan Kandt, CPA has joined Fenner, Melstrom & Dooling, PLC. as a Tax Manager. Ryan has over seven years' experience working with middle-market, entrepreneurial-minded, and closely held businesses focusing on manufacturing, industrial automation, and professional service firms. Ryan has advised clients on multi-state tax issues, R&E tax credits, IC DISC incentives, and tax savings. Joining Fenner, Melstrom & Dooling, PLC. as a Tax Manager is **Farrah Nordman, CPA**. Farrah has over ten years of tax experience with an emphasis on multistate tax issues, work opportunity credit forecasting, and income tax provisions. Farrah has provided tax services with a focus on corporate tax, franchises, service organizations, and individual income tax.



Kandt



Nordman



ACCOUNTING

Fenner, Melstrom & Dooling, PLC

Liz Zezula, CPA has joined Fenner Melstrom & Dooling, PLC as an Attest Manager. Her expertise includes strategic business consulting and financial statement services such as compilations, reviews, and employee benefit plan audits. Beyond her professional responsibilities, Liz is engaged in community and industry activities. Joining Fenner, Melstrom & Dooling, PLC. as a Sr. Tax Manager with over fourteen years of experience with a focus on real estate and construction businesses, and high net-worth individuals and their tax planning needs. She has further specialized in state and local taxes including both income and indirect taxes, as well as tax credits and strategic tax credit planning.



Zezula



Peabody



ACCOUNTING

Fenner, Melstrom & Dooling, PLC

Fenner, Melstrom & Dooling PLC. (FMD) welcomes **Eric Canvasser, CPA**. After over 30 years as a sole practitioner, Eric merged his accounting practice with FMD on June 1, 2025. He has advised clients on all aspects of accounting, taxation and business planning. He has extensive experience in real estate, medical and law practices and general business operations. Eric sits on the Foundation Board of Hospice of Michigan and is a member of the MICPA Ethics Committee.



ACCOUNTING

UHY LLP

Joseph J. DeVito, JD, LLM, joined UHY after serving as outside counsel and referral partner to the firm for several years. He will lead strategic growth initiatives for the firm, utilizing his expertise to source additional CPA firms and diversify service lines in specific areas while expanding UHY's footprint in the U.S. and abroad. Joe holds both a JD and Masters of Law in Corporate Finance and is a 30-year M&A specialist.



ENGINEERING / DESIGN

Hubbell, Roth & Clark, Inc.

Brad Shepler, PE, has been with HRC since 2000 and has supervised the design and construction of projects related to water distribution, utility planning, stormwater conveyance, and sewer rehabilitation, as well as guided the process of securing millions of dollars in grant funds. He is a member of the AWWA, Southeastern Oakland County Municipal Engineers, APWA, University of Detroit Mercy Civil and Environmental Engineering Advisory Board, and is the current President of ASCE's Michigan Section.



ENGINEERING / DESIGN

Hubbell, Roth & Clark, Inc.

Karyn Stickel, PE, was hired by HRC in 2001 and served as head of the Asset Management Department. She assists clients with managing existing infrastructure and functions as the client representative for multiple municipalities. She has extensive professional experience in design engineering, construction administration, and managing capital improvement projects. She is a member of the MWEA, the WEF, and the Engineering Society of Detroit. She was recently inducted into the ESD College of Fellows.



FINANCE

J.P. Morgan Private Bank

Tyler Preseau has joined J.P. Morgan Private Bank in Birmingham as a Vice President and Banker. He advises high-net-worth families and business owners, offering comprehensive wealth management services focused on family wealth, estate planning and endowment management. With over ten years in financial services, Tyler tailors long-term wealth plans to clients' priorities, guiding them through complex financial scenarios. He joins the firm from Huntington Bank.



INSURANCE / BROKERAGE

Marsh McLennan Agency

Derrick Karim joins Marsh McLennan Agency's Michigan Employee Health & Benefits practice as a Client Director. With more than 20 years of experience, including 13 years at Blue Cross Blue Shield of Michigan, his background covers account management, property and casualty, life, health, and 403(b) annuities, with a focus on health and benefits. Derrick is dedicated to building strong client relationships, creating strategic solutions, and collaborating to achieve shared objectives.



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BEDROCK

From Page 3

robot that collects food waste from local restaurants and transports it to the Urban Tech Xchange — all of which are located in Bedrock-owned buildings.

Another DVP investment, Santa Monica-headquartered Metropolitan Technologies, is known for its parking operations. Cory Tincher, senior associate at DVP, said following the firm's investment in the company, it deployed at Bedrock's parking garages around the city.

Mull hopes to see Bedrock support innovators through their careers in Detroit, from housing their startups to finding homes, and eventually opening an office in a Bedrock commercial office building.

For example, the Detroit Smart Parking Lab housed Alba Robot and It's Electric, both of which have since established offices in Detroit. It's Electric, a Brooklyn-based startup, is installing 25 curbside electric vehicle charging stations in Detroit by the end of this year. Alba Robot moved to the DSPL from Italy and now has an office in Newlab at Michigan Central.

Detroit Venture Partners is also taking a hands-on approach to attract talent to Michigan. Tincher said that while the firm has never made an investment contingent on a company relocating to Michigan, it does sell the city in other ways.

"We made a pitch to them for why Detroit might make sense and then we said, 'Don't take our word for it. Come see it,'" Tincher said.

DVP hosts the startup in the city for several days and introduces them to other members of the community.

"Detroit is one of those places where you have to come here to really get it, because you can read every article that's out there, but until you see it, you won't understand it," Tincher said.

Continuing to strengthen its innovation community is one of the several ways Michigan can continue to improve and attract founders, BAMF Health founder and CEO Anthony Chang said during a panel at the Reindustrialize summit on July 17.

"In order to retain the startups ready to scale, we need to have a high-quality workforce and high-quality work ... So we need to start really investing in health care, really invest into education at all of the levels in order to develop the local high-quality workforce. This will retain startups and attract more talent coming in, and start creating this flywheel."

Mull also hopes the Reindustrialize summit being hosted at Hudson's Detroit will be an initial stepping stone for founders and entrepreneurs to look deeper into Detroit.

"You can change people's minds one at a time, and that works, but it takes a long time, when you can bring 1,000 people and try to change their mind over the course of a day or two," Mull said.

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INCENTIVE

From Page 3

engender broad support.”

It subsidizes the redevelopment of contaminated, historic, obsolete or blighted properties with taxes generated by, to date, 10 “transformational” projects. Developers apply to keep income and withholding taxes for decades from people who live and work at the sites they redevelop for mixed use, along with sales taxes on construction materials and income taxes paid by construction workers. There are minimum capital investment levels.

The future reimbursement of taxes, proponents say, makes the math work on projects that otherwise would not be financially feasible because of how much they cost.

“You cannot do large projects without it,” said Joe Agostinelli, founder of Michigan Growth Advisors, a Miller Johnson law firm subsidiary that helps clients bridge the gap between a project’s costs and financial viability. “Michigan’s traditional incentives, particularly with the proposed cuts to (Michigan Economic Development Corp.) incentive budgets that are being discussed right now, you just can’t do anything. The math doesn’t work. So this is really, really important that the Legislature gets this done if we want to keep doing big transformational real estate investment in our communities.”

Two clients, he said, want to pursue the incentive but “there’s no money left.”

The Republican-controlled House and Democratic-led Senate have sent Gov. Gretchen Whitmer just six bills in six months, the fewest in 20 years, following a return to a split Legislature for the first time since 2007-10. Legislators missed a legally toothless July 1 deadline to pass the budget, a stalemate that will likely dominate their attention when both chambers fully return to session after Labor Day.

While the development subsidy is on the back burner for now — along with many other issues — it provides an opportunity for bipartisanship that has been largely elusive other than a February deal to soften minimum wage and paid sick leave laws.

Legislation that increased the main cap to \$1.6 billion from \$800 million sailed through on 25-12 and 90-19 votes in 2023 despite

some criticism that projects should rise or fall on their own merits without tax subsidies.

Republican House Speaker Matt Hall, who was then the minority leader, voted yes. Democrat Whitmer, who signed the 2023 bill, has called for the program’s expansion and has highlighted transformational brownfield projects awaiting the state’s blessing.

Rep. Joe Aragona, R-Clinton Township, said he is aiming to introduce the bill around October and to get it out of the House by early next year. His district is across the street from Lakeside Mall, whose redevelopment would be boosted with the “great” economic development tool, he said.

“At this rate, it’s tough because with everything that’s going on in Lansing, especially with how the budget’s going this year, it’s really sucking a hell of a lot of oxygen out of the room,” he said.

Details to be worked out, Aragona said, include whether to increase the cap or to lift it entirely and — if it were raised — by how much.

Also, until recently, there had also been rumblings in and around the Capitol that the cap legislation could be bundled into or affected by any potential economic development incentives bills for a massive semiconductor plant near Flint. “Project Grit” fell through, which might ease the way for separate movement on the forthcoming brownfield legislation.

The Michigan Strategic Fund to date has approved \$1.2 billion in post-construction income and withholding tax captures across 10 projects, \$354 million short of the \$1.6 billion cap. The MEDC also has set aside \$324 million for three prospects that are in the “under invitation to apply” stage, which means they are far enough along to qualify should they get through underwriting.

The balance that is not presently spoken for is \$30 million.

The state has authorized or held aside \$90 million in construction-period captures, roughly \$110 million below a \$200 million limit.

The proposed Novi City West mixed-used development, which would be near the Suburban Collection Showplace, is “somewhat of a poster child for this transformational brownfield programming,” said Blair Bowman, who owns the conference center. “Taking an old ... post-industrial, languishing cor-

ridor and doing in large part what the city has envisioned for their City West master planning — reimagine and redevelop and reinvigorate an entire corridor.”

Bowman, who met with lawmakers at the Detroit Regional Chamber’s Mackinac Policy Conference in May, said they like the incentive because it is performance-based, is used to generate economic activity that would not occur “but for” the subsidy and has a track record. The first transformational brownfield plan, which was OK’d in 2018, covered four Gilbert projects in Detroit, including the new Hudson’s Detroit skyscraper.

“It’s 100% performance-based, 100% accountable. You don’t do what you say you’re going to do and there’s nothing generated, you don’t receive reimbursement,” said Fleisher, who is advocating for the RenCen renovation. “If your project is half as successful as you said it was going to be, it generates half the new tax revenue, you’re going to get half of the reimbursement. ... This is not a blank check on the front end but rather 100% performance-based on the back end.”

Bowman’s \$270 million Novi project was announced in May. It could grow, potentially by up to \$200 million in investment, due to new interest from other developers, he said.

“We’re hopeful that the process can move forward as soon as it’s possible but understand that there is very important work being done on the larger-scale budget issues,” Bowman said. “We’re working on a timeframe that we would hopefully see something dealt with in the fall on the budget and perhaps the transformational brownfield and that we would pursue the application and approval process.”

MEDC Chief Place Officer Michele Wildman said it is hard to quantify developers’ interest in the program if not for the cap because some projects are more real than others and deals are complex and take a long time to put together.

The incentive is by no means the only financing option, she said, but is one of the better tools for projects that are “transformative in nature. You’re talking about large sites, large impacts or both. ... It’s one of the best fits for some of the more challenged sites that we’ve seen in the projects that have come through the portfolio.”



Reportwell Chief Customer Officer Jennica Adkins (left), CEO Jacob Allen, Chief Product Officer Jacob Peters and COO Lani Luo | COURTESY OF REPORTWELL

STARTUP

From Page 3

introduction to the city and potential investors in it. The company was also attracted to Detroit for its talent base and cost of living compared with the other cities it was considering.

“We wanted to be in a place where we can make a name for ourselves. I think when you look at some of those (other cities), they’re saturated with tech companies,” Allen said. “We wanted to be part of Detroit’s comeback story, in a way that we could also be one of those large unicorns, but starting in a place that isn’t saturated with them quite yet.”

Allen has known the company would be making a move to Detroit since early 2024, and has been hiring in the city for nearly a year before the company put roots down at Newlab. Reportwell already has 12 in-person employees, with plans to build the team out to “just shy of three dozen employees” over the next year.

Michigan investors also pulled the startup to Detroit. Reportwell closed a \$1.1 million pre-seed round last year, with \$600,000 committed from Detroit-based investors like Detroit Venture Partners and Duo Security co-founder Dug Song’s family office, Song United.

“We were not just going to receive the check from them, but we also wanted to receive intel on what the future of the city is when it comes to office space, when it comes to talent, when it comes to

other investors, and they really did a great job of rolling out the red carpet,” Allen said.

Song previously told Crain’s that his investment in startups is not contingent on a move to Michigan, unlike some other Michigan-based funds such as Michigan Rise.

“What we try to do is, we sell Detroit really hard,” Song said. “And I think it always works better — they say you can catch a lot more flies with honey, not vinegar. We always encourage people to come see how amazing Detroit is and has become, and how much cooler it will be if they join us.”

The company started generating revenue in 2024, Allen said, but declined to give specifics. Its largest customers include the state of Missouri, New Orleans Public Schools, Orange County Department of Education in California, and the state of Washington.

Since moving to Detroit, Allen said he’s benefited most from the approachability of investors in the city.

“Obviously the check has been massively critical for our success, but then actually making that check worth its weight in gold involves ecosystem intros for us,” Allen said, in addition to showing the founders around the city, and being available to workshop together.

Reportwell is currently raising a seed round that Allen expects to close within the next two months, also backed by several Detroit investors. The company is hosting a grand opening of its Detroit office at Newlab on Aug. 21.



Plans by General Motors Co. and Dan Gilbert’s Bedrock LLC for the Renaissance Center include demolishing two towers and creating an entertainment district on riverfront land to the east. | BEDROCK/GENSLER/ROSSETTI

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Parade Co. seeks extension to raise another \$24M for Detroit riverfront project

By Sherri Welch

What comes next in The Parade Co.'s bid to convert the historic Brodhead Armory on Detroit's east riverfront into a new home remains to be seen, following a City Council committee meeting July 17.

The Parade Co.'s President and CEO Tony Michaels appeared before the Detroit City Council Planning and Economic Development Standing Committee to ask for more time to raise funding for the \$45 million project.

Council President Pro Tem James Tate, who chairs the committee, said a fourth extension of time to raise funding needed to purchase the armory was not on the table, as the prior agreement expired June 30 and there was no extension resolution before the committee. That action would have to come from the city's planning department.

The city is waiting to see how the current conversation plays out before making any determination about potential next steps, John Roach, director of media relations, said in a message to Crain's.

The Parade Co. assured City Council last year that it would not need another extension and the city's administration assured council it would not act on its own to extend the agreement, Hassan Beydoun, the city's group executive-economic development, said in a forwarded statement.

"If enough council members ex-

press an interest in giving the Parade Company more time to secure the financial commitments it needs for this project to move forward, we would be willing to work with them," Beydoun said.

Only one other group, the Brodhead Armory Association, a veterans' group that had opposed the city's sale of the site to The Parade Co., has expressed interest in the property, Roach said.

Since approving the sale of the R. Thornton Brodhead Naval Armory at 600 E. Jefferson Ave. to The Parade Co. for \$300,000 in September 2021, City Council has granted it three, yearlong extensions to raise funding for the project.

Councilmember Fred Durhal III expressed support for the project but has concerns about the deteriorating condition of the building and the possibility of the costs to develop it going up. At the same time, he called for setting a realistic expectation on the amount of time the Parade Co. would need to raise the necessary funding.

"I don't think we have enough access to family venues, particularly on our riverfront. I think there's a huge amount of opportunity to be able to do that and to develop that particular spot," Durhal said. "There's an opportunity to keep a little bit of the history and open it up in a way that we see in other municipalities, particularly off of their riverfront. And that's what excites me about the project. What concerns me is, can we cross the finish line?"



A conceptual rendering of the view of the new Parade Co. headquarters as seen from the Detroit River. | ROSSETTI ASSOCIATES INC.

The Parade Co. has \$12 million in commitments so far, a third of the \$36 million that is needed to move forward on the project, Michaels told the committee. That's down from \$14.5 million raised for the project last year.

Fundraising was tough from 2021-23 as the region went through the COVID-19 pandemic, Michaels told the committee. But it is beginning to pick up, with a \$3.5 million federal earmark secured last year thanks to former U.S. Sen. Debbie Stabenow. There is also a \$10 million earmark in the state budget proposal for next year.

That support and another extension from City Council would lend steam to fundraising efforts, he said.

"I got a call just three weeks ago from two board members willing to put a half and a million in waiting to see if we get the extension and they want the state to come in, they want the city to come in. And I said, the city's been great. The price is right for the building. That is not the issue whatsoever. It is we came out of a pandemic, and now we're off and running," Michaels said.

Michaels named Syd Ross, co-CEO of Great Lakes Wine & Spirits distributor, as a \$1 million donor to the project and said there are many others he can't name. Many have thrown in \$200,000, \$100,000 or \$250, he said.

"We are gaining momentum, and with some more time, we believe we can make this project a

reality," Michaels said in a statement sent to Crain's on July 18. "We are creating a special new home for our community, kids, families, education, an office for veterans and revitalizing a historic jewel on the Detroit Riverfront."

The Parade Co., which puts on Detroit's annual fireworks and Thanksgiving Day parade, among other events, plans to restore 37,000 square feet of the armory, salvaging as much of the Depression-era frescos on the walls as possible. It would rehabilitate the northern (or front) portion of the building, demolish the river-facing portion and construct a 130,300-square-foot addition to make room for its large floats, dedicated space for veterans, field trips and tours.

A planned Inkster subdivision flamed out during the Great Recession. Now it's coming back.

By Nick Manes

New housing in a Wayne County city aims to complete a neighborhood that felt the brunt of the Great Recession nearly two decades ago.

Developers are moving forward with Annapolis Pointe in Inkster, a \$21 million housing project that would bring 72 new for-sale homes with prices targeted at a mix of incomes. A ceremonial groundbreaking for the development was slated for July 18.

The development is a continuation of sorts of a subdivision that got underway nearly a quarter-century ago, but was stalled due to the onset of the global financial crisis in 2008, with just 19 homes built, said ShaWanna Gajewski of Gajewski Homes LLC, the Annapolis Pointe developer.

"As the entire state and world tried to rebound from (the recession), Inkster had its own challenges," Gajewski, an Inkster native, told Crain's. "It's literally a 6-mile-by-6-mile city and they never recovered economically ... and so real estate development just wasn't affordable."

Much of the land that was slated for the subdivision back in the



A rendering shows the planned Annapolis Pointe project in Inkster that would bring 72 new for-sale homes with prices targeted at a mix of incomes. | FIVERR

2000s has sat vacant since, but been kept up by neighbors who have cut the grass and generally maintained the land, Gajewski told Crain's.

Such development is being welcomed by city officials.

"The City of Inkster is thrilled to be part of this development. We sold the land for the project and worked hand-in-hand to ensure we're providing new affordable housing opportunities for our res-

idents," Inkster Mayor Byron Nolen said in a statement. "We hope Annapolis Pointe will attract people to Inkster and spur additional residential developments."

To make the proposed development feasible, Gajewski has had to get creative. For starters, she's keeping much of the services in-house, serving as the project's developer, general contractor and real estate agent, allowing for significant cost control. She's also

partnered with the nonprofit Western Wayne Urban Community Development and modular home manufacturers Champion Homes and Ritz-Craft Homes.

Capital partners include affordable housing finance organization Cinnaire, the Michigan State Housing Development Authority and First Merchants Bank.

The project is slated for several stages over about four years. Gajewski ultimately plans 72 homes

at the site with ranch-style homes in the range of 1,300-1,500 square feet and a 1,600-square-foot Colonial model. Homes will be priced between \$240,000 and \$350,000 and targeted at those earning between 60% and 120% of the area median income, or \$42,420-\$84,840 for a single person in Wayne County.

Such housing appears to be in great demand, as Gajewski said she has a 40-person list of prospective buyers even before a shovel has hit the ground.

While affordable housing development has been common around metro Detroit for years, the vast majority is rental housing. Gajewski attributes that largely to financing and bringing multiple partners to the table was critical for a for-sale project.

"It's so common for institutions, when you're looking for financing and support and funding ... to support rental (housing)," Gajewski said. "But it's a different conversation when you're asking for funding for such a short period of time that's not going to yield 30 years' worth of interest. It's just not as financially attractive, so it has to purely be a community-based initiative."

TRUCK

From Page 1

goes as planned, a second manufacturing plant will eventually follow.

That's getting a little far ahead for a new entrant that only just recently took the wraps off its prototype. But for Slate — a high-flying, no-frills EV maker that's won the backing of billionaire Jeff Bezos and plenty of others with \$700 million raised — it's all about thinking big with a little truck.

"What's in the market today that we're offering that's very different is we build it in a configuration of one," Barman told Crain's this month at the Reindustrialize conference in Detroit, where a prototype of the two-seat pickup was on display. "Every one is built exactly the same, but it's been designed up front to be highly accessorized."

The vehicle has drawn a lot of publicity since being formally rolled out in April. The truck is priced in the mid-\$20,000s and the target customers are those in the used car market and buyers looking to spend less than \$50,000, the average price for a new car nowadays.

To keep costs down, the "radically simple" truck is stripped to bare bones — grey body panels, no radio or infotainment system, crank windows, and knobs and buttons as opposed to touch screens. It's marketed as a blank slate to be cus-



Slate Auto shows off its EV prototype, a two-seat truck that can be converted into a five-seat SUV, this month at the Reindustrialize conference in the Hudson's Detroit space.

tomized by the owner.

The two-seat truck can be converted into a five-seat SUV, and owners can buy wraps to customize the exterior.

"The car can grow with you over time, at any point in time, and you can convert it back if that's what you choose to do," Barman said.

In some ways, Slate is launching at an opportune time. Vehicle affordability has become a top concern among major automakers, several of which are exploring smaller pickups. Ford Motor Co. is working on a new electric mid-size pickup while Toyota is report-

edly looking to bring cheap, small pickups to the U.S.

In other ways, it seems like the worst time to try to launch an EV startup. The Trump administration is rolling back consumer EV tax credits and curbing battery manufacturing credits while market demand cools for all-electric vehicles.

"Our plan never counted on that," Barman said of the federal tax incentives. "That is something that obviously we would love to be in place so that our car is even more affordable for consumers, but that was never part of our plan."

The truck has garnered big in-

terest from prospective buyers, racking up 100,000 reservations in just a couple of weeks. The \$50 refundable reservation doesn't necessarily indicate what the demand will be when they roll off the line at the end of 2026, when the company expects deliveries to start.

Slate is industrializing a 1.4 million-square-foot former printing plant in Warsaw, Ind. The company initially considered 11 states for the project, including Michigan though it was not a finalist.

"It just ended up that Warsaw, Indiana, had the right recipe for us between the size of the plant, what

some of the financials were around it and also a great community and workforce," Barman said.

Michigan, however, will play a central role in the company's future, the CEO assured. Its headquarters is firmly planted in Southeast Michigan, which is home to Slate's engineering, design and sales and administrative work. Eventually, there might be a chance to bring some manufacturing, too.

"We have aspirations to have another plant in the future, and we'll certainly consider Michigan at that time," Barman said.



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COLLAPSE

From Page 1

Sandisk selected Michigan as the sole finalist for its massive semiconductor campus, and the state offered a package of incentives valued around \$22 billion to bring it home. But the company got cold feet and canceled the project this month.

"I'm bitterly disappointed for Michiganders," MEDC CEO Quentin Messer told Crain's in an interview. "The project is over, and no matter how I feel about it, it's not going to revive ... We're now going to get back to marketing that site actively."

Here's a look into how one of the largest economic development projects in Michigan's history came together over 36 months before abruptly falling apart, why it fell through and what's next for a 1,300-acre plot in Genesee County marketed as "America's best megasite."

Project Grit

In the summer of 2022, state officials were licking their wounds after losing Micron's gargantuan microchip plant to New York. The project was thought to be a once-in-a-generation opportunity to diversify Michigan's automotive-dependent economy, a feat that has defied state leaders for decades.

With Intel committing to Ohio, TSMC to Arizona and Micron to New York, the Biden-era microchip sweepstakes was running out. But Michigan still had one last chance. The state learned through site selectors that California-based Western Digital Technologies, which later spun off Sandisk, was still in the market for a mammoth chip fabrication factory.

By late 2022, "Project Grit" was born.

The upside of losing Micron was that the state had done plenty of prep work and had an ideal site to showcase: a 1,400-acre plot in Eagle Township, owned by Michigan State University.

But in October 2022, MSU President Samuel Stanley, who was a proponent of developing the site with advanced manufacturing, put in his resignation. Meanwhile, amid community protests, the township shut down rezoning efforts, effectively killing the project.

With a megasite in Marshall already claimed for a Ford Motor Co. battery plant, the state scrambled to find another 1,000-plus-acre site to keep Project Grit alive.

Officials found hope near Flint. The Flint and Genesee Economic Alliance had zeroed in on farmland in Mundy Township with help from Mott Foundation CEO Ridgway White.

Plagued by industrial decay and the Flint water crisis, the area was hungry for economic growth, and the MEDC had just the project.

"In the 1980s when I was born, General Motors had 50,000 to 70,000 employees in Flint. Today they have about 8,000," said Tyler Rossmassler, executive director of the Flint and Genesee Economic Alliance. "This is the type



Michigan Gov. Gretchen Whitmer, seen here at an event in Washington, D.C., on April 9, in May set what she called an "ambitious but attainable" goal for Michigan to land its first semiconductor manufacturing plant, or fab, by the end of 2026. | MARK SCHIEFELBEIN/ASSOCIATED PRESS

of project that changes the narrative and trajectory of our entire region."

Not everybody was onboard with Project Grit. Residents on the project's border protested the development, and anti-megasite township officials were voted in last November.

Site selectors were kicking the tires on the Mundy site as early as summer 2022. The competition for the project was fierce, however, with Indiana, Virginia, Arizona and North Carolina in the mix. The company was also considering doing the project overseas in Japan.

Conversations between Western Digital and state officials were intermittent at first. Michigan was a contender, but it wasn't clear to project insiders where exactly they stood.

In May 2024, the Michigan Strategic Fund signed off on a \$250 million grant for land acquisition and site development. It sent a clear signal to the company that the state was serious about landing the project. The move paid off.

Less than three months later, Western Digital signed its first letter of intent to pursue the project. CEO David Goeckeler visited the site and made up his mind that Michigan was the sole finalist.

"We won the national championship, I like to say," Rossmassler recounted.

Missing piece of the puzzle

MEDC officials began in earnest to work on financing a "generational" opportunity for the Flint area and Michigan. The incentives included \$2 billion in cash grants and a series of tax breaks, including new tax captures modeled after those implemented by New York to support Micron's \$100 billion expansion.

The other missing piece — a huge piece — was billions of dollars in federal CHIPS Act funding. The hope was to secure the funding from the Biden administration by at least the end of last summer, according to people involved.

Whitmer and the MEDC waited. The administration was grappling with other big issues, to be sure, such as Biden pulling out of the running for re-election. As the November election drew closer, it became evident that there would be no announcement before the election.

Still, it was expected that the rest of the CHIPS money would be committed before a new administration came in and reset the deck. It never happened, and that's when the \$60 billion deal began to unravel.

Republican nominee Donald Trump won the presidency and indicated he would generally seek to pause federal funding efforts set in motion by his predecessor and renegotiate CHIPS funding. But Trump also ran on a platform of restoring America's manufacturing might and securing large-scale investments like the one planned in Mundy Township.

In May, Whitmer seemed confident when she announced it was her goal to land a large semiconductor manufacturing project by 2026 and that she had recently spoken with Trump about the effort.

On July 17, after Sandisk scuttled the deal, Whitmer blamed "massive economic uncertainty" and tariffs. Trump was noncommittal about CHIPS funding, and the department charged with administering it was preoccupied by managing new tariffs. As a result, Sandisk bailed, according to the governor.

"Their board came to this decision amid national economic turmoil, which is at risk of worsening amid threats of even higher tariffs," Whitmer said in a statement.

Sandisk declined to comment. "The company is in a quiet period ahead of reporting our FY25 Q4 and year-end financial results," the company said in an email. "This quiet period prevents us from being able to respond."

There is more at play than just tariffs. In February, Sandisk spun out of Western Digital as an independent company with a new

leadership team. Dan Steere, senior vice president of corporate business development for Western Digital and point person for the Michigan project, left the company in January.

Relationships make deals happen, and Michigan officials were forced to make new ones quickly at a newly spun-off company with a different board of directors.

At the same time, Sandisk is reducing production in response to oversupply in the market and dealing with financial pressures, reporting a more than \$1 billion loss over the past nine months — maybe not the optimal time to commit \$60 billion to boost output.

The company had extended its letter of intent with the state several times until June 15, when it let the agreement lapse.

"That's when we noticed the shift," Rossmassler said.

Sandisk didn't provide official word to the MEDC until July 17, but the writing was on the wall. According to the MEDC, Sandisk scrapped the project because of economic and market uncertainty.

"I'm gutted, but you can't become a prisoner of your own emotions," Messer said. "This is not our only opportunity. We'll keep hammering at it. We're confident something will happen."

It is unlikely a new project will land soon, or that it will bring anywhere near the same economic impact. Had it come to pass as envisioned, Project Grit would have grown the state economy significantly, adding an annual average of \$8.4 billion in economic output and \$5.3 billion in annual Gross Domestic Product, according to a Regional Economic Models Inc. study commissioned by the state.

Officials are still set on developing the Mundy Township megasite but are resetting expectations.

"We're looking for an advanced manufacturer that will create 2,000 jobs and invest \$2 billion — that's the minimum," Rossmassler said.

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PARTNERING TO SOLVE MICHIGAN'S HEALTHCARE AFFORDABILITY CRISIS

Hear the perspectives of insurers, small business owners, healthcare providers and others on how to drive down costs while improving community health

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ROUNDTABLE PARTICIPANTS



Tricia A. Keith

President and CEO, Blue Cross Blue Shield of Michigan

Tricia Keith leads Blue Cross Blue Shield of Michigan, a \$40.6 billion company serving over 5 million members. With nearly 20 years at BCBSM, she has overseen major transformations, including its transition to a nonprofit mutual and the launch of initiatives like BLUnite. She previously held roles as EVP, COO, and president of Emerging Markets.



James D. Grant, M.D.

Executive Vice President and Chief Medical Officer, Blue Cross Blue Shield of Michigan

Dr. Grant leads clinical strategy at BCBSM, supporting quality, affordable care across Michigan and beyond. A former president of both the Michigan State Medical Society and the American Society of Anesthesiologists, he brings deep expertise to health system collaboration and patient-focused innovation.



Kirk Roy

Senior Vice President and Chief Actuary, Blue Cross Blue Shield of Michigan

Kirk Roy is BCBSM's chief actuary, overseeing pricing, economics, and product development across commercial and government markets. He played a lead role in the company's ACA transition and previously consulted on employee benefits at Watson Wyatt and Mercer. He holds a master's degree in statistics and is a Fellow of the Society of Actuaries.



Kurt Lindberg, M.D.

President and Medical Director, Holland PHO

Dr. Lindberg is a longtime family physician and leader of Holland PHO, recognized for advancing affordable, high-quality care. A University of Michigan and Boston University-trained physician, he is a Pisacano Leadership Foundation alumnus and advocate for value-based community care.



Sue Schweim Tellier

President and Owner, JetCo Federal Supply

Sue Tellier leads JetCo Federal, a woman-owned defense logistics firm known for its compliance and agility. A former state procurement expert, she now serves on national boards including Women in Defense and WIPP. She is also active in Michigan small business advocacy through the Small Business Association of Michigan.



Chandra Madafferri

President and CEO, Michigan Education Association

Chandra Madafferri leads the MEA, representing Michigan educators and managing member benefit services. A former teacher and summer program administrator, she also serves on the Blue Cross board and supports disability-focused education initiatives.



Nick Kamai

Senior Area Vice President, Gallagher

Nick Kamai is a health and welfare benefits advisor specializing in strategy, plan design, and vendor management. With strong analytical skills and both insurance licenses and counselor credentials, he guides clients through fully insured and self-funded solutions.



Laura Appel

Executive Vice President, Michigan Health & Hospital Association

Laura Appel oversees public policy and advocacy at MHA, shaping health care and insurance legislation at state and federal levels. With over two decades at MHA, she brings deep policy knowledge and was named one of Crain's 2020 Notable Women in Health.



Brian Calley

President and CEO, Small Business Association of Michigan

Former Lieutenant Governor Brian Calley leads SBAM, championing small business growth statewide. He also serves on multiple nonprofit and educational boards and brings a background in banking, government, and advocacy. He holds degrees from MSU, GVSU and Harvard.



Bret Jackson

President and CEO, Economic Alliance for Michigan

Bret Jackson heads EAM, a business-labor coalition advancing Michigan's economy. His focus is on healthcare cost and policy reform to support job growth, workforce retention and long-term competitiveness.



Moderated by Crain Communications CEO KC Crain, this roundtable brought together 10 leaders from the insurance, healthcare, small business, nonprofit and education sectors to discuss the healthcare affordability crisis.

PARTNERING TO SOLVE MICHIGAN'S HEALTHCARE AFFORDABILITY CRISIS

By Brooke Bilyj | Crain's Content Studio

Rising healthcare costs are pushing Michigan businesses and individuals toward a breaking point. To examine the critical issue of healthcare affordability, Crain's Content Studio recently hosted a roundtable discussion exploring the challenges that these escalating costs inflict on employers and employees alike.

Leaders representing Blue Cross Blue Shield of Michigan (BCBSM), the small business community, the healthcare industry and other key sectors gathered at Crain's headquarters to share their insights, questions, concerns and potential solutions to the surge in healthcare pricing and its widespread impact. The conversation was moderated by Crain Communications CEO KC Crain.

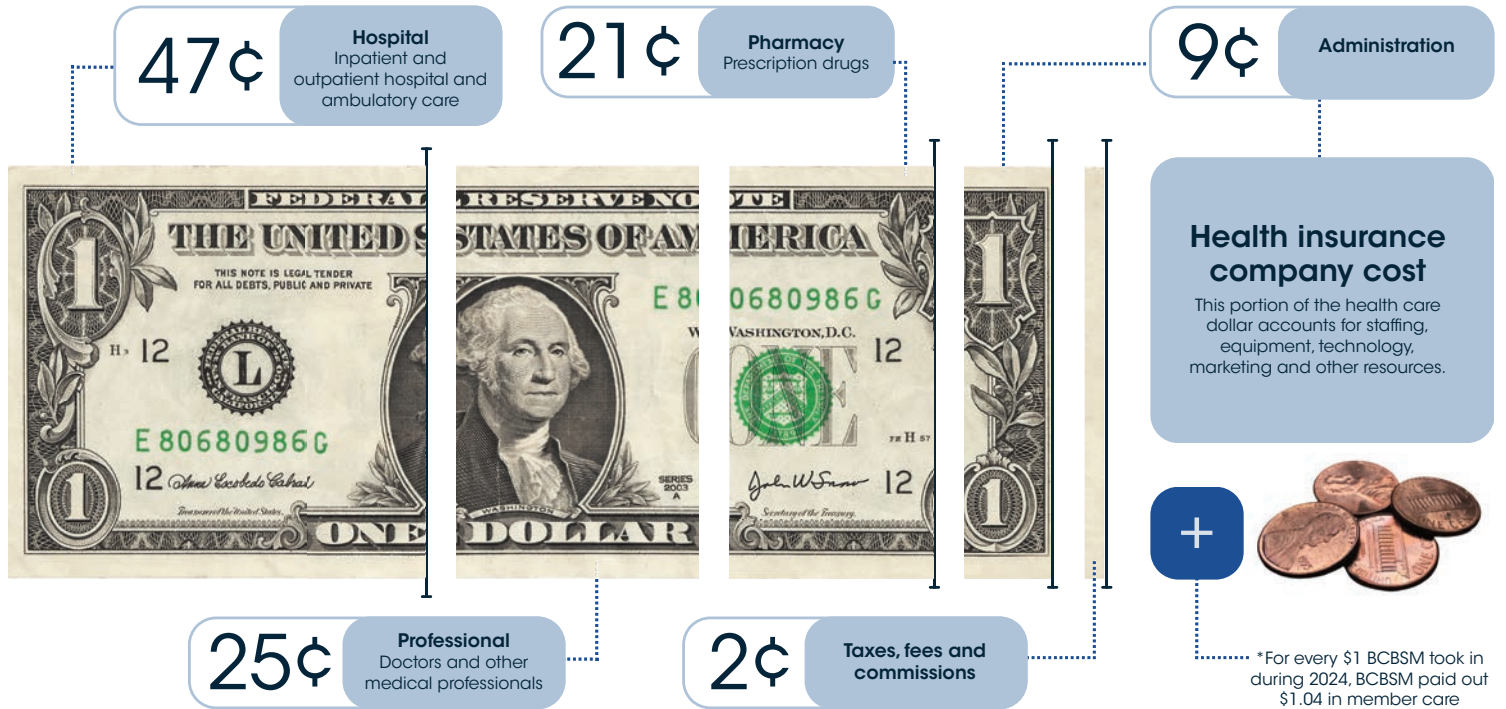
According to BCBSM, medical costs are rising 40% faster than everyday prices like gas and groceries, driving up health insurance premiums and out-of-pocket costs. Last year, BCBSM paid out \$1.04 in claims for every dollar received in premiums. Specifically, for every dollar received, 47 cents go to hospitals, 25 cents to providers, 21 cents to prescription drugs, 9 cents stay with BCBSM for administrative costs and 2 cents go toward local taxes. From 2000 to 2024, hospital pricing alone increased by 250%, four times the rate of inflation.

"Obviously, that's not sustainable, and those costs are going to get passed downstream," said Tricia Keith, president and CEO of Blue Cross Blue Shield of Michigan.

"We're asking the rest of the healthcare system to join us in partnering to create value-based programs that pay for outcomes versus fee-for-service. That's an outdated model that needs to change ... to save everyone money."

— Tricia Keith, Blue Cross Blue Shield of Michigan

Where does your health insurance premium go?



“So, what we’re doing is raising the conversation, talking about the components that make up the healthcare equation, and talking about how we can tackle each of those issues so we can make sure that people can afford the healthcare they need.”

Here are additional highlights from this discussion of healthcare economics, which was sponsored by BCBSM.

THE BURDEN OF AFFORDABILITY

Small business owners are feeling the downstream effects of rising healthcare costs when evaluating their group benefits.

“After five years of double-digit increases for my small business, I can’t keep sustaining that,” said Sue Schweim Tellier, president and owner of JetCo Federal, a supply chain management and logistics contractor with 20 employees. “We don’t have any control over those costs. Even if we’re making healthy decisions and doing wellness programs for our employees... we still are hostage to whatever is happening.”



“We’re incentivizing healthy behavior because it’s the right thing to do for our employees and for us,” said Sue Schweim Tellier, president and owner of JetCo Federal, pictured here with Kirk Roy, senior vice president and chief actuary, Blue Cross Blue Shield of Michigan.

Last fall, a 16.7% price increase forced Tellier to restructure to a more affordable health plan for JetCo. “That unpredictability for our employees is heartbreaking for us,” she said. “We don’t want to do that.”

Employers recognize that their employees are also feeling the pain of these prices, as they juggle out-of-pocket costs with car repairs, vacation funds, savings and other living expenses. “It is a challenge ... wondering if they can afford it all,” said Chandra Madafferi, president and CEO of the Michigan Education

Association. And while BCBSM is providing options to help alleviate this burden, she said, “we’re concerned that we’re hitting a breaking point.”

According to a recent survey from the Small Business Association of Michigan (SBAM), small business owners across Michigan cite healthcare costs as their top concern. Three in four respondents (76%) said healthcare costs are keeping them from hiring new employees, while four in five (83%) said it’s restricting investments in other areas of the business.

“You’ve got employment and expansion of business both being constrained,” said Brian Calley, SBAM president and CEO. “It’s a huge cost.”

DRIVERS OF RISING COSTS

In 2024, as compared to 2023, Keith said BCBSM paid out \$2.1 billion more for medical claims and \$900 million more for drug claims – totaling \$3 billion in increased claims costs.

Throughout the conversation, leaders explored several key drivers contributing



From left: Bret Jackson, president and CEO, Economic Alliance for Michigan; Laura Appel, executive vice president, Michigan Health & Hospital Association; and Nick Kamai, senior area vice president, Gallagher.

to this increase, including soaring utilization, inflation, aging demographics, technological advancements, rising drug prices and hospital consolidation.

As more healthcare systems pursue mergers, acquisitions and joint ventures, Michigan's consolidation trend becomes both a trigger and a result of rising costs. "Most hospitals across our state are looking for those partnerships because they can't afford to do it on their own," said Laura Appel, executive vice president of the Michigan Health & Hospital Association (MHA), noting that it could take several years post-merger to fully analyze how recent transactions will impact costs.

However, based on national statistics, healthcare M&A activity often proves costly. "Around the country, there

have been thousands of mergers and acquisitions in healthcare; and study after study suggests that there is no real improvement of quality, and there certainly is an increase in cost," said Bret Jackson, president and CEO of the nonprofit Economic Alliance for Michigan (EAM).

Rising drug prices emerged as another driver of the overall financial burden. Keith cited an example of one drug costing \$4.2 million per dose.

"There is no insurance coverage in America where you can spread that risk to be able to afford that," she said. To mitigate significantly rising drug prices, BCBSM is collaborating with other Blue plans "to bring those to market without the profit motive," Keith said, by promoting more affordable options such as generic replacements and biosimilars.

As a solution to controlling drug prices, several leaders stressed the importance of price transparency and regulation. Kirk Roy, senior vice president and chief actuary at BCBSM, pointed out that the U.S. is one of only two countries (alongside New Zealand) that allow advertising for prescription drugs. Additionally, he noted that every other developed country has regulations in place to limit drug prices. At a time when many drug companies spend more on marketing than on research, he said, pricing clarity could be life-changing.

"There needs to be transparency in the costs and prices at the drug manufacturer level. There needs to be a regulatory mechanism that says what is appropriate," Roy said. "Those two regulatory pieces, along with a limit on advertising, are necessary conditions for us. Every other country has figured out how to make that work, but we have not yet done that."

SHIFTING INCENTIVES

To address high healthcare utilization rates that continue increasing as patients get older and sicker, the roundtable participants identified a clear – yet complex – solution in preventative care.

"To lower utilization, you need to prevent it in the first place," said Kurt Lindberg, M.D., a physician who serves as president and medical director of the Holland PHO (physician/hospital organization). "The best healthcare system is where people aren't getting sick as often."

Fellow physician James Grant, M.D., executive vice president, clinical affairs and chief medical officer at BCBSM, agreed.

"It's much better for the person and for society to prevent disease instead of curing disease," he said. "That's where our focus has to be."

"Around the country, there have been thousands of mergers and acquisitions in healthcare; and study after study suggests that there is no real improvement of quality, and there certainly is an increase in cost."

— Bret Jackson, Economic Alliance for Michigan (EAM)

The underlying problem is that the U.S. healthcare system was built to incentivize utilization rather than prevention, the panel agreed. This systemic status quo makes it difficult for employers, individuals, providers or insurers to change course.

“What we pay for is what we get, and we have a system today that pays for the sick, not healthy,” said Calley of SBAM. “So, from an individual employee standpoint, other than an innate desire to be healthy, there’s no incentive to be healthier. For a small business owner, there’s no financial incentive for investing in health. And for providers, they ... must have high utilization or else they go bankrupt. ... As long as we’re paying for utilization and not health, we’re going to get utilization and not necessarily health.”

The main culprit of the current cost structure is the traditional fee-for-service payment model that reimburses providers based on service volume rather than health outcomes. “We have to figure out a way to change our incentive models so that we actually pay less for fee-for-service, and pay for prevention and taking better care of the population,” Dr. Grant said.

Efforts to shift incentives toward value-based care have been gaining momentum in recent years. BCBSM recently celebrated the 20th anniversary of its Value Partnerships initiatives, which all started with the Physician Group Incentive Program (PGIP) a partnership between 40 physician organizations representing over 20,000 physicians across Michigan. Designed to improve the overall value of care while reducing costs, the program rewards physicians for quality metrics and health improvements rather than just reimbursing utilization.

“Over 20 years, Value Partnerships saved \$6.3 billion in claims cost, so that’s moving in the right direction,” Keith said. “We’re asking the rest of the healthcare system to join us in partnering to create value-based programs that pay for outcomes versus fee-for-service. That’s an outdated model that needs to change... to save everyone money.”

Likewise, Holland PHO holds several value-based contracts. “The best way to bend that



Above, speaking, Chandra Madafferi; bottom left, Brian Calley and Kurt Lindberg; bottom right, Tricia Keith

“To lower utilization, you need to prevent it in the first place. The best healthcare system is where people aren’t getting sick as often.”

— Dr. Kurt Lindberg, Holland PHO



“There needs to be transparency in the costs and prices at the drug manufacturer level. There needs to be a regulatory mechanism that says what is appropriate.”

— Kirk Roy, Blue Cross Blue Shield of Michigan

inpatient hospitalizations, lowering costs along the way.

However, as Drs. Grant and Lindberg both pointed out, even an organization as large as BCBSM can't change the entire healthcare system alone. Transitioning to a value-based care model demands widespread collaboration.

CHANGING THE GAME

After several consecutive years of double-digit increases in healthcare expenses, employers are understandably frustrated and looking for relief from rising costs – without having to cut benefits.

“You're doing everything you can, trying to drive down the cost by being preventative and putting in wellness measures, and it's not fair – because if the rest of the pool isn't doing their part, why are you having to take that increase when your claims are probably lower than most of the pool?” said Nick Kamai, senior area vice president at Gallagher, a global insurance brokerage, risk management and consulting firm.

The bottom line is that healthcare is unaffordable, and the spending trajectories are unsustainable. “It's affecting the lives of people and businesses here,” Roy said, “and although we're playing the best game we can with the cards we're dealt, our obligation is to change the game.”

However, changing the game is a complex, long-term prospect, and businesses have to keep the lights on until then. “So, what do you do in the meantime? How do you solve health insurance and healthcare in America?” Roy asked, offering several short-term solutions.

First is rethinking network coverage to prioritize value-based care. “You should be working with insurers that are working

with the doctors and hospitals that are most committed to transformative change,” he said. “That's a trade-off that's hard to make, and it's not always what patients want, but it's how you direct people to the best doctors and hospitals.”

Second is reevaluating formulary design to provide the most effective drugs at the best possible cost. “You're not going to have access to every single drug in the world,” Roy said. “We're going to work with drug companies that are the most responsible with pricing.”

The third step, underlying all of these issues, is ongoing education from health plans to employers, and from employers to employees – with the goal of strengthening trust and engagement in the healthcare system.

For insurers like BCBSM, that means explaining where every premium dollar is going and how the plan is partnering with hospitals, physicians, drug companies and regulators to lower the overall cost, Keith said. For benefit consultants like Kamai, that means helping employer groups understand how plans work and what options are available.

And for employers, the key is promoting the value of health and wellness consistently, not just when someone's sick. “We're pushing hard for our employees to be educated healthcare consumers, and we invest in wellness programs and preventative care. We work hard to educate them on the economics of that,” Tellier says. “We're incentivizing healthy behavior because it's the right thing to do for our employees and for us.”

Though the challenges surrounding healthcare affordability are significant, these collaborative efforts can generate more sustainable solutions for the future.

curve is to start having patients see their primary care physician more often,” Dr. Lindberg said. “We found that every touch a high-risk patient had with their primary care physician, the lower their cost.”

Unfortunately, many patients default to the emergency department (ED) seeking urgent care instead of proactively visiting a primary care physician for preventative care – which ultimately increases healthcare costs. As Grant pointed out, many of these patients don't have a designated primary care physician.

That's why BCBSM implemented a program called Patient-Centered Medical Home (PCMH), where primary care physicians lead care teams focused on keeping patients healthy instead of just treating them when they're sick. This model has effectively reduced ED visits and

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