1885 Capital Anchors in Michigan's Upper Peninsula with First Investments

The first rural-based early-stage venture firm to launch in the United States since 2018 backs Bloom and Grw AI as its inaugural portfolio.

HOUGHTON, MI, UNITED STATES, July 15, 2026 /EINPresswire.com/ -- 1885 Capital today announced the launch of the firm and its first two portfolio investments: Bloom, an intelligent matching platform connecting mobility, energy and robotics brands with vetted supply chain and operations partners; and Grw AI, an AI teammate that builds and runs the operational systems behind a high-performing sales team.

The Great Lakes–anchored firm is built for the founders rebuilding American industry and typically writes first checks of $100,000 to $500,000 across industrial technology, enterprise software, advanced materials, sustainability, and natural resources. What distinguishes 1885 is its approach to capital structure. Where most venture firms only invest in equity or convertible securities, 1885 offers flexibility in the instruments it uses to back companies.

"Venture capital has become a hammer, and all startups are nails," said Jim Tenzillo, General Partner of 1885 Capital. "We designed 1885 around the businesses that the Great Lakes region produces: manufacturing, materials, and industrial software. Some look like classic venture deals, but many don't. Our job is to underwrite the instrument that fits the company, not the other way around."

Establishment of the firm was enabled by an Economic Development Administration Build to Scale Grant with matching funds from the Michigan Economic Development Corporation and awarded to Michigan Technological University, an R1 research institution founded in Houghton in 1885.

Initial Investments

Bloom reduces what has traditionally been a slow, relationship-driven sourcing process for industrial brands into something that scales.

"Over the past two years, 1885 has earned our trust as both investors and as advisors who consistently offered guidance that made us better. They are the type of investors that founders want in their camp, supporting what they are building. Far beyond just a financial investment into the company, they go the extra mile to support our growth," said Justin Kosmides, Founder and CEO of Bloom.

Building and running a high-performing sales team is one of the hardest operational challenges in business. Grw AI takes that on with Taylor, an AI teammate that builds and runs the operational systems behind a high-performing sales org, doing the work of an entire operating layer that spans sales ops, enablement, management, execution and cross-functional work. It is work no single hire could ever cover.

"The 1885 Capital team understood what we're building from the first conversation, and they moved quickly to a decision," said Alex McNaughten, Co-Founder and CEO of Grw AI. "We're proud to be one of their first portfolio investments."

About 1885 Capital

1885 Capital is an early-stage venture firm headquartered in Houghton, Michigan, investing in industrial technology, enterprise software, advanced materials, sustainability, and natural resources across the Great Lakes region and select markets. The firm offers founders both traditional and alternative forms of venture capital. Learn more at www.1885.capital.

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