

## “Angel” Investors Help New Richmond Company Take Flight *Investors Raise Over \$600,000 for Engineered Propulsion Systems, Inc.*



There was a cause for celebration on November 16th in New Richmond, Wisconsin (St. Croix County). Several ceremonial checks were presented to Engineered Propulsion Systems (EPS), a development stage technology company that has quietly toiled away in the offices of a former creamery building just a block from New Richmond’s main thoroughfare. Inside their offices, EPS’s Michael Fuchs and Steven Weinzierl have conducted research, development, and testing that will lead them toward the production of an innovative, fuel-efficient diesel aircraft engine for general aviation and helicopter companies. EPS has acquired patents to develop a diesel engine that does not require leaded fuel. The engine can be used in new aircraft or as a replacement in existing ones.

As with most success stories, the sequence of events contains twists and turns. EPS was established in 2006 by Fuchs and Weinzierl. Fuchs serves as the company president and chief executive officer, while Weinzierl is the vice president and chief technology officer. A consulting business helped bring in revenue for their goal of introducing a new aircraft engine to a world market.

In 2009, their ideas were brought to the Wisconsin Department of Commerce in Madison. Commerce proposed a \$600,000 Community Development Block Grant loan that would utilize St. Croix County as a pass through entity. In late September 2009, the county board of supervisors approved the block grant and agreed to

(l to r): John Soderberg, chair, New Richmond Area Economic Development Corporation, Paul Mayer, president, New Richmond Area Economic Development Corporation, Steven Weinzierl, Engineered Propulsion Systems, Inc., Lieutenant Colonel Dick Rutan, USAF (retired), Michael Fuchs, Engineered Propulsion Systems, Pete Marshnik, manager, Chippewa Valley Angel Investors Network, New Richmond Mayor Fred Horne, and Mike Demulling, manager, New Richmond Regional Airport photo: Jeff Holmquist, New Richmond News

loan it to EPS under terms and conditions outlined by Commerce. One condition required EPS to match the block grant loan with private funds on a dollar-for-dollar basis. For a development stage company like EPS, coming up with \$600,000 would not be easy.

*“If you can dream it, you can do it.”*

*—Lieutenant Colonel Dick Rutan, USAF*

*EPS now has the wings of Angels and the introduction of a diesel aircraft engine is another step closer to reality.*

What about family, friends, and credit cards? What about an “Angel” or better yet, several Angels? An Angel investor is a high net-worth individual that receives stock from a company in return for an investment. Since 2004, landmark legislation in Wisconsin has given Commerce a powerful new tool to help emerging

technology companies access investment capital. The legislation, called Act 255, provides Angel and venture capital investors with state tax credits in exchange for their investments in qualified start-up companies. In order for EPS to attract investors, it needed the Qualified New Business Venture designation from Commerce. That occurred earlier this year. A 25% tax credit made EPS attractive to Angels. Led by the New Richmond business community, EPS raised over \$600,000. The Eau Claire-

based Chippewa Valley Angel Investors Network also invested in EPS.

All of this led to the November 16th celebration. Darin Bielecki, an executive assistant with the Wisconsin Department of Commerce, presented a \$600,000 ceremonial check to EPS on behalf of Governor Jim Doyle. The New Richmond and Chippewa Valley Angels presented their ceremonial checks. Funds will be used to complete EPS's engine development work, leading to approval and certification by the Federal Aviation Administration. Long-term, up to 127 new jobs could be created by EPS, which plans a engine production facility in New Richmond. The facility requires a capital investment of \$41.5 million. If EPS achieves the job creation and capital investment thresholds, Commerce's Block Grant loan would be forgiven.

Lieutenant Colonel Dick Rutan, USAF (retired) was the key note speaker at the November 16th event. He was the

commander of the world's first non-stop, unrefueled flight around the world in 1986. His message was, "If you can dream it, you can do it." EPS now has the wings of Angels and the introduction of a diesel aircraft engine is another step closer to reality.

St. Croix County, Wisconsin is an exceptional area to live, work, learn, play, and grow. There are many resources to assist new and existing businesses, and a favorable business climate helps ensure success. Business advantages include lower property, corporate, and sales taxes, along with access to critical workforce talent and major transportation assets. For more information on economic development opportunities in St. Croix County, please contact St. Croix EDC at (715) 381-4383 or [bill@stcroixedc.com](mailto:bill@stcroixedc.com).