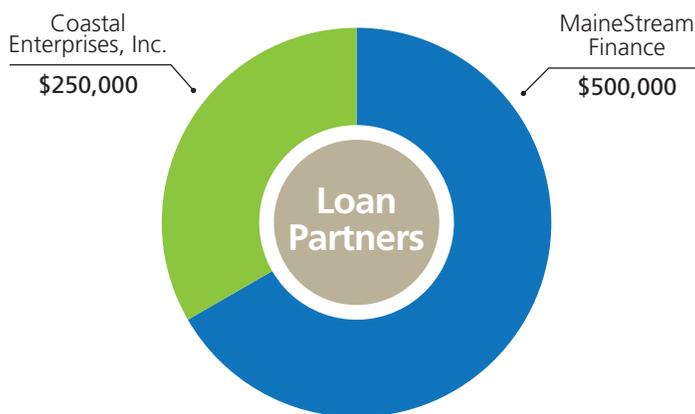


Downtown Revitalization: A Report

Impact Investing at the Maine Community Foundation

THE MAINE COMMUNITY FOUNDATION AND ITS DONORS ARE COMMITTED to strengthening local economies in Maine by supporting the revitalization of downtowns and growth of small businesses. This report offers highlights of our impact investing program that targets a revival and renewal of Maine's downtowns.



COASTAL ENTERPRISES, INC.

Maine's downtowns are central to our quality of life. When downtown facilities and residential options attract people to live, work, and shop, they contribute to the growth and sustainability of local economies. Our \$250,000 loan to CEI is being used to support downtown projects, especially enterprise development and building improvements in communities with less access to capital.

One such investment made with community foundation capital supports Tiller and Rye, a natural food market in downtown Brewer that provides locally sourced produce year-round. The market's mission is to bring customers together with local farmers.

MAINSTREAM FINANCE

Maine's economy is driven by small business. Of the 5,000 jobs created by Maine small businesses in 2014, the greatest gain came from firms with four or fewer employees, according to the Small Business Administration.

Investment Activities & Outcomes 2014-2015*

\$250,000 invested
42 permanent jobs created
55 temporary construction jobs created
8 new businesses established in Dover-Foxcroft
36,916 square feet of renovated downtown space, including 22 new housing units
\$9,573,000 in additional funds combined with MaineCF impact investing capital

*As of September 1. Note: Only outcomes for investments made for a year or longer are reflected in these figures. The investments are through CEI only.

The Maine Community Foundation has made a \$500,000 loan to MaineStream Finance to support micro-businesses in downtown and tribal communities in partnership with Four Directions Development Corporation and Community Concepts Financial Corporation. The foundation is also providing \$15,000 in grant funds to support business counseling and technical assistance to help these same entrepreneurs start and expand their businesses.

While the investment is not yet a year old, we can point to a variety of lending and technical assistance activities already under way across Maine, including a bakery in Belfast, B&B in Bethel, counseling service in Lewiston, landscaping business in Washington, and the Micmac Community Wellness Center in Presque Isle.



Program for Nonprofit Effectiveness

The Program for Nonprofit Effectiveness, a partnership between Lift360 and the Maine Community Foundation, provides technical and financial assistance to nonprofits seeking to increase their ability to deliver services more effectively and increase their social impact.

Lift360 and the community foundation are working with leaders of six community development finance institutions (CDFIs) in Maine to identify capacity-building issues. Two priorities have emerged: improving access to capital and increasing operational efficiencies in lending operations.

In 2015-2016, the community foundation will award up to \$75,000 in grants to support projects proposed by the participating CDFIs. The foundation and Lift360 will also host a series of peer learning sessions designed specifically for the institutions.

CDFIs are important MaineCF partners. They provide capital and business development services to businesses and downtown development projects.

CASE STUDY: MAYO MILL

“When is an investment more than an investment?” asked *Portland Press Herald* reporter J. Craig Anderson in his article “Investing in Maine for solid returns, better world” (July 30, 2015). His answer: “When it produces financial gains while also helping the community through urban renewal, job creation or environmental protection.”

Anderson’s article highlighted the success of a major investment, restoration of the Mayo Mill in Dover-Foxcroft. With loans from CEI, Maine Community Foundation, and other partners, the mill, which once housed the Moosehead Manufacturing Company, has been converted into a mixed-use development.

The project is the first of its kind in Piscataquis County: a modified mill complex that aspires to become 100% reliant on renewable energy. Mayo Mill houses eight businesses, including a boutique inn and café, as well as 22 residential apartments (at modest rents for moderate-income residents), and a data center for expanded broadband internet access for this part of rural Maine.

The Mayo Mill project celebrated its grand opening on August 1. The project restores a beacon property and establishes a precedent for larger complex and innovative financial structures that can help return vitality to rural downtowns.

“One of the beautiful things about impact investing is the ability to pool funds together to tackle larger projects and in some cases attract traditional financing to stretch philanthropic dollars even further.”

—Peter Lamb, impact investor



For more information about this program, please contact Peter Taylor at ptaylor@mainecf.org or visit www.mainecf.org