Webinar

Creative Places and Businesses Catalyzing Community Growth

Laura Callanan, Upstart Co-Lab
Alan Ramirez, Colorado Enterprise Fund
Betsy Biemann, Coastal Enterprises, Inc.
Sam Marks, LISC NYC
The Arts Contributed a Staggering $763 Billion to US Economy, According to New Data

That’s 4.2% of the US economy — more than the entire GDP of Switzerland.

Arts Sector Contributed $763.6 Billion to U.S. Economy—More Than Agriculture or Transportation, New Data Shows
U.S. SRI Assets by Year
2012: $3.74 Trillion
2014: $6.57 Trillion
2016: $8.72 Trillion

“Assets in SRI investing at the start of 2016 represent nearly 22% of the $40.3 trillion in total assets under management tracked by Cerulli Associates. From 1995 to 2016, the SRI universe has increased nearly 14-fold”

- US SIF 2016 Trends Report
#CreativityLens
Small business is our biggest investment.

Colorado’s Creative Economy
Alan Ramirez - Director of Lending
Upstart Webinar – Thursday May 3 2018

1888 Sherman Street, Suite 530
Denver, CO 80203
Creative Business Story: Dragonfly Apparel-Denver

Business Summary
• Started: 2002
• Purchased: 2015
• Type: Retail
• Impact: 2 FTE; 2 PTE

“We found a great community of support and a team to help us make the right decisions to grow and succeed.”
- Allison and Casey Orr, owners

Small is success for this customer-centric Main Street boutique: https://www.facebook.com/DragonflyApparel/
Business Summary

• Started: 2013
• Type: manufacturer
• Impact: 16 FTE
• VALOR loan: Veteran-owned

“We were so glad that we found CEF at the appropriate time for our business.”

- Jeremy Priest, Co-Owner
  (Pictured with co-owner Mark Johnson)
Creative Business Story:
Let Em Have It Salon - Denver

Business Summary
• Started: 2013
• Type: service
• Impact: 5 FTE
• Awards: B Corp, Certifiably Green social enterprise

“With our CEF loan, we were able to get our business open, get great feedback from the community, and have continued to grow since.”
- Fallene Wells, Co-Owner

Eco-friendly salon greening the beauty industry
http://www.letemhaveitsalon.com/

Creating big opportunities for small business. www.coloradoenterprisefund.org
Creative Business Story: Maria Empanada-Denver

Zagat-rated Latina-owned bakery
http://mariaempanada.com/

Business Summary
• Started: 2011, relocated 2014, expanded to 2 more locations
• Type: Restaurant/bakery
• Impact: 5 FTE; 9 PTE
• Featured on Food Network; 2017 CO Small Business Person of the Year

"Without the help of CEF, we couldn’t have expanded to our larger location with the necessary equipment and staff to succeed."
- Lorena Cantavorici, Owner
connect with us

Alan Ramirez
Director of Lending
720.473.4063
alan@coloradoenterprisefund.org

More information and application at:
www.coloradoenterprisefund.org
Coastal Enterprises, Inc. (CEI)

Good Jobs, Environmentally Sustainable Enterprises & Shared Prosperity
Building an Economy that Works for Everyone

- Mission-driven investment pioneer in rural regions & gateway cities
- Intermediary for banks, foundations, religious organizations, funds, institutions, and individuals
- Over $139 million in total assets
- Focus: growing good jobs, environmentally-sustainable enterprises, and more broadly shared prosperity
- Aeris rated AA- + 4*

* A Four-star impact performance rating is the highest impact performance rating awarded. A Policy Plus rating recognizes that policy change is an integral part of the fund’s strategy to benefit disadvantaged people and communities. AA- financial strength and performance rating is awarded for very strong financial strength, performance and risk management practices relative to size, complexity, and risk profile.
From our first investment in the Boothbay Fish and Cold Storage Facility to recent examples such as St. Croix Tissue.

- Delivered $1.32 billion/leveraged $2.8 billion to 2,728 rural businesses
- Created/retained 37,705 jobs
- Rural is now recognized as a political & economic challenge
- Our legacy puts CEI at the vanguard of spotting opportunities and convening problem-solvers

St. Croix Tissue, Baileyville, ME
40 years Connecting Investments to Impact

Company Coaching

Financial Investments

Workforce Partnerships

Community impact
CEI’s Investments in Creative Businesses

- 307 investments for $20 million since 1981
- 24 investments for $4 million in 2015-17
- Approximately 10% of our lending activity
- “Bar bell” pattern
  - small businesses relating to specialty food, graphic design, etc.
  - Larger facility loans such as museum construction
Center for Maine Contemporary Art, Rockland
Center for Maine Contemporary Art, Rockland

- Construction loan for new facility
- Attendance grew from 9,000 – 40,000 visitors
- Diversifying coastal fishing economy to include contemporary arts destination
- Attracting young people to “graying” state
Grime Studios, Portland
Grime Studios, Portland

- Financed renovation of space for music studios
  - Existing space was purchased, torn down
- Twenty rental studios
- Serving 50 bands per month
- Attracting young people to “graying” state
Fork Food Lab, Portland
Fork Food Lab, Portland

- Business development coaching
- SBA loan plus gap loan from CEI for equipment
- First food incubator in Portland
- Six CEI clients use food safety certified kitchen space
- Merged with Brooklyn-based Foodworks in 2017
  - Enabling Fork Food Lab clients to access New York City markets, supplier discounts
Coastal Enterprises, Inc. (CEI)

www.ceimaine.org
NYC
INCLUSIVE CREATIVE ECONOMY FUND

LISC NYC
Local Initiatives Support Corporation ("LISC") is a Section 501(c)(3) tax exempt New York not-for-profit corporation. The NYC Inclusive Creative Economy Fund (the "Fund") is a new program of LISC's New York office ("LISC NYC") being designed to make available debt to finance the expansion of commercial real estate available for artists and hand trade crafters including small batch industrial fabricators in underserved neighborhoods in the New York Metropolitan area.

The assets and liabilities of LISC NYC and the assets and liabilities of the Fund, if and when operative, are not and will not, be segregated from the assets and liabilities of LISC. All references to the term "Fund" in these slides refers only to the new program and not to any entity separate from LISC or pool of assets separate from the assets of LISC, and no such separation or segregation should be implied. LISC NYC is designing the Fund in collaboration Upstart Co-Lab, an organization whose goals are to increase opportunities for Artists as Innovators, unleash large new sources of Capital for Creativity, and enable Sustainable Creative Lives in the United States.

It is anticipated that the debt securities mentioned herein, "LISC NYC Inclusive Creative Economy Fund Notes" or "Notes," if and when offered, will be offered solely to "accredited investors" in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, for the securities of charities.

These slides are not, and shall not deemed to be, an offer for any securities, including the LISC NYC Inclusive Creative Economy Fund Notes. Any such offer, will be made pursuant to a private offering memorandum, if and when available, and shall be offered only to "accredited investors."

Any such offering will not be registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon an exemption contained in Section 3(a)(4) of such Act, or with any state under state "blue sky" securities laws.

Certain statements included herein constitute “forward looking statements” within the meaning of the United States Private Litigation Reform Act of 1995. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” or similar words. These forward looking statements may be based in whole or part on LISC’s management’s current plans or expectations, which are subject to change without notice, as well as to a number of known and unknown uncertainties and risks, many of which are beyond its control, that could significantly affect current plans and expectations, and LISC’s future financial position and results of operations. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward looking statements contained herein.

Executive Summary

The NYC Inclusive Creative Economy Fund is an opportunity for accredited investors to invest in New York City’s affordable, inclusive creative spaces.

THE GOAL:
To foster quality job opportunities for low- and moderate-income, middle-skill New Yorkers.

THE INVESTMENT OPPORTUNITY:
• Note offering 2.75% annual interest
• Unsecured and general recourse to LISC, rated AA by S&P
• Matures May 1, 2026
NYC job quality is getting worse, inequality is increasing, housing is expensive

High quality jobs are being replaced by low quality jobs.

The gap between high and low earners is widening.

Housing prices are higher than the national average.
NYC’s Creative Economy

- Among the fastest growing segments of NYC economy
- Over 25,000 businesses are in creative industries in NYC
- Approximately 300,000 jobs

How can we promote an *inclusive* creative economy that benefits low- and moderate-income New Yorkers?
The Approach

Help create / preserve affordable spaces for light manufacturing, business incubation, maker/artist studios and cultural activities so that inclusive creative businesses can thrive in NYC.
Loans closed 2017+

- Greenpoint Manufacturing & Design Center
- RestorationArt
- ArtBuilt Brooklyn
Impact Criteria

Location factors

Job quality

Community collaboration

Leverage

Borrower profile
### Terms of the Fund

<table>
<thead>
<tr>
<th>Term</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>ISSUER</strong></td>
<td>LISC</td>
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<tr>
<td><strong>MATURITY</strong></td>
<td>May 1, 2026</td>
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<td><strong>INTEREST</strong></td>
<td>2.75%</td>
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<td><strong>COLLATERAL</strong></td>
<td>Unsecured</td>
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<td><strong>RE COURSE</strong></td>
<td>Full recourse to LISC, pari passu with LISC’s existing debt</td>
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<td><strong>INVESTMENT MINIMUM</strong></td>
<td>$100,000</td>
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<td><strong>RISK FACTORS &amp; TRANSFER RESTRICTIONS</strong></td>
<td>See Offering Memorandum</td>
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Connecting Impact Investors to the NYC Creative Economy

NOTE PURCHASERS ➔ LOCAL PARTNERS ➔ COMMUNITY ASSETS ➔ NOTE PURCHASERS

1. Capital Invested
2. Capital Deployed
3. Asset Developed
4. Capital Repaid
The Local Initiatives Support Corporation (LISC) forges resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families.

LISC is a Community Development Financial Institution (CDFI) that has a nearly 40-year track record of facilitating investment in communities.

LISC is AA rated from Standard and Poor’s

Since 1980, LISC has borrowed over $1.6 billion. LISC has repaid all of its debt obligations on time and in full.
For more information and to invest, visit [COMING SOON!]

Follow us on Twitter @LISC_NYC #InclusiveEconomyNYC
Thank you for joining the webinar!

Please complete the survey to help us quantify the capital deployed to creative places and creative businesses in low income communities in America today.

Survey available on the event registration page or [https://tinyurl.com/y7bujk2u](https://tinyurl.com/y7bujk2u)

For questions contact wardwolff@upstartco-lab.org