

# INVEST APPALACHIA

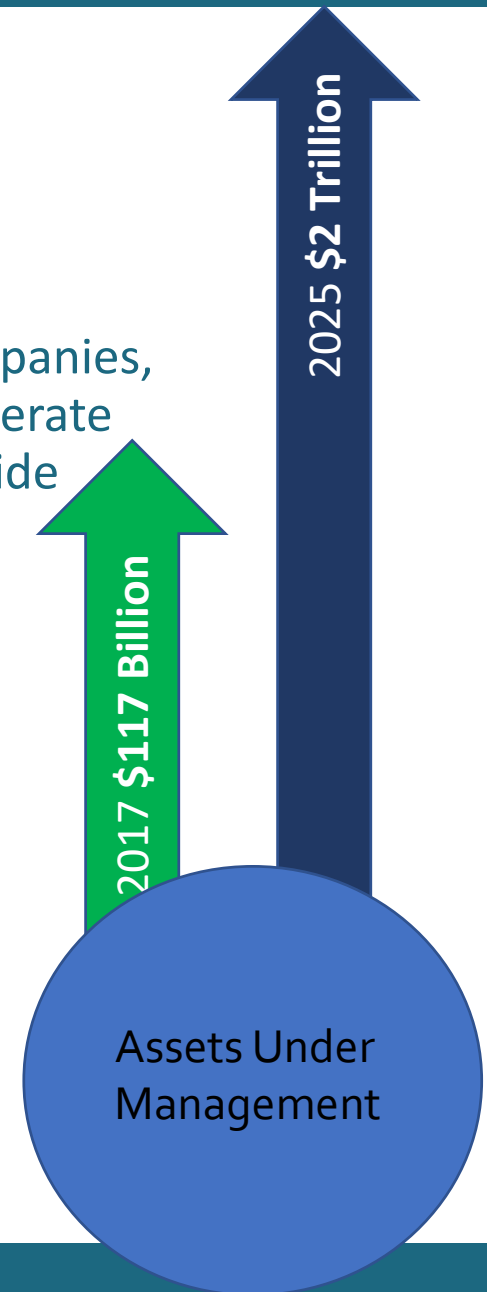
Investing in Central Appalachia's Drivers for  
Community & Economic Development

INVEST  
APPALACHIA  
COLLECTIVE  
RESEARCH &  
DESIGN  
PARTICIPANTS

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# ATTRACTING IMPACT INVESTMENT TO CENTRAL APPALACHIA

- Impact Investments: investments made into companies, organizations and funds with the intention to generate positive social and environmental impacts alongside the financial returns.
- \$117 billion in impact investing assets currently under management.
- 40% of all impact investing dollars are in North America.
- One-third of impact investors targeted below market rate returns



# THE SOLUTION: A COLLECTIVE APPROACH FOR REGIONAL IMPACT

Deep networks of trust among key partners

Networks

Tools

Comprehensive tools & tactics of blended finance

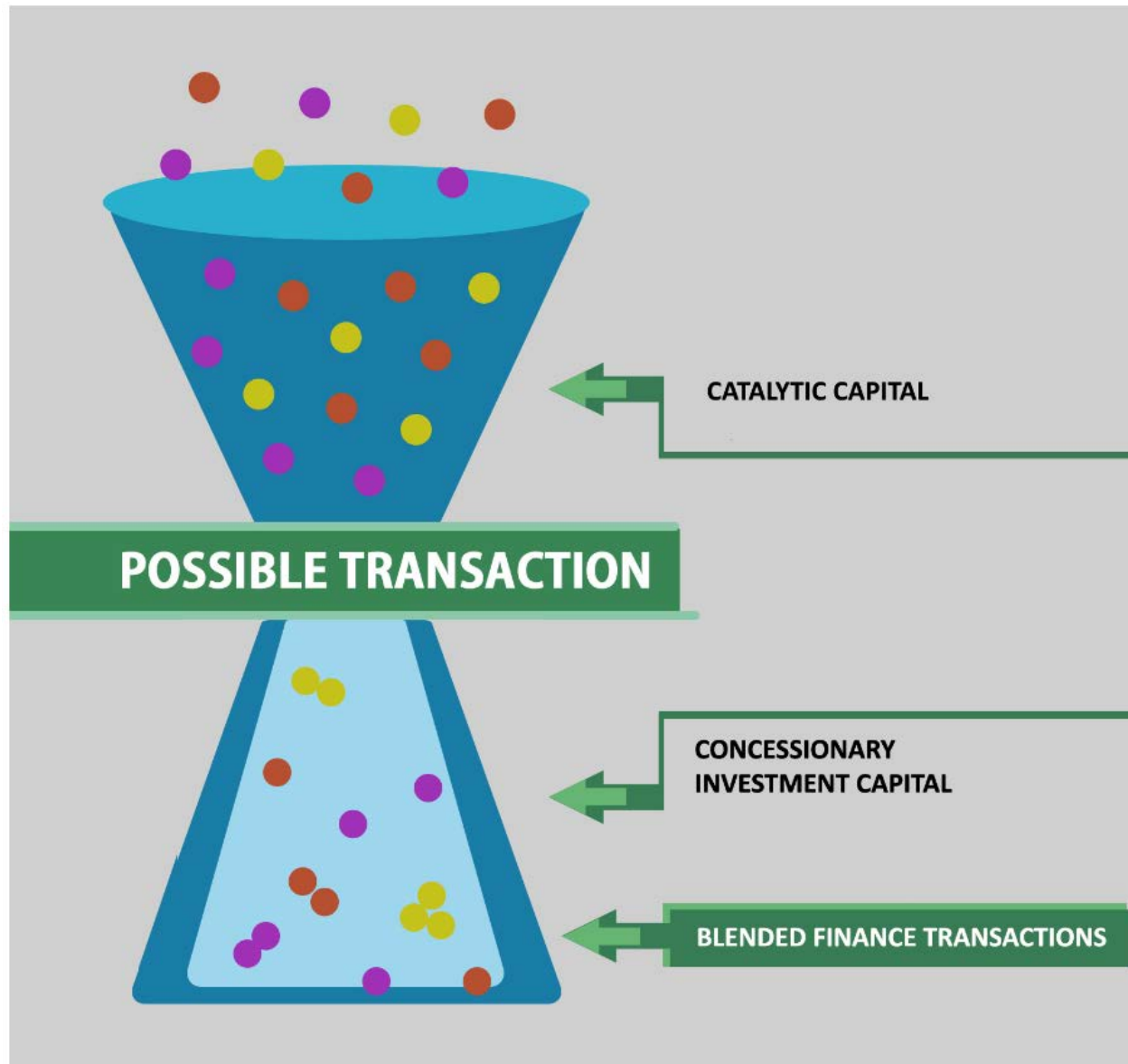
Demand

Demonstrated demand for capital across key sectors

INVEST  
APPALACHIA  
COMMUNITY  
DRIVEN:  
BUILT ON 5  
CORE VALUES

- Participatory: Embed in existing ecosystem to grow local capacity & support regionalism
- Accessible: Ensure access for borrowers and investors of all sizes, from the main streets to the hollers – “one stop shop”
- Transparent & Democratic: Be transparent and democratic in both process & structure
- Equitable: Expand diverse local ownership and opportunities for everyone to participate in the emerging economy
- Self-Reliance: Prioritize local ownership of enterprises and community wealth

# STIMULATING OPPORTUNITIES BUILDING NEW ECONOMIES



# Invest Appalachia: Integrating 3 types of capital



**Social Capital** – IA as “ecosystem quarterback” identifying opportunities and coordinating capital to accelerate existing place-based and industry sector clusters

- Stakeholder convenings for training and education
- Coordinated, regional impact data collection



**Philanthropic Capital** – \$17M grant pool providing coordinated capacity-building support to remove barriers to pipeline development

- Strategic and technical assistance grants
- Loan-loss reserves
- Credit enhancements



**Invest Appalachia Fund (IAF)** – \$40M equity fund providing patient debt and subordinated loans to businesses, intermediaries and community facilities to advance key sectors

- Equipment and facility loans
- Project finance
- Bridge loans

# FOUR PRIORITY SECTORS



## Clean Energy

**Opportunities** - Renewable energy, energy efficiency, mine land reclamation

Anticipate 35% of investments at average loan size of \$250,000



## Creative Placemaking

**Opportunities** –Heritage and eco-tourism, downtown revitalization and small business development

Anticipate 35% of investments at average loan size of \$1,000,000



## Community Health

**Opportunities** - Health care access, affordable housing, early childhood education, other social determinants of health

Anticipate 20% of investments at average loan size of \$500,000



## Food & Agriculture

**Opportunities** - Aggregation & distribution, food hubs, artisan and value-added food production

Anticipate 10% of investments at average loan size of \$100,000

Flexible Financing for Intermediaries, Enterprises, Community Facilities & Real Estate projects





## Connections

Projects and clusters advance investments made in communities and align with regional priorities



## Leverage

Leveraged the strengths and current capacity to support regional development including IA operations



## Raise

Raised the profile and accessibility of Appalachia with as seen by expanded pool of capital sources throughout the region



## Increase

Engaged placed-based impact investors with deep regional expertise that allows for streamlining processes.



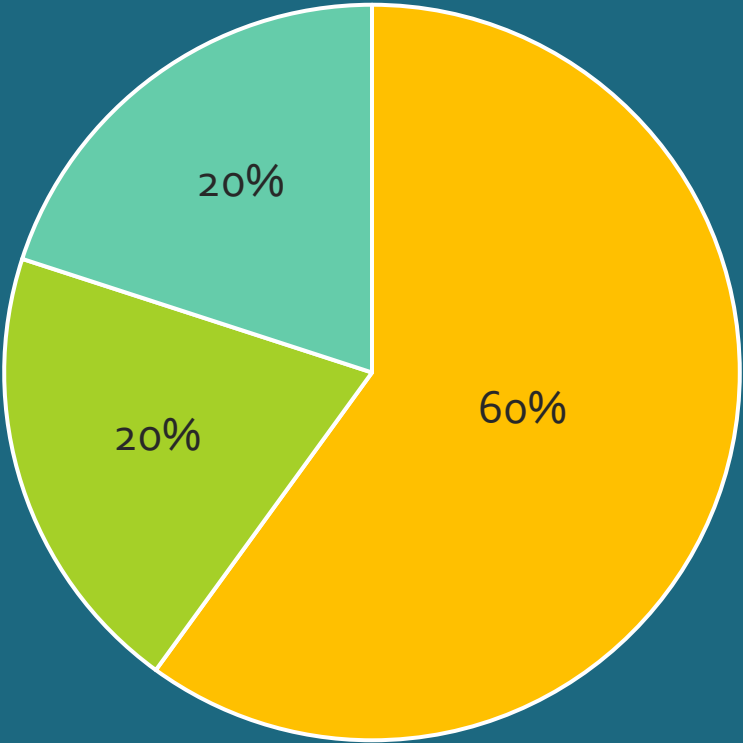
## Build

Built a pipeline of deals flowing to Main Street & to the hills and hollers that are deeply connected to their community and partners.

DESIGNED TO SERVE THE REGIONAL ECOSYSTEM

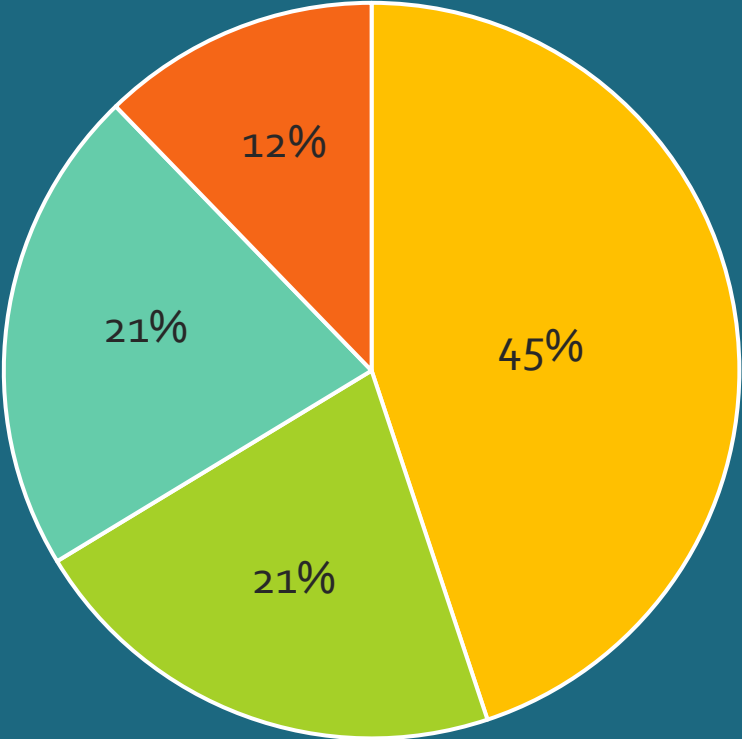
# PROJECTED INVESTMENT MIX

### \$40M LLC Fund



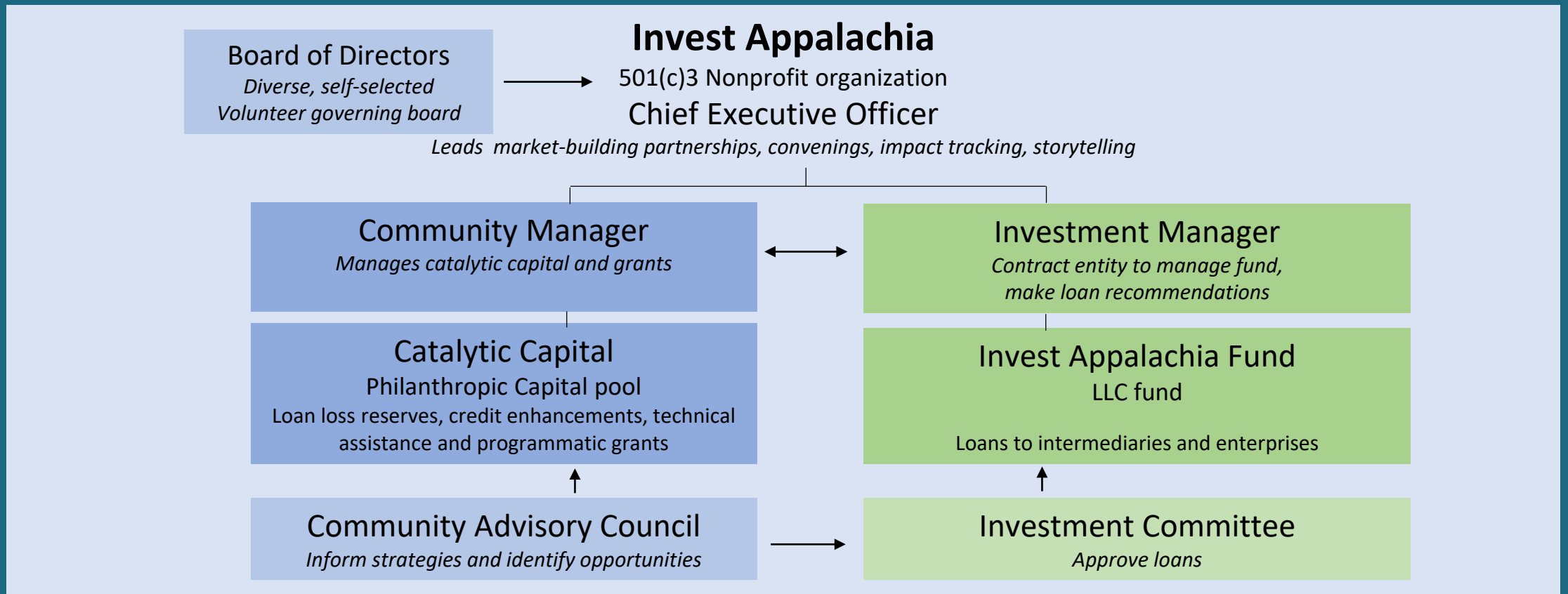
- Facilities/RE - \$24M @ 5-6%
- CDFIs - \$8M @ 2-3%
- Enterprises - \$8M @ 6-7%

### \$17M Philanthropic Catalytic Capital



- LLRs/Credit Enhancements
- TA
- Other Grants
- Equity-like loans

# INVEST APPALACHIA LEGAL STRUCTURE



# INVEST APPALACHIA BOARD OF DIRECTORS

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**Debbie Phillips**, Rural Action, Albany, OH

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**Bill Shelton**, Virginia Dept. of Housing & Community Development - retired, Richmond, VA

**Stephanie Tyree**, WV Community Development Hub, Fayette County, WV

**Thomas Watson**, Rural Support Partners, Asheville, NC

# TIMELINE & CRITICAL STEPS

