



NATURAL CAPITAL INVESTMENT FUND

FALL 2015 NEWSLETTER

NCIF's 2014 Impact Report



We're pleased and proud to share **NCIF's 2014 Impact Report** on the economic and environmental successes of our 98 active portfolio companies. All told, they created 648 new jobs, while diverting over 1,500 garbage trucks of material from landfills, delivering 5 million lbs. of local food, generating or saving enough energy to power thousands of homes, and more! [Read here](#) how these entrepreneurs are changing their communities, one business at a time.

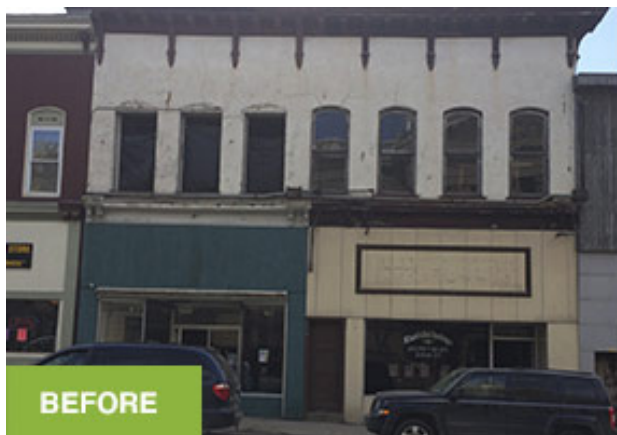
\$1.65 million grant!

We're also pleased to report that NCIF was awarded a \$1.65 million grant from the US Treasury's CDFI Fund on September 10! NCIF was one of 195 CDFIs to receive \$202 million in awards.



Main Street Makeover

Fairmont, West Virginia, a former coal mining town, is redefining itself, and **Mainstreet Fairmont** Executive Director Kate Greene is very clear about her organization's role: "We're fighting for a revitalized Fairmont." Fairmont's abundant above-ground assets - the Monongahela River, a developing rails-to-trails network, a growing small business community, and a downtown with handsome historic buildings - are clearly worth fighting for.



The non-profit's first renovation, the 1919 Fleming-Cochran Building (so decayed, says Greene, "workers had to wear hazmat suits to clean out the garbage"), got a critical boost when US Senator Joe Manchin signed on as the anchor tenant of the retail, office and housing project. First Exchange Bank and the WV Affordable Housing Authority stepped up to help with financing, but the \$610,000 project nearly

imploded when another key early funder pulled out. Greene called NCIF. She says, “NCIF understood that time was of the essence, and responded quickly. We came with baggage, and they helped us carry it the rest of the way.”

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“Honestly, if it hadn’t been for NCIF, this deal wouldn’t have happened,” says Tom DeVito of First Exchange Bank. “NCIF was the necessary third leg to get it done.” Says Greene (who clearly relishes a challenge), “Now we’re ready for project #2. We want to demonstrate that this kind of public/private/non-profit partnership can transform main streets all across Appalachia.” The grand opening for the renamed Citizens Building is scheduled for October, 2015.

NCIF, with support from the Claude Worthington Benedum Foundation, is undertaking a market assessment of the need for gap financing from Community Development Financial Institutions (CDFIs) to support main street redevelopment projects in West Virginia.



Brewing a winning start up: Epiphany Craft Malt

Question: What do Tim Kuhl of Perry Farms in Wake Forest, NC and Erik Myers of [Mystery Brewing](#) in Hillsborough, NC have in common?

Answer: Barley.

Tim grows it, and Erik needs sprouted and dried barley, aka malt, to make his intriguing line of seasonal craft beers.

Linking Tim and Erik are Sebastian and Leila Wolfrum, who are launching Epiphany Craft Malt in Durham, NC. Epiphany will be the largest craft malter in NC and the Southeast, and the start-up promises to complete the craft beer “value chain” in exciting ways.

The idea for Epiphany came from, well, an epiphany the Wolfrums had while attending a 2013 “listening session” on the craft beer industry. “The NC Department of Agriculture wanted to learn what it could do to help the craft beer industry, and Leila and I were kicking around the idea of starting a distillery,” recalls Sebastian. “Craft brewers in the room expressed frustration at having to buy their malt (the

essential ingredient of beer) from large Midwest agribusinesses. Leila and I looked at each other and knew malt was the opportunity.”

“*Craft brewers in the room expressed frustration at having to buy their malt from large Midwest agribusinesses.*”

From the start, Sebastian has been committed to involving NC farmers in his business. Tim Kuhl, who grew his first crop of barley for Epiphany this year, says Epiphany is as important to NC farmers as it is to city dwelling beer enthusiasts. “Barley is a way to diversify away from tobacco,” says Kuhl. “A unique value proposition – that’s what Epiphany is all about for me.”

Sebastian’s technical expertise (he apprenticed as a brewer and malter at the Ayinger Brewery in Bavarian) and Leila’s commitment to growing NC’s burgeoning local food scene (she’s the General Manager of [Durham Co-op Market](#)) convinced NCIF, a group of local angel investors, Self-Help, and Capital Bank to fund their start-up. The process of lining up the financing package took over two years.

According to Sebastian, “NCIF was at the table right from the get-go, and this wouldn’t have happened without NCIF’s early commitment to our project.” In addition to helping farmers and brewers, Epiphany will create 5 direct jobs in an economically distressed neighborhood of Durham. Epiphany expects to produce its first batch of malt in Q4 2015. Says Sebastian, “Every week, we get calls from breweries inquiring when they can start buying malt.”

NCIF specializes in financing local food enterprises– growers, aggregators, value-added producers, retail markets, and brewers of hoppy pale ales! [Durham Co-op Market](#) and [Mystery Brewing](#) are NCIF borrowers, too.

Hooray 7a! NCIF partners with SBA

NCIF has accomplished yet another West Virginia “first:” we’ve been approved as the state’s first Small Business Administration Community Advantage 7(a) Lender.

“Community Advantage will help us manage the calculated risks we take to fund good businesses that create jobs in communities that need them,” says NCIF’s Director of Lending Anna Tefft. “And, the ability to sell the guaranteed portion of loans helps us recycle our loan capital.”

SBA’s WV Director Karen Friel says, “We’re excited NCIF has stepped up to be West Virginia’s first SBA Community Advantage lender. We look forward to NCIF utilizing SBA’s 7a program to help small businesses get the capital they need to start and grow.”

NCIF will use the SBA Community Advantage program across its nine-state geography.



Enrique’s Exit

We sadly bid goodbye to NCIF’s energetic marketing director, Enrique Perez, who was instrumental in taking NCIF’s public persona and impact reporting to a whole new level.

Our loss is RSF Social Finance’s gain – Enrique started August 17th in San Francisco as RSF’s Communications Manager. Best of luck, Enrique!

You can reach Enrique at enrique.perez@rsfsocialfinance.org.

THE CONSERVATION FUND

Natural Capital Investment Fund supports entrepreneurs who are creating jobs and triple-bottom-line businesses in underserved communities in Central Appalachia and the Southeast. We are a business loan fund with expertise in farm-to-table, alternative energy, forest products, and eco-tourism. Founded in 2001, NCIF is a U.S. Treasury-certified Community Development Financial Institution (CDFI) affiliated with The Conservation Fund.

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