



# Building an Economy that Works for Everyone



IMPACT 2018



## ***What does CEI do?***

---

Lends to and invests in businesses and community organizations

---

Provides comprehensive business advice

---

Works closely with entrepreneurs to solve operational, workforce and environmental problems

---

Offers expert advice in natural resource-based industries

---

Counsels homeowners and homebuyers, and coaches individuals and families on financial management skills

---

Advocates for pragmatic policies that build an economy that works for everyone



*We believe that small businesses*  
**transform rural economies  
and communities.**

The entrepreneurs we work with in Maine, and through our subsidiaries, across rural America, launch and grow innovative businesses, create good jobs and sustain the environment. By cultivating these businesses, local partnerships and smart federal and state policies, we lift up rural economies and strengthen communities.

Our accomplishments in 2018 reflect the incredible support and engagement of many colleagues and partners throughout the financing, business, environmental and community development sectors, who are committed to Maine and the vitality of rural regions.

We invite you to invest with us.

**Betsy Biemann**  
CEO

**Keith Bisson**  
President

**Christa Velasquez**  
Chair, Board of Directors

# Impact at a Glance

**IN ALL, THE CEI FAMILY OF ORGANIZATIONS DEPLOYED OVER \$89 MILLION TO 103 BUSINESSES** in mostly rural regions across Maine and the U.S. in loans, microloans, equity and tax-credit financing. This lending and investment contributed to the creation and preservation of **2,026 JOBS** across industries, including sustainable agriculture, food systems, aquaculture and fisheries, renewable energy, manufacturing, downtown revitalization and the arts.



CEI DEPLOYED OVER

# \$15M

TO 84 BUSINESSES IN MAINE

## **CEI PROVIDED ADVICE TO 2,567 INDIVIDUALS IN MAINE**

amplifying the impact of our loans and investments through business advice, financial skills training and housing counseling.

## **ADVOCATED FOR POLICIES**

on a range of issues, including workforce development, sustainable agriculture practices, family financial wellness, consumer financial protection and access to broadband services and renewable energy.

## **LAUNCHED NEW FINANCING PRODUCTS**

to encourage small business growth, including Wicked Fast Loans.

## **INVESTED \$2.7 MILLION IN RENOVATION OF FOUR HISTORIC PROPERTIES USING STATE HISTORIC TAX CREDITS**

One of those projects is Portland's Reed School, the new, permanent home of Children's Odyssey, a preschool that provides high-quality, structured programs for children of varied developmental levels.

## **WORKED PROACTIVELY WITH BUSINESSES**

across our portfolios to boost job quality, including living wages, employee benefits and other factors that contribute to a fair and engaging workplace, business profitability and vibrant communities.



**CEI CAPITAL MANAGEMENT CLOSED FOUR NEW MARKETS TAX CREDIT TRANSACTIONS TOTALING \$68 MILLION**

including construction of a mill by Columbia Pulp I, LLC to convert wheat and straw into consumer products. That mill, located in Washington State, is slated to create 87 full time jobs.

**CEI VENTURES CLOSED EIGHT VENTURE CAPITAL INVESTMENTS TOTALING \$1.4 MILLION**

including financing for Westbrook, ME-based home energy storage provider Pika Energy, as they expand manufacturing and sales of proprietary technology for integrating distributed energy resources.

**CEI'S NEW SUBSIDIARY, BRIGHT COMMUNITY CAPITAL**

is investing in non-residential solar projects in communities with low- to moderate-incomes, a historically underserved segment of the market. The projects deliver environmental and social benefits, through climate-friendly energy production, sustainable land management at project sites, good jobs in installation and maintenance, and a lower cost of energy for low-income residents.

**THE CEI FAMILY** of organizations operates under a shared mission to grow good jobs, expand environmentally sustainable enterprises and increase more broadly shared prosperity in Maine and rural regions throughout the U.S.

**COASTAL ENTERPRISES, INC.**

<b>Betsy Biemann, CEO</b>	Federal and State Policy Advocacy
<b>Keith Bisson, President</b>	Housing and Student Debt Counselling
Business Lending and Investment	Maine and New England
Business and Workforce Development Advice	60 Staff
Natural Resources Based Industry Expertise	

CEI Ventures	CEI Capital Management	Bright Community Capital	Additional Subsidiaries
<b>Nat Henshaw, Managing Director</b> Equity Investments Northeast 3 staff	<b>Charlie Spies, CEO</b> New Markets Tax Credit Financing National 17 staff	<b>Niels Zellers, CEO</b> Solar Project Investments National 2 staff	30 Federal St. Investments CEI Housing Maine Staffed by CEI

# Good Jobs



Reviving the economy in Maine requires a multi-pronged approach:



**Today, CEI provides twice as much financing to small businesses as we did eight years ago, connecting more people with training and jobs that enable them to support their families.**

Good jobs benefit businesses, workers and communities. In 2018, we developed a framework for how to help business owners hire and retain employees. Prior to providing capital, we measure the quality of current and projected jobs using a new assessment tool that we have integrated into our due diligence process. When we lend to or

invest in a business, we also provide business advice and workforce expertise, partnering with local service providers and industry specialists to ensure that workers have the skills, experience and knowledge to succeed in their new jobs. Our goal is to benefit entry-level workers while helping businesses improve their financial performance.

**CEI GOOD JOBS FRAMEWORK** includes a living wage (using the MIT Living Wage Calculator); basic benefits (paid time off, employer-subsidized health coverage, retirement savings); and a fair and engaging workplace (scheduling notice, performance reviews, training opportunities to develop new skills).

<b>LIVING WAGE</b>	<b>BASIC BENEFITS</b>			<b>FAIR &amp; ENGAGING WORKPLACE</b>		
	<b>Paid time off</b>	<b>Health benefits</b>	<b>Retirement savings</b>	<b>Scheduling notice</b>	<b>Performance reviews</b>	<b>Training/ tuition</b>



### CEI AND CEI VENTURES INVEST IN GOOD JOBS WITH JUNORA

In 2018, CEI Ventures closed a \$500,000 minority investment in Junora Ltd., a startup company providing advanced metallurgical products for the global vacuum coating industry.

Junora is in the design and build phase of making its own unique manufacturing equipment. In parallel, the company is developing a specialized energy source needed for the manufacturing process. The equity investment will help accelerate Junora's efforts this year, bringing new technology and solutions in rotary sputtering, a process used by the vacuum coating industry.

Junora currently employs 12 people and expects to grow by 30 new jobs over the next several years. Founder, Dean Plaisted, has a strong track record of creating good jobs through establishing apprenticeships and career ladders in the machining/fabrication profession and providing living wage jobs with benefits. In addition to securing a CEI loan for working capital and equipment, Junora is engaging CEI's Workforce Solutions team to help with recruitment and training for skilled positions.

Junora is headquartered in Biddeford, Maine, once a leading center of American manufacturing. The company's presence in the city will contribute to the local economy and help families in the area secure a decent livelihood.



### BUILDING A PUBLIC HEALTH WORKFORCE

Greater Portland Health (GPH) is a federally qualified health center in Portland, Maine, committed to providing high-quality healthcare to a diverse client base, regardless of ability to pay.

Patients receive financial counseling, peer support, case management and a full suite of healthcare services that includes medical, behavioral and oral healthcare. GPH's 96 staff members annually serve over 10,000 patients, of whom approximately 50 percent are uninsured and may not have had prior access to healthcare services.

GPH is committed to creating good jobs, offering full benefits, vacation time, training and fair wages. When GPH began operating as an independent nonprofit after four years of support from the City of Portland, CEI provided workforce development assistance to GPH as it recruited and trained its diverse staff. Since paying off its first loan from CEI, GPH has accessed a line of credit and two additional loans—most recently, in July 2018—allowing the organization to build and expand facilities, bring IT infrastructure in-house, reduce expenses and provide more healthcare services to patients who are uninsured.

***“We were a huge risk, barely able to make payroll at the time. As a standalone nonprofit, we wouldn't be here without CEI.”***

—GREATER PORTLAND HEALTH CEO, ANN TUCKER

# *Environmentally Sustainable Enterprises*

**CEI is committed to advancing an economy fueled by renewable energy and green jobs, sustaining our natural resources for future generations.**

People in Maine and in rural regions across the United States are deeply connected to the environment and experience the impacts of a changing climate in their daily lives. They also face economic uncertainty and job loss in the transition away from legacy industrial manufacturing. CEI invests in solar projects through business and construction loans and through its new subsidiary, Bright Community

Capital, with the goal of expanding access to renewable energy. A study commissioned by CEI and The Nature Conservancy (TNC) identifies strategies to transition Vermont, New Hampshire, and Maine to a clean energy economy. Innovative public-private partnerships and new investments can spark a clean energy future that has the potential to catalyze the creation of new jobs and lower greenhouse gas emissions.

**40%**

**of CEI's loans and investments** were made to businesses that produce goods and services that benefit the environment or conserve natural resources

**43%**

**of businesses receiving financing and advice** from CEI are actively reducing their impact as a result of CEI financing or services

*ORPC's commercial RivGen® device that will be deployed in Kvichak River at Igiugig, Alaska in 2019.*



In collaboration with the Maine Climate Table and the opinion research firm Goodwin Simon Strategic Research, CEI conducted an analysis of climate change perceptions in order to meet Mainers where they are on the challenges ahead. These research findings are not only

influencing CEI's work, they are also being shared with stakeholders in Maine through workshops and trainings and informing legislative strategy at the state and federal levels.



#### ADAPTATION STRATEGIES FOR FISHERIES

**As part of a long-term effort to help communities and industries adapt to a changing climate and future of work,** CEI is pioneering new scallop aquaculture techniques with Maine fisheries businesses. The project aims to establish an economically viable market for farmed Atlantic sea scallops and test Japanese scallop production techniques in the U.S. for the first time. The scallop research builds on Aquaculture in Shared Waters, a training program developed by CEI and the Maine Aquaculture Association for commercial fishermen and the next generation of Maine's seafood entrepreneurs. Working in partnership with organizations with diverse expertise, from financing and business coaching to licensure and aquaculture science, CEI is responding to ongoing challenges to Maine's iconic seafood industry—helping fishermen adapt and become entrepreneurs in the face of changing marine conditions and species trends, and an uncertain economic future.

# More Broadly Shared Prosperity

**Not everyone can access the capital and resources they need to start or grow a business. That's when CEI steps in.**

Most of the entrepreneurs we lend to or invest in are not able to access financing from traditional sources. But CEI doesn't stop with financing. Over 2,000 individuals and families access business advice, and housing, debt, and asset development counseling from us each year. We work in partnership with many organizations across Maine to connect people with low incomes to good jobs with local businesses. We also advocate for policies that level the playing field and address systems challenges. **In 2018, over 75% of CEI's loans and investments benefitted people and/or communities with low incomes.**



*C. Love Cookie Project, Portland, ME*

**STARTSMART** provided 785 hours of expert advice to 113 entrepreneurs who came to Maine as immigrants and refugees. With help from CEI, Mariama Jallow, owner of Mariama's Beauty Supply in Portland, secured a Wicked Fast Loan to add a full-service salon to her store. CEI is the only provider of Sharia compliant fee-based business loans in Maine and offers a matched saving account for financial skills training participants.



*Mariama's Beauty Supply, Portland, ME*

*“I know how to bake cookies and love people, but doing numbers and business etiquette, I don’t know well. CEI is connected in the community and so appreciated. The fact that these services are free is just unbelievable.”*

—KATHERINE SLEVIN, OWNER, C. LOVE COOKIE PROJECT

### WOMEN’S BUSINESS

**CENTERS AT CEI** provided 1,864 hours of one-on-one coaching to 380 entrepreneurs, including Katherine Slevin, owner of C. Love Cookie Project, and 1,771 hours of workshop training to 562 entrepreneurs.



### CEI’S HOUSING COUNSELING AND EDUCATION TEAM

“I’m certain that had it not been for the efforts of CEI we would have tumbled into the street,” said Mr. Chadborne, one of 49 homeowners who avoided foreclosure and one of 692 people coached by CEI’s housing counseling and education team.



### SMALL BUSINESS DEVELOPMENT CENTERS AT CEI

“You can wait, or you can start it now. The sooner you do it, the sooner it’ll be your business,” were the words of advice from a CEI business advisor that kickstarted Noah Kleiner’s Equinox Guiding Service in Camden. Noah was among 643 current and future business owners who received advice from Small Business Development Centers at CEI.



### GROWING MAINE’S LOCAL FOOD ECONOMY ONE COMPANY AT A TIME

As Maine’s food system experiences unprecedented opportunity due to the demand for local food, businesses with tight profit margins and limited workforce capacity struggle to grow. With coaching from CEI, 110 food entrepreneurs developed business plans, addressed logistics, accessed new markets and/or secured financing.

In 2018, CEI hosted the Maine Tastemaker Initiative, identifying emerging markets, assessing the food processing and manufacturing landscape, and sharing workforce development strategies with over 60 food and beverage industry leaders. Maine Tastemaker tours introduced investors and buyers to the people who power Maine’s farms, mills, breweries, malthouses, oyster beds and food production facilities, highlighting the need for long-term, patient financing.

*The Maine Tastemakers Initiative is made possible with sponsorship from FocusMaine and support from the Alford Foundation.*



# FY18 Financials

**CEI had a solid year financially in 2018, with Net Assets increasing slightly compared to the prior year.**

Total Assets grew by \$8.3 million to \$107.3 million, primarily due to increased lending and investing activity, plus a strong cash position as we start fiscal year 2019.

## INCOME & EXPENSES

### INCOME

Lending & investing	3,108,151
Subsidiaries	1,228,164
Other earned income	2,355,586
Grants & donations	5,501,228
<b>Total Income</b>	<b>12,193,129</b>

### EXPENSES

Lending & investing	5,022,258
Salaries & fringe	5,342,961
Occupancy, business & admin	1,449,839
Outreach, Professional Services & Other	1,602,279
<b>Total Expenses</b>	<b>13,417,337</b>

Audited financials available upon request.

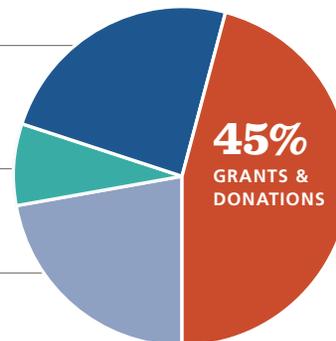
In 2018, earned income (excluding grants and donations) totaled \$6.7 million, resulting in a self-sufficiency ratio of 50%. CEI continues to invest in strategies to diversify revenue across income streams and increase self-sufficiency over time.

## 2018 INCOME

**25%**  
LENDING & INVESTING

**10%**  
SUBSIDIARIES

**19%**  
OTHER EARNED INCOME



## ASSETS & LIABILITIES

### ASSETS

Cash, cash equivalents & CDs	17,958,997
State Historic Tax Credits receivable	21,722,192
Loans receivable (net of allowance for loan loss)	39,022,902
Land, property & equipment	8,291,108
Restricted cash	5,577,015
Investments in subsidiaries	12,087,026
Other assets & receivables	2,646,233
<b>Total Assets</b>	<b>107,305,473</b>

### LIABILITIES

Notes payable	63,795,921
Other liabilities	4,859,276
<b>Total Liabilities</b>	<b>68,655,197</b>
Net assets, without restrictions	32,219,746
Net assets, with restrictions	6,430,530
<b>TOTAL NET ASSETS</b>	<b>107,305,473</b>

## KEY FINANCIAL METRICS

**36%** NET ASSETS / TOTAL ASSETS

**8.9%** LOAN LOSS RESERVE

**20**  
months  
OPERATING LIQUIDITY





## *Board of Directors*

### **Angela Butler**

*Senior Vice President,  
Commercial Services Officer  
Katahdin Trust Company  
Bangor, ME*

### **Glenn Cummings**

*President  
University of Southern Maine  
Portland, ME*

### **Josh Davis**

*Co-Founder & CEO  
Gelato Fiasco  
Brunswick, ME*

### **John Dorrer**

*Independent Consultant  
Workforce Development Economics  
Brunswick, ME*

### **Catherine Godschalk**

*Vice President, Investments  
Calvert Impact Capital  
Bethesda, ME*

### **Karin Gregory**

*General Partner  
Blue Highway Capital  
Biddeford, ME*

### **Susan Hammond, Vice Chair**

*Executive Director  
Four Directions  
Development Corporation  
Orono, ME*

### **Scott Kenney**

*Senior Vice President  
Farm Credit East  
Auburn, ME*

### **Kevin Lewis**

*CEO  
Community Health Options  
Lewiston, ME*

### **Beth Mattingly**

*Assistant Vice President, Community  
Development Research & Communications  
Federal Reserve Bank of Boston  
Boston, ME*

### **Justin Maxson**

*Executive Director  
Mary Reynolds Babcock Foundation  
Winston-Salem, NC*

### **Chip Newell**

*Partner  
NewHeight Group  
Portland, ME*

### **Regina Phillips**

*Coordinator, Grants  
and Community Engagement  
Westbrook School Department  
Westbrook, ME*

### **Cordelia Pitman**

*Director of Preconstruction Services  
Wright-Ryan Construction Inc.  
Portland, ME*

### **Charles Rudelitch**

*Executive Director  
Sunrise County Economic Council  
Machias, ME*

### **Miriam Shark**

*Independent Consultant  
Miriam Shark Consulting LLC  
Portland, ME*

### **Stewart Smith**

*Owner  
Lakeside Family Farm  
Newport, ME*

### **David Vail**

*Professor of Economics, Emeritus  
Bowdoin College  
Brunswick, ME*

### **Christa Velasquez, Chair**

*Professor  
University of Chicago  
Chicago, IL*

### **Ian Yaffe**

*Executive Director  
Mano en Mano  
Milbridge, ME*

**For a list of CEI staff members,  
visit [www.ceimaine.org](http://www.ceimaine.org)**

## CEI Enterprise 41-Year Impact

**\$1.39**

**BILLION**  
AMOUNT FINANCED

**\$2.8**

**BILLION**  
AMOUNT LEVERAGED

**2,831**

BUSINESSES FINANCED

**58,460**

BUSINESSES/PEOPLE  
ADVISED AND COUNSELED

**39,970**

FULL-TIME JOBS AT LOAN CLOSING

**2,627**

AFFORDABLE HOUSING UNITS  
CREATED/PRESERVED

**6,204**

CHILD CARE SLOTS  
CREATED/PRESERVED

## CEI Family Financial Assets 9.30.18

**\$140**

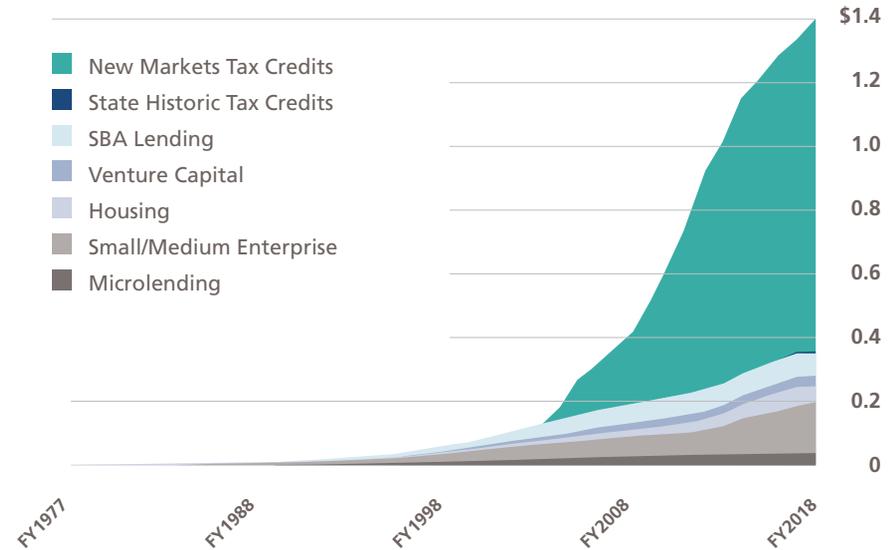
**MILLION**  
TOTAL ASSETS

**\$644**

**MILLION**  
CAPITAL UNDER MANAGEMENT

## CUMULATIVE VALUE OF CEI FINANCING

BILLIONS



## MAINE ROOTS...RURAL, NATIONAL REACH



*Coastal Enterprises integrates financing, business and industry expertise and policy solutions to grow good jobs, environmentally sustainable enterprises and more broadly shared prosperity in Maine and other rural regions.*



**COASTAL ENTERPRISES, INC.**

30 Federal Street, Suite 100, Brunswick, Maine 04011  
info@ceimaine.org | 207.504.5900  
www.ceimaine.org



*Front and back cover: Bangs Island Mussels, Portland, Maine; photos by Stacey Cramp*