



318 W. Adams, 16th Floor
Chicago, IL 60606

Contact:

Rose Jordan, Marketing Director
Fresh Coast Capital
708.820.8140
rose@freshcoastcapital.com

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\$1.25M Kresge investment in Chicago startup drives new model for Midwest climate change resilience

CHICAGO, ILLINOIS – Fresh Coast Capital, a Midwest-based social enterprise, is filling a market gap by delivering investible green infrastructure projects to municipal governments with the help of new program related investment support from The Kresge Foundation. Rain gardens, bioswales, green roofs, and other green infrastructure projects managed by Fresh Coast's diverse team of community organizers, engineers, environmental scientists, and finance professionals could help stem the tide of urban flooding and water damage that plagued U.S. cities in 2017.

Weather events like Hurricane Harvey, which caused an estimated [\\$70-90 billion](#) in damage, are a stark reminder of the need for cities to increase investment in water management infrastructure to mitigate the impacts of flooding on water quality, home and property destruction, and public health. And yet, the American Society of Civil Engineers (whose latest [Infrastructure Report Card](#) gave American wastewater infrastructure an overall grade of D+) identified a \$105 billion funding gap between committed public funds and those needed to make critical water and wastewater infrastructure upgrades by 2025. To attract private dollars to this crippling problem, conservation investors like Kresge have sought new market-based models to test and scale on their Midwest home-turf.

Kresge's investment signals confidence that Fresh Coast's model—currently scaling up to serve cities and private landowners in St. Louis, MO, Peoria, IL, and Youngstown, OH—can offer investors the opportunity to earn returns on projects that drive public benefit. Following Kresge's decision, Matthew Weatherley-White, an early investor said "I quickly recognized that the Fresh Coast team offers the markets a solid blend of innovation and execution, which are critical for tri-sector challenges; it's exciting to see a foundation like Kresge recognize and invest in their scalable execution model." Sam Yagan, co-founder of OkCupid and a prominent Chicago-based investor, said "It was Kresge's investment that prompted us to target one of the Yagan Family Foundation's first program-related investments to Fresh Coast...their innovative business model initially caught



our attention and we've watched Fresh Coast rapidly gain momentum. We see the chance for scalable, lasting impact."

Kresge's \$500,000 grant and \$750,000 program related investment in Fresh Coast come on the heels of the publication of Kresge's [Capital Scan: Climate Resilient and Equitable Water Systems](#) that identified key strategies to drive much-needed investment into the water sector. Their highest-ranking strategy—deploying green infrastructure—is a “concrete step that municipalities, utilities, and developers can take right now to better protect low-income residents from the storms and flooding we increasingly see in the era of climate change,” said Dr. Jalonnie L. White-Newsome, Senior Program Officer of the foundation's Environment Program.

Fresh Coast has eschewed coastal markets, strategically targeting operations in economically-challenged, climate-vulnerable Midwest communities because of opportunities for scale and impact. CEO Nicole Chavas stated “we are targeting our creative investment solutions toward cities in the so-called ‘rust belt’ like Peoria and St. Louis that have the most to gain from the many benefits that grow alongside green infrastructure.” Discussing their ongoing partnership with Fresh Coast, Peoria Chief Innovation Officer Anthony Corso lauded the fact that their green infrastructure projects “reflect community needs and address local priorities. This community-based approach does more than bring multiple solutions together, it brings people together.” Fresh Coast's target market was a major driver of Kresge's investment; in a recent blog post, Kresge's Deputy Director Kim Dempsey stated that Fresh Coast's “deep community engagement, commitment to achieving and measuring project co-benefits, and an exclusive focus on low-income and climate-vulnerable communities” made it her [favorite deal of 2017](#).

Fresh Coast Capital is a mission-driven project developer that transforms underserved communities by investing in the power of nature, combating environmental injustice, and revitalizing neighborhoods with scalable green infrastructure. Additional information available at: www.freshcoastcapital.com.

The Kresge Foundation is a \$3.5 billion private, national foundation that works to expand opportunities in America's cities through grantmaking and social investing in arts and culture, education, environment, health, human services, and community development in Detroit. In 2016, the Board of Trustees approved 474 grants totaling \$141.5 million, and made 14 social investment commitments totaling \$50.8 million. For more information, visit www.kresge.org.

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