Dear Investors and Donors,

As I report to you on another successful year for the Center’s impact investment funds, I am Inspired by the work you are helping to make possible through the Northern Forest Fund and its predecessors, the Millinocket Housing Initiative, and the Lancaster Main Street Fund.

In November, philanthropic and investment commitments to the Northern Forest Fund surpassed $17.5 million. This has enabled us to launch new property development projects that will bring vitality and opportunity to places like Tupper Lake, NY, and St. Johnsbury, VT (see pages 3 and 6).

In Lancaster, NH, the newly renovated Parker J. Noyes is breathing new life into Main Street. Residents occupy the six new apartments upstairs and the first floor is home to a nonprofit organization and local food marketplace. We’re already seeing the ripple effects of the transformation of the P.J. Noyes building: in just a year, it has inspired other owners to redevelop two downtown buildings for housing and commercial space.

In Millinocket, we’re collaborating with local partners to create a signage system for the region. On the main street, we’re collaborating with local businesses to attract customers by refreshing their storefronts through a grants program.

On behalf of the Board of Directors and the staff, we are grateful for your participation in these impact investment funds. Together we’re proving the power of integrated capital to revitalize our communities.

My best,

Rob Riley,
President
The Power of Integrated Capital

Building on prior impact investment funds in Millinocket, ME, and Lancaster, NH, the Center launched the Northern Forest Fund, a regional $30-million integrated investment and philanthropic capital fund that aims to attract and retain young families in specific communities in our region. By mid-December of this year:

Investors had provided $11.6 million in investment capital to create quality housing options to address the severe lack of middle-income housing. Our real estate projects reflect the opportunities presented in each community – whether it be residential, mixed residential and commercial, new construction, or historic rehabilitation – and are supported by local advisors and partners.

Donors had contributed $5.9 million in philanthropic contributions to the Fund. This supports the Center’s expanded capacity to deliver programs, seeds locally identified projects, and improves quality of life through open space conservation and recreation access, local businesses assistance, broadband expansion, community marketing, and more.

The following pages illustrate how we are using our funds in targeted communities across our region.

Across the Adirondacks, we continue to implement the Attracting New Residents strategy, a broad framework that underpins our community revitalization work. In another initiative for the region, we facilitate and raise funds for the Adirondack Community Recreation Alliance, an ad hoc group of individuals committed to supporting recreation development that serves residents and community development needs.

While the Attracting New Residents strategy is playing out in many communities across the Adirondacks, Northern Forest Fund capital specifically supports the implementation of this strategy in Tupper Lake, Keene, Elizabethtown and Chester.

Tupper Lake

In August, we acquired two properties on Park Street in Tupper Lake, N.Y. Both buildings are in poor condition, requiring significant interior and exterior improvements.

We will convert 179 Park Street, a 6,500-square-foot building formerly known as the Plaza Hotel, to eight apartments, and will improve a 1,900-square-foot, single-family residence at 185 Park Street for lease as a long-term rental. The upgrades will be highly visible and seek to catalyze additional improvements in the downtown core.

Center staff have supported the Village of Tupper Lake in securing funding for major initiatives, most recently the $10-million, state-funded, Downtown Revitalization Initiative. Previous federal grants supported last-mile broadband expansion, and state funds contributed to community recreation enhancements. Our staff help guide these and other community investments, including waterfront planning and streetscape improvement. This year we:

• Supported funding proposals to the NY Forward program, which, if funded, would drive downtown revitalization, bike and pedestrian connectivity, and other priorities closely aligned with the Attracting New Residents Strategy.

• Provided a grant from the Adirondack Community Recreation Alliance, which the Center facilitates and funds, for mountain bike planning on state land south of town.

“...The Northern Forest Center is bringing a fresh voice to conversations in Tupper Lake and other parts of Franklin County. The Center’s perspective, new approaches, and practical, can-do attitude is helping drive community progress in places like Tupper Lake...”

—Jeremy Evans, Franklin County Economic Development Corporation
“The themes in the Attracting New Residents strategy really resonate with me based on my experience working in Elizabethtown. I am excited to be working with the Center to explore how we can bring these strategies to life in our community.”

— Jeff Allott, Elizabethtown board member and business leader

We are in the early phase of developing projects in Elizabethtown that would add new long-term rental units and enhance the appeal of Court Street. Court Street is a primary thoroughfare at the heart of the community and would benefit tremendously from a tighter fabric of mixed-use development. We’ll let you know how this progresses next year.

Community revitalization projects in Elizabethtown have focused on improving community and recreational infrastructure. This year we:

• Helped advance the community’s long-term goal of establishing a municipal sewer system by establishing a planning committee and helping the town apply for funding for the system.
• Wrote a grant to fund development of mountain bike trails.
• Granted funds through the Adirondack Community Recreation Alliance to finance improvements at the local ice-skating rink.
• Improved connections among recreation areas by helping the town secure a federal grant to connect downtown to biking trails on Blueberry Hill and build an outdoor pavilion that increases visibility of trails.

Real estate redevelopment in Keene is also in the research and planning phase. We are working closely with the town to investigate potential land parcels that would be suitable for development.

A grant from the Center through the Adirondack Community Recreation Alliance launched a major trails initiative for the town of Keene. What began as planning for a mountain bike skill-building trail grew into a vision of a community trail system that would serve multiple uses including hiking, trail running, mountain biking, and non-motorized winter travel. The first 2.5 miles of the East Branch Community Trails opened in September with plans to expand to 7 miles of multi-use trail in the next year or two.

“Thank you for your early support to get this project started! I get completely emotional when I think about the people, the organizations, and the steps in this process that made it happen. The trails are fantastic! It is so great to see a great idea become a reality. Pure joy!”

— Teresa Cheetham-Palen, Keene Town Council member

Above: We held a mixer at Raquette River Brewery to build community among young professionals and interns as part of our efforts to recruit and retain young people in Adirondacks.
St. Johnsbury, VT

In October, the Center purchased the 15,000-square-foot building at 560 Railroad Street to transform it into a building that will attract young families and small businesses. Our initial redevelopment plans include up to 10 apartments, with a mix of 1- and 2-bedroom units, and two commercial spaces. We’re exploring using a portion of the building for an artist-in-residence program in partnership with Catamount Arts.

We anticipate design work this winter followed by construction next fall. We hope to welcome new long-term tenants in 2025.

Newport, VT

In Newport, we’ve been working with city and business leaders to help the community make the most of its lakeside location to serve both residents and visitors. This year we:

- Built the city’s capacity to manage sustainable tourism through our Rural Tourism Academy program.
- Supported creation of a new recreational map to improve visitor experiences and enhance downtown business benefits from the Newport Waterfront Recreation Path.
- Secured USDA Rural Development funding for design and planning for a new recreational wayfinding system for the Newport Waterfront Recreation Path.

Our community revitalization initiatives in St. Johnsbury have focused on outdoor recreation opportunities for residents and helping the community evolve its approach to tourism. This year we:

- Funded mountain bike trail development in the Town Forest to increase non-motorized outdoor recreation.
- Supported a local conservation effort to protect land adjacent to the town for walking trails.
- Facilitated a series of community conversations through our Rural Tourism Academy to identify outdoor recreation priorities to better serve residents and visitors.
Tenants Bring Parker J. Noyes Building to Life

In Lancaster, NH, the Center used capital from both the Lancaster Main Street Fund and Northern Forest Fund to renovate the Parker J. Noyes building on Main Street. Long-term tenants moved into six new apartments in the fully redeveloped building in July, and Taproot Marketplace and its nonprofit parent organization moved in the building in October. The previously derelict building on Main Street is now humming with activity. We’re delighted that the apartments have attracted young professionals and families.

In addition to meeting our goals of attracting new residents and restoring vibrancy to Main Street, the Parker J. Noyes project has proven our concept of integrated capital by enabling us to create high-quality, energy-efficient housing that can be leased at middle-market rates. We offset higher than originally anticipated project costs with philanthropic support from state programs and state tax credits. We have repaid one project investor as well as a bridge loan ahead of schedule.

Our community revitalization work in Lancaster includes trail development, preparation for broadband mapping and expansion, and a community branding project. This year we:

- Conducted a town-wide broadband study and created a broadband advisory committee to guide the town in broadband expansion.
- Advanced development of walking trails in town through land mapping on the Israel River and in the Town Forest, with the aim of connecting downtown to trails on the Israel River that lead to the Connecticut River.
- Supported the resurgence of the Conservation Commission through grant writing and project development for the Town Forest, including an ecological assessment.
- Enhanced the town’s ability to market itself to prospective residents and entrepreneurs through a rebranding strategy – Life As We Make It – that includes new welcome signage, Main Street banners, professional photography, and videography. A local advisory group guided the rebranding project.

Gorham, NH

Most of our community revitalization work has focused on creating and sustaining quality outdoor recreation opportunities. This year we:

- Funded Coos Trails, a partner in our Bike Borderlands collaborative, to construct mountain bike trails and support youth programs to increase non-motorized outdoor recreation.
- Supported the town in advancing ways to manage tourism on a sustainable basis.
- Facilitated a series of Rural Tourism Academy community conversations to identify outdoor recreation priorities to better serve residents and visitors.
**Northern Forest Fund - Maine**

**Bethel, ME**

Our programs in Bethel and the Maine West region have focused on broadband, recreation, and the ethics of sustainable use through the Mahoosuc Way initiative and the Ride With Gratitude campaign. The latter is an initiative the Center launched in coordination with the Bike Borderlands Collaborative. This year we:

- Facilitated a partnership between the Town of Bethel, Oxford County, six surrounding towns and territories, and a private internet service provider to pursue state funding for universal broadband service.
- Supported Inland Woods + Trails to help expand mountain biking trails, youth programs, and use of the Ride With Gratitude stewardship campaigns. Funded trail development to connect the Bethel Community Forest to town and other amenities.
- Supported development of outdoor education programs for area high schools and provided capacity for community and mental health organizations to connect more community members with outdoor recreation opportunities.
- Conducted a summer pilot project in early workforce development to connect students to jobs in the outdoor recreation industry.

**Greenville, ME**

We are in the preliminary stages of a partnership with the Moosehead Area Economic Development Corporation, Northlight CA Dean Hospital, and the town to explore options for new workforce housing construction within walking distance to the school, hospital, downtown, and town beach. Through our community revitalization programing in the Moosehead Lake region, this year we:

- Provided four business grants to support downtown boardwalk expansion, an expanded marina, lodging improvements, and a new disc golf course.
- Funded downtown projects including lakefront park development and façade and sign improvements at downtown businesses.
- Provided organizational development coaching and secured funding for sustainability-focused planning by the local destination management and marketing organization, Destination Moosehead Lake.

In Greenville (below), grants supported new and expanded business ventures.

**Merrillocket Housing Initiative - Maine**

**Tenants Contribute to Community Vitality**

The success of the Millinocket Housing Initiative – our first impact investment fund – gave us confidence to expand the concept, first with the Lancaster Main Street Fund and then with the regional Northern Forest Fund. We completed housing redevelopment projects in 2020 and have since continued to improve the six in-town rental properties.

The properties were quickly leased and in 2022 maintained a 93% occupancy rate. The 11 rental units have served a variety of people who contribute to Millinocket’s vitality by expanding the workforce, running businesses, and raising families here. One property is home to the Outdoor Sport Institute, a nonprofit that leads regional efforts to deepen recreational activities for local kids and helps them gain confidence and leadership skills in outdoor recreation. We had the pleasure of renting one of our houses to a quartet of interns who worked with OSI last summer.

We continued to explore options for property redevelopment through the Northern Forest Fund on Penobscot Avenue for mixed-use development.

Our community revitalization programs have supported local businesses and promoted the many qualities of life in Millinocket. This year we:

- Provided mini grants to 17 businesses and organizations in the Katahdin region (8 in Millinocket) to improve their building facades or signage.
- Funded the development of outdoor recreation activities, including support for the Katahdin gear-lending library and in-town mountain biking trails.

**Philanthropic Capital for Programs**

- Established a new wayfinding signage system by funding the design and planning process of new signs that will support local businesses and serve the region’s visitors.
- Created a Katahdin region video series to showcase what the region can offer residents. The series includes profiles of people who are taking advantage of the Katahdin region’s business opportunities, quality of life, and adventure.

We provided 17 businesses with grants to attract visitors through improved signage and storefronts.
OPTIONS TO CREATE GREATER IMPACT

This year, we’re offering two options to advance our shared interests:

Donate your interest payment
You may now choose to donate your interest payment to the Center as a charitable gift. This may help minimize your tax liabilities while also advancing our work to support resilient and vibrant rural communities.

Include your investment in your estate planning
You now have the option to include a simple addendum in your estate plans stating that your investment will convert to a donation in the event something happens to you during the term of the loan.

Please contact Lila Thorne (lthorne@northernforest.org) if you are interested in either of these options. Thank you!

Both options are available to investors in the Northern Forest Fund, the Millinocket Housing Initiative, and the Lancaster Main Street Fund.