INTRODUCTION TO NEXT STREET

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Next Street represents a unique solution to the challenges facing small business growth and economic development in America’s cities

The Challenge

- Spur development and demonstrate that programs generate jobs and tax dollars
- Linked to their communities’ population, economic prosperity, and infrastructure
- Require access to expertise and growth capital to address challenges and expand

Our Solution

- Holistic strategies that drive measurable economic development and business growth
- Comprehensive community engagement strategies, leveraging procurement, capacity building, etc.
- Access to world-class advisory services and innovative financial products
THE COMMUNITY ENGAGEMENT IMPERATIVE

**Customers**
Increasingly diverse customer population, such as students or patients, with distinct product and service needs

**Government**
Views large enterprises as having vast resources and influence while deriving significant benefits from the city and community at large

**Employees**
Are local residents who can be energized by seeing their leaders and employers “stepping up” on critical community issues

**Community**
Rely on large enterprises for jobs, critical products and services, and the development and use of large tracts of real estate

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**How can large enterprises “become part of the local, urban fabric”**
### THE RATIONALE FOR SHARED VALUE INITIATIVES

Tax-based investments, innovation in technology, and new operating models can enhance reputations, reduce costs and impact adjacent communities.

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<thead>
<tr>
<th>Impact “Lever”</th>
<th>Illustrative Shared Value Activities</th>
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<tbody>
<tr>
<td>Endowment Growth</td>
<td>Becoming a more inviting place for customers (e.g., students, patients) enhances messaging and impact of capital campaigns</td>
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<td>Tax-Based Financial Incentives</td>
<td>Locating a facility in low- and moderate-income communities allows institutions to stretch their development dollars with “free equity” from tax-credit sales while enhancing the community</td>
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<td>Supply Chain Management</td>
<td>Expanding the base of suppliers, increasing competition among suppliers, and ultimately positively impacting the business environment and growth of local small businesses</td>
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<td>Employee Recruitment</td>
<td>Focusing on expanding the recruiting pipeline to grow and develop the base, focused on creating an environment that is welcoming and maintaining a positive community orientation</td>
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<tr>
<td>Community Impact</td>
<td>Impacting the community through job creation, focus on local suppliers and a neighborhood-centric approach</td>
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NEXT STREET OFFERING FOR ANCHORS

Next Street has developed a holistic platform to support educational institutions, hospitals, and large corporates in developing and executing community engagement strategies for their surrounding neighborhoods.

Community Engagement Assessment & Strategy

- Local economic cluster analyses and assessment of large enterprise’s assets and priorities to identify emerging opportunities to support the surrounding community
- Development of strategies to capitalize on existing assets and drive community engagement, local job creation, and further fulfillment of the enterprise’s mission

Advisory Services

- Local procurement and supply chain integration
- Capital formation and deployment
- Tax and regulatory strategies

Programming & Tools

- Small business capacity building programs
- Incubators and accelerators
- Workforce training and development

Access to Capital & Financing

- Mission-oriented project finance
- Feasibility assessment for funding strategies
- Structure / manage financing conduits

Convening, Implementation Support, & Project Management
Next Street is working with North Eastern University to create the NEU Community Development Fund ("NEU CDF" or the "Fund"). The Fund would provide small businesses:

- **Access to working capital** at favorable below-market rates that helps facilitate local business growth
  - The impact would be especially significant for businesses that are currently “non-bankable” or borrow from expensive alternative lending sources
  - Access to capital for small businesses is limited as commercial banks have cut back on small business lending by 15% since 2007

- **Improve cash flow management** by bridging receivables gaps / seasonality and enabling businesses to smooth cash flow cycles
  - The impact would be even greater for vendors that require short term financing to meet purchase order obligations

- **Access to NEU sponsored capacity building programs** and the potential to improve operations and finances to ultimately set the groundwork for incremental business growth

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1 Outstanding commercial loans under $1 million at federally insured banks, a proxy for small business, was $284.5 billion at 3Q 2013, on a non-inflation-adjusted basis. (Source: Federal Deposit Insurance Corp.)