



FOR IMMEDIATE RELEASE

**Arctaris Announces Opportunity Zone Investment to
Develop a Vibrant City Center and Culinary Arts District
in Erie, PA, One of the Poorest Zip Codes in America**

Arctaris and local partners fund a grocery store in a food desert, food hall and residential units that will revitalize downtown Erie and generate jobs for women, minorities and refugees

ERIE, Pa. June 29, 2021 — Arctaris Impact Investors, LLC (“Arctaris”) and its affiliate management companies are investing through its Opportunity Zone funds in a \$26.9 million redevelopment project that includes approximately 64,000 s/f of commercial space comprised of a grocery store, food hall and 28 residential units. The purpose of the project is to transform and revitalize Erie’s downtown core, home to one of the poorest zip codes in the United States and a USDA-designated food desert.

In June 2020, the *Arctaris Erie* program was founded with Arctaris making a total commitment of \$40 million to invest in Erie’s revitalization, under a program partnership with the Erie Community Foundation (“ECF”), which provided \$5 million of First Loss Capital, and Erie Insurance, which invested \$58 million in Opportunity Zone capital. Nearly all the funds will be invested in projects led by the Erie Downtown Development Corporation (“EDDC”), a non-profit formed by local stakeholders to lead urban revitalization projects. With over 11 years and six funds focused on impact investments in low-income communities, Arctaris has launched programs similar to *Arctaris Erie* in underserved communities throughout the U.S., including *Arctaris Cuyahoga*, *Arctaris Maine*, *Arctaris Baltimore* and *Arctaris Michigan*. Arctaris plans to announce additional city, county and state programs throughout 2021.

The Flagship City Market and Food Hall is the first in a series of projects Arctaris plans to fund under its *Arctaris Erie* program. For this project, Arctaris provided \$9.3 million, Erie Insurance’s Opportunity Fund provided \$6.5 million, and the Erie Downtown Equity Fund (“EDEF”), a locally raised private equity fund, provided \$3.4 million with other potential investor funds being finalized.

“The Flagship City Market and Food Hall demonstrates what can be accomplished when public, philanthropic and private sector partners work together to solve a city’s greatest challenges,” said Jonathan Tower, founder and managing partner of Arctaris. “This project puts private capital to work by investing in blighted real estate, equipment and operating businesses which will bring local, affordable produce to a USDA-designated food desert and jobs to the most vulnerable workers – women, minorities and refugees – who are still recovering from the negative economic effects of COVID-19.”

The City of Erie contains eight federally designated Opportunity Zones, including some of the lowest income zip codes in the United States. In 2017, community leaders formed EDDC and EDEF, which were modeled after other successful urban redevelopment initiatives. Over the past four years, EDDC has moved forward with strong local support from Erie’s largest employers, philanthropic organizations and local government. EDDC has worked with EDEF to raise capital to support its work in downtown Erie.

“This project is a great example of private investment addressing so many of a community’s challenges, including blight remediation, food insecurity, and economic opportunities for historically disadvantaged communities,” said John Persinger, CEO of the EDDC. “This work would not be possible without the financial support and investments from Arctaris, Erie Insurance and the EDEF.”

The heart of Erie’s economic resurgence is in a four block radius downtown, where the EDDC’s projects and several major employers overlap. The most notable being Erie Insurance, a Fortune 500 insurance company that is headquartered a block from The Flagship City Market and Food Hall project. The company, which just finished construction of a new \$135 million office building, has been a key investor and partner of both Arctaris and EDDC – helping to improve equity and fuel the city’s revitalization.

“Erie Insurance is proud to partner with Arctaris and the Erie Downtown Equity Fund to help bring this transformational project one step closer to the finish line,” said Tim NeCastro, president and CEO of Erie Insurance. “The public market and food hall will be true assets to the heart of our downtown and are sure to have positive economic and social impacts on the city, its residents and our entire region. This project is yet another example of how community collaboration can bring about exciting and meaningful change for Erie.”

Arctaris is committed to working with cities, businesses and investors to create long-term, sustainable and positive change in underserved communities resulting in a more equitable future for all residents.

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About Arctaris Impact Investors

Arctaris Impact Investors, LLC is a Boston-based impact investment firm with experience spanning more than 11 years, six funds, and both debt and equity investments. The firm manages funds which invest in growth-oriented operating businesses and community infrastructure projects located in underserved communities. Founded in 2009, Arctaris has partnered with the Kresge Foundation, Harvard Business School Professor Michael Porter’s Initiative for a Competitive Inner City, and multiple other foundation, federal and state government agencies to invest in Opportunity Zones, inner cities and targeted rural communities throughout the U.S., with the aim of delivering above-market investment returns alongside positive social impact. For more information visit www.arctaris.com or press inquiries may contact Jane Moncrief at jane@arctaris.com.

About the Erie Downtown Development Corporation

The Erie Downtown Development Corporation was formed in 2017 by community business and philanthropic leaders to transform downtown Erie, Pennsylvania, through property redevelopment. Learn more at www.erieddc.org or contact John Persinger john.persinger@erieddc.org or Matthew Wachter matthew.wachter@erieddc.org.

About the Erie Downtown Equity Fund

Transformational change simply would not be possible without private capital. The Erie Downtown Equity Fund (EDEF) is a private, for-profit entity funded for the purpose of supporting real estate purchases and redevelopment activities of the EDDC. This fund has raised approximately \$27.5 million to-date to serve a “gap financing,” meaning its investors are willing to support projects that do not make financial sense in the near-term and could not attract other financing. Investors in the EDEF have made a long-term commitment to Erie’s transformation, pledging “patient capital” to acknowledge that this

transformation will not occur overnight. For more information on investments to the EDEF, please contact John Persinger at john.persinger@erieddc.org .

About Erie Insurance

According to A.M. Best Company, Erie Insurance Group, based in Erie, Pennsylvania, is the 12th largest homeowners insurer, 13th largest automobile insurer and 13th largest commercial lines insurer in the United States based on direct premiums written. Founded in 1925, Erie Insurance is a Fortune 500 company and the 16th largest property/casualty insurer in the United States based on total lines net premium written. Rated A+ (Superior) by A.M. Best, ERIE has more than 6 million policies in force and operates in 12 states and the District of Columbia. News releases and more information are available on ERIE's website at www.erieinsurance.com.

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