



**STRONG ROOTS.
SMART BUSINESS.**

January Newsletter



Three Roots has loaned more than \$42.9 million, which has financed the creation and retention of more than 1,068 jobs and the construction or renovation of more than 247,273 square feet of commercial, industrial, and retail space.

Three Roots Capital Spotlight: Dr. Marianne Wanamaker, Board Member



Three Roots Capital is pleased to announce that Dr. Marianne Wanamaker has joined the board of directors. Wanamaker is an associate professor of Economics at the University of Tennessee (UTK), a research associate at the National Bureau of Economic Research, and a research fellow at the Institute of Labor Economics (IZA).

She is a member of the Federal Workforce Policy Advisory Board and previously served as the former chief domestic economist at the White House Council of Economic Advisors, where she also served as the senior labor economist. Among her numerous professional accomplishments, Wanamaker is a recipient of the 2019 Kenneth J. Arrow Award, serves as co-editor of *Explorations in*

Economic History, and has received several college and university-level teaching awards, including UT's Alexander Prize in 2019.

Wanamaker's research interests include labor economics and workforce development, education, American economic history, and demography, making her an excellent addition to the board. Speaking about her appointment, Wanamaker expressed that she's "thrilled about the opportunity" and looking forward to learning from her fellow board members' experiences.

"It will be fun to bring the perspective of someone who has recently been in Washington D.C., thinks about labor markets all day long, and has a totally different perspective on economic development than they do," she added. "I believe our expertise and experience will complement each other very well."

Wanamaker met both Chris Miller, chief financial officer, and Grady Vanderhoofven, president, chief executive officer, and board member, at university-sponsored events several years ago. They remained in touch due to their "shared interest in economic policy and the big picture."

"The work Three Roots does is incredibly important," Wanamaker shared. Three Roots' mission to promote economic development in the region addresses an important gap in development economics research because plenty of "money, time, and effort" in the economics profession today is dedicated to international contexts, rather than "development within U.S. borders," she said.

"Economists have documented that people in developing countries can improve their standard of living with access to capital. Once you've given them capital, economists have also shown that borrowers need coaching and support," she continued. "International research is good, but it has surprised me — as I am from rural west Tennessee — that a lot of these stories are also true in the U.S. and seem to be completely ignored by the economics profession. We just don't do research on what works in Appalachia."

Wanamaker said her time working in Washington D.C. taught her that the federal government understands that access to capital is a real issue for many areas of the country but needs economists to pay attention to "what works and what doesn't." She said she is excited to be "on the ground" and have a "firsthand view" of what is going on in the economic development sector through the lens of Three Roots.

Two of Wanamaker's favorite aspects of her work are the people she encounters and the stories she tells in her research. She expressed that this appointment both fulfills her desire to build more connections and share her expertise with her community.

"A big part of the mission of the University of Tennessee is to be engaged in our community and to take the expertise we use every day and spread it and share it with the people and groups outside of campus," Wanamaker explained. "I can't think of a better way to do that than to be on this board. Three Roots is doing so much good. It really is a perfect match."

[Meet Our Staff](#)

2019 was an eventful year for Three Roots Capital. The company forged valued partnerships, tackled new projects, and originated \$24 million of new loans. These loans ranged in size from \$25,000 to \$7.6 million with an average loan size of \$2.7 million. At the close of the year, Three Roots had approximately \$40 million of funded loans in its loan portfolio.

Three Roots deployed capital in a diverse range of industries throughout the state, including a financial technology (“fintech”) company in Knoxville and an internet-based retail business in Chattanooga. Additionally, Three Roots provided new financing for commercial and retail real estate developments in Knoxville and Johnson City and a mixed-use real estate development in Cookeville. In Knoxville, Three Roots financed a multi-family, residential real estate project in the South Waterfront district.

One of the most significant deals of 2019 was the Model Mill project in Johnson City, which will open sometime in 2020. Three Roots provided bridge financing for the high-profile, high-impact project and then participated as the leverage lender in a New Markets Tax Credit (NMTC) financing for the project. Three Roots provided capital and advisory services for the \$19.5 million project, ultimately funding \$10.6 million of the total amount. Recently, Three Roots submitted its second NMTC application, as the company continues to pursue additional sources of capital for companies and projects in the region.



Earlier this year, Three Roots was proud to help launch the TennesSeed Fund, an evergreen, seed-stage, proof of concept venture capital fund dedicated to investing

in companies throughout Tennessee. The Fund is managed by TennesSeed Partners, which is a collaboration of Three Roots, Meritus Capital, and Innova Memphis. Grady Vanderhoofven, the founder, president and chief executive officer of Three Roots, serves as the Fund’s co-manager and as an investment committee member. The fund has already made three regional investments to date.

Additionally, Three Roots Capital held an open house and ribbon cutting at its new headquarters in May 2019.



Looking at 2020, Three Roots is enthusiastic to continue working with valued partners and to help new projects come to fruition, such as the Brushy Mountain State Penitentiary transformation into a tourist attraction and event venue. After making two loans to finance the Brushy Mountain transformation in 2018, the Three Roots team helped the project mature and transition to bankability in 2019. Three Roots hopes to help Brushy Mountain in its expansion efforts this year.

Throughout 2019, Three Roots provided advisory and technical assistance to dozens of companies and projects in the state, which included working with a number of individuals and organizations interested in Opportunity Zones. In 2020,

Three Roots is looking forward to assisting these companies and projects as they engage in activities in Opportunity Zones and pursue Opportunity Funds in Knoxville, Oak Ridge, and the surrounding region.

[See Our Success Stories](#)

FOLLOW US



[3RootsCapital](#)