



# Social Venture Partners Portland Investee Final Report

**Investee: Kids Café - BGCP**

**Investee Contact: Lisabeth Marziello / Joe Marziello, Co-CEO's; Scott Langen, Resource Development Manager**

**SVPP Lead Partner: Valerie Ilsley**

**Investment Period: Q2 2003 – Q2 2007**

**Annual Operating Budget: \$254,110 – Year ended 12/31/2006**

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## **Investee Mission and Vision:**

The Boys & Girls Clubs of Portland's (B&GCP) mission is to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens. A Boys & Girls Club provides a safe place to learn and grow, and to develop ongoing relationships with caring, adult professionals. The B&GCP seeks to provide life-enhancing programs and character development experiences. In addition, the B&GCP seeks to provide food security and nutritional education for all members via the Kids Café program.

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## **SVPP Investment and Objective:**

In 2003, SVPP partnered with B&GCP to secure funding to substantially expand the Kids Café Program. At that time, Kids Café was operating in only one club (Blazers in NE Portland), with the capacity to feed up to 150 youth per day. The investment objective was to expand the capacity of the Blazers Club and to build two additional Kids Café kitchens in the Wattles and Hillsboro Boys & Girls Clubs, with the capacity to feed up to 900 children per day from the three clubs upon completion. SVPP committed \$160,000 to the total expansion effort approximating \$500,000; assisted B&GCP in bringing in other investors, and acted as lead partner and project manager overseeing the construction effort on behalf of the B&GCP management.

Kids Café is a program of America's Second Harvest and was adopted as a national initiative to focus on and channel national resources to hungry children. Today, the Kids Café is one of the nation's largest meal service programs, providing free, healthy food and nutrition education to hungry children. While 800 Kids Cafés are operating nationwide, Oregon, the state with the largest number of food insecure children, lags far behind. After school programs meeting the needs of at risk youth through educational and enrichment programs are eligible to receive reimbursements from the USDA for each meal served. During the school year, the Kids Cafes provide a hot meal plus snacks after school; in the summertime the hot meal is served at mid-day and a snack in the late afternoon. The current rate of reimbursement is \$2.56 for every hot meal served, in addition to \$.65 for every snack served. Once completed and in full operation, the Kids Café program essentially operates at break-even and is thus self-sustaining.

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## **Investment Accomplishments:**

All three Kids Cafes have been completed: (i) Kids Café at the Wattles Club (SE Portland) completed July 2004; (ii) expansion of Kids Café at the Blazers Club completed September 2005 and (iii) the Kids Café in Hillsboro was completed in July 2007; with the latter expected to be fully operating at the commencement of the 2008 school year. The delay in completion of the Hillsboro Club (initially scheduled for completion in 2006) was due to the fact that the scope of that project changed during the investment period. Management of the B&GCP made the decision to substantially expand the Boys & Girls Club in Hillsboro; subsequently securing private/public donations to acquire an adjacent warehouse and double the size of the club. The expansion effort included a new state of the art gymnasium, basketball court, teen weight rooms, and a Kids Café kitchen and eating area.

SVPP partner Ed Mueller supervised the construction effort, budget, and timetable for completion of the Wattles and Blazers Club, on behalf of B&GCP management. We also worked with the construction and project management team responsible for completing the Hillsboro expansion; lead by a B&GCP Board member and construction manager, given the size and scope of that project. We worked with the B&GCP management to organize grand opening events for the Wattles and Blazers Club, and solicited the help of PR firms, on a pro-bono basis, to assist in this effort.



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For the full year 2006, Kids Cafes at Wattles and Blazers Clubs, served hot meals to an average of 357 kids per day, in addition to afternoon snacks averaging 280 per day. For all of 2006, the combined clubs served a total of 80,721 hot meals and 67,164 afternoon/evening snacks to hungry youth, representing an approximate 240% increase over 2003. The Kids Café at Hillsboro, when it begins operation this coming school year, is expected to serve an average of up to 300 kids per day. While highly positive, these numbers are lower than initially forecast due to the fact that Victory Middle School, which previously operated a charter school within the Blazers Club, lost its license in late 2006 due to inadequate results. The management of B&GCP is seeking to boost the membership numbers at the Blazers Club and/or secure another charter school for the club.

On the nutrition front, nutritional education classes are held at the Wattles Club three times per week during the school year, with an average of 90 members participating each month in the programs. Wattles also entered into a partnership with Growing Gardens to teach youth how to grow and tend for food plants as well as how to incorporate fresh fruits and vegetables into their daily diets. At the Blazers Club, the Kids Café coordinator installed raised garden beds on the south side of the club so that Club kids can begin to learn how to grow their own food. This program was quite successful for the 2006/07 school year and the Club plans to repeat the experience for the 2007/08 school year. Both Clubs will be starting a new program called Healthy Habits, a nutrition education program developed by Boys & Girls Clubs of America. The program is a multi-faceted approach designed to help young people to become healthy, active, and learn healthy eating habits, and will be implemented at least twice per week at each Club. B&GCP are targeting similar programs in the Hillsboro facility, when the Kids Café is in operation.

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### Investment Impact\*:

Category	
SVPP Direct Financial Investments (Grants)	\$160,000
Donations from partners, friends, and businesses introduced by SVPP	\$328,630
Value of volunteer hours from partners and friends	\$57,575
USDA Gross Reimbursements	\$642,946
<b>Total Impact</b>	<b>\$1,189,151</b>

\* Direct Investment is the actual cash transferred to the investee. Total Impact includes donations from partners and friends, the value of volunteer hours, and the operational impact (e.g. cost savings, new capabilities, and/or additional revenues) from SVPP projects. The value of volunteer hours is calculated at rates from \$25/hour to \$100/hour depending on the type of work performed.

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### Volunteer Partners / Friends of SVPP and Their Key Contributions:

**Ed Mueller:** Responsible for taking the overall lead in project managing the construction effort for Wattles and Blazers; conducted weekly meetings with the construction and project management team, keeping everyone's feet to the fire in order to get the project completed on time and within the budget established by B&GCP management.

**Valerie Ilisley:** Lead Partner. Provided a back-up role to Ed Mueller in project management; worked with the B&GCP management to organize grand opening events for all three Kids Cafes, bringing in PR firms, who worked on a pro-bono basis, to publicize these events in the media, thereby raising the profile of the Kids Cafes and the role SVPP played in their completion.

**Don Fiske (Former SVPP partner):** Played a consultative role with B&GCP management to facilitate the fund raising effort for Hillsboro.



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**Mike Maerz (Former SVPP partner):** Mike was on the 2003 Investment Team which approved the investment in the Kids Café program and was the team lead partner from inception through mid-2004. Mike was highly instrumental in helping the B&GCP management secure the matching funds and co-investments needed to complete the three Kids Cafes.

**Bruce Kehe, Maxwell PR:** Media and public relations firm which provided pro-bono assistance in planning the grand opening event for the Wattles Club.

**Than Clevenger, Why3PR:** Than and his public relations firm provided pro-bono assistance in planning the grand opening event for the Blazers Club, and continues to consult with B&GCP management in media relations.

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### Summary

SVPP's investment in the Kids Café program has been very successful, and meshes perfectly with our model. The mission of the Clubs, and the Kids Cafes in particular, aligns with SVPP mission which focuses on children at risk. SVPP was the lead partner and catalyst for this investment, and its' involvement was instrumental in securing co-investments and matching funds needed to complete the expansion program for the Kids Cafes. The Kids Cafes, once completed and in full operation, are able to operate at a breakeven level, and are therefore essentially self-sustaining upon completion or shortly after our investment period, one of the goals of the model. Volunteer opportunities for SVPP partners, while limited in number, were highly effective and strategic in nature. Finally, the leverage proposition, or total impact of SVPP investment, was very strong, factoring in co-investments, volunteer time, and the operational impact or benefit to our Investee (in the form of USDA reimbursements).

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### Investee Feedback:

Joe Marziello, Co-CEO of the Boys & Girls Clubs of Portland notes that:

“Working with our Social Venture Partner volunteer team has been a tremendously rewarding experience. The team assisted us with: 1) mapping out the expansion project, 2) securing additional funds needed, and 3) working with us every step of the way, coordinating construction meetings, working with kitchen equipment manufacturers, and helping to ensure the projects were completed on time and within the budget. Without the consummate leadership of our Social Venture Partner volunteer team, Boys & Girls Clubs would not have been able to accomplish our goal of feeding more youth in so short a time span. The lasting legacy of their involvement is that for years to come, kids who really need meals will not go hungry.”