

AGNC Pathways to Prosperity

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Business Loan Fund of Mesa County

Grand Junction, Colorado

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BUSINESS
INCUBATOR CENTER

Expert Help • Targeted Resources • Tangible Results

Business Loan Fund History(BLF)

- Established in 1986 with monies from the Colorado Office of Economic Development and International trade (HUD) grants, Economic Development Administration grants and through private donations.
- Is a non-profit organization under the umbrella of Western Colorado Business Development Corp (Business Incubator Center) created by the Mesa County Community to provide financing assistance to new and expanding for-profit businesses in Mesa County
- Financing programs are not intended to compete with or replace private sector financing. A genuine effort to secure private sector financing is asked of all borrowers.

Business Loan Fund (BLF)

- Vision:
 - Benefit the local economy by providing an alternate source of capital to new and existing businesses in Mesa County
 - Stimulate community and economic development through the funding of small business
 - Provide gap or direct financing for companies that expand the job base assisting in the creation of new jobs or the retention of existing jobs
- As businesses continue to thrive, it serves as an inspiring example of the positive impact that small business startups and expanding businesses, along with the support of incubator programs, can have on the local community and industry as a whole.

BLF highlights

- **Eligible Businesses:** Most for profit businesses located in Mesa County are eligible for BLF loans. Preference is given to those businesses that will create new jobs or retain existing jobs.
- **Leveraging:** The BLF is a “secondary” lender in most cases. Typically, potential borrowers will obtain 60-80% of their project financing from other sources. The BLF may assist in securing outside financing prior to applying for BLF funds.
- **Loan Amount:** Loans range in size from \$8,000 to \$300,000. Also available are loans ranging from \$1,500 to \$5,000 for low-moderate income persons interested in business start-up.
- **Terms:** Typical terms extend 3 – 7 years. Interest rates vary from prime to prime plus four percent depending on risk and economic incentives. The BLF will seek to secure the loan with available collateral.

BLF highlights

- The "**GAP**" loan program is designed to assist a borrower obtaining a primary business loan but needs to fill a financing "gap" to complete the overall financing needs of the business. The borrower obtains a loan commitment from the primary lender first and then seeks a BLF loan to fill the remaining needs.
- The "**Direct**" loan program is designed for a borrower having exhausted typical sources of financing and needs funding for business startup or business expansion.

Northwest Loan Fund (NLF)

- The Region 12 [Northwest Loan Fund](#) supports Moffat, Routt, Jackson, Rio Blanco, Grand, Garfield, Eagle, Summit, and Pitkin counties.
- The State of Colorado Office of Economic Development and International Trade (OEDIT) helps to support 14 Business Loan Funds throughout the state. All supply financing to new or growing businesses within their service area that create jobs or provide positive economic impact for the local economy. The categories for which Business Loan Funds may provide financing include:
 - Acquisition of an existing business
 - Start-up costs for a new or expanding business
 - Purchase of business-occupied real estate
 - Purchase of equipment, furniture and fixtures
 - Working Capital loans. Some BLFs can also provide 1-year business lines of credit
- Please contact your region's Loan Fund for specific requirements for loan request submission

Northwest Loan Fund

- The program does require collateral, though it can often participate with other lenders to take a collateral position behind those lenders. Size and term will vary. Most loans have ranged from \$10,000 to \$500,000. With fees at 2-3% and favorable interest rates, NLF loans are very competitive. The NLF is often able to take greater risks than conventional banks because the program exists to help with local economic development, so it is able to welcome new and expanding businesses that may not yet qualify for traditional bank financing for various reasons. The NLF often partners with banks or private lenders to fill a gap that may exist between the needs of a business and the traditional financing for which they currently qualify.

Benefits of the BLF to potential clients are...

- The availability of funds when traditional financing sources are unobtainable
- Fixed interest rates and flexible terms
- Lack of collateral and less than ideal credit history is not a sole reason for denial
- No prepayment penalty for early payoff
- Access to other support services:
 - Free Business Coaching from Subject Matter Experts - Entrepreneurial Essentials
 - Start-up, Buy or Sell Assistance, Management and Legal Structure, Analysis of Business Model Strategies, Managing Growth - Tactics & Implementation, Books, Records & Controls, Financial Planning – Managing your Money, Budgets & Assumptions, Sources of Capital, Loan Financing Development
 - Specialized Assistance
 - State Tax Credits

Benefits of the BLF to other lending Institutions...

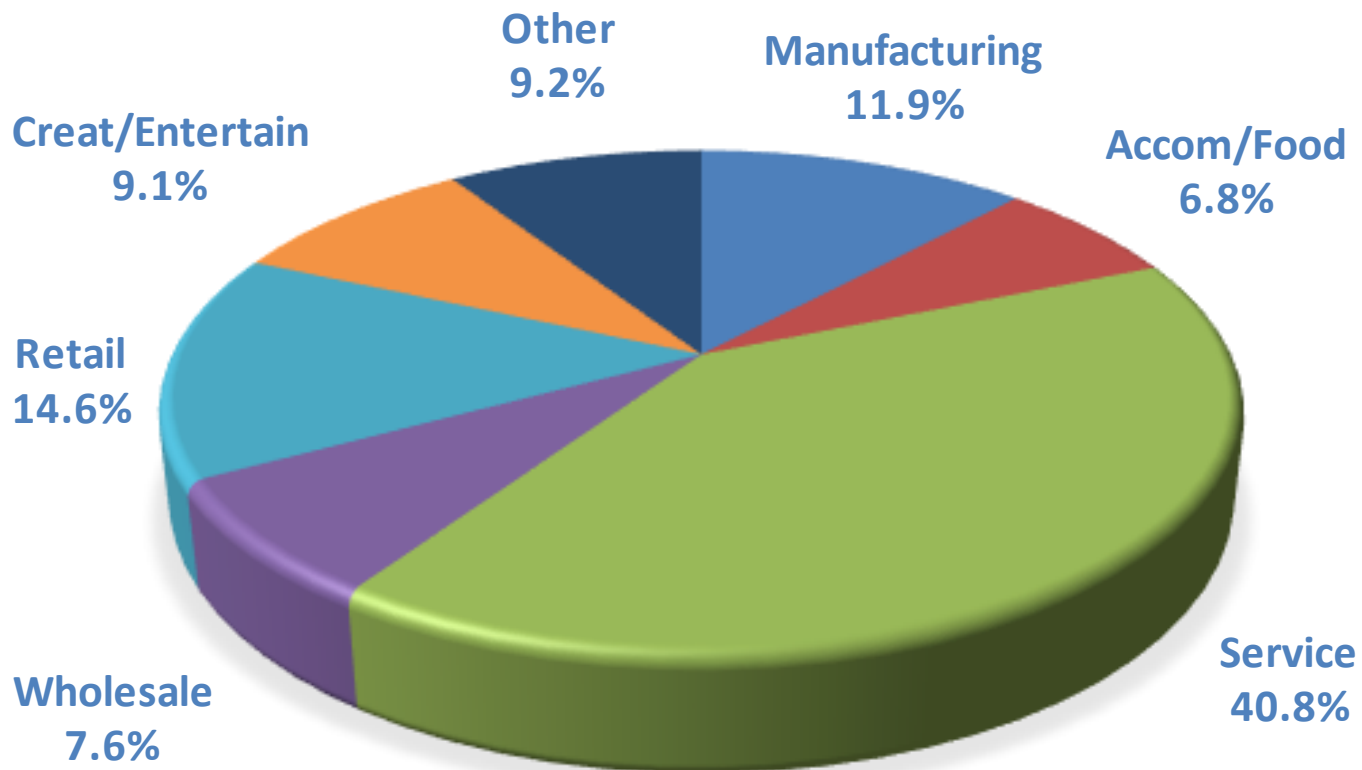
- The ability to fund a project that otherwise may have been denied
- Reduced financial risk
- Provide an alternative for a denied applicant
- Building a history to create a future “bankable” client

BLF Performance History

- Loans made – Dollars \$33,936,584
- Funds received from outside sources \$6,804,917
- Loans made for each dollar from outside sources 5X's
- Number of Loans 613
- Average loan size \$55,362
- Jobs created or retained 2,610
- 1 job created/retained per dollars lent \$13,046
- Dollars Leveraged \$74,412,007
- Outside leverage per BLF Dollar 2.2X's
- Historical loan loss rate 5.6%
- Total investment in Mesa County Businesses \$108,348,591

BLF Performance History

LOANS BY INDUSTRY



Summary



The Western Slope includes communities that pride themselves on their independence and ability to create their own prosperity. In these times of economic uncertainty, it is critical that we seize upon the opportunities at hand and do all we can to grow our own businesses.

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The Grand Valley's Center for Entrepreneurship

- Supportive Entrepreneurial Community
- Free Consulting & Low Cost Training
- Business Loans & Financing Strategies
- Colorado State Tax Credits

Incubator Programs



- Small Business Development Center (SBDC)



- Business Loan Fund of Mesa County



- Incubator Intensive and Commercial Kitchen



- Enterprise zone



Incubator Programs

- Fworks – Fruita Satellite coworking space



- GJ Makerspace



- CEDC (The Circular Economy Development Center)



- AGRIWEST

