

Entrepreneurial Ecosystems

Business Loan Fund of Mesa County

Grand Junction, Colorado

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BUSINESS
INCUBATOR CENTER

Expert Help • Targeted Resources • Tangible Results



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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



a 60,00 sq.ft. mixed-use Incubator

Industrial and office space

Commercial kitchen

The Business Incubator Center (BIC)

The Business Incubator Center serves a mission to support the launch, growth, stabilization and long-term success of business enterprises. We measure success by our ability to guide entrepreneurs through sound business decisions and our positive influence on economic growth in the region. Over our 36-year history, this structure has generated powerful results;

Year at a glance for 2022:

- 71 businesses on campus, the launch of 26 business start-ups, 15 companies graduated into the community, 369 clients served
- the generation of more than \$12.41million in revenue by these companies
- the creation of 421 jobs across all programs
- 22 Mesa County business loans totaling over \$1.84million
- the investment of \$3.79million in capital formation.

Mesa County constitutes approximately 2% of Colorado's population, but 11% of new business starts.

Incubator Programs



- Small Business Development Center (SBDC)



- Business Loan Fund of Mesa County



- Incubator Intensive and Commercial Kitchen



Incubator Programs

- Fworks – Fruita Satellite coworking space



- GJ Makerspace



- Enterprise Zone

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.

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 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

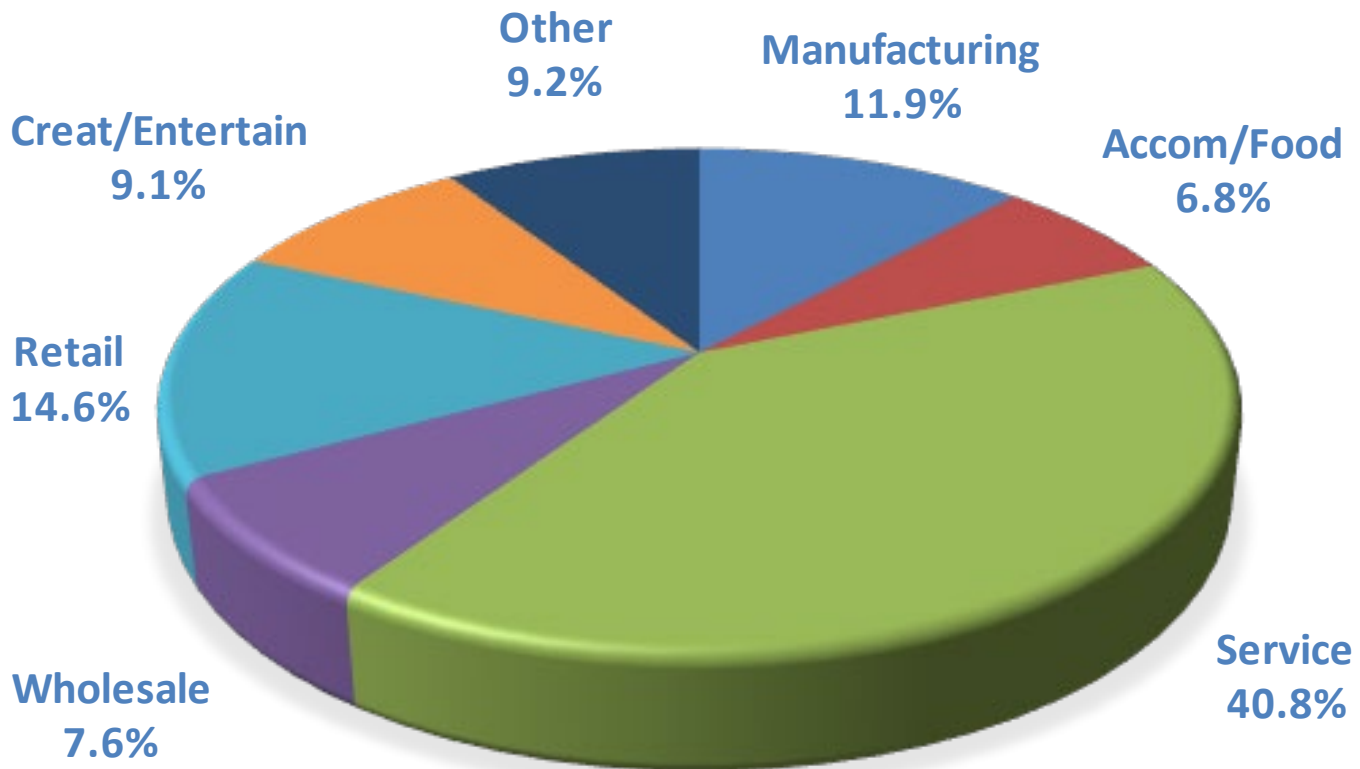
- The "**GAP**" loan program is designed to assist a borrower obtaining a primary business loan but needs to fill a financing "gap" to complete the overall financing needs of the business. The borrower obtains a loan commitment from the primary lender first and then seeks a BLF loan to fill the remaining 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.

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



Why Mesa County & the Grand Valley

- Interstate Highway, full-service airport, rail service
- Highly-rated hospitals & medical care
- #19 ranking in the country for tech start-ups
- Colorado Mesa University/CMU Tech/Technical Trades/Vibrant Workforce Center
- Recreation minutes from anywhere in the Valley
- Wineries, Microbreweries and Festivals
- Mild climate, lack of natural disasters
- Museums, Symphony, Art Center, Award Winning Downtown Area

Summary



We here in the Grand Valley are a community that prides itself on its independence and ability to create our 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. This is exactly what we do at the Business Incubator Center.

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