



Roswell ... believe

Financial Assistance Programs

Finance Development Team

If you are looking for an expert to guide you to the right financing tools, the Economic Development Department's Finance Development Team (FDT) is ready to help. Team members work hand-in-hand with New Mexico companies to introduce them to: tax incentives, job training reimbursements and financial assistance programs. The Team assists every type of company, from technology commercialization to rural retail and service businesses. Based on a one-on-one business call, our Team members can produce a free, customized analysis of the incentives and state programs that will work for your company. Finance Development Team's services include:

- Financial packaging (debt or equity) and/or accessing capital
- Review and interpretation of company financial statements
- In-depth financial analysis and client consultations concerning all aspects of doing business
- Financing Partnerships

There are two types of financing: debt and equity financing

- Debt financing is traditional bank or alternative financing that must be repaid.
- Equity financing is from a venture capitalist or angel investor that may or may not have to be repaid. However, equity financiers own a portion of the company and traditionally expect a higher return for their investment.

Navigating through programs and financing options can seem daunting and complex. That is why our experts are available to help you select the right tools to get the results you are looking for. Please contact one of our Finance Development Team members for assistance in guiding you through the programs toolbox. For assistance, please contact:

Antoinette Vigil, Team Leader

Email: Antoinette.Vigil@state.nm.us

Direct: (505) 827-0264

Economic Development Department

Local Economic Development Act—Capital Outlay Funds

In order to qualify for Economic Development Capital Outlay funds, the following material must be completed:

- An endorsed copy of the initial ordinance adopting the Local Economic Development Act
- A description of how the funds will be used (scope of work) along with appropriate documentation (purchase of land, loan approval, infrastructure order, etc.)
- A Project Application.
- A Project Participation Agreement
- A form of security (debt instrument) for the award should a clawback for non-performance be necessary.
- Such evaluation for consideration of award will include to the extent applicable: proposed use of the grant proceeds, the project's financial feasibility, economic impact and any other matters that NMEDD may consider appropriate.

- The local government needs to adopt the project by ordinance attaching the application, project participation agreement and proof of notice to the public.
- A letter by the local government requesting the monies be transferred, a description of the due diligence performed (cost-benefit and financial analysis), and a statement the project complies with LEDA.

Department staff will guide through the process to ensure the proper structure for the transaction is in accordance with LEDA.

Financial Assistance Programs by Provider

New Mexico Finance Authority (NMFA)

New Market Tax Credits

New Market Tax Credits are designed to help low income communities develop business that provide economic development and jobs, including tribal areas with high levels of unemployment and poverty. The credit is taken over a 7 year period, 5% in each of the first 3 years and 6% in each of the final 4 years for a total of 39% of the original investment amount.

NMFA has received an allocation of \$110 million and eligible activities may include:

- Loans or investments located in low-income census tracts
- Development of commercial, industrial and retail real estate projects (including community facilities) in low income census tracts
- Development of for-sale housing in low-income census tracts.

Collateral Support Program (CSP)

The New Mexico Finance Authority has been approved to be the administrator of \$13.2 million in Small Business Collateral Support Participation Program funds, through an MOU with the Economic Development Department. These funds are dedicated to help finance credit worthy small businesses leverage private lending when they are unable to obtain the capital required to expand and create jobs. The Collateral Support Participation Program is a new program developed which provides funding by the US Department of Treasury under the State Small Business Credit Initiative (SSBCI), authorized under the Small Business Jobs Act of 2010. In order to qualify for the Collateral Support Participation Program funds, the small business must:

- Be located in New Mexico
- Use the loan proceeds for business purposes
- Be a for-profit corporation, partnership, limited liability corporation, limited liability partnership, joint venture, sole proprietorship, cooperative, or other entity which is authorized to conduct business in the State of New Mexico
- Have 750 employees or less
- Not be an executive officer, director, or principal shareholder of the participating lender, or have a related interest in or be an immediate family member of an executive officer, director, or principal shareholder of the participating lender buy and install machinery, equipment and fixtures; and pay soft costs associated with the project.

For more information:

www.elcdc.com

505.843.9232 or 1.888.282.9232

The Loan Fund

The Loan Fund is a private, non-profit organization that provides loans, capacity building and technical assistance to business owners and non-profit organizations throughout the state and the entire Navajo Nation. Loans are provided to new and existing businesses for equipment, inventory, building renovations and operating capital. Loans are provided to non-profits for such needs as bridge financing against awarded private and public contracts, capital improvements and equipment.

For more information:

www.loanfund.org

505.243.3196 or 1.866.873.6746

WESST Corp

WESST Corp is a non-profit, economic development organization that provides business skills training, product marketing, development opportunities, and small loans (including SBA microloans) to viable start-up or growing New Mexico businesses owned by women and minorities.

For more information:

www.wesst.org

1.800.GO.WESST

Loan Guarantee Programs

USDA Business and Industry Loan Guarantee Program

The purpose of this program is to improve, develop, or finance business, industry, and employment in rural communities. Businesses financed under this program must be located in rural areas under 40,000 in population and non-urbanized areas. Priority will be given to communities with populations under 25,000. The program provides businesses with a loan guarantee with up to 80% on loans for existing businesses with a maximum loan amount of \$5 million. This loan program will finance businesses with working capital, machinery, equipment, and fixtures and commercial real estate. USDA administers the program and can provide certified lenders to package and process the loan.

For more information:

www.rurdev.usda.gov

505.761.4953

US Small Business Administration (SBA)

The New Mexico SBA office offers opportunities for all prospective entrepreneurs to start, build, and grow their own businesses. The SBA provides technical assistance, loans, procurement opportunities and other assistance to entrepreneurs and existing businesses alike. The SBA provides the following loan guarantee programs:

- SBA Express loans up to \$350,000 (which may be used as a line of credit)
- Community Express loans up to \$250,000
- Patriot Express loans up to \$500,000
- CAPLines up to \$2 million
- International Trade loans up to \$2 million
- Export Working Capital up to \$2 million
- Microloans through nonprofit lending organizations listed in this publication

- 504 loans through the Certified Development Companies licensed through the SBA and also listed in this publication

For more information:

www.sba.gov/nm

505.248.8225

Equity

Altira Group

Formed in 1996, Altira invests in companies that develop and commercialize energy technologies in the areas of natural resources, clean energy and electric power. Altira does not invest in projects for petroleum exploration and production or for power generation.

For more information:

www.altiragroup.com

303.592.5500 or dmcdermott@altiragroup.com

Arch Ventures

ARCH provides seed and early stage venture capital for technology firms, with a special expertise in co-founding and building technology firms from startup. ARCH has experience in investing in life sciences, physical sciences and information technology companies.

For more information:

www.archventure.com

512.765.5830 or cwbybee@archventure.com

Cottonwood Technology Fund (CTF)

CTF is a seed and pre-seed stage technology commercialization fund with offices in Santa Fe and Albuquerque. CTF works to provide venture services and capital to tech transfer opportunities having strong commercial potential.

For more information:

<http://cottonwoodtechnologyfund.com/>

Dave Blivin: 505.412.8537 or dave@cottonwoodtechnologyfund.com

Ray Quintana: 505.291.8326 or ray@cottonwoodtechnologyfund.com

Epic Ventures

Epic, founded by Zions Bank, Epic does not focus on a particular technology sector, but looks for companies with the potential for explosive growth. The firm prefers to invest in companies in the Western United States.

For more information:

www.epicvc.com

801.524.8939 or Todd@epicvc.com

Flywheel Ventures

Flywheel Ventures is a seed and early -state venture capital firm focused on information technology and physical sciences ventures in the Southwestern/Rockies region. The firm has offices in Santa Fe, Albuquerque and the Silicon Valley.

For more information:

www.flywheelventures.com

800.750.7870 or trevor@flywheelventures.com

Fort Washington Capital Partners

Fort Washington has over \$1.3 billion in private equity commitments and 23 years of experience. The firm has investments with 115+ underlying funds and 40 direct co-investments. The organization includes nearly 40 private equity and support professionals.

For more information:

www.fortwashington.com

505.986.1552 or john.bessone@fortwashington.com

International Venture Fund (IVF) or Invencor, Inc.

Headquartered in the Silicon Valley, IVF also has an office in Santa Fe. It focuses on investing in companies in Arizona, Hawaii, New Mexico and Utah, but considers investments in other areas. IVF serves the investment gap between the angel community and larger venture funds.

For more information:

www.invencor.com

650.330.1210 or richard@invencor.com

Murphree Venture Partners (MVP)

MVP typically invests in companies with revenue traction in the \$3 million to \$30 million range, but will occasionally invest in a startup entity. MVP invests in the Sun Belt region with offices in Houston, Austin, Baton Rouge and Birmingham.

For more information:

www.murphreeventures.com

713.655.8500 or patrick@murphreeventures.com

New Mexico Community Capital (NMCC)

NMCC provides investment, management and consulting experience to existing companies seeking equity financing. NMCC targets rural and underserved communities throughout New Mexico. Forty percent of its total fund is invested outside Albuquerque, Santa Fe and Los Alamos. Typical investments are between \$500,000 and \$1 million.

For more information:

www.nmccap.org

505.924.2820 or 1.866.222.1552

Psilos Group Partners

Psilos has offices in New York, the San Francisco Bay Area and Santa Fe. The firm is currently investing in the healthcare services, healthcare information technology, medical device, medical instrumentation and specialty pharmaceutical sectors.

For more information:

www.psilos.com

505.995.8500 or dcollins@psilos.com

Sun Mountain Capital

Sun Mountain's regional direct investment programs do not focus on specific industry sectors or in a particular stage in the investment cycle. Sun's portfolio companies reflect the investment opportunities indigenous to a particular region of the country and are diversified by both stage and sector.

For more information:

www.sunmountaincapital.com

505.594.5474 or brian.birk@sunmountaincapital.com

Tullis Dickerson (TD)

TD focuses on several industry segments: biotechnology and life sciences, pharmaceuticals, health care services, and medical devices. TD has established, funded and assisted in the growth of dozens of public and private companies with revenues ranging from zero into the billions of dollars.

For more information:

www.tullisdickerson.com

203.629.8700 or tdickerson@tullisdickerson.com

Valley Ventures

Valley Ventures, with offices in Phoenix and Albuquerque, is an institutionally funded venture capital partnership with \$85 million under management. It invests in and assists emerging growth companies in the greater Southwest.

For more information:

www.valleyventures.com

480.661.6600 or Jock@ValleyVentures.com

Verge

Verge only invests in New Mexico companies and prefers to invest in the early stages: the seed or first round. Verge will make later -stage investments only in follow-on rounds of existing portfolio companies as their business models are validated and the risk factors are reduced. Their focus is primarily on technology business including life sciences, manufacturing technologies, optics, semiconductors, software, telecommunications and energy.

For more information:

www.vergefund.com

505.247.1038 or tstephenson@vergefund.com

Village Ventures

Village Ventures is a seed and early stage venture capital firm focusing on three primary sectors: consumer media and retail, health care and financial services. The company has built a platform, which it offers to other seed and early stage firms, to provide for collaboration, co-investment and administrative cost sharing.

For more information:

www.villageventures.com

505.594.5474 or fsommer@villageventures.com

vSpring

vSpring is a traditional early-stage venture capital firm with over \$350 million of committed capital under management. vSpring targets information technology and life sciences companies headquarter in the Intermountain West region. Primary areas of focus include enterprise software, networking and communications, security software, Internet, mobile computing, drug discovery, drug delivery, diagnostics, and medical devices.

For more information:

www.vspring.com

801.942.8999 or paul@vspring.com