



NEW MEXICO  
**FINANCEAUTHORITY**

1

Presentation to NMFA Oversight Committee

# **Economic Development Revolving Fund Update**

Ryan Marie Decker, Policy & Capital Strategist

October 25, 2022

- ◆ The Statewide Economic Development Finance Act (“SWEDFA”) was established in 2003 to help stimulate the economy, particularly in rural and underserved areas of the state
- ◆ The Economic Development Revolving Fund (“EDRF”) was created under SWEDFA and is one of six funds NMFA operates for community and economic development purposes

FY	Program Name	Enabling Act	Source of Capital	Original Portfolio		Outstanding Portfolio	
				#	\$ Balance	#	\$ Balance
1994	Primary Care Capital	Primary Care Capital	General Fund	19	\$ 11,524,659	4	\$ 618,259
<b>2003</b>	<b>EDRF - Smart Money</b>	<b>SWEDFA</b>	<b>General Fund</b>	<b>7</b>	<b>\$ 7,620,593</b>	<b>2</b>	<b>\$ 1,841,966</b>
2003	Child Care Revolving Loan Fund	Child Care Facility Loan	Federal Funds	1	\$ 50,000	0	\$ -
2004	Behavioral Health Capital Fund	Behavioral Health Capital	Cigarette Tax Bonds	6	\$ 3,615,000	4	\$ 1,823,622
2006	New Markets Tax Credit	SWEDFA	Federal Funds	30	\$ 306,000,000	16	\$ 154,654,000
<b>2011</b>	<b>EDRF - Collateral Support</b>	<b>SWEDFA</b>	<b>Federal Funds</b>	<b>16</b>	<b>\$ 8,336,120</b>	<b>4</b>	<b>\$ 1,977,074</b>
<b>2021</b>	<b>EDRF - Essential Services Working Capital</b>	<b>SWEDFA</b>	<b>NMFA Operating Funds</b>	<b>17</b>	<b>\$ 5,584,850</b>	<b>11</b>	<b>\$ 2,118,594</b>
2021	New Markets Tax Credit Small Loan Pool	SWEDFA	Federal Funds	9	\$ 14,550,000	9	\$ 7,760,000
<b>2022</b>	<b>EDRF - Cannabis Microbusiness</b>	<b>SWEDFA</b>	<b>NMFA Operating Funds</b>	<b>7</b>	<b>\$1,560,000</b>	<b>7</b>	<b>\$ -</b>
<i>Total</i>				<b>112</b>	<b>\$ 358,841,222</b>	<b>57</b>	<b>\$ 170,793,515</b>

\$ Balances as of 10.1.2022

## Smart Money Program – Loan Participation

- ❑ Lending alongside banks and credit unions to lower borrowing costs
- ❑ Use of proceeds includes construction/renovation, machinery, equipment and working capital
- ❑ Interest rates based on Treasury rates (e.g., Treasury rate + 1 to 2%)
- ❑ Loan amounts up to \$2,000,000 or 49% of total financing

Client	Year	Location (County)	Sector	Use of funds	Participating Bank	Total \$ Financing	NMFA Portion	NMFA %	NMFA Interest Rate	Loan Balance	Status as of 10-1-2022
Memorial Ventures, LLC	2020	Bernalillo	53 - Real Estate and Rental and Leasing	Refinancing real estate holdco of Hotel Parq Central during pandemic	Enterprise Bank and Trust	\$ 12,220,831	\$ 1,200,000	10%	2.08%	\$ 1,151,195	Current
Younger Enterprise, LLC	2019	Dona Aña	62 - Health Care and Social Assistance	Construction of addition to assisted living and adult care center	Century Bank	\$ 1,533,533	\$ 751,431	49%	4.28%	\$ 690,771	Current
Landmark at Desert Gardens	2013	Lea	62 - Health Care and Social Assistance	Renovation of assisted living facility	Western Commerce Bank	\$ 3,840,000	\$ 576,000	15%	4.25%	\$ -	Paid in Full
Resources for Children & Youth Inc.	2012	Las Cruces	61 – Educational Services	Building renovation for New America charter high school serving at-risk youth	Bank of the Rio Grande	\$ 2,800,000	\$ 1,319,570	47%	2.75%	\$ -	Paid in Full
Plaza-Ilfeld, LLC	2009	Dona Aña	53 - Real Estate and Rental and Leasing	Construction and permanent financing for historic Plaza Hotel	Valley National Bank	\$ 5,517,944	\$ 1,650,000	30%	5.2%	\$ -	Foreclosed
Western Wood Products, Inc.	2008	Mora	44-45 - Retail Trade	Construction, equipment and working capital	International Bank	\$ 2,202,500	\$ 1,079,225	49%	n/a	\$ -	Settlement Reached
PreCheck, Inc.	2006	Otero	56 - Administrative and Support Services	Construction and equipment of new facility and working capital	Alamogordo Federal Savings & Loan	\$ 4,418,750	\$ 849,592	19%	7.3%	\$ -	Paid in Full (Early)
					<b>Total</b>	<b>\$ 32,533,558</b>	<b>\$ 7,425,818</b>	<b>23%</b>		<b>\$ 1,841,966</b>	

## Collateral Support Program – Loan Participation

- NMFA purchases subordinated interest in loans underwritten by banks to lower borrowing costs

Client	Year	Location (County)	Participating Bank	Bank Financing	NMFA	Private Capital	Total	NMFA %	Loan Balance	Status as of 10-1-2022
Gallup Pipeline & Compliance Services, LLC	2016	McKinley	Pinnacle Bank	\$ 145,452	\$ 25,668	\$ 42,780	\$ 213,900	12%	\$ 0	Paid in Full
NME Enterprises	2016	McKinley	First American Bank	\$ 5,184,000	\$ 1,296,000	\$ 1,923,684	\$ 8,403,684	15%	\$0	Paid in Full
Ambience Hospitality	2015	Bernalillo	Wells Fargo	\$ 3,500,000	\$ 450,000	\$ 1,525,000	\$ 5,475,000	8%	\$ 277,233	Current
Mesa Quemado dba Don Juan Auto Body	2014	Santa Fe	Bank of Albuquerque	\$ 832,500	\$ 89,500	\$0	\$ 922,000	10%	\$ 0	Paid in Full
Bugman, Inc.	2014	Santa Fe	Century Bank	\$ 180,625	\$ 31,875	\$ 37,500	\$ 250,000	13%	\$0	Paid in Full
Permian I, LLC	2014	Eddy	First National Bank of Alamogordo	\$ 4,438,200	\$ 1,593,081	\$ 1,479,400	\$ 7,510,681	21%	\$ 916,944	Current
MW Holdings, LLC	2014	Santa Fe	Bank of Albuquerque	\$ 5,248,000	\$ 1,145,000	\$0	\$ 6,393,000	18%	\$ 700,796	Current
Los Alamos Cooperative Market	2013	Los Alamos	Wells Fargo	\$ 1,113,750	\$ 119,000	\$ 247,500	\$ 1,480,250	8%	\$ 82,101	Current
ELRC Properties, LLC	2013	Dona Ana	Wells Fargo	\$ 753,824	\$ 331,678	\$0	\$ 1,085,502	31%	\$0	Paid in Full
Haciendas at Grace Village, LLC	2013	Dona Ana	Western Bank of Alamogordo	\$ 2,024,802	\$ 357,318	\$ 2,125,000	\$ 4,507,120	8%	\$0	Paid in Full
Greater Albuquerque Habitat for Humanity	2013	Bernalillo	Wells Fargo	\$ 1,425,000	\$ 241,000	\$ 234,000	\$ 1,900,000	13%	\$0	Paid in Full
NEAR, LLC	2013	Dona Ana	Wells Fargo	\$ 3,710,570	\$ 1,000,000	\$ 417,164	\$ 5,127,734	20%	\$0	Paid in Full
Haciendas at Grace Village, LLC	2013	Dona Ana	Western Bank of Alamogordo	\$ 300,000	\$ 200,000	\$0	\$ 500,000	40%	\$0	Paid in Full
Cantor Properties	2012	Santa Fe	Los Alamos National Bank	\$ 180,000	\$ 120,000	\$ 0	\$ 300,000	40%	\$0	Paid in Full
Star Cryoelectronics	2012	Santa Fe	Los Alamos National Bank	\$ 120,000	\$ 80,000	\$ 0	\$ 200,000	40%	\$0	Paid in Full
MW Holdings, LLC	2012	Santa Fe	Wells Fargo	\$ 5,027,000	\$ 1,256,000	\$ 517,924	\$ 6,800,924	18%	\$0	Paid in Full
			<b>Total</b>	<b>\$ 34,183,723</b>	<b>\$ 8,336,120</b>	<b>\$ 8,549,952</b>	<b>\$ 51,069,795</b>	<b>16%</b>	<b>\$1,977,073</b>	

## **Essential Services** – Access to Capital (emergency)

- ❑ Established in April 2020 to provide emergency funding for essential services providers during the COVID pandemic
- ❑ Direct working capital loans up to \$ 1 million to fund operating expenses (payroll, utilities, supplies, rent/mortgage payments)
- ❑ Eligible entities are for-profit and non-profit essential services providers including:
  - Rural hospitals, behavioral health and substance abuse providers
  - Dentists
  - Childcare operators
  - Walk-in healthcare facilities and residential healthcare facilities offering medical services
  - Pharmacies
  - Medical supply and equipment manufacturers and distributors
  - Research facilities
- ❑ Line of credit for one year that may be converted to term loans up to five years
- ❑ Secured by business assets, requires personal guarantees for owners of >20%
- ❑ Interest rates of 1%
- ❑ No application fee, no closing fees, no prepayment penalties

# Essential Services Working Capital

6

Client	Year	Location (County)	Sector	Essential Services	Original Amount	Loan Balance	Status as of 10-1-2022
Reliance Medical Group LLC	2022	San Juan	62 - Health Care and Social Assistance	Rural medical center	\$ 150,000	\$ 145,140	Current
Ponderosa Montessori Inc	2020	Los Alamos	62 - Health Care and Social Assistance	Childcare provider	\$ 250,000	\$ 246,319	Current
Build with Robots Inc	2020	Bernalillo	31-33 - Manufacturing	Production of sanitizing robots for large areas	\$ 618,750	\$ 0	Paid in Full
RingIR Inc	2020	Bernalillo	31-33 - Manufacturing	Viral detection and screening	\$ 58,300	\$ 22,787	Current
Santa Fe Recovery Center Inc	2020	Santa Fe	62 - Health Care and Social Assistance	Substance abuse treatment center	\$ 874,000	\$ 586,272	Current
Covenant Schools of America LP	2020	Bernalillo	62 - Health Care and Social Assistance	Childcare provider	\$ 375,000	\$ 274,608	Current
Las Cruces Machine Manufacturing and Engineering Inc	2020	Dona Ana	31-33 - Manufacturing	Machine shop converting to meet demand for medical components	\$ 100,000	\$ 65,620	Current
Net Medical Xpress Solutions Inc	2020	Bernalillo	62 - Health Care and Social Assistance	Teleneurology/surgery provider to rural hospitals and UNM	\$ 100,000	\$ 59,822	Current
First Choice Community Healthcare Inc	2020	Bernalillo	62 - Health Care and Social Assistance	Medical services clinic	\$ 900,000	\$ 541,977	Current
David J Ortega DDS PC	2020	Santa Fe	62 - Health Care and Social Assistance	Dental care	\$ 100,000	\$ 0	Paid in Full
Las Cumbres Community Services Inc	2020	Rio Arriba	62 - Health Care and Social Assistance	Non-profit serving developmentally disabled children, adults and families	\$ 320,000	\$ 0	Paid in Full
Rio Grande Hematology and Oncology LLC	2020	Dona Ana	62 - Health Care and Social Assistance	Cancer specialist serving immune compromised patients	\$ 150,000	\$ 103,772	Current
Rhino Health Inc	2020	McKinley	31-33 - Manufacturing	Neutrite glove manufacturer	\$ 1,000,000	\$ 0	Paid in Full
Albuquerque Speech Language and Hearing Center	2020	Bernalillo	62 - Health Care and Social Assistance	Nonprofit speech therapy service provider	\$ 65,000	\$ 0	Paid in Full
Telshor Family Clinic LLC	2020	Dona Ana	62 - Health Care and Social Assistance	Primary healthcare services	\$ 200,000	\$ 37,934	Current
Childrens Choice Child Care Services	2020	Bernalillo	62 - Health Care and Social Assistance	Childcare provider	\$ 250,000	\$ 0	Paid in Full
Well Life ABQ LLC	2020	Bernalillo	62 - Health Care and Social Assistance	Primary healthcare for under and uninsured	\$ 73,800	\$ 34,345	Current
				<b>Total</b>	<b>\$ 5,584,850</b>	<b>\$ 2,118,594</b>	



# Cannabis Microbusiness

## Cannabis Microbusiness – Access to Capital

- ❑ Created to improve access to capital for the smallest agricultural producers in the emerging cannabis industry
- ❑ Direct working capital loans to licensed microbusinesses of up to \$250,000
- ❑ Interest rates of 2-3% and terms from 3-5 years
- ❑ Collateralized by business assets (property, equipment); requires personal guarantees for owners of >10%

Client	Year	Location (County)	Original Amount	Loan Balance	Status as of 10-1-2022
FireFlower LLC	2022	Bernalillo	\$ 250,000	\$ 0	Closing
Carver Family Farm	2022	Bernalillo	\$ 150,000	\$ 0	Closing
Healing Leavez LLC	2022	Curry	\$ 250,000	\$ 0	Closing
Herban Oasis, LLC	2022	Bernalillo	\$ 250,000	\$ 0	Closing
Serrano Springs Ranch, LLC	2022	Dona Ana	\$ 160,000	\$ 0	Closing
Grey Moon Operations, LLC	2022	Lea	\$ 250,000	\$ 0	Pending Approval
The Mem-o, LLC	2022	Sandoval	\$ 250,000	\$ 0	Closing
		<b>Total</b>	<b>\$ 1,560,000</b>	<b>\$ 0</b>	