



NEW MEXICO
FINANCE AUTHORITY

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Presentation to NMFA Oversight Committee

Economic Development Revolving Fund Report

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Statewide Economic Development Finance Act

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- ◆ Statewide Economic Development Finance Act (“SWEDFA”) was established in 2003 to help stimulate the economy, particularly in rural and underserved areas of the state by creating financing tools that put New Mexico on par with neighboring states
- ◆ SWEDFA requires that NMFA provide two reports to the NMFA Oversight Committee during the interim. This is the NMFA’s first report for 2023



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Economic Development Revolving Fund



- ◆ The Economic Development Revolving Fund (“EDRF”) is the Fund created under SWEDFA from which NMFA makes loans. EDRF is currently segregated into four sub-accounts:
 - ❑ **Smart Money** is a State funded loan participation program
 - ❑ **Collateral Support Participation** was Federally funded State Small Business Credit Initiative (SSBCI) loan participation program
 - ❑ **Essential Services Working Capital Program** provided direct working capital loans to essential service providers during pandemic
 - ❑ **Cannabis Microbusiness Program (CMP)** provided start up capital to licensed cannabis micro-businesses

Smart Money



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Smart Money Loan Participation

- Lending alongside banks and credit unions to lower borrowing costs and share risk
- Interest rates based on Treasury rates (e.g., Treasury rate + risk adjustment of typically 1.5% - 2%)
- Loan amounts up to \$2,000,000 or 49% of total financing

Client	Location (County)	Sector	Use of funds	Participating Bank	Total \$ Financing	NMFA Portion	NMFA %	NMFA Interest Rate	Loan Balance	Status as of 6-30-2023
Memorial Ventures, LLC	Bernalillo	53 - Real Estate and Rental and Leasing	Refinancing Hotel Parq Central during pandemic	Enterprise Bank and Trust	\$ 12,220,831	\$ 1,200,000	10%	2.08%	\$ 1,123,026	Current
Younger Enterprise, LLC	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%	\$ 670,276	Current
Landmark at Desert Gardens	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.	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	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.	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.	Otero	56 - Administrative and Support Services	Construction and equipment of new facility and working capital	Bank 54	\$ 4,418,750	\$ 849,592	19%	7.3%	\$	Paid in Full (Early)
Total					\$ 32,533,558	\$ 7,425,818	23%		\$ 1,793,303	

SSBCI Collateral Support



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SSBCI Collateral Support Participation Program – Loan Participation

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

Client	Location (County)	Participating Bank	Bank Financing	NMFA	Private Capital	Total	NMFA %	Loan Balance	Status as of 6-30-2023
Gallup Pipeline & Compliance Services, LLC	McKinley	Pinnacle Bank	\$ 145,452	\$ 25,668	\$ 42,780	\$ 213,900	12%	\$ 0	Paid in Full
NME Enterprises	McKinley	First American Bank	\$ 5,184,000	\$ 1,296,000	\$ 1,923,684	\$ 8,403,684	15%	\$0	Paid in Full
Ambience Hospitality	Bernalillo	Wells Fargo	\$ 3,500,000	\$ 450,000	\$ 1,525,000	\$ 5,475,000	8%	\$0	Paid in Full
Mesa Quemado dba Don Juan Auto Body	Santa Fe	Bank of Albuquerque	\$ 832,500	\$ 89,500	\$ 0	\$ 922,000	10%	\$ 0	Paid in Full
Bugman, Inc.	Santa Fe	Century Bank	\$ 180,625	\$ 31,875	\$ 37,500	\$ 250,000	13%	\$0	Paid in Full
Permian I, LLC	Eddy	First National Bank of Alamogordo	\$ 4,438,200	\$ 1,593,081	\$ 1,479,400	\$ 7,510,681	21%	\$ 886,461	Current
MW Holdings, LLC	Santa Fe	Bank of Albuquerque	\$ 5,248,000	\$ 1,145,000	\$ 0	\$ 6,393,000	18%	\$ 663,653	Current
Los Alamos Cooperative Market	Los Alamos	Wells Fargo	\$ 1,113,750	\$ 119,000	\$ 247,500	\$ 1,480,250	8%	\$ 781,179	Current
ELRC Properties, LLC	Dona Ana	Wells Fargo	\$ 753,824	\$ 331,678	\$ 0	\$ 1,085,502	31%	\$0	Paid in Full
Haciendas at Grace Village, LLC	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	Bernalillo	Wells Fargo	\$ 1,425,000	\$ 241,000	\$ 234,000	\$ 1,900,000	13%	\$0	Paid in Full
NEAR, LLC	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	Dona Ana	Western Bank of Alamogordo	\$ 300,000	\$ 200,000	\$ 0	\$ 500,000	40%	\$0	Paid in Full
Cantor Properties	Santa Fe	Los Alamos National Bank	\$ 180,000	\$ 120,000	\$ 0	\$ 300,000	40%	\$0	Paid in Full
Star Cryoelectronics	Santa Fe	Los Alamos National Bank	\$ 120,000	\$ 80,000	\$ 0	\$ 200,000	40%	\$0	Paid in Full
MW Holdings, LLC	Santa Fe	Wells Fargo	\$ 5,027,000	\$ 1,256,000	\$ 517,924	\$ 6,800,924	18%	\$0	Paid in Full
		Total	\$ 34,183,723	\$ 8,336,120	\$ 8,549,952	\$ 51,069,795	16%	\$ 2,331,293	

Essential Services Working Capital Program



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Essential Services – Bridge Capital

- ❑ 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 Program

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Client	Location (County)	Sector	Essential Services	Original Amount	Loan Balance	Status as of 6-30-2023
Reliance Medical Group LLC	San Juan	62 - Health Care and Social Assistance	Rural medical center	\$ 150,000	\$ 121,209	Current
Ponderosa Montessori Inc	Los Alamos	62 - Health Care and Social Assistance	Childcare provider	\$ 250,000	\$ 200,227	Current
Build with Robots Inc	Bernalillo	31-33 - Manufacturing	Production of sanitizing robots for large areas	\$ 618,750	\$ 0	Paid in Full
RingIR Inc	Bernalillo	31-33 - Manufacturing	Viral detection and screening	\$ 58,300	\$ 16,165	Current
Santa Fe Recovery Center Inc	Santa Fe	62 - Health Care and Social Assistance	Substance abuse treatment center	\$ 874,000	\$ 441,150	Current
Covenant Schools of America LP	Bernalillo	62 - Health Care and Social Assistance	Childcare provider	\$ 375,000	\$ 204,674	Current
Las Cruces Machine Manufacturing and Engineering Inc	Dona Ana	31-33 - Manufacturing	Machine shop converting to meet demand for medical components	\$ 100,000	\$ 49,179	Current
Net Medical Xpress Solutions Inc	Bernalillo	62 - Health Care and Social Assistance	Teleneurology/surgery provider to rural hospitals and UNM	\$ 100,000	\$ 41,931	Current
First Choice Community Healthcare Inc	Bernalillo	62 - Health Care and Social Assistance	Medical services clinic	\$ 900,000	\$ 400,003	Current
David J Ortega DDS PC	Santa Fe	62 - Health Care and Social Assistance	Dental care	\$ 100,000	\$ 0	Paid in Full
Las Cumbres Community Services Inc	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	Dona Ana	62 - Health Care and Social Assistance	Cancer specialist serving immune compromised patients	\$ 150,000	\$ 75,910	Current
Rhino Health Inc	McKinley	31-33 - Manufacturing	Neutrite glove manufacturer	\$ 1,000,000	\$ 0	Paid in Full
Albuquerque Speech Language and Hearing Center	Bernalillo	62 - Health Care and Social Assistance	Nonprofit speech therapy service provider	\$ 65,000	\$ 0	Paid in Full
Telshor Family Clinic LLC	Dona Ana	62 - Health Care and Social Assistance	Primary healthcare services	\$ 200,000	\$ 24,510	Current
Childrens Choice Child Care Services	Bernalillo	62 - Health Care and Social Assistance	Childcare provider	\$ 250,000	\$ 0	Paid in Full
Well Life ABQ LLC	Bernalillo	62 - Health Care and Social Assistance	Primary healthcare for under and uninsured	\$ 73,800	\$ 25,071	Current
			Total	\$ 5,584,850	\$ 1,600,030	

Cannabis Microbusiness

Cannabis Microbusiness – Access to Start-Up Capital

- ❑ Pilot program created to improve access to capital for the smallest agricultural producers in the emerging cannabis industry
- ❑ Provided direct working capital loans to licensed microbusinesses of up to \$250,000 at interest rates of 2-3% and terms from 3-5 years
- ❑ No longer accepting applications due to high underwriting costs, borrower challenges meeting collateral requirements and industry volatility

Client	Year	Location (County)	Original Amount	Loan Balance	Status as of 6-30-2023
Carver Family Farm	2022	Bernalillo	\$ 150,000	\$ 67,011	Current
Herban Oasis, LLC	2022	Bernalillo	\$ 250,000	\$ 244,946	Delinquent
Serrano Springs Ranch, LLC	2022	Doña Ana	\$ 160,000	\$ 137,483	Current
Grey Moon Operations, LLC	2022	Lea	\$ 250,000	\$ 141,500	Current
The Mem-o, LLC	2022	Sandoval	\$ 250,000	\$ 239,071	Current
High There, LLC	2023	Doña Ana	\$ 250,000	\$ 46,786	Current
		Total	\$ 1,310,000	\$ 876,798	