NMTC Coalition
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COLORADO

FINANCING

NMTC Financing: Greenline Ventures: $1.5 million.

IMPACT

- 10 jobs available to minority and low-income community residents.
- Minority employees comprise over 50% of RMI's workforce.

COMMUNITY

- Median income: 51% of the AMI
- Unemployment rate: 11%

"We want to help potential high impact businesses remain in low-income communities and hire low-income residents, thereby allowing these residents to avoid being displaced as broader redevelopment occurs. We want to reduce the impact of gentrification by improving the connection between small business employment opportunities and low-income community residents."

Patrick Vahey, President of Greenline

ROCKY MOUNTAIN INSTRUMENT CO.

Lafayette, CO (2017)

Small businesses, with funding requirements under $2.5 million, represent the economic backbone of our communities. Supporting growth and the creation of jobs with upward mobility within these businesses is vital for low-income workers.

Greenline Community Ventures, a Colorado CDFI and national CDE, used NMTCs to establish a "grass roots" Small Business Capital Fund designed specifically to help create low-income community jobs by funding high impact, cash flow challenged small businesses. The Fund's mission is to better connect low-income community residents with the small businesses that represent two-thirds of America's job growth.

Rocky Mountain Instrument Co. (RMI) is a minority-owned manufacturer of optics coatings and assemblies for laser and imaging applications. The business serves defense, industrial, medical, and semiconductor markets. RMI provides technical training to unskilled, low-income community workers in-house, and over half of its employees are minorities.

Like many small businesses, RMI needed additional capital to produce inventory for existing orders and buy the equipment for a new production line. RMI had exhausted cash reserves and was unable to secure a traditional loan to support its growth plans. Instead, it was forced to use equipment vendor lease financing with an effective interest rate exceeding 40 percent.

Greenline used its NMTC supported Small Business Capital Fund to deliver a $1.5 million subordinate business loan. The loan allowed RMI to expand product offerings and hire 10 additional technology workers from the low-income community. Three of these workers were previously unemployed. According to Calvert Foundation, the loan was, "an important trigger for near-term growth and job creation that will eventually lead to additional capital from traditional banks and private equity."

The Small Business Capital Fund served as a template for Greenline's Covid-19 Emergency Microloan Program, which has helped over 25 Colorado small businesses continue operations and retain employees through the current pandemic.