



BUILDING STRONGER
COMMUNITIES
2018 ANNUAL REPORT



OUR MISSION

is to foster the economic growth of diverse small businesses within our

COMMUNITIES



Our Values

**Advance
the mission**

**Enjoy your
work**

**Collaborate
openly**

**Support each
other**

**Take
responsibility**



Happy 2019!

At the heart and soul of the Small Business Administration's (SBA) 504 loan program is community. And that is why I became involved with this program.

I first learned about the SBA 504 loan program in 1990 when I was the Executive Director of the Small Business Development Center (SBDC) at the University of Kansas, which was housed inside the Lawrence Chamber of Commerce back in those days. The community's elders had created a Certified Development Company (CDC), similar to Colorado Lending Source, that same year to offer SBA 504 loans in Douglas County, Kansas. They asked me if I could run it in conjunction with the SBDC, which I was willing to do, but the SBA nixed that idea. The entity sat dormant for a few years after that.

The SBA 504 loan program is unique, probably the most unique in the world (if I may use that superlative) because it is a rare example of a private sector / public-sector partnership loan program that actually works. The intent is to help a small business owner, when they are ready, finance the purchase and/or construction of a facility they will primarily operate their business out of, with a lower down payment than bank regulators would require and with a predictable fixed interest rate for up to 25 years.

Back in the early 1990's, the program was fully funded by we taxpayers, and although I supported the intent of the program, I wasn't really a fan. I recall a testimony I presented to a field hearing of the Senate Small Business & Entrepreneurship Committee in Kansas City wherein I referred to the program as a waste of taxpayer funds.

All that changed in 1996 when the SBA decided to let the program stand on its own two feet. The fees that small businesses paid skyrocketed as Congress sought to make the program self-supporting and the SBA tried to work out how much the program actually cost to run – they didn't really know.

By 1996, I had concluded my SBDC gig and was helping to create the International Business Resource Center at the University of Kansas, while also operating my own part-time consulting business. The community's elders approached me again and asked me to consider running the CDC as a free agent, which I agreed to do now that the taxpayer subsidization had ended. Growing that CDC

led to the opportunity to move to Colorado in 2000, and that's when I became involved with the amazing Colorado Lending Source.

So why is the SBA 504 loan program so community-centric?

Simple: If small business owners in a community also own the facilities they operate their businesses out of, those business owners will invest and reinvest in the prosperity of their community. They will support the local schools. They will support local health care and related services. They will maintain their properties and keep reinvesting in them, broadening the tax base and helping the community grow and prosper. They will create jobs and wealth. They will make their community stronger, and people will want to work, play and live there.

The trend we have seen in Colorado for a decade or so since the end of the great recession, is that small business owners are less likely to be the owners of the facilities they operate their businesses out of. More and more investors, either local, out-of-state or even via growing crowd funding platforms, are acquiring available commercial real estate in Colorado and playing the games landlords like to play. Absentee landlords are less likely to invest in or be committed to their communities in the same way as owner-users are.

A community is a place where attitudes, interests and goals are shared. Absentee landlords don't always share those same attitudes, interests and goals. **The mission of Colorado Lending Source is to foster the economic growth of diverse small businesses within our communities.** Community is the last word in our mission statement, but is the reason we exist.

From our flagship SBA 504 loan program, the assistance we provide to local community banks to help them facilitate SBA guaranteed loans, and the direct loans we offer to pre-bankable, pre-pre-bankable and early stage small businesses, everything we do at Colorado Lending Source is about community. And without community, we have nothing.

So thank you so very much for being part of our community and helping support all the work we do here at Colorado Lending Source.

Respectfully,

Mike O'Donnell || Executive Director

A WORD FROM OUR EXECUTIVE DIRECTOR



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**A WORD
FROM OUR
BOARD PRESIDENT**

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Dear Colorado Lending Source Members, Partners and Friends,

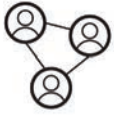
As we embark on 2019, we are presented an opportunity to reflect on what we accomplished together last year. Over the course of 2018, Colorado Lending Source worked with 39 partner lenders to approve 221 new loans. Those loans helped create 1,747 new jobs and generated a total economic impact of \$331,000,000 across our great state.

But Colorado Lending Source is about more than just numbers. At its root, it remains an organization committed to creating opportunities for individuals and fostering the economic growth of small businesses in all of Colorado's communities, from the eastern plains to the western slope. To this end, Colorado Lending Source makes it a priority to help businesses of all sizes and in all locales. From a \$10,000 Colorado Main Street loan helping a local coffee shop, to financing a \$10,000,000 hotel project under the SBA 504 loan program, to entrepreneurial education for aspiring entrepreneurs and much more, Colorado Lending Source truly cares about seeing small businesses succeed.

Today, Colorado Lending Source effectively manages a \$500,000,000 loan portfolio and ranks as one of the top 15 certified development companies in the nation. Pretty heady stuff! None of this would be possible without a dedicated and hard-working staff. Through their efforts on behalf of small business owners all across our state, they have ingrained themselves as vital, valuable members of our economic community. Chances are you know at least one of these hard-charging folks. Next time you see one of them, please offer a 'thank you' for their commitment and a job well done.

Lastly, a heartfelt thank you to all of the members and partners of Colorado Lending Source. We are collectively one big community doing what we can to help small businesses succeed and entrepreneurs fulfill their dreams. Without you, Colorado Lending Source would not be the organization it is today. We value your membership and look forward to an amazing year ahead!

Sincerely,
Niall Mooney || Board President



Colorado Lending Source & Community

com·mu·ni·ty / kə`myōōnədə / *noun*

1. a group of people living in the same place or having a particular characteristic in common
2. a feeling of fellowship with others, as a result of sharing common attitudes, interests, and goals

Our 2018 Community Impact

Colorado Lending Source supports small business owners from all walks of life by working with the Small Business Administration, community lenders, and resource partners. By making access to capital available to entrepreneurs through our various loan programs, we help create jobs and strengthen communities.

ALL LOAN PROGRAMS

Economic Impact	\$331,674,205.97
Loans Approved	221
Jobs Created	1,747

ECONOMIC IMPACT BY LOAN PROGRAM

Small Business Administration 504 Loans	\$265,823,135.63
Small Business Administration 7(a) Loans	\$56,276,991.46
Community Advantage Loans	\$4,030,400.00
Colorado Main Street Loans	\$5,543,678.90



112

Small Business Administration
504 Loans Approved



28

Colorado Main Street
Loans Approved



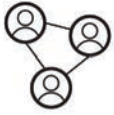
19

Community Advantage
Loans Approved



62

Small Business Administration
7(a) Loans Approved



Communities We've Impacted

un-der-served /ən dər`sərvd/ *adjective*

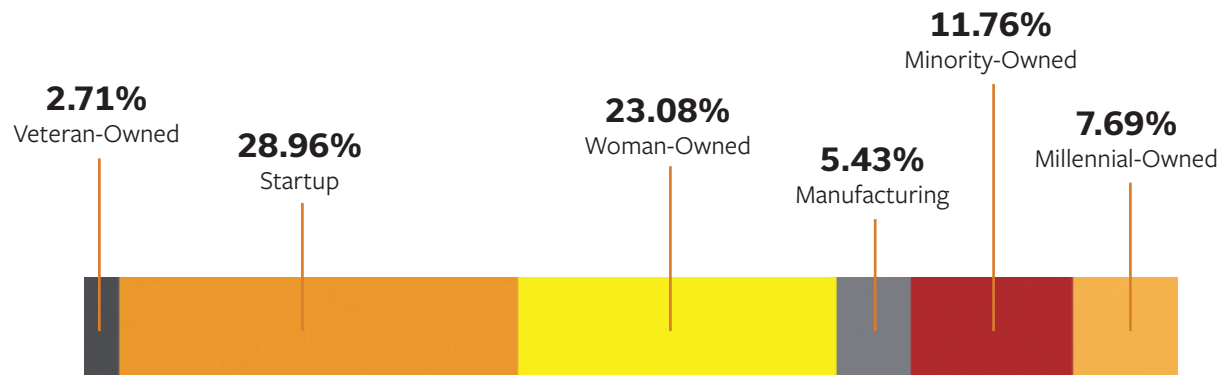
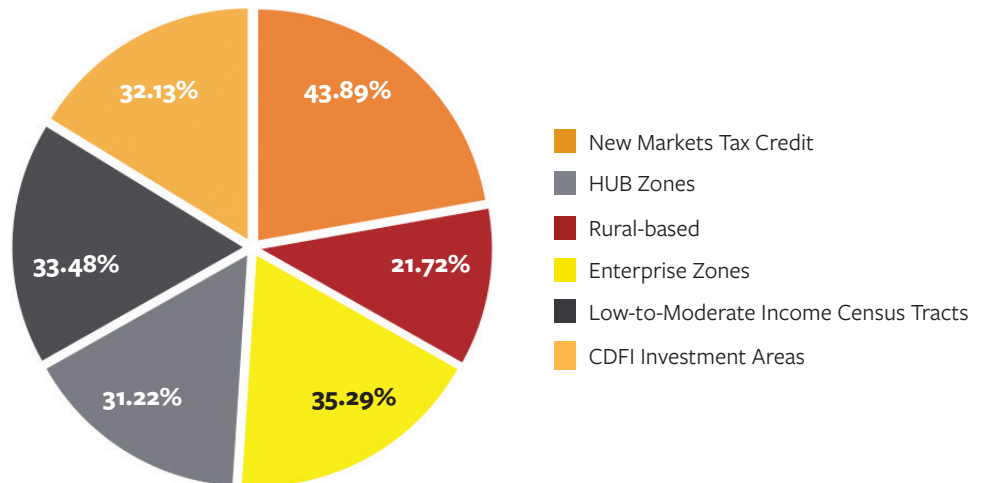
used to describe a place, market, etc. where fewer goods or services are available than there should be

2018 Impact By Economic Development Objective

Colorado Lending Source is committed to assisting underserved communities. The most frequent economic development objectives for loans approved in 2018 include: New Market Tax Credit communities (97), Enterprise Zones (78), Low-to-Moderate Income Census Tracts (74), Community Development Financial Institution Areas (71), and HUB Zones (69).

83.2%

Of all loans approved were to underserved communities



\$ 80,372,000
Total economic impact to underserved businesses



\$ 15,361,000
Total economic impact to rural communities





2018 Loan Approvals By Region

We care about supporting all communities!

Colorado Lending Source approved loans in 38 unique counties spanning across 80 cities primarily in Colorado and Utah, with 81.45% of all loans approved in Colorado.

Number of Loans Approved By Colorado Counties

1-10

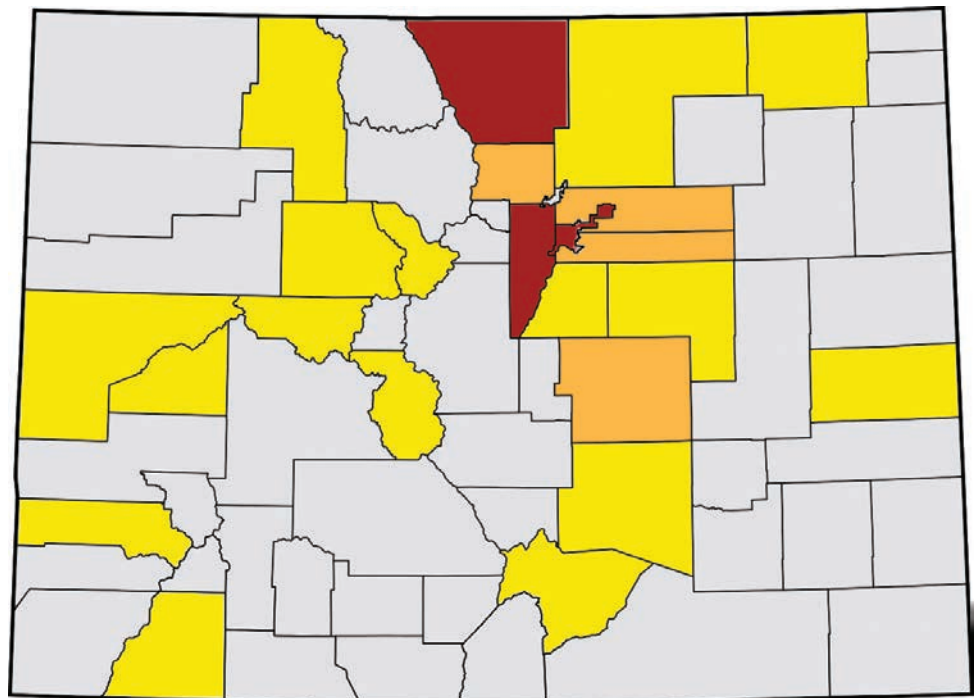
Loans approved
in 16 counties

11-20

Loans approved
in 4 counties

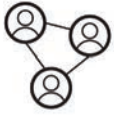
20+

Loans approved
in 3 counties



Did you gnome?

95% of the population growth between 2010 and 2017 occurred along the Front Range with 64% of that population growth in the Denver Metro area.



Our Supportive Community


Sup·port /sə`pört/ *verb*

to give encouragement and approval to someone or something because you want the person or thing to succeed

We wouldn't be here without you!

We are so thankful for the people that support our community including our Board of Directors, Loan Review Committee Members, membership base, partner lenders, and our funding and resource partners. This includes over 500 individuals that dedicated their time to the success of our organization in 2018.





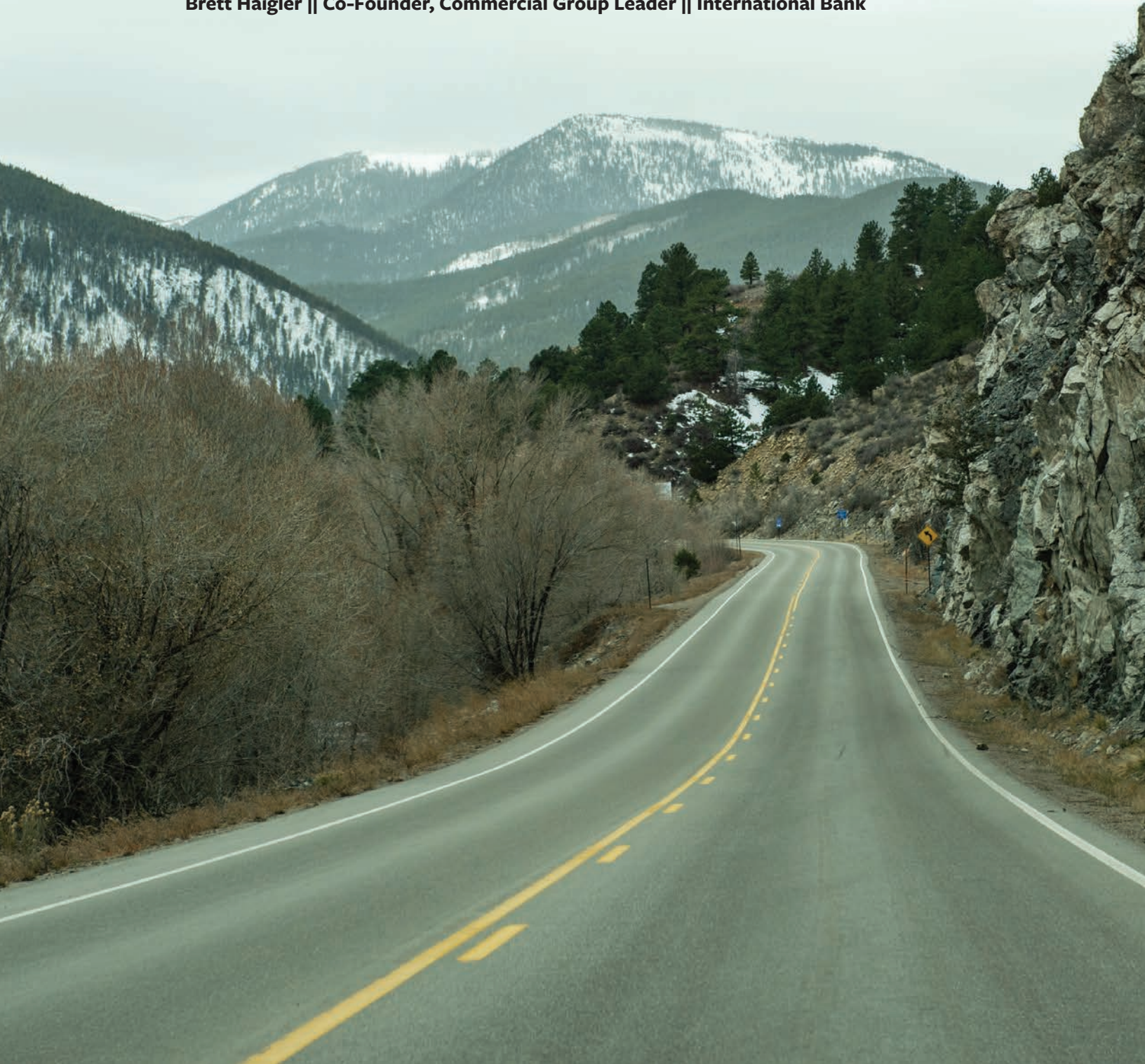
\$ 8,414,902
Contributed by our funding partners



We are grateful to provide Colorado Lending Source with the capital to fund small businesses.

It has been a win-win for all parties involved. We keep the deposits and when they have the requisite financial performance, we refinance the loan, which frees up funds for other businesses in need for Colorado Lending Source to finance. It is a virtuous cycle that benefits everyone involved, but most importantly the business owners.

Brett Haigler || Co-Founder, Commercial Group Leader || International Bank





2018 Board of Directors

Board Members

Gil Selinger | Fairfield and Woods, P.C.
 John Adair | Micro-Imaging Solutions, LLC
 Luke Davidson | Land Title Guarantee Company
 Nancy Sheridan | JPMorgan Chase Bank
 Rick Whipple | WhippleWood CPAs
 Robert J. Osborn | Xcel Energy
 Timothy Kraich
 Todd Guymon | Quail Creek Financial
 Yuriy Gorlov | Aurora Economic Development Council

Board Officers

Niall Mooney | Commerce Bank N.A.
 Erin Beckstein | Crazy Good Marketing
 Valerie Bromley | Prologis
 Tanner Tweten | FirstBank

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13
 Board Members



2018 Funding Partners

7
 Funding
 Partners

-
- Citywide Banks
- Guaranty Bank and Trust Company
- International Bank
- Kenneth King Foundation
- Office of Economic Development and International Trade
- United States Department of Agriculture - IRP, RMAP, RBDG
- United States Small Business Administration - Intermediary Lending Pilot Program



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The Kenneth King Foundation finds great value in our partnership with Colorado Lending Source.

The Foundation's investment in the Colorado Main Street loan program helps us achieve our mission of transforming individuals' lives with access to capital, tools and know-how for growing their small businesses.

Janice Fritsch || President || Kenneth King Foundation



2018 Loan Review Committee Members

Abram Sloss Denver Metro SBDC	Jennifer Taylor ANB Bank
Alex Grina Capital Source Bank	Jessen Gregory Ruddy Gregory
Alex Markovich Colorado SBDC	Jim Ocken Mountain View Bank of Commerce
Alex Dempster Commerce Bank	Justin Vause CHFA
Art Nobles Nobles Law, LLC	Karah Reygers Castle Rock EDC
Benjamin Gates Advantage Bank	Karen Harkin CHFA
Benjamin Martin Mountain View Bank of Commerce	Kathe Mehlbach Guaranty Bank & Trust
Brian Bare Zions Bank	Kristen Bowling Downtown Castle Rock
Brian Burke New West Financial Services, LLC	Kyle Sickman FirstBank
Brian Rose Region 9	Lauren Money Colorado Federal Savings Bank
Charise Hayward Mutual of Omaha Bank	Leslie Cruse ANB Bank
Cody Porter BBVA Compass Bank	Lindsey Thrift Pivotal Labs
Dale Clack Midwest Regional Bank	Mark Maruszak Central Bank and Trust
Daniel Ryley Arvada Economic Development Association	Megan Sheehan Community Banks of Colorado
David Lemmon UMB Bank	Morgan Alu Denver Metro SBDC
Dean Kinkel Alpine Bank	Ryan Panariso ANB Bank
Derek Otte FirstBank	Sean Waybright Paragon Small Business Capital Group
Derek Hemmer Great River Federal Credit Union	Stuart Fox US Bank
Eric Goldberg Bank of America	Yuani Ruiz Alpine Bank
Frankie Cole ANB Bank	
George Kowach Mutual of Omaha Bank	
Janine Ledingham Manufacturers Edge	
Jay Finesilver Finesilver Business Consulting Services	
Jennifer Wright FirstBank	

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Loan Review Committee Members



2018 Lending Partners

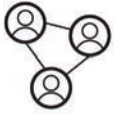
5 Star Bank
Academy Bank, N.A.
Adams Bank & Trust
Advantage Bank
Alpine Bank, A Colorado Banking Corporation
ANB Bank
Bank of Colorado
Bank of the San Juans, a Division of Glacier Bank
BBVA Compass Bank
Citywide Banks
Collegiate Peaks Bank, a Division of Glacier Bank
Colorado Business Bank
Commerce Bank, N.A.
Community Banks of Colorado, A Division of NBH Bank
First National Bank
First National Bank in Trinidad
First National Bank of Hugo
First State Bank of Colorado
FirstBank
Great Western Bank
Guaranty Bank and Trust Company
Integrity Bank & Trust
JP Morgan Chase Bank, N.A.
KeyBank National Association
Liberty CP2, SPV LP
MidFirst Bank
MidWestOne Bank
Mountain View Bank of Commerce
Native American Bank, NA
NBH Bank, N.A.
Points West Community Bank
Pueblo Bank & Trust
Rock Canyon Bank
Solera National Bank
Sunflower Bank, N.A.
TBK Bank, SSB
The Bank of Denver
The Eastern Colorado Bank
ZB, N.A. dba Zions First National Bank

39
Partner Lenders



Did you gnome?

The SBA 504 loan program for owner-occupied commercial real estate saw an average loan size of \$935,691 in Colorado in 2018, a 10.9% increase from the year prior.



How We Create Community

hu-man cap-i-tal / `hyü män / / `ka pə təl / *noun*

the skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organization or country

It takes a team to build a community.

Colorado Lending Source doesn't just impact community with financial capital, we impact community through human capital. Every year, each staff member can use up to 40 hours of paid time to volunteer and is reimbursed \$100 for donations made to their charities of choice during Colorado Gives Day.

334.75

Volunteer hours used

30+

Community organizations supported

117

Community events our staff attended

16,000+

Attendees at events we sponsored

\$2,400

Donated on Colorado Gives Day

19

Ice House Graduates

We asked our staff a few questions relating to community, and here is what they had to say...



What does community mean to you?

Community encourages a safe place of ideas, thoughts, and expression. It is a shared identity that is compassionate, and empathetic.

To me, community means creating and supporting from a place of togetherness. We can do so much if we do it together and building strong communities that allow us to act collectively is one of the things I love most about the state of Colorado.

I see my community as the people I surround myself with from all different backgrounds striving to reach the same outcome; working hard to fulfill our personal goals while improving the lives of those around us.

How have you impacted your community in 2018?

As part of the Colorado Lending Source Wellness Committee, we were able to get the entire staff out into the community one morning to do "random acts of kindness". The acts of kindness

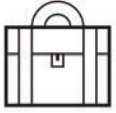
ranged from buying warm socks, coffee for city workers, and people's bus fares. It was great to be able to engage our staff on a random Tuesday morning.

I think my biggest impact on my community in 2018 stemmed from my contribution to personally mentoring single parents with their businesses.

I have brought passion and genuine care to the loans that I've been involved with and have worked to foster the community spirit within my team at Colorado Lending Source.

One of the ways I try to actively impact our community is to utilize bike paths and public transportation whenever possible. Traffic and congestion are a major pain point in our state and funding for transit is sparse. By utilizing the resources we have available to us I hope to play a role in declaring the need for them.





How We Do Business

Colorado is well known throughout the country as a place where collaboration is a state of being.

As a part of this community for nearly 30 years, we feel fortunate to do business here. We are an integral component of a wide network of organizations and lending institutions intent on ensuring that entrepreneurs in this incredible state have everything needed to start and grow a business.

Our role within this is to provide financing and entrepreneurial support to these small businesses so that they can create opportunities for themselves, their families, and their communities.

Whether it be a \$5,000 loan that allows them to say “We’re Open for Business” or a \$5 million loan that allows them to acquire the commercial real estate needed to take their dream to the next phase, we’re here.

And all along the way we’re intent on providing support through education, personal relationships, and community building in order to fulfill **our mission to foster the growth of diverse small businesses within our communities.**

.....

12 employees

have been with Colorado Lending Source for 5 to 10 years

.....

10 employees

have been with Colorado Lending Source for 10+ years



Did you gnome?

In 2018, employment growth in Colorado accelerated within the state adding 65,000 jobs, a 2.4% growth, up from 2.2% in 2017.



Our Committed Team

You bet we're a team of hard-working hustlers!

At Colorado Lending Source, we're not just committed to your success, we're committed to the success of each other. We believe that investing in our staff is important, and we care about their personal and professional growth. **We do this by providing excellent benefits, some of which include:**

- » Eco-Passes for free transportation
- » Tuition reimbursement options
- » 401k savings plan with a 6% salary match
- » Flexible work hours and ability to work from home
- » Paying 100% of health insurance costs, up to \$800 monthly



How does your work at Colorado Lending Source impact our customers?



China Califf || Chief Operating Officer

Celebrating her 15th year at Colorado Lending Source

I try to understand how our day to day activities impact the variety of stakeholders we touch and create conversation and opportunity for innovation in order to ensure we are having a positive impact on all. We care about small business in Colorado, but in order to show this we must also, and not alternatively, care for our team members, our partner lenders, our resource partners, our service providers, our government affiliates, and our individual selves. When we give equal importance to the results for all, we all thrive.



Amanda Peterson || Compliance Director

Celebrating her 10th year at Colorado Lending Source

Most importantly we are a resource for our customers where they can get an abundance of trusted information in a friendly and customer-service focused environment. By staying on top of SBA policies and procedures, as well as overall economic trends, and communicating closely with our borrowers, I am able to contribute to their success, the success of the organization, and to the success of our team.



Did you gnome?

All *Did you gnome* facts were sourced from the 2019 Colorado Business Economic Outlook.

Interview

with Ice House Grad, Zach Martinucci

Located in the Five Points neighborhood of Denver, Rebel Bread is a startup bakery with a unique spin on traditional pastries. Owner, Zach Martinucci, challenges the relationship people have with their food. What does this mean exactly? Rebel Bread brings artisanal bread and thoughtful conversations into the community, one loaf or class at a time.

Zach, with Co-Founder Rene Hosman, opened the doors of Rebel Bread in October of 2018. With a storefront and wholesale operations, this non-traditional bakery thinks outside the box when it comes to their culinary style, serving items like family-style bagels for sharing, and pastries made from baguette dough. **Zach's journey began during Colorado Lending Source's Ice House Entrepreneur Development Training. This course gave him the confidence needed to take his first steps as an entrepreneur.**



We sat down with Zach

to ask about his experience as

a new business owner...

Q: “What inspired you to start Rebel Bread?”

A: “Growing up in San Francisco, I started working for my cousin’s bakery and began to understand the process of making bread. With my love for community, story telling, and baking, I wanted to find a way to combine all of those elements. Rebel Bread seemed to be the perfect medium for making that happen.”

Q: “How did Ice House help you identify Rebel Bread’s business concept?”

A: “Ice House was most significant to help shift my mindset for becoming an entrepreneur. It gave me the tools to evaluate life as a business owner and allowed me to play around with different business concepts. After going through that process, when the opportunity to rent a storefront presented itself I knew it made perfect sense for my business model.”

Q: “What other iterations of Rebel Bread did you test before opening the storefront?”

A: “During the market research assignment of Ice House, I hosted pop-up bread shops where I would ask customers about their favorite places to dine. I then reached out to those suggestions inquiring if I could host my next pop-up there. That process allowed me to make new connections, understand customer needs, and ultimately led to the introduction of our current store’s landlord. I was competing with ten other applicants, but he wanted someone who could maintain the integrity of the community and believed that Rebel Bread was the best fit.”

Q: “Did you experience any roadblocks during your journey of opening Rebel Bread?”

A: “Yes, all the time. I can’t pinpoint one example in particular, but any challenge we faced ultimately led us to new opportunities and positioned us in a better situation. Viewing obstacles as opportunities really helped Rebel Bread push through.”

Q: “What has been your biggest success so far?”

A: “Aside from opening the storefront, finding a team who wanted to be part of Rebel Bread was serendipitous. I didn’t know what it would be like to hire employees, but they reached out to me wanting to be involved and had a genuine interest in Rebel Bread’s success. I now have two employees and one volunteer!”

Q: “How did you find the capital needed to open Rebel Bread?”

A: “I didn’t want to ask my friends and family for money, however this was the best opportunity for bootstrapping the business. They helped me with a line of credit that allowed me to purchase equipment and our initial ingredients.”

Q: “How does Rebel Bread support the community?”

A: “We bring people together by hosting different classes to teach intentional home baking. There’s something for everyone from full day intensive courses covering each step of bread making, to more simplistic classes giving people a taste of the process.”

Q: “What advice would you give to aspiring entrepreneurs?”

A: “Take the first step and start something, because you don’t know what’s out there until you get out there. Opportunities won’t come your way if you’re sitting at home thinking about your dreams. Go out and do it!”





Caring Kids Preschool

When Jennifer and Kyle Knott relocated to rural Rifle, Colorado in 2014, they had no idea they were embarking on a journey that would directly create 16 jobs and help revitalize a rural community. A year later, Jennifer opened her first business, Caring Kids Preschool, and ultimately purchased the building in 2018!

The story began when Jennifer, a mother of two, wanted to re-enter the workforce after her second child, but struggled to do so given inadequate childcare options in Garfield County. In a town of over 9,000 residents, Rifle only had 14 licensed childcare providers and not one of them offered infant care. Moreover, Jennifer couldn't find a nursery within 30 miles, which led her to work from home in order to care for her children.

That's when she decided to take matters into her own hands. She began researching the childcare industry and quickly realized finding a business partner would be critical in providing guidance regarding procedures, licensing, and regulations. As fate would have it, Jennifer met Lorie Bishop who had the expertise to help get Caring Kids Preschool off the ground and became an integral piece of the puzzle from the beginning.

As they were getting started, Jennifer wanted to make sure they were completely prepared before launching. She spent countless nights pouring over her business plan, researching locations, setting up financials, and everything in-between. Jennifer mentioned, "I wanted to make sure we were financially, emotionally, and mentally prepared before starting the venture. The research came in handy when applying for our loan, and also gave me peace of mind that this was the right decision."

Jennifer eventually found Colorado Lending Source's Colorado Main Street loan program, a character based direct loan program that offers financing to startups and emerging small businesses with a focus on rural communities. **This financing gave Caring Kids Preschool the initial capital needed to open their first location in December of 2015. Only seven months after Jennifer began planning her startup, the preschool was operating at full enrollment with 32 children and had created six jobs.**

After their first year of business, Jennifer received a second Colorado Main Street loan to expand their existing location, adding classrooms and increasing their capacity to 74 students. There was additional space too, where Jennifer opened a children's consignment shop, selling clothes at incredibly affordable prices for struggling families in need of clothing.

The road was not always smooth for Jennifer. As she was looking to open another location in an adjacent community, Jennifer's landlord informed her that they were planning to sell the building in Rifle where Caring Kids Preschool was housed. The business was not financially ready to swallow this curveball, so while Lorie continued the day-to-day operations as Director, Jennifer hit the ground running to find a solution.

That was when she reached back out to Colorado Lending Source. **This time, she was qualified for a SBA 504 loan and partnered with Alpine Bank to purchase the property. With the money Caring Kids had saved up, they were able to afford the down payment required under the SBA 504 loan program.**

With pricing at \$52 dollars per day (where average prices in the area are \$72) Jennifer mentioned, "Our main goal for starting the center was to help families who were sending their kids to unlicensed preschools, or even to complete strangers, and to provide affordable options so that parents weren't beholden to limited work opportunities." Caring Kids Preschool also offers financial support through Colorado Child Care Assistance Program (CCCAP), which helps families pay for tuition on a sliding scale. 80% of their students are enrolled through CCCAP, which is the highest percentage in the nation. They also partner with the Zurbuch Foundation to provide assistance to parents that don't qualify for CCCAP. Jennifer stated warm-heartedly, "My job is to find funding for every kid that walks through our doors."

Caring Kids Preschool is a great example of how small micro-loan programs can help bolster the success of emerging businesses. **The total economic impact for Caring Kids Preschool since receiving funding from Colorado Lending Source is \$630,711.** By taking baby steps in the financing system, Jennifer's funding journey is the perfect illustration of how a little financing can go a long way, especially in rural communities.

16
Employees

Alpine Bank
Partner Lender

\$630,711
Total Economic Impact



“ Our main goal for starting the center was to help families who were sending their kids to unlicensed preschools, or even to complete strangers, and to provide affordable options so that parents weren't beholden to limited work opportunities. ~ Jennifer Knott

Although Denver is almost 2,000 miles from Philadelphia, it doesn't feel so far away with a stop inside Denver Ted's, a local restaurant that specializes in authentic Philly cheesesteaks. The original Capital Hill location opened in 2004 Denver Ted's has since become an iconic destination satisfying the taste buds of Coloradans who crave a bite of cheesy indulgence. When the original owner decided to sell the business in 2012, Jack Mudd decided to purchase the restaurant. Michael Rodriguez joined the venture shortly after with the goal of continuing Ted's legacy of epicurean goodness. At the helm of the new location in Denver's LoDo neighborhood, Jack and Michael knew success would be inevitable.

Michael's brother, Matthew Rodriguez, also came on board to help with the process of relocating the restaurant to Denver's LoDo neighborhood. This new and larger location offered a desirable storefront, more dining space, access to a bar, and neighbored a local ice cream shop, Ice Cream Riot. The brothers were excited for a change of scenery, and with Denver Ted's established brand, they were positive the up-and-coming area would be the perfect move.

The transition proved to be more challenging than they had anticipated. As first time business owners they made sure to cover all the bases, but like many entrepreneurs, they encountered unanticipated roadblocks, which ultimately delayed their re-opening. As hungry fans awaited the much-anticipated new location, the project was postponed as the Rodriguez brothers searched for the right financing option to continue their project. In the middle of this process, David Barnes and Donald Payne joined the team. Friends since attending the University of Colorado at Boulder, the quintet forged ahead, each contributing their various strengths to the success of Denver Ted's.

With a dream team in place, they were ready to find a loan. Matthew explained, "With the move, our situation was unique. Banks were requesting financials, but didn't take into consideration the long-standing brand this company

had established. Colorado Lending Source took this into account and believed in us. They knew Denver Ted's wouldn't experience the same growing pains that startup restaurants typically go through." Matthew and Michael were also drawn to Colorado Lending Source's reputation as a local resource and were blown away by the staff's guidance throughout the process.

With lines wrapping around the block, guests were kicking down the doors when the new location officially opened in July of 2018. The brothers were shocked by how the community rallied to support their success. Michael expressed, "Having seen how the previous location became a pillar within the community, I wanted to establish this again in a growing area of town." Michael cherishes the diversity that this community offers, and as General Manager and Co-Owner, treats every guest as if they were his siblings.

Growing up under the same roof, Michael and Matthew's parents always said they embodied an entrepreneurial spirit, and the brothers proved them right. Encouraging this spirit as well, Colorado Lending Source's financing helped them complete renovations, purchase equipment, refinance debt, and expand with working capital that may not have been possible otherwise. With a friendly staff of 14 and a healthy dose of inspiration, now all Coloradans can savor the classics of Philadelphia without leaving the state!

\$165,837

Total Economic Impact

14

Employees

US Bank, N.A.

Bank Referral



“ Having seen how the previous location became a pillar within the community, I wanted to establish this again in a growing area of town. ~ Michael Rodriguez



Transworld Business Advisors - Rocky Mountain

Husband and wife duo, Jessica and Al Fialkovich come from a strong bloodline of entrepreneurs, and have the scars to prove it. Since becoming partners in life over 11 years ago, they've also become partners in business. As first time entrepreneurs at the age of 25 with a retail wine shop, they quickly grew a profitable business during the recession and sold the company by year two. After starting, growing, and selling multiple small businesses, they found that while resourceful tools existed for larger merger and acquisition transactions they were sorely lacking for small businesses.

So in 2013, Jessica and Al purchased Transworld Business Advisors in order to provide investment banking level services to Colorado's bustling small business community. Transworld Business Advisors – Rocky Mountain is now the go-to resource for professionals looking to acquire or exit their business and is ranked the number one franchise location out of 200+ global Transworld offices. Transworld's licensed business brokers cover Colorado, New Mexico, and Wyoming and at any given time they carry 200 business listings with 80 to 100 deals closed annually.

Both Al and Jessica come from families with deep roots in small business, which has instilled a true passion for helping fellow small business owners. "Selling a business is not only a complex transaction, but an emotional one as well," Jessica stated. "Our hope is that our business brokers, many of whom have been owners themselves, can empower Colorado's business community with the advice they need to feel empowered during the business sale process, and have the confidence to make strategic decisions that will greatly impact their future."

Transworld sees the industry growing and plans to continue

supporting entrepreneurs well into the future by focusing on education. "Since everyone must exit their business at some point, more often than not it should be at the forefront of entrepreneurial education. So with that in mind, we're on a mission to make that happen," expressed Jessica. One way they're addressing this lack of education, is through a recently launched podcast, *The Deal Board*, which depicts what happens behind the scenes in small business mergers and acquisitions. The podcast is hosted by business exit experts Andrew Cagnetta, CEO of Transworld Business Advisors, and Jessica Fialkovich herself.

Jessica and Al have a keen eye for small business financing options, and have partnered with Colorado Lending Source and FirstBank on three separate SBA loans with a total economic impact of \$561,396. This financing has allowed them to expand the business with working capital, purchase and renovate real estate, buyout franchise rights, and refinance existing debt. Located in a HUB Zone and low-to-moderate income census tract, Transworld will continue fulfilling their mission for helping small businesses succeed! (Hmm... does this sound familiar?)

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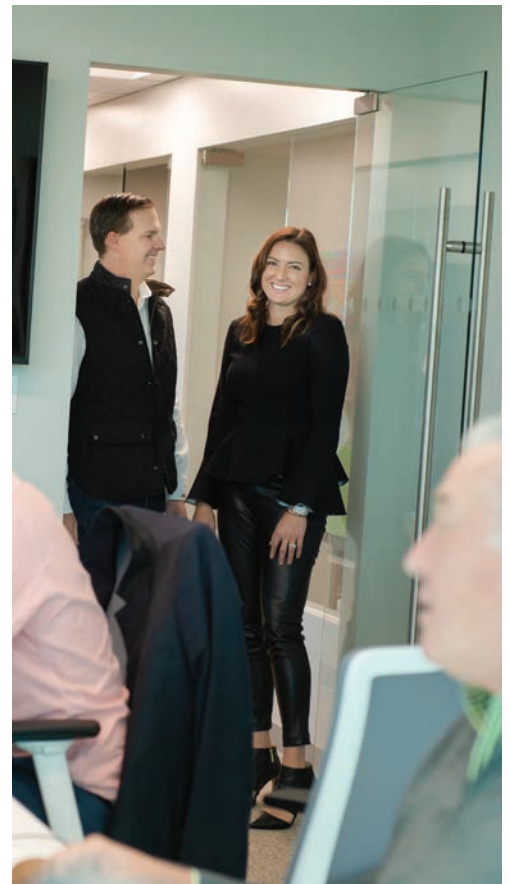
Employees

FirstBank

Partner Lender

\$561,396

Total Economic Impact



“ Our hope is that our business brokers, many of whom have been owners themselves, can empower Colorado’s business community with the advice they need to feel empowered during the business sale process, and have the confidence to make strategic decisions that will greatly impact their future. ~ Jessica Fialkovich



Vail Mountain Coffee & Tea Co

Hard working coffee-lovers at heart, Craig Arseneau and Chris Chantler developed a friendship while living in Boston, Massachusetts in the mid-1980's. As they were establishing careers in the hospitality industry, the friends came to realize that working in a corporate environment was no longer satisfying and a desire to start a business of their own was ignited. Chris and Craig began researching the specialty coffee industry from espresso carts to roasteries, until their undying motivation led to the launch of The Daily Grind Coffee Company in 1989, known today as Vail Mountain Coffee & Tea Co.

Deciding on the location for their business was rooted in a love for the great outdoors. "We went on a ski trip to Vail around the time we were exploring business opportunities. The snow was amazing and we wondered how we could live out here," Craig mentioned. They saw an opportunity to bring high-quality coffee to Vail, which was not being offered at the time. "It probably would have been better to start our business in a primary market," Chris explained, "But we decided to take the more challenging route by launching in a rural-mountain community. Craig and I knew that we would face unique challenges, but ultimately we felt the risk was worth it for the lifestyle." Chris and Craig's hunch proved to be right.

Two years after opening their storefront in the heart of Vail Village, they decided to roll out three additional shops in Denver. With the large volume of coffee being sold, it was simply logical to start a roasting operation rather than purchasing from a third party. They found a small warehouse in Minturn to get the roasting production up and running and eventually expanded roasting in Basalt as well. However, Chris and Craig were

spreading themselves thin and decided to consolidate efforts by focusing 100% of their energy on roasting operations in Minturn. The friends sold the storefronts along with the roastery in Basalt.

Three decades, two name changes, and the addition of a whole leaf tea line later, Chris and Craig hold claim to one of the most highly renowned roasteries in the state. As Vail Mountain Coffee & Tea has reinvented themselves over the years, Chris explained, "We wanted to stay at the forefront of the market. It's been really rewarding to seed the coffee industry around Colorado and in neighboring states." Today Vail Mountain Coffee & Tea produces more than 400,000 pounds of coffee annually, supplies over 375 wholesale customers, and is expanding their nationwide presence through online distribution.

While Vail Mountain Coffee & Tea sources sustainable coffee beans from farmers around the world, Craig noted, "We don't just produce exceptional coffee. We're a service company that emphasizes a strong relationship with all of our customers." In doing so, Chris and Craig have built a dedicated team incentivizing them with more responsibilities and opportunities to make additional money and a reasonable living wage. Despite the challenges of a small labor pool in a rural town, Vail Mountain Coffee & Tea's employee retention rate hails 5 to 10 years, with a client retention rate up to 25 years. They also embody a triple bottom line framework in their business by donating to over 20 local organizations in their community and minimizing their environmental impact.

Vail Mountain Coffee & Tea has partnered with Colorado Lending Source on three separate SBA loans. First in 2016 to consolidate existing debt,

and then in 2018 under the SBA 504 loan program to purchase the unit next door and to refinance an existing commercial real estate loan. This funding reduced their monthly mortgage payments by over 50% and provided additional space to expand roasting and bagging operations. They also used an SBA 7(a) companion loan to purchase new roasting and packaging equipment. **The combined economic impact of their financing is \$1,870,000 that helped to create 4 jobs, employing a total of 13 staff.**

Chris and Craig developed a strong relationship with their lender, Larry Cavanaugh from Citywide Banks, who worked with Colorado Lending Source on financing Vail Mountain Coffee & Tea. He shared, "The SBA 504 loan program is a great opportunity for companies to purchase real estate. Vail Mountain Coffee & Tea is a perfect example of how this program propels small business growth." Now that Vail Mountain Coffee & Tea has more cash in their pockets and space in their roastery, they are well positioned for accelerated production levels with better profit margins for continued growth!

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Employees

Citywide Banks

Partner Lender

\$1,870,000

Total Economic Impact



“ It probably would have been better to start our business in a primary market, but we decided to take the more challenging route by launching in a rural-mountain community. Craig and I knew that we would face unique challenges, but ultimately we felt the risk was worth it for the lifestyle. ~ Chris Chantler

Following in their families' footsteps as entrepreneurs, Kelly and Will Watters co-founded Western Rise in 2015, a direct to consumer e-commerce brand with a focus on fully functional yet office appropriate athletic apparel. The couple met while living in Beaver Creek, Colorado and had an affinity for cramming as many outdoor activities into one busy workday as possible. But they couldn't find athletic apparel that was appropriate for both being outdoors and for meeting clients. Changing outfits multiple times a day between activities became a hassle and they knew there had to be a better solution. And so the epiphany to launch a performance apparel brand surfaced!

As a third generation textile developer, Will went to school for entrepreneurship while Kelly studied museum education and non-profit management. Their unique backgrounds laid the foundation for a great partnership in both business and as spouses. They found themselves living in Will's hometown of Georgia when they launched Western Rise from a dining room table while storing inventory in a garage. Then they decided to relocate back to Colorado in 2016, bringing the business with them. Kelly explained their reasoning for the move, "Because Western Rise has always embodied the spirit of the mountains, we wanted to be in a community where our products could be supported and tested." In 2016, Western Rise was accepted into the Telluride Venture Accelerator, and since they both loved Colorado, decided the quaint town of Telluride would be the perfect location for growing their business.

Western Rise launched with a complete product line including pants, outerwear and women's clothing. However, after the men's line took off, they decided to exclusively focus on male apparel to fill a much greater need. Now, whether fly fishing or meeting with important business clients, Western Rise offers durable, water resistant, and stain adverse clothing that appeals to both the outdoor-enthusiast and career-driven professional.

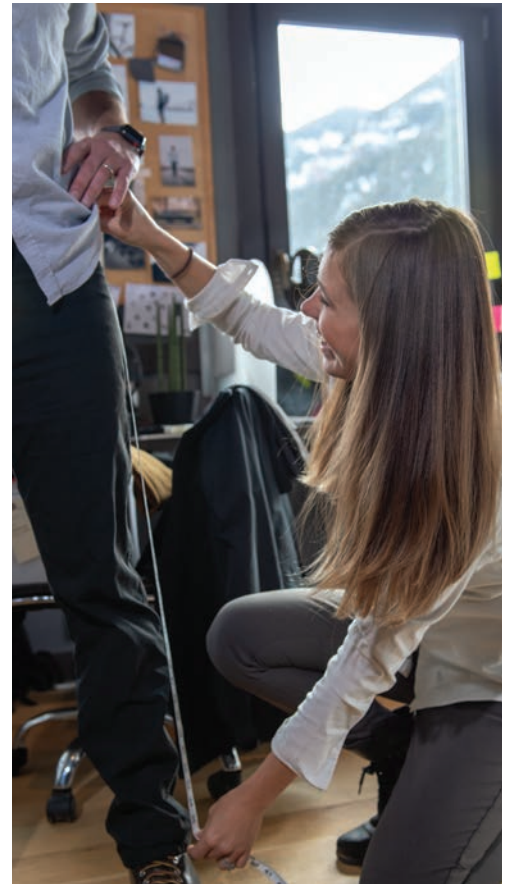
As Western Rise grew in popularity, so did the necessity for additional financing, as they ran into cash flow issues like many product-based entrepreneurs. They were constantly facing the inventory battle; Western Rise made money from sales, but needed additional funding to help purchase more inventory for their growing customer base. And being a direct-to-consumer business, they didn't have receivables to lend against, nor did they have other major assets that a bank would take for collateral. They felt "unbankable".

Fortunately, Kelly and Will learned about Colorado Lending Source, and received a Colorado Main Street loan in 2018. This financing allowed them to purchase inventory that supported their growing sales; they also leveraged funds to launch their first Kickstarter campaign. Western Rise blew their modest goal of \$20,000 out of the water, with nearly 4,000 backers who contributed \$599,395 to their campaign. With sales up by 140% compared to the prior year, Kelly and Will's success has been rapid and remarkable, yet they are still juggling the financing and inventory stand off to keep up with the high demand. Will mentioned, "There are different solutions for every stage of growth. You constantly have to be on the look out for the next opportunity." The Colorado Main Street loan provided the capital necessary for their stage of growth at that time. As inventive and resourceful entrepreneurs, there is no denying that Will and Kelly will find the next best opportunity for Western Rise's continued expansion!

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Employees

\$50,000.00

Total Economic Impact



“ Because Western Rise has always embodied the spirit of the mountains, we wanted to be in a community where our products could be supported and tested. ~ Kelly Watters



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