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A large, textured orange rock wall with a person in a kayak at the bottom. The rock wall is the dominant feature, with a person in a kayak at the bottom. The text 'OUR MISSION' is overlaid on the top left of the rock wall.

OUR MISSION

TO SUPPORT THE DEDICATED ENTREPRENEURIAL SPIRIT OF RURAL COLORADO, BY INVESTING IN THE PEOPLE, CULTURE AND IDEAS THAT FUEL INNOVATION AND FINANCIAL KNOWLEDGE IN OUR COMMUNITY, WITH AN EMPHASIS ON AREAS OF GREATEST NEED.

First Southwest Community Fund (FSWCF) was created in 2015 with support from First Southwest Bank, one of Colorado's two Community Development Financial Institution (CDFI) banks, to provide risk mitigating gap funding.

As FSWCF has grown, we have seen the need for more equitable and inclusive access to capital for our rural entrepreneurs and business owners. We strive to provide a range of innovative financial services to enable them to succeed.

FSWCF has a primary mission of supporting tangible economic opportunities throughout rural Colorado by making much needed non-traditional capital (loans) available to emerging and existing businesses, which in turn create, retain and grow jobs.

FSWCF is headquartered in Alamosa, Colorado, but serves rural Colorado in its entirety.

LETTER FROM THE PRESIDENT

Five years ago, we founded First Southwest Community Fund as a 501c3 nonprofit to provide needed gap financing and funding for entrepreneurs and small business owners who would not otherwise be able to obtain it.

Working together with First Southwest Bank (a Community Development Financial Institution), FSWCF has injected nearly \$4 million in capital to our rural businesses, and amplified that capital to bring over \$31 million in investment.

Our goal over the next few years is to scale FSWCF's activities to further serve our rural entrepreneurs, businesses, and nonprofits through exciting new funds and products. We are collaborating on the development of an innovative software platform that will enable community banks across rural America to also amplify their investments and provide funding to those who need it. We are also working on new programs that will focus on access to capital for the creative arts, the non-profit sector, women business owners, and much more.

FSWCF is an example of how a CDFI and a non-profit can work together to provide accessible, affordable capital and revitalize our rural communities. We look forward to working with all of you to achieve our goals in 2020.

Kent Curtis



President of First Southwest Community Fund Board



LETTER FROM THE **EXECUTIVE DIRECTOR**

I have always believed in entrepreneurship as a tool for change. At a time in America where economic inequality and income disparity is more extreme than ever, FSWCF's mission is even more important.

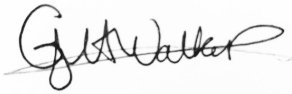
Our rural communities are facing economic challenges, environmental challenges, and technological challenges; and yet within all of this – we see hope and opportunity. After living on the East Coast for several years, I moved to Chromo, Colorado in Archuleta County and joined the FSWCF team. I was grateful to find not only the beauty of the mountains, but also a thriving entrepreneurial ecosystem in rural Colorado.

Over the past few months I've met with entrepreneurs, small business owners, community partners, and funders. I have been blown away by the vibrant energy and passion around building access to affordable capital and resources for our rural entrepreneurs and businesses.

FSWCF believes in the power of economic development to impact communities. The intersection between economic development, health, education, well-being, and the environment has been continually proven. As we see more entrepreneurs and small businesses succeeding, becoming financially independent, and providing jobs for their communities, we also see our education systems improving, our healthcare access growing, and our communities thriving.

I am excited for what is to come, to work with you all, and to continue to scale FSWCF's work to create access to capital for all.

Cass Walker



Executive Director



The background is a solid teal color. On the left side, there are several wheat stalks with long, thin awns, some of which are in sharp focus while others are blurred. In the bottom right corner, there is a faint, stylized illustration of a windmill or a similar structure. The overall aesthetic is clean and modern, with a focus on natural elements.

WHAT WE DO

PROGRAMS & IMPACT

OUR PROGRAMS



STARTUPS

Our programs provide loans, grants, and technical assistance for rural entrepreneurs.



NONPROFITS

We receive funding from multiple United States Department of Agriculture (USDA) programs, Colorado's Office of Economic Development and International Trade (OEDIT), and private foundations, to offer a range of low-interest and accessible loan programs. These include our Colorado Microloans Program, Intermediary Relending Program, Rural Microentrepreneur Assistance Program, Creative Arts Revolving Loan Fund, LAUNCH Fund, and Rural Colorado Entrepreneurship Fund.



SMALL BUSINESSES

Our loans range in size from \$5,000-\$250,000 and focus on providing flexible and accessible support to startups, small businesses, and nonprofits.

Through partnerships and collaborations, we also offer technical assistance coaching, financial counseling, mentorship, and resources for entrepreneurs and small business owners, to build our rural entrepreneurship ecosystem.

OUR PROGRAMS



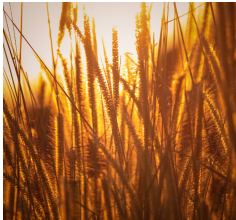
Colorado Microloans Program

Provides loans from \$5,000-\$75,000 with a focus on supporting startup farmers/agricultural businesses, small & emerging businesses, women-owned businesses, outdoor recreational businesses and proof-of-concept funding.



Creative Arts Loan Fund

In partnership with the Durango Creative District and Colorado Creative Industries, this program offers microloans of \$5,000-\$10,000 to creative arts for for-profits and nonprofits located within the Durango Creative District.



Intermediary Relending Program

Provides fixed rate loans of up to \$250,000 to businesses in rural communities that create jobs.



LAUNCH Fund

In partnership with The Community Foundation serving Southwest Colorado, the LAUNCH (Loan Assistance Unpacking Nonprofit Challenges) Fund offers loans up to \$50,000 to nonprofits in La Plata, Archuleta, San Juan, Montezuma, and Dolores counties.



Rural Business Development Grant

FSWCF can submit applications on behalf of small businesses to acquire up to \$30,000 for technical assistance. This will enable them to grow their business and encourage economic vitality in rural Colorado through this United States Department of Agriculture competitive grant program.

OUR PROGRAMS



Rural Colorado Entrepreneurship Fund

With a focus on job creation, this fund is designed to support small businesses and nonprofits in the San Luis Valley. This fund provides microloans to both for-profits and nonprofits between \$5,000-\$20,000, combined with up to \$3,000 in technical assistance grant dollars.



Rural Micro-Entrepreneur Assistance Program

Provides microloans, training and technical assistance to entrepreneurs and small business owners. The program enables rural for-profits with fewer than 10 employees to take out a loan up to \$50,000 and receive a technical assistance grant.



Telluride Foundation Microloan Program

In partnership with Telluride Foundation, this program offers microloans up to \$10,000 to businesses in San Miguel, Ouray, or Montrose county.



Telluride Regional Loan Fund

In partnership with Telluride Foundation and ZOMA Foundation, this fund is designed to help rural startup companies get off the ground or scale their operations. Any for-profit startup located in Dolores, Montrose, Ouray, San Juan, or San Miguel county can apply for between \$25,000-\$100,000.

OUR IMPACT

FSWCF is proud of the impact we've made in our communities. As of December 31, 2019, here's a snapshot of what we've accomplished so far.



46 LOANS
CLOSED



135 JOBS
CREATED



285.5 JOBS
RETAINED

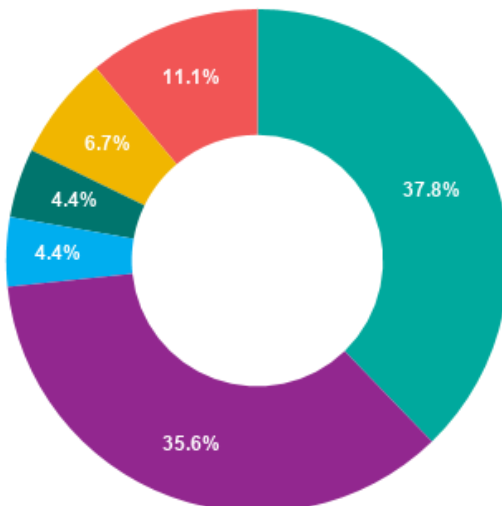
\$3,984,494 TOTAL LOAN
AMOUNT

\$30,946,608 TOTAL PROJECT
COST

8 : 1 LEVERAGING
RATIO



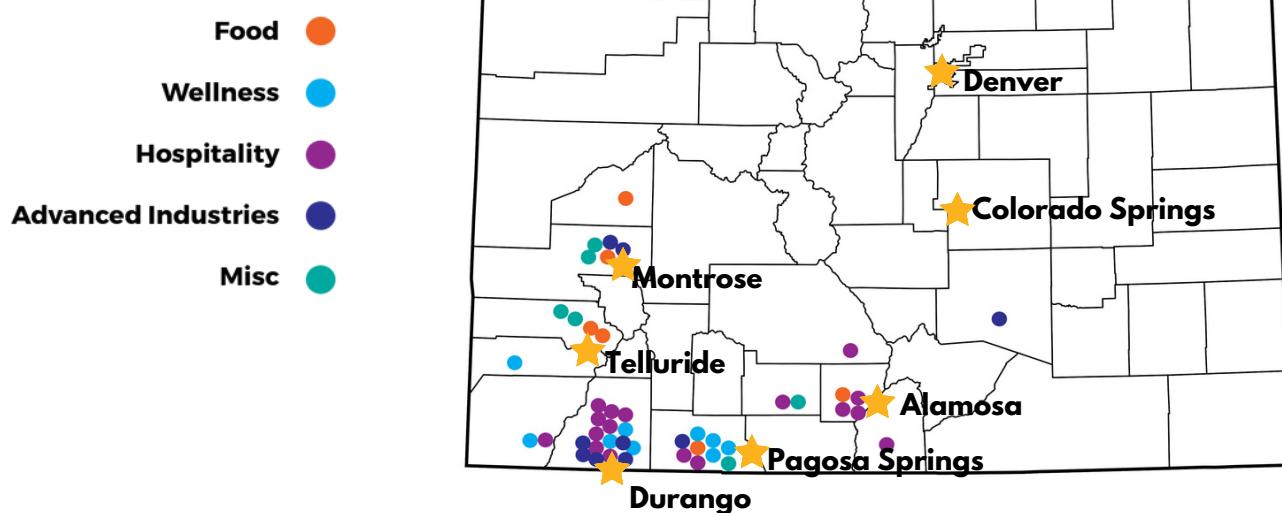
BUSINESSES FINANCED



- 17** STARTUPS
- 16** WOMEN-OWNED
- 2** HISPANIC-OWNED
- 2** NATIVE AMERICAN-OWNED
- 3** VETERAN-OWNED
- 5** NONPROFITS

LOAN LOCATIONS & INDUSTRIES

in Rural Colorado



FINANCIAL COUNSELING

Together, First Southwest Community Fund and First Southwest Bank are committed to providing financial literacy, counseling, and small business education. In 2019 we provided:

 **392** HOURS

 **1,335** COMMUNITY MEMBERS

SINCE 2017, WE HAVE PROVIDED 1,437 HOURS TO 3,407 INDIVIDUALS.

The background of the entire page is a landscape photograph, heavily tinted with a teal or cyan color. It depicts a range of jagged mountains in the distance and large, rolling sand dunes in the foreground. The lighting suggests a bright day, with soft shadows on the dunes.

OUR COMMUNITY

BUSINESS SPOTLIGHTS



THE STORY:

Clearnetworkx and Deeply Digital are bringing fiber-optic broadband to rural communities.

Doug Seacat founded Deeply Digital 17 years ago after getting a degree in Information Systems. He wanted to return to his hometown of Montrose, but couldn't find a job that would use his passion for technology.

Almost two decades later, Doug is the owner of two companies: Deeply Digital and Clearnetworkx, and is transforming access to technology in rural Colorado. Deeply Digital provides technology solutions and support for phone systems, long distance, internet, computer networks, and security systems, and often works in tandem with Clearnetworkx, which provides fiber and wireless internet services.

Currently employing 23+ employees in Montrose, Doug is focused on community first, and collaboration has been a huge part of his success. Doug believes we need local companies who understand and care about our communities to bring fiber-optic internet rurally.

FSWCF along with First Southwest Bank provided a loan to enable Doug to invest in his staff, materials, and other costs needed to scale his business.

"Local banks and community funds don't want to lend on fiber-optics, as they don't understand the value," described Doug. "First Southwest was different. Being community minded, they trusted that we know what we're doing and that we will do a good job with it."



THE COMMUNITY: Montrose County

- 2,240.4 Square Miles
- Total Population of 41,268
- Median Household Income: \$48,739
- 6.7% Poverty Rate
- One job in Montrose County is Equivalent to 30 jobs in Metro Denver



"We weren't wealthy, and we knew we would need a loan. We started looking at conventional loans but we did not have any real estate or assets to back the loan, only customer goodwill. Chinook's finances were fine but not 'exciting', and we weren't super attractive for a regular business loan. We began to look around and talk to different banks, and quickly realized First Southwest Bank (FSWB) had the expertise on SBA programs. It was a no brainer to go down this route. We then found out that First Southwest Community Fund could provide the gap financing we needed, as we only had a minimum down payment. Together FSWCF and FSWB facilitated 95% financing for us, and helped us be able to buy the company."

- Ben Crowder, Chinook Medical Gear Owner

THE STORY:

Chinook Medical Gear has been in business for 30 years and is a great example of a business that moved and found a home in southwest Colorado.

Chinook Medical Gear provides emergency medical products to government agencies, military units, contractors, corporations, adventure companies, and individuals from its Durango home base. Founded by Brad Johnson and Carl Darnell, they ran the startup on the side of their full-time jobs for several years in Aspen, and in 2000 moved the company to Durango.

As a Fort Lewis Graduate, Ben Crowder fell in love with Durango, and wanted to stay but was struggling to find a job. Chinook was advertising for a sales rep, and after realizing they did combat medicine – Crowder himself is a military veteran – Crowder applied.

Crowder's sales rep job quickly progressed into product development, and when Darnell retired in 2015 he offered to sell the company to Crowder and the two other senior managers. Today, Crowder is the owner and CEO of Chinook Medical Gear.

Chinook Medical Gear is a certified veteran-owned and Native American-owned small business that "exists to deliver custom medical solutions for pre-hospital care, enabling medical providers to save lives and aid the injured."

Chinook employs 25 people in Durango, and has grown 61% since 2016.



COMMUNITY PROFILE: La Plata County

- 1,689.3 Square Miles
- Total Population of 55,101
- Median Household Income: \$64,372
- 8.7% Poverty Rate
- One job in La Plata County is Equivalent to 18 jobs in Metro Denver



THE STORY:

Jeremy and Lindy DeHerrera have been lifelong residents of the San Luis Valley.

Jeremy is a Lieutenant at the local detention center and Lindy works as an RN at the local hospital.

In 2019, they decided they wanted to open a business – Water Works Car Wash. Jeremy and Lindy decided to purchase the Valley Carwash in downtown Alamosa which has been in operation for 40+ years.

The business was for sale for five years, and the property needed significant improvements to return the business to profitability.

Over the last two years Jeremy has been working with Advanced Carwash Solutions, a Denver based business which provides support and assistance with opening successful carwashes.

FSWCF was able to provide a loan to Water Works Car Wash to buy Valley Carwash, reinstating a needed community facility.



COMMUNITY PROFILE: Alamosa County

- 722.4 Square Miles
- Total Population of 16,444
- Median Household Income: \$39,191
- 3.7% Poverty Rate
- One job in Alamosa County is Equivalent to 59 jobs in Metro Denver



THE STORY:

Six years ago, Jason & Shelly Cox started Riff Raff Brewing Company with the concept and vision to produce high quality beer using geo-thermal brewing. Jason was already a serial entrepreneur running a tech business, and brewed beer as a hobby.

After a successful career in marketing, Shelly was also contemplating entering the entrepreneurial space. Together, Jason and Shelly were able to combine their entrepreneurial spirits with their passion for brewing into a successful business.

Despite initial skepticism that Pagosa Springs couldn't support a second brew pub – Riff Raff proved this wrong, and recently opened its successful second location in Pagosa Springs – Riff Raff on the Rio. In peak seasons, Riff Raff employs 80+ staff and continues to expand its line of original beers and flavors.

Jason and Shelly had never taken out a loan to start a business before. "First Southwest Community Fund's programs fit right into our mission," explained Jason. "Our expansion created jobs, and this is how the loan programs worked. The program matched mission, which meant we didn't change anything that we were doing. It fit right in and was affordable debt."

With a combination of loans from First Southwest Community Fund and First Southwest Bank, along with equity investments, Jason and Shelly were able to purchase Riff Raff's first location, and expand to the second location.



COMMUNITY PROFILE: Archuleta County

- 1,349.7 Square Miles
- Total Population of 12,908
- Median Household Income: \$50,753
- 10.7% Poverty Rate
- One job in Archuleta County is Equivalent to 91 jobs in Metro Denver

THE STORY:

Stagecoach Organics is the first USDA Certified Organic Egg Producer in the San Luis Valley. It began in 2013, and has built a local egg producer pool with six producers to service the 54,000 laying hens in the region.

Stagecoach Organics is planning to build a washing, grading, packaging, and shipping facility in Saguache versus hauling raw product 200 miles for it to be processed and distributed.

Currently, a truck transports approximately 288,000 eggs weekly to Denver where they are washed, graded, packaged, and shipped under a national label.

Being able to package eggs locally is the next step in vertical integration. However, before undertaking a project of such magnitude, Stagecoach Organics needed a feasibility study to help them understand what this project would entail and if it was economically prudent.

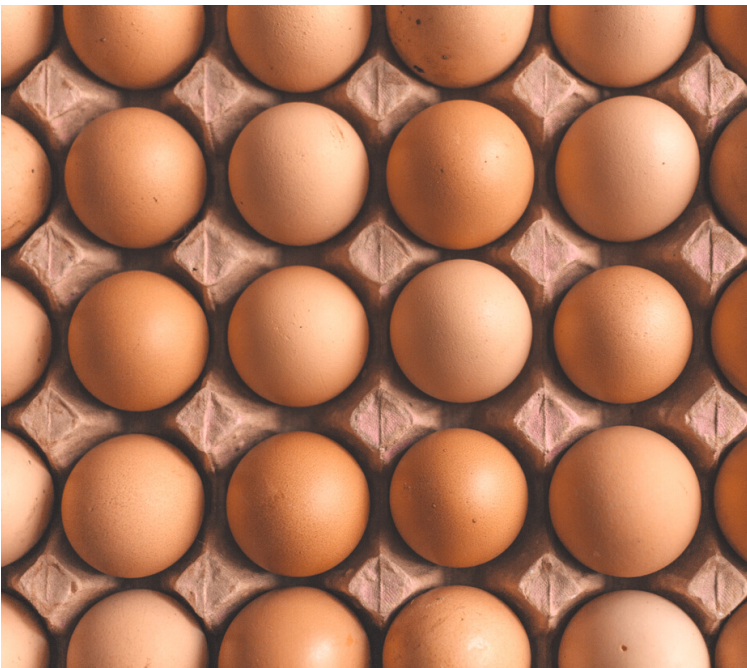
Every year, First Southwest Community Fund works with a local small business to apply for a USDA Rural Business Development Grant on their behalf. This grant helps a rural, small business access needed technical assistance to grow their operations.

Through FSWCF, Stagecoach Organics received \$25,000 to complete a feasibility study in 2019.

The feasibility study laid out a clear path forward for building this project with the highest probability of success. Stagecoach Organics now understands the process and cost of permits, licensing, and building.

Additionally, it made a site selection, decision on used versus new equipment, financial projections, and connections with egg producers who may use the plant once operational.

Stagecoach Organics plans to move forward with the project in Fall 2021, and feels confident it will be able to create a successful plant in large part because of the technical assistance made possible by First Southwest Community Fund.



COMMUNITY PROFILE: Saguache County

- 3,167.7 Square Miles
- Total Population of 6,648
- Median Household Income: \$34,410
- 7.7% Poverty Rate
- One job in Saguache County is Equivalent to 231 jobs in Metro Denver



"Durango Nordic Ski Club has worked on this organizational capital campaign for five years to purchase a Snowcat. After last year's epic snow year and hosting two significant regional events (Junior National Qualifier and Colorado CHSAA High School State Championships), our old Snowcat had multiple breakdowns that if it were not able to be fixed we would have had to cancel the events. We appreciate that we were eligible for the LAUNCH loan fund with First Southwest Community Fund. The LAUNCH loan fund was a critical piece of the funding puzzle for our nonprofit to complete this significant capital purchase for the future of Durango Nordic Center and Ski Club. Thank you Community Foundation serving Southwest Colorado and First Southwest Community Fund for this key new funding resource."

- Moira Compton, Secretary of Durango Nordic Center Board

THE STORY:

The Durango Nordic Ski Club has a mission to provide individuals of all ages and abilities the opportunity to learn, enjoy, and improve in the sports of Nordic skiing and snowshoeing.

Describing themselves as a community of "winter endurance athletes, outdoor enthusiasts, Nordic skiers, and snowshoers," the Durango Nordic Ski Club is a 501c3 nonprofit founded in 1952.

They maintain over 20 kilometers of groomed trails at the Durango Nordic Center near Purgatory, and offer rentals, private lessons, clinics, and a youth team program.

The Nordic Ski Center was the first recipient of the new LAUNCH Fund (created in collaboration with the Community Foundation serving Southwest Colorado) which is designed to give access to capital for nonprofits.

Durango Nordic Ski Club had raised \$75,000 over the past five years toward the purchase of a Snowcat. A donor matched the \$75,000 but they still needed \$50,000.

First Southwest Community Fund and First Southwest Bank offered them a blended loan, 20% LAUNCH funding and 80% traditional bank loan.

This enabled Durango Nordic to secure the financing needed to make the essential investment in equipment this year – and future fundraising can focus on paying off the loan.



COMMUNITY PROFILE: La Plata County

- 1,689.3 Square Miles
- Total Population of 55,101
- Median Household Income: \$64,372
- 8.7% Poverty Rate
- One job in La Plata County is Equivalent to 18 jobs in Metro Denver

COMMUNITY EVENTS

We believe in the power of our communities, and we look for opportunities to support and highlight our local entrepreneurs and businesses.



Behind the Business Storytellers Event with Startup Colorado in Pagosa Springs featuring Alpine Medical.



Presenting on a panel at Eastern Plains Day - Financing Across the Capital Stack in Sterling.



Out in the snow giving out hot chocolate to support Alamosa Roundup's Parade of Lights.



Giving opening remarks at SCAPE's 2019 Accelerator Pitch-off in Durango.



Attending Philanthropy Colorado's Rural Funders Network trip to meet with community members in Naturita, Nucla, and Dove Creek.

NEW PARTNERSHIPS

LAUNCH Fund

FSWCF partnered with The Community Foundation serving Southwest Colorado to create the LAUNCH (Loan Assistance Unpacking Nonprofit Challenges) Fund. The LAUNCH Fund provides access to capital for nonprofit organizations in La Plata, Archuleta, San Juan, Montezuma, and Dolores counties through microloans which can be blended with traditional bank loans.

“Essentially, the LAUNCH Fund offers affordable financing options to nonprofits,” said Briggen Wrinkle, Executive Director of the Community Foundation serving Southwest Colorado. “And then for philanthropists, it provides a new avenue to donate money to the nonprofit sector that will continue to be reinvested in the community over the long haul.”



“The LAUNCH Fund was a critical piece of the funding puzzle for our nonprofit to complete this significant capital purchase for the future of Durango Nordic Center and Ski Club.”

*- Moira Compton,
Secretary of Durango Nordic Center Board*

Telluride Regional Loan Fund

FSWCF partnered with the Telluride Foundation and ZOMALAB to launch the Telluride Regional Loan Fund, a \$2 million operating working capital loan fund designed to support rural business startups, growth, and job creation and retention in southwest Colorado.



“First Southwest Community Fund and the Telluride Foundation are leaders in thinking innovatively about economic development in Colorado, and we look forward to our partnership with them,” said Ben Walton from ZOMALAB.

Sadie Farrington, owner of Tomboy Butcher, who received funding from Telluride Regional Loan Fund. Tomboy Butcher is a subscription based butcher shop based in Ilium, Colorado.

BOARD OF DIRECTORS



Kent Curtis, CEO at First Southwest Bank

"I'm inspired by FSWCF's mission because I believe in the impact of access to affordable capital for entrepreneurs and small businesses for our rural communities. Through FSWCF we are able to open doors for those who would otherwise not be able to take out a loan."



Dr. Beverlee J. McClure, Vice President of Cultural and Community Engagement at Indian Pueblo Cultural Center

"FSWCF's approach to economic development is innovative and impactful. I love reading proposals from our entrepreneurs who are working to make their communities stronger and more resilient. Our work to support diverse entrepreneurs in rural areas is vital for our communities."



Christie Spears, Owner at KWUF Radio, KZBR, KALQ, and KGIW

"What inspires me about FSWCF is the amazing people who are making a difference by helping businesses thrive in rural areas with their innovative ideas."



Liza Marron, Founding Director at San Luis Valley Local Foods Coalition

"FSWCF's innovative work to build independent businesses, make entrepreneurs bankable, and to invest in our most under-resourced regions while going the extra mile with technical assistance inspires me to show up and be part of the team."



Ty Coleman, Director of Corporate Relations & Lending Solutions, Community Resources and Housing Development Corporation; Mayor of Alamosa

"FSWCF inspires me because it provides funding opportunities for businesses that might have a challenging time finding funding from traditional banks. FSWCF is open minded when it comes to the underwriting and decision making process. FSWCF plays an important role in generating economic growth and opportunity in some of our most distressed rural communities."

OUR PARTNERS



First Southwest Community Fund was created nearly five years ago with support from First Southwest Bank, a Colorado based bank focused on serving rural communities. FSWCF has grown to become its own entity, but the involvement of First Southwest Bank has been crucial to FSWCF's success — First Southwest Bank regularly donates time, expertise, and resources to further FSWCF's mission.

As a Community Development Financial Institution, First Southwest Bank is focused on cultivating valuable relationships, investing in economic and social doers, and fostering a well-lived rural culture.

First Southwest Bank is proud to be one of two CDFI banks in Colorado, and the only CDFI bank serving the Four Corners Area. First Southwest Bank has served the San Luis Valley and rural Colorado for more than 100 years.





1st SouthWest
Community Fund

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