



Organization Backgrounder

Colorado Enterprise Fund (CEF) is a nonprofit lending institution that has served Colorado small businesses for 40 years by providing loans to help them start and grow. CEF is a champion for small business because they are critical to Colorado's economy: when small businesses thrive, our communities thrive.

In the Beginning

Our story began when a yogurt company needed a loan to move into an old Denver dairy.

In 1976, Mountain High Yoghurt, a company that started in Boulder a few years earlier, wanted to expand its manufacturing operation by renovating a dilapidated dairy facility at 22nd and Arapahoe in Downtown Denver. The community hoped that Mountain High's relocation would be an economic boon for a neighborhood that needed revitalizing and that it would stimulate jobs, property improvements and new business activity in Denver's struggling inner city. To relocate its operations and renovate the dairy, Mountain High needed a loan, but was unable to obtain the necessary financing from conventional sources because the area was perceived as risky.

As luck would have it, Denver was named as one of 12 cities to pilot a new Small Business Administration (SBA) Program designed to support the rehabilitation of deteriorating urban areas with high potential for successful revitalization. Mitchell Kobelinski, then Administrator of the SBA, announced the Program at a press conference at Denver's Union Station on October 26, 1976. He said that Denver was chosen to pilot the Program because it already had a start on the rehabilitation of its downtown through the Skyline Urban Renewal Project¹ and that intermediaries to administer the Program were already in place.

Prior to his visit, a group of bankers and community leaders had created the Greater Denver Local Development Corporation (CEF's original name²), officially incorporating the organization on September 20, 1976. Its stated purpose³ was to further the economic development of Denver and the surrounding counties and to benefit the community by promoting and assisting small businesses. Shortly thereafter, the organization made its first loan to Mountain High Yoghurt for its relocation to Denver, using the new SBA Loan Program.

¹ Rocky Mountain News, October 27, 1976

² For simplicity, "CEF" will be used hereafter although the name was not changed until 1996.

³ Articles of Incorporation, September 20, 1976

Direct Investment for Direct Lending

After nearly six years as only a pass-through intermediary for the SBA Loan Program (then called the SBA 502), CEF received its first private investment from the Piton Foundation (\$400,000) to create a direct loan fund for small businesses in Denver's urban core. The Foundation, established by Sam Gary, a successful oil man, was collaborating with the University of Colorado at Denver to revitalize certain distressed neighborhoods within the City of Denver. Sam Gary believed that small businesses were vital for healthy communities and, having been turned down for loans in the early years of his own business, he knew that capital was critical for starting and growing an enterprise. One component of the Foundation's project was to help private-sector businesses located in the distressed area with a direct lending program for firms that were unable to obtain traditional bank funding. CEF was identified as the appropriate organization to implement the business loan fund. This investment was monumental as it enabled CEF to move forward with non-governmental capital that allowed CEF to evolve as an independent fund. With this investment from the Piton Foundation, CEF was able to tailor its criteria to better meet the needs of the community and expand its impact on those communities by serving a broader range of businesses with its loans.

A New Era

In 1987, CEF hired its first Executive Director, Ceyl Prinster, a position she still proudly holds today as President and CEO. Prior to this, CEF's lending was handled by volunteer Board Members and staff from the University of Colorado at Denver. As the need for the small loans offered by CEF became more apparent, the Board recognized it was time to hire its own trained lending staff. Prinster had been a commercial loan analyst, business lender and training officer at what was then United Bank of Denver (now Wells Fargo) when she was contacted about the position by a CEF Board Member who also worked at the Bank. Ready for a change from traditional banking, Prinster operated CEF part-time from her home for a brief time before moving CEF's operations into office space donated by the Colorado Housing and Finance Authority (CHFA) in their new building in the Lower Downtown area of Denver.

Opening the Door of Opportunity

Due to the positive impact, local trust, and impressive track record of reinvesting dollars into local economies, in 1992, CEF was selected as one of 35 nonprofit intermediaries nationwide to administer a new pilot program of the federal government: the SBA Microloan Program. This new SBA program provided funding to intermediaries like CEF to offer loans of \$25,000 or less to small businesses that could not qualify for bank loans. Being selected for this program was a significant milestone for the organization because it doubled the capital available for lending and provided operating and technical assistance funds to help borrowers. Equally important, participation in the SBA Microloan Program enhanced CEF's credibility and established micro-lending as a viable financing niche. In its early days, CEF had focused exclusively on the City and County of Denver, but as people heard about the program, loan requests began to come in from other parts of the Metro area, prompting the Board to consider expansion. With the additional capital from the SBA Microloan program, CEF's service area was expanded to include four other Metro Denver counties to address financing needs for small businesses in those areas.

Name Change Provides New Image

By 1996, CEF had expanded to serve the entire Front Range, making CEF a regional loan program accessible to more than 80% of the state's population and 78% of the businesses in Colorado. With the expansion of its service area to the Metro area and the Front Range, the organization needed a new name. "We wanted to have a name that better communicated who we are and what we do," said then Chair of the Board Brian Burke. The organization began operating under the new name Colorado Enterprise Fund (CEF) to reflect its statewide service area and the types of businesses the organization supported. "In three easy words, it tells where we operate, whom we serve and what we do," said Burke.

CDFI Certification and Awards

It was around this same time in the mid-1990s that the community development finance industry expanded across the nation, propelled by the founding and growth of the Community Development Financial Institutions (CDFI) Fund of the US Department of the Treasury. CEF seized the opportunity to become involved in the CDFI Fund's Certification and Financial Assistance Awards Programs. As a mission-driven financial institution supporting economically disadvantaged entrepreneurs, businesses and communities, CEF was a pioneer in the CDFI industry. CEF was the first organization from Colorado to become certified by the CDFI Fund in 1996 and to receive financial assistance awards from them. Certification and funding from the CDFI Fund further boosted CEF's ability to attract private-sector capital and implement programs to help revitalize businesses and communities that lacked access to financing. Being selected by the CDFI Fund in their competitive national funding program elevated CEF as a leader in the community development finance field, not only locally, but nationally as well.

Partnerships Lead to Further Expansion and Finance Options

In 2005, CEF helped expand Colorado's access to the CDFI Fund programs by partnering with the Colorado Housing and Finance Authority (CHFA) and the City of Denver in a successful bid to bring New Markets Tax Credit financing to Colorado. This partnership, called the Colorado Growth and Revitalization Fund (CGR Fund) and managed by CHFA, provided \$75 million of New Markets Tax Credits to support real estate development projects with high community impact in targeted low income neighborhoods.

Collaborating with other community organizations and governmental entities has been a key strategy for CEF to leverage its ability to implement its programs and add value to the communities it serves. During the years of the Great Recession in 2008-2013, CEF launched several community-centered Microloan Programs in Boulder, Arvada, Longmont, and Weld County, which enabled small businesses to help revitalize these communities. Public funds from these local and federal sources were leveraged with private sources from banks of all types (local and nationally-based), such as Wells Fargo, US Bank, Bank of the West, Bank of America, Home State Bank and Colorado Business Bank. In 2016, CEF added new partnerships with the City of Loveland and Adams County to expand this strategy of supporting small businesses in their local communities.

These relationships continue today and help CEF provide small businesses with access to capital that they can afford, from a safe, secure and credible source. These partnerships help local communities attract new businesses and support existing ones. As an end result, these community funding partnerships mean that CEF borrowers are staying in business and providing jobs to local residents. With people getting hired, they are staying in these communities, which ultimately has helped these cities and towns grow and thrive with jobs, business tax revenues, needed goods and services and increased economic vitality.

A Healthy Approach to Financing

In 2011, CEF received the first of several investments to establish a \$2.3 million Healthy Foods Financing Fund to support small businesses that provide fresh, affordable and healthy foods in communities designated as food deserts. The CDFI Fund and the Colorado Fresh Food Financing Fund (CO4F), which received money from The Colorado Health Foundation, Kaiser Permanente Foundation and The Colorado Trust, provided the capital for this Fund to support healthy food businesses ranging from producers, to food product businesses to retail grocers. In 2014, CEF partnered with The Reinvestment Fund (TRF) to expand access to healthy foods in rural and urban areas via the ReFresh collaborative, funded by the Chase Foundation.

Recognition Awards

Since its inception, CEF has received numerous recognition awards including: Boulder Chamber of Commerce Small Business of the Year (1998); Boulder Chamber of Commerce Nonprofit of the Year (1998); the SBA Financial Services Champion (State and Regional) Awards (1999); Nonprofit of the Year Award from Denver Metro Chamber of Commerce (2003); Top Company Award from *ColoradoBiz* magazine (2014); and the SBA Community/Rural Lender of the Year Award (2015).

Celebrating 40 Years in 2016

By offering flexible financing options, personalized customer service, one-on-one business advising, and access to entrepreneurial resources statewide, CEF has grown to offer loans up to \$500,000 supporting the success of existing businesses and startups, the prosperity of local communities, and the growth of Colorado's diverse economy. CEF has loaned more than \$50 million to over 1,800 businesses that have helped create and retain over 15,500 Colorado jobs.

CEF continues to celebrate its 40th year through 2016 after Colorado Governor John Hickenlooper proclaimed October 15, 2015 as Colorado Enterprise Fund Day. For a full timeline of CEF milestones over the past 40 years, click [here](#).

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