The Grow Bridgeport Fund (GBF) is a partnership formed in 1997 by public, private, and not-for-profit entities, in order to promote community economic development. It does this through the provision of capital and access to technical assistance to viable small to medium-sized businesses and to community development corporations in targeted neighborhoods that require flexible financing structures.

The City of Bridgeport, along with the National Development Council, has been instrumental in putting together GBF. The purpose of the funding is to supplement and support the lending activities of Bridgeport banks to the area’s small businesses and Community Development Corporations (CDCs). The goal is to make deals that are presently unbankable and make them more palatable and thus bankable through the use of Senior Debt, Subordinated Debt (Mezzanine Financing), and Near Equity structured financing. The lending efforts of Grow Bridgeport will be supported through the provision of pre- and post-loan technical assistance to its clients, administered through the Bridgeport Economic Development Corporation.

**Loans to Small Businesses**

**Borrower Profile:** GBF will structure term loans and lines of credit to existing for-profit small businesses; including retailers, wholesalers, manufacturers, service (including restaurants), healthcare providers, contractors and developers located in the city of Bridgeport. These borrowers will include minority and/or women-owned businesses, corporations, partnerships, limited liability corporations and sole proprietorships.

**Application Requirements:** Borrowers will be required to submit either a business plan or 3 years business and personal tax returns, a personal financial statement, a completed GBF application form, as well as other supporting information such as equipment cost estimates, accounts receivable aging, inventory breakdowns, etc.

**Credit Products:** Terms have been suggested below, however; flexibility in structuring the terms of the instrument is critical to making the loan accessible to the small business person’s needs. In all cases, however, the maturity of the loan should match the maturity of the need. In the case of subordinated debt, GBF’s investment should have a longer term than the senior debt.

1. **Debt Financing for purchase of fixed assets,** such as machinery and equipment, amortized over a term of up to 10 years; debt financing for purchase of land and building amortized over a term of 10 to 18 years, depending on the structure of the project.

2. **Debt Financing for permanent working capital needs,** caused by the expansion of business operations. These borrowings would support such operating expenses as purchases of “soft” machinery and equipment (computers, office furniture, etc.), higher levels of receivables (contracts and/or accounts) and inventory. These loans would be amortized over a term of up to 10 years.

3. **Lines of Credit for working capital purposes,** Used by businesses to finance seasonal buildups of receivables (contracts and/or accounts) and inventory. Although an annual cleanup for at least 30 days is desirable, it will not be required except for those firms whose operations are extremely seasonal.

**Loan Amounts:** $25,000 - $100,000 for Commercial Lines of Credit and Term Loans, $50,000 - $1,000,000 for Real Estate loans

**Letter to Bridgeport Residents**

July 18, 2000

Dear Bridgeport Residents,

Recently, the City of Bridgeport was able to spare taxpayers an increase in the 2000-2001 budget, largely due to our growing tax base. However, the most often asked questions from taxpayers still center on what is being done to attract and keep businesses in Bridgeport. We’ve all seen the success of attracting award-winning minor league baseball to the Park City. The Bridgeport Bluefish are the most successful independent
minor league team in the country, but there are smaller, yet no less successful stories of local businesses staying and expanding right here with some help from the city.

I’m referring to the Grow Bridgeport Fund, a loan and business incubator program we started in 1997. So far, the Grow Bridgeport Fund has expanded from 3 loans in 1997 to 27 loans in 2000, helping small and medium-sized businesses stay and even expand in Bridgeport. Grow Bridgeport, LLC provides $6,175,000 worth of loans from a variety of sources. The Department of Housing and Urban Development, E.D.A, the state of Connecticut, E.D.I, Chase Bank, CityBank, People’s Bank and the Commercial Development Fund all contribute to promote community economic development in targeted areas of the city of Bridgeport.

One example of this type of success is the Mini-Rite Market at 460 Burr Street in the city’s West End. This “mom & pop” grocery store was able to make interior and exterior improvements and remain a fixture in the neighborhood. Others who have taken advantage of the Grow Bridgeport Fund include the Downtown Cabaret Theatre, Radio Cumbre, Shelton Laundry Company and Murphy’s Law Restaurant in downtown. Whether it's fulfilling contracts, buying equipment, expanding inventory or meeting payroll, small and medium-sized companies in manufacturing, retail, health care, recreation and tourism, just to name a few, now have a funding source that keeps them right here in the Park City.

We are continuing our urban revival here in Bridgeport and it remains the goal of the Grow Bridgeport Fund to include local entrepreneurs in that revival. We are committed to continue offering flexible financing to existing Bridgeport businesses that would otherwise not meet traditional credit requirements. By doing what we can to include local businesses in the Bridgeport renaissance, the city helps in the creation of jobs and increase in services for residents.

If you know of a business that is looking for a village workforce and has a degree of credit worthiness, contact the Grow Bridgeport Fund. They’re located at 10 Middle Street on the first floor. Maybe your success story can be added to the growing list.