

INVESTING IN ERIE'S FUTURE, NOW.

A REPORT ON ECGRA'S PARTNERSHIP WITH BRIDGEWAY CAPITAL

Since 2016, the Erie County Gaming Revenue Authority (ECGRA) has partnered with Bridgeway Capital to advance its mission to develop Erie's entrepreneurial ecosystem by spurring small business development. Bridgeway, headquartered in Pittsburgh with a satellite office in Erie, is a CDFI extending access to affordable and flexible capital to under-resourced, underestimated small and minority businesses and non-profits.



IGNITE Erie

Sparked by an initial \$1 million dollar investment from ECGRA, Bridgeway has made \$8 million in business loans available to 32 small business in Erie County since 2016 - that's a 700% return on investment. Important loans were granted in communities where businesses have helped create sustainable wages and revitalized the local economies they serve. The support of ECGRA's initial investment also spurred an additional \$3.2 million in private capital for small businesses

HOFFMAN UNITED

Hoffman United (HU) is a construction, property management, and investment company dedicated to being community leaders and redeveloping the Erie area. HU will make long-lasting economic impacts and help Erie thrive for years to come. Hoffman United's commitment to aiding in the development of downtown Erie through the procurement, rehabilitation, development, construction, and management of blighted/abandoned properties, makes them a crucial part of Erie's renaissance

Bridgeway provided Hoffman United a \$1,000,000 loan to support the acquisition of investment real estate in the City of Erie.

The portfolio includes 7 properties consisting of 34 apartments, 7 garages, and 1 commercial retail unit.

LL KURTZ

After decades of working as a mechanical engineer for other companies, Bill Kurtzhals started his own business, LL Kurtz, 20 years ago in Erie. LL Kurtz designs, manufactures, and tests engineered rubber parts from the ground up working with large clients like Firestone and the United States Government.

COVID-19 forced LL Kurtz into a tough spot, owing on equipment they'd purchased for growth that was derailed by the pandemic. Kurtzhals' local bank was unwilling to take on the refinancing. Bridgeway stepped in with a loan to help the company and save its employees but perhaps most importantly, it also allowed Kurtzhals to prepare for the business's next generation—to be led by his daughter, Leslie Paradisi.

“Working with him allows me to support his goals and why he started the business: to produce a highly technical USA-made parts at a fair price and provide local jobs- It is what I want to be a part of!”

- Leslie

Bridgeway Capital provided LL Kurtz a \$375,000 loan to refinance all existing debt and improve cash flow. The additional working capital allowed Bill to hire several new employees.

INCLUSIVE ERIE

In FY 2018, in partnership with the Erie County Gaming Revenue Authority, Bridgeway launched the Urban Entrepreneurship Program and the Erie Minority-Owned Business Accelerator (EMOBA). These groundbreaking programs help minority entrepreneurs develop and launch businesses, facilitated with extensive mentoring, one-on-one tailored technical assistance, and streamlined lending with somewhat relaxed credit standards.

Financed by ECGRA and managed by Bridgeway Capital, the **Erie Inclusive Fund will invest at least \$5 million in new loans in Erie County by 2022**, with a commitment to **invest half, \$2.5 million, in minority-owned businesses.**

\$5
million

\$2.5
million invested
in minority-owned
businesses

Erie Urban Entrepreneurship Program

Erie Minority-Owned Business Accelerator

More than 86% of dollars lent have been directed towards low-income businesses and communities and African Americans including the Erie Urban Entrepreneurship Program and the Erie Minority-Owned Business Accelerator. Both programs have helped minority entrepreneurs to develop and launch their businesses – a boost to the local economy and Erie’s investment in Black- and minority-owned businesses.

Since 2018, \$1,565,00 has been deployed to 10 Erie County businesses, creating 11 new jobs.

\$416,000



5 AFRICAN AMERICAN
OWNED BUSINESSES

\$1,149,000



4 NON-MINORITY
OWNED BUSINESS

\$120,000



1 SYRIAN
IMMIGRANT
OWNED BUSINESS

7 of the 10 funded companies are located in The City of Erie and operate in low- to moderate income areas

- Tagteam Logistic located in McKean
- Perry’s Pet in Waterford
- Rushin Enterprises based in Corry

SHAM MIDDLE EASTERN MARKET

Sham Middle Eastern Market received a \$120,000 fixed rate loan to provide growth capital needed for the grocer to survive and help families thrive during the pandemic. The local grocer is now able to effectively and competitively deliver halal meats, fresh produce and baked goods to Erie's burgeoning Syrian and middle eastern population. Sham Middle Eastern Market brings fresh foods to a low-income area located in an Erie food desert.

JOHNSON REAL ESTATE

Johnson Real Estate business owners, Sean and Kenya Johnson, began purchasing and renovating investment real estate in the city of Erie in 2012. They own several affordable residential properties and the building where their Learning Ladder Early Childcare business operates. This minority-owned business is achieving great things. Not only is their business growing, they are adding properties to their portfolio, providing affordable housing and supporting businesses that provide essential services, like childcare.

TASTE & SEE: ALL THINGS FRUITS & VEGETABLES

Krystal Robinson entered EMOBA with an idea – she wanted to share her passion for healthy food and cooking with the Erie community. A participant in EMOBA's first cohort, she has been working intensively to build a business that increases access to healthy food in Erie.

Through the accelerator, she gained access to a network of business development professionals who guided her to develop a business plan and marketing strategy. Today her company is fully conceptualized, Taste and See: All Things Fruits & Vegetables, and she is busy working with the Erie Downtown Development Corporation as a vendor in Erie's Flagship City Food Hall. Krystal's passion for nutrition and her community are part of Erie's future.

"My goal is to help Erie to look good and feel good because it eats good."

- Krystal Robinson, Owner
Taste and See: All Things Fruits and Vegetables

ERIE COUNTY EMERGENCY COVID-19 RELIEF FUND

In March 2020, ECGRA made an impact in our community by creating a COVID-19 Response fund in partnership with Bridgeway that focused on small business, nonprofits, and humanitarian aid efforts. The pandemic wreaked havoc on communities and small businesses across the county. This ECGRA investment allowed Bridgeway to make very low interest loans quickly to small businesses and nonprofit organizations in Erie County in desperate need of working capital as revenues plummeted.

Since March 2020, **Bridgeway has deployed \$633,200 to 25 small businesses and 2 nonprofits** operating in Erie County saving 103 full-time positions and 58 part time jobs.



CHIDO'S DRY CLEANING

A \$50,000 Bridgeway loan to Chido's Dry Cleaning helped preserve an iconic Erie business. Founded in 1946, Chido's is a State Street fixture. Chido's serves numerous local institutions, including hospitals, and remained open as an essential business when the COVID-19 pandemic hit. However, sales dropped and Chido's was initially unsuccessful accessing federal relief through the Payroll Protection Program.

Bridgeway's loan provided the working capital needed to make payroll, pay utility bills, and retain 8 full-time and 6 part-time employees.

KING PRECISION SOLUTIONS

King Precision Solutions, a manufacturing company that produces injection molding and tool builds, lost 75% of its orders since April 2020. To replace these orders, the company began producing tool and die polishing for a local Erie firm building COVID-19 test parts.

The \$50,000 Bridgeway loan will support the retention of 14 full-time and 2 part-time employees.

ERIE PHILHARMONIC

With performances canceled and revenue stalled, the **Philharmonic required working capital to meet costs and were provided a \$50,000 loan to meet their needs.**

ERIE REGIONAL CHAMBER AND GROWTH PARTNERSHIP

The \$50,000 loan to the Erie Regional Chamber will allow it to continue providing access, advocacy, and awareness to the businesses throughout the Erie region—a critical service during the COVID crisis.

CONCLUSION

This is a smart investment in Erie County. Prior to ECGRA's partnership with Bridgeway Capital, Erie County did not have access to a viable CDFI, which is a key element of the economic development ecosystem. The investment to Bridgeway Capital has been a great return on investment and is a tremendous success for Erie County and small business owners. ECGRA continues to elevate Erie County and is empowering businesses to thrive by continuing to invest in its future.

