

2019 ANNUAL REPORT



The New Hampshire Business Finance Authority understands the significance of growing our economy in all sectors. Over the past year the BFA has worked with a variety of New Hampshire companies, from large global industries to small family businesses that just need a little extra capital to get to the next level. All of these investments are critical to the success of our state.



The BFA was launched in 1992 during the Savings and Loan crisis to help businesses in the state and keep credit flowing in our economy. Today we continue to help a variety of companies access capital in different ways through our various programs. As we look toward the future, leading economic indicators are providing mixed signals in certain parts of the country. However, the diversity of New Hampshire's economy and the resilience of our communities has always proven an effective shield against difficult times. That's why it is critical to ensure businesses have access to capital to support their growth, create high-quality jobs and keep New Hampshire's economy strong.

The BFA prides itself on being innovative, collaborative, and most importantly - accessible and local. When a company has a question and needs an answer, we always stand ready to respond. While we have just updated our website and are now able to offer applications online for faster service, you can also call us directly as we are always here to answer your questions. No matter if you employ 5 people or 5,000 people, the New Hampshire BFA has the tools to work with you and create opportunities across the state.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line.

James Key-Wallace

Executive Director, New Hampshire Business Finance Authority

THIS PAST YEAR
THE BFA HAS PROVIDED
CREDIT ENHANCEMENTS ON
84 LOANS
AND WORKED WITH
22 BANKS
HELPING TO CREATE
OR MAINTAIN
1,817 JOBS

TRANSFORMATIVE PROGRAMS

Since our inception, the BFA has offered a variety of programs to help various New Hampshire Businesses succeed.



CAP – Small business loan program utilized statewide by New Hampshire banks for loans of \$200,000 and under. Without the BFA these are loans that otherwise would not happen. Resulted in more than \$227 million being provided for 4,679 loans impacting almost 36,000 jobs.

Loan Guarantees – Provided over \$246 million in loan guarantees to over 150 businesses, creating and/or saving more than 10,000 New Hampshire jobs.

Tax Exempt Bonds – Issued over \$3.6 billion in low interest tax exempt bonds, all for New Hampshire companies and nonprofits who are expanding in the state, creating and/or retaining thousands of jobs.

Direct Loans – Delivered over \$76 million in direct loans, mainly in partnership with local economic development corporations. The BFA has provided over 150 loans, creating and saving a total of over 6,000 New Hampshire jobs.

Energy Efficiency Loans – The BFA has loaned over \$6.3 million in direct business loans to increase energy efficiency, allowing New Hampshire companies to save on energy costs and focus on growth.

Granite Fund – A \$4.5 million BFA investment attracted private capital, leading to the creation of an approximately \$25 million NH venture capital fund. This investment has created over \$40 million in new annual payroll to over 750 employees.

Millworks II – The BFA partnered with 40 New Hampshire angel investors, providing \$1.2 million to help early-stage companies access start-up capital. This program has helped 15 new companies access funds.

VOX – A new program focusing on early stage companies in the biotechnology, life sciences, and digital health fields. The BFA invested \$3 million and is working with the private sector to raise additional capital with a target of \$50 million.

EXPANDING OUR PARTNERSHIP WITH REDC

The BFA expanded its partnership with the Regional Economic Development Corporation (REDC) in order to help more local businesses expand and succeed. The REDC is a private, non-profit organization that offers technical assistance, financing, and business development training in Hillsborough and Rockingham Counties. This expanded partnership means the BFA's line of credit to the REDC grew from \$1.3 million to \$2.3 million dollars. The increase allows more small businesses greater access to loan capital in two of New Hampshire's largest counties.

"REDC IS GRATEFUL TO THE BFA, WITH WHOM WE HAVE HAD A LONG RELATIONSHIP, FOR THE ONE MILLION DOLLAR INCREASE TO OUR LINE OF CREDIT THAT WAS APPROVED THIS YEAR. THIS ACCESS TO FUNDING ENSURES THAT BOTH ORGANIZATIONS WILL CONTINUE TO MEET OUR MISSIONS TO HELP NEW HAMPSHIRE'S ECONOMY GROW AND PROSPER."

— Laurel Adams, President
Regional Economic Development Corporation



CREATING SUCCESS with CAP LOANS

Maximizing the potential capital



"WE HAD A TREMENDOUS FALL SEASON WITH GUESTS FROM AROUND THE WORLD AND ARE VERY EXCITED WITH WHERE THIS PROPERTY WILL TAKE US. THIS IS OUR SECOND CAREER AND IT HAS BEEN A BIT OF A LEARNING CURVE AND WE ARE GRATEFUL FOR THE CAP LOAN TO GET US THROUGH THIS TRANSITIONAL PERIOD."

—Doc
Franconia Notch Guest House

FRANCONIA NOTCH GUEST HOUSE

FRANCONIA

After dreaming for over 40 years about running a bed and breakfast, Doc and Beth Fletcher purchased the beautiful Franconia Notch Guest House, nestled in New Hampshire's majestic White Mountains. With Doc being retired Navy and Beth being in hospitality, they both thought the beauty of the Guest House and the magnificent views would attract local and out-of-town visitors year-round. They decided to start another career.

The Franconia property had been a turnkey operation but the couple discovered after taking it over that they needed to revamp operations to make the business model work. In 2019, the couple worked with Meredith Village Savings Bank to obtain a CAP loan to help cover costs as they shifted their focus to creating the perfect wedding venue setting. The couple has already secured a five-star rating on Trip Advisor, Expedia, and in numerous travel publications.



CAP is a valuable resource for New Hampshire companies.



CONTINUED SUCCESS with CAP LOANS

The beauty of working capital

“THIS LOAN WAS INSTRUMENTAL TO HELPING US FULFILL OUR GROWTH STRATEGY. IT HELPED US TO BRING ON NEW EMPLOYEES AND ALLOWED FOR CAPITAL ACQUISITION. WE LOOK FORWARD TO CONTINUING TO EXPAND OUR BUSINESSES AND PLAN TO OPEN ANOTHER MEDICAL SPA WITHIN THE NEXT FEW YEARS.”

—Sean and Missy Gaffney
The Medical Skin Clinic

THE MEDICAL SKIN CLINIC NASHUA

Sean and Missy Gaffney own three successful businesses in Nashua. They started their first skin care business, The Skin and Body Spa, in the basement of their home nearly 20 years ago. As the years passed, they worked hard to expand and add new employees. Their desire to continue with their strategic growth required capital.

In 2015 the couple obtained a line of credit with Enterprise Bank through the BFA's Capital Access Program to support the opening of their second location. In 2019 they increased their line of credit to support the opening of their third location, The Medical Skin Clinic. Today, they employ a staff of 60 and have three different locations offering a variety of health and beauty services. Because their business has grown so rapidly, the couple says that future expansions in the region will be likely within the next couple of years.

BFA's CAP has impacted 36,000 jobs in New Hampshire.





ACCESS POINT FOR EXPANSION

Expanding outside the box



"OUR COMPANY HAS BEEN IN OPERATION FOR OVER FOUR DECADES. WE WERE POISED FOR A MAJOR EXPANSION BUT NEEDED HELP ACCESSING THE NECESSARY CAPITAL. THE BFA WORKED WITH OUR BANK TO ENSURE THAT WE HAD EVERYTHING WE NEEDED TO OBTAIN A LINE OF CREDIT CRITICAL FOR OUR EXPANSION. WE ARE GRATEFUL FOR THE HARD WORK THE BFA PROVIDED TO MAKE THIS DEAL HAPPEN. THEY WERE RESPONSIVE AND ALWAYS ACCESSIBLE AND WE ARE VERY PLEASED WITH THE END RESULT."

— Reggie Morse
Bremco, Inc.

BREMCO NEWPORT

BREMCO Inc. was founded in 1976 and is located in Newport. BREMCO has earned a strong reputation as an industrial contractor specializing in upgrades and repairs for power plants. Their work must be carefully planned and performed during their customer's scheduled outages and take place under tight time constraints. It's a business that requires a great deal of skill, management, and coordination.

BREMCO employs approximately 25 people who provide supervision and support on their projects and combines their years of experience along with key subcontractors to accomplish the work safely, on budget, and on schedule. Because BREMCO did not fit into a conventional lending box their primary lender, NBT Bank, requested the BFA provide a guarantee for a \$1,000,000 credit line. This loan and Bremco's relationship with the state's technical colleges will allow Bremco to hire well-trained workers from New Hampshire.



Bremco continues to grow and create new **high-quality jobs.**

COLLABORATION ACHIEVES SUCCESS

An ideal partnership for expansion



"THE BFA WAS ESSENTIAL IN HELPING US STRUCTURE THE ACQUISITION OF THE PROPERTY IN MANCHESTER FOR OUR GROWING BUSINESS. THEY WERE SIDE-BY-SIDE IN MANY OF OUR MEETINGS – DRIVING COLLABORATION BETWEEN US, THE CITY OF MANCHESTER AND THE STATE OF NEW HAMPSHIRE. I CAN'T IMAGINE A BETTER PARTNER FOR OUR EXPANSION. WE ARE GRATEFUL TO JAMES KEY-WALLACE AND THE BFA FOR THEIR HARD WORK, KNOWLEDGE, AND DEDICATION TO MAKE THIS HAPPEN,"

—Thomas Bishop
Director of Legislative Affairs at BAE Systems

BAE SYSTEMS NEW HAMPSHIRE

BAE Systems, one of New Hampshire's largest employers and a leader in the aerospace and defense industry, needed to expand its local operations. A 192,500 square foot building on Goffs Falls Road in Manchester was found – providing close access to its existing operations, the Manchester-Boston Regional Airport, and Interstates 93 and 293.

The BFA worked with BAE Systems on a public private-partnership in which the BFA purchased the building and then leased it to BAE Systems. This arrangement allowed BAE Systems to secure the building, while maximizing its capital to renovate the site and grow its business. This partnership allowed the company to continue to grow in New Hampshire – a state rich with talent.

The BAE expansion will create **800 new jobs.**





GROWTH ADVANTAGE with GAP

Guaranteed Asset Program



“J-PAC MEDICAL IS A NEW HAMPSHIRE SUCCESS STORY. THE BFA WAS VERY EXCITED TO HAVE HAD THE OPPORTUNITY TO WORK ALONGSIDE TD BANK TO GUARANTY A LOAN THAT WILL HELP J-PAC INVEST IN THE FIRM’S FUTURE GROWTH AND HAVE A POSITIVE IMPACT ON THE NEW HAMPSHIRE ECONOMY.”

—Jeremy Stanizzi

Senior Credit Officer, New Hampshire Business Finance Authority

J-PAC MEDICAL SOMERSWORTH

J-Pac Medical, a supplier of assembled, packaged, and sterilized medical and diagnostic devices, has two state-of-the-art facilities totaling more than 70,000 square feet of manufacturing space in Somersworth, NH and in Costa Rica.

The BFA worked closely with TD Bank under its Guaranteed Asset Program (GAP) to provide up to a 75% guarantee on a \$800,000 fixed asset line of credit for J-Pac Medical. The firm, which was founded in 1983 and employs 67 people at their Somersworth manufacturing facility, plans to use this latest loan to purchase new machinery that will make them more competitive in the market and expand their product offerings. Through the Guaranteed Asset Program, the BFA was able to help this company make the investments to move their company forward.

This was J-Pac's second collaboration with the BFA.





"WE HAVE ALWAYS ENJOYED A STRONG POSITIVE RELATIONSHIP WITH THE NEW HAMPSHIRE BUSINESS FINANCE AUTHORITY. THANKS TO THE BFA'S ACCESSIBILITY AND PERSONAL SERVICE WE HAVE BEEN ABLE TO HELP MANY NEW HAMPSHIRE BUSINESSES SECURE THE FINANCING THEY NEED TO GROW AND SUCCEED. WORKING WITH THE BFA HAS ENABLED US TO INCREASE OUR LOAN PORTFOLIO AND EXTEND LOANS TO COMPANIES WHO OTHERWISE MIGHT NOT FIT INTO TRADITIONAL LENDING PARAMETERS."

— Peter Rayno
Executive Vice President, Enterprise Bank

ANNUAL PARTNER SPOTLIGHT ENTERPRISE BANK

“Enterprise Bank was founded with an entrepreneurial vision to help create successful businesses, opportunities, wealth, and vibrant prosperous communities. Enterprise is a community bank, leading with a deep sense of mission and purpose. The Bank is committed to stimulating the local economy by helping to create new businesses, jobs, vibrant communities, and a dynamic work environment in which employees grow and prosper.

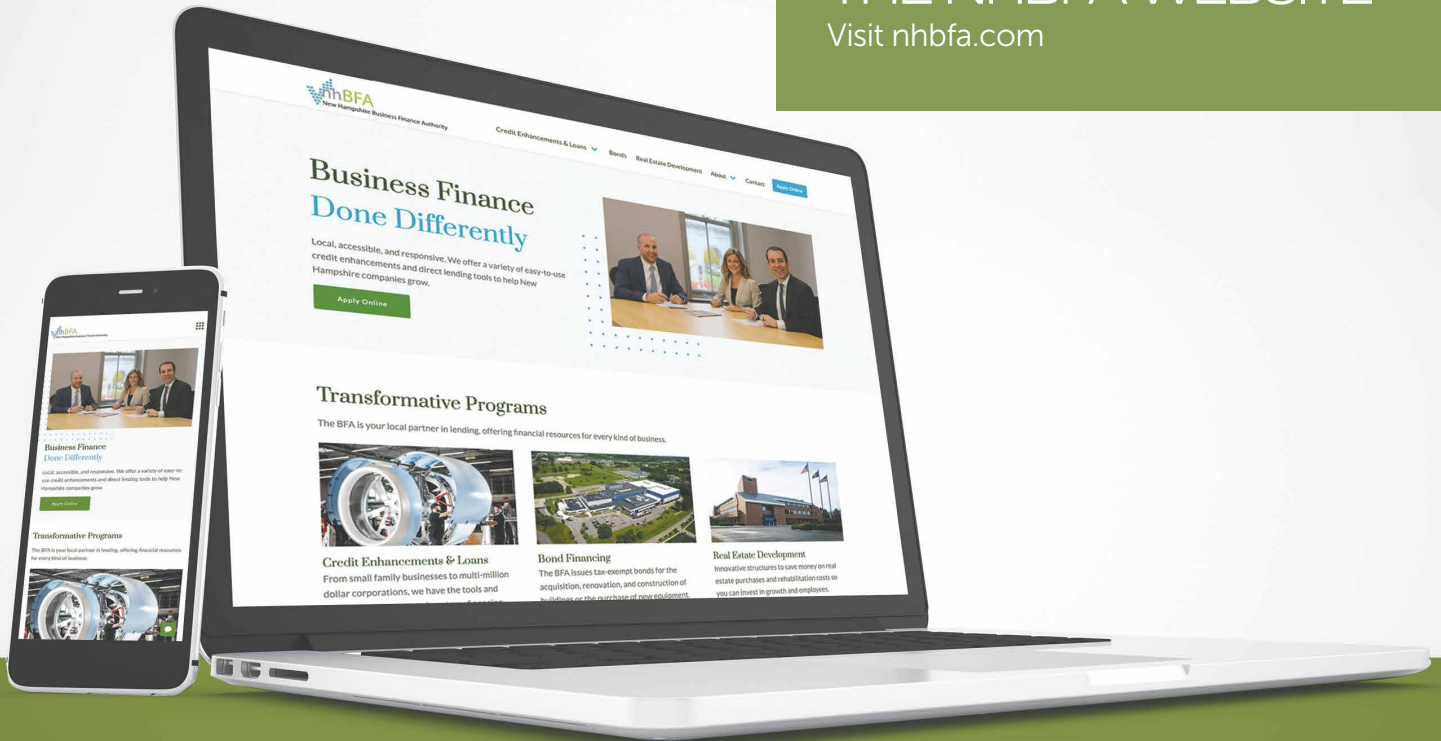
Enterprise Bank has been recognized as a top employer since 2012 and offers the capabilities of the big banks without ever losing the personal service, flexibility, and local decision making of a trusted community bank and has been recognized as the region's leading independent commercial bank.”

As the most active user of the BFA's Capital Access Program in 2019, the BFA is proud to feature Enterprise Bank in our Annual Partner Spotlight.



A TRUE RESOURCE THE NHBFA WEBSITE

Visit nhbfa.com



“TECHNOLOGY IS INTEGRAL TO HOW WE DO BUSINESS. WHILE PERSONAL CONNECTIONS ARE CRITICAL AND WE ALWAYS WANT BANKS AND BUSINESSES TO FEEL COMFORTABLE PICKING UP THE PHONE TO ASK QUESTIONS, OUR NEWLY UPDATED WEBSITE WILL HELP STREAMLINE SOME APPLICATIONS AND ANSWER MANY COMMONLY ASKED QUESTIONS. OUR GOAL IS TO MAKE THE PROCESS EASY AND BE AS RESPONSIVE AS POSSIBLE.”

—James Key-Wallace
Executive Director, New Hampshire Business Finance Authority

BUSINESS FINANCING DONE DIFFERENTLY

The New Hampshire Business Finance Authority is dedicated to helping local businesses access the capital they need to grow and succeed. Since our inception in 1992, the number of programs we offer and communities we serve has steadily expanded. And now we are happy to announce a brand new website with the ability to help even more companies.

Our new website offers concise information about our resources as well as case studies, frequently asked questions, and online applications to help streamline the process. Our goal is always to put customer service at the forefront and eliminate unnecessary red tape for those trying to utilize the BFA. The new website will make it more efficient for any bank or business to access information about our programs and, in many cases, access the BFA's services online.

Of course, while we believe the new website will make it easier for you, we are still a local team and are always here to answer the phone and personally address your questions.

Please visit us online at **nhbfa.com**

2019 BOARD OF DIRECTORS

Our Board of Directors is critical to the BFA's success and populated with seasoned professionals from a multitude of disciplines. Our diversity ensures that each deal gets looked at from a variety of informed perspectives. We have attorneys, CFOs, business owners, real estate developers, bank presidents, and members of the local community.

Dick Anagnost, Chairman, Bedford, NH

Stephen Duprey, Vice Chairman, Concord, NH

Matthew H. Benson, Concord, NH

William Dwyer, State Treasurer, Concord, NH

Jeffrey R. Hayes, Jackson, NH

F. Daniel Henderson, Hancock, NH

Nancy Merrill, Claremont, NH

Catherine Provencher, Merrimack, NH

Charles F. Withee, Hampton, NH

Senator Jeanne Dietsch, Peterborough, NH

Senator Bob Giuda, Warren, NH

Representative Laurie Sanborn, Bedford, NH

Representative Kermit Williams, Wilton, NH



2 Pillsbury Street, Suite 201

Concord, NH 03301

603.415.0190

nhbfa.com

The NH BFA 2019 financials are available at nhbfa.com/financials