



McKINLEY
ALASKA GROWTH CAPITAL

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Bristol Bay Sustainability Summit

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McKinley Alaska Growth Capital

Alaska Growth Capital BIDCO, Inc.

Provides business loans from Small Business Administration (SBA) and the U.S. Department of Agriculture (USDA); technical assistance; and other community and economic development programs.

Supports and promotes Alaska small business and job creation, with expertise in the rural and under-served regions.

\$114 million loan portfolio* and over \$600 million in loans made

Founded in 1997, acquired by McKinley in 2022

* As of 12/31/2022



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The McKinley Advantage

- Alaska's only Business and Industrial Development Corporation (BIDCO)
- Experienced staff originates, underwrites, closes and services all loans in-house
- 11 times named SBA Alaska Community Lender of the Year
- Leading Native CDFI providing business financing, technical assistance and only Alaska CDFI participating in the New Markets Tax Credits program

Mission Driven Business

MAGC is a certified **Native Community Development Financial Institution (CDFI)** that participates in the **Native American CDFI Assistance (NACA)** program and **New Markets Tax Credit (NMTC)** program.

As a leader in **rural economic development**, MAGC fosters economic opportunity in low-income and Alaska Native communities.

In addition to loans, MAGC offers training, technical assistance and the **North Slope Marketplace (NSM) business plan competition** to entrepreneurs and business owners.

Bristol Bay Native Corporation (BBNC), is a key partner and investor in McKinley Alaska Growth Capital. BBNC provides both direct leadership on the MAGC's Board of Directors as well as partnership on economic development initiatives throughout the Bristol Bay region of Alaska.



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North Slope Marketplace Competition

McKinley Alaska Growth Capital (MAGC) proudly administers the **North Slope Marketplace Business Plan Competition** annually to support vibrant communities throughout Alaska. This business plan competition **improves the economic opportunities** available by providing technical and financial support to small businesses to encourage adaptive, entrepreneurial activity across rural Alaska.

Since 2009, MAGC has awarded over \$1 million to 50 businesses throughout the North Slope Marketplace program.

The 2023 North Slope Marketplace will be live this month and will be accepting applications until May 25th.

Please visit www.alaskagrowth.com/community/north-slope-marketplace/ for more information and to apply online.

Email mbinkley@alaskagrowth.com with questions



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NORTH SLOPE
MARKETPLACE

Leading Non-Bank Lender

MAGC provides a diverse range of financing options and is excited to learn about new opportunities of any size, but most, not all, transactions fall within these parameters:

- **Average Loan:** \$1.2 million
- **Loan Size Range:** \$0.5 million to \$10 million
- **Company Revenue:** \$1 million to \$100 million

Niche

- Borrowers who are finding banks unresponsive to their needs
- Growth companies; adequate cash flow but limited collateral
- Under-served rural markets

Loan Types

- Debt refinance or long-term working capital
- Change of control
- Equipment and real estate

Terms

- 7 – 25 year term
- Fully amortizing
- Variable rate, up to Prime + 3%



Primary Lending Programs



	7 (a) Loan Program	Business & Industry Program
Loan Amount	\$5,000,000 maximum	Up to \$10,000,000 +
Guarantee Percentage	75%	60% - 90%
Guarantee Fees	Up to 3.75%	1%-3%
Terms	10 – 25 years	7 – 30 years
Personal Guarantee	All owners 20% or more	All owners 20% or more
Collateral	If adequate collateral is not available, this alone will not cause a decline for an otherwise qualified loan	Full collateralization required; 60% - 80% advance rates based on current fair market value
Other Key Requirements	<ul style="list-style-type: none"> • Borrower must meet SBA “Small Business” size standards • Borrower doesn’t meet conventional credit requirements • Borrower must be for-profit 	<ul style="list-style-type: none"> • Borrower must be located in eligible rural area • Minimum 10% tangible net worth • Borrower can be any size and is not required to be for-profit



What Do Our Loans Look Like?

- Specialized or unique collateral that traditional banks have a difficult time financing
- Rural Business
- Business Acquisition
- Service Industries
- New Businesses



Application Process

- McKinley Alaska Growth Capital understands every business is unique. We work closely with you to understand your vision to determine how we may be able to support you. Our consultative approach will guide you through the process, providing feedback and recommendations along the way.
- **Let's talk!** The best way to begin is with a conversation. Call or email info@alaskagrowth.com and we'll get back to you promptly.
- **Loan Application.** Please speak with a staff member before filling out our loan application (available on our website).



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Some Past Clients

MAGC provides loans to new and growing businesses, from Anchorage-based startups to community-focused businesses in rural Alaska to Alaska Native Corporations statewide. Examples of MAGC's past clients include:



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Five C's of Credit

1 **Character** – your credit, personal reputation and general impression you make on your lender; your integrity

2 **Capacity / Cash Flow** – You must make enough money to pay all your bills, the new loan, and have funds for food, gas, insurance, etc.

3 **Collateral (Guarantees)** - something of value (“tangible asset”) that you own or will buy with money from the loan that you can “pledge” to secure a loan

4 **Capital / Contribution** – Your net worth
What the you own (assets) minus what you owe (liabilities)

5 **Condition** - Loan conditions that a lender considers when approving your loan, such as loan amount, interest rate, term



Questions?



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