



OFFICE OF THE MAYOR
NEWS RELEASE

City of Seattle

Gregory J. Nickels, Mayor

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Mayor announces new financing for Seattle businesses

\$1.4 million in stimulus funds; \$8 million 'Grow Seattle Fund'

SEATTLE – Mayor Greg Nickels and city of Seattle lending partners announced the launch of new city programs to help businesses access credit. The announcement took place at the new home of Alpha Cine, a local motion picture laboratory and one of the first businesses to receive a loan from the newly established “Grow Seattle Fund.”

“The economic downturn has made it difficult for all businesses to access capital, and we recognize that the growth of small businesses is the key to achieving economic recovery,” said Nickels. “These new programs will help address a critical need for business owners across our city.”

Seventy five percent of domestic banks have implemented stricter lending standards for small businesses. As of late last year, only 28 percent of small businesses were using bank loans, the lowest rate since 1993. Access to credit is especially challenging for the most fragile small businesses, among them minority, immigrant and low-income entrepreneurs.

In response to the tight credit market for businesses, Nickels and the City Council have worked together to launch three new financing programs to help provide access to much-needed capital for a range of Seattle businesses, from small to large.

“Helping our economy recover and businesses grow is a critical issue for the City Council,” said City Councilmember Sally Clark. “The Council will continue to work with the executive and the Office of Economic Development to find ways to support business growth in the coming months.”

For small businesses and microenterprises, the city announced that \$1.4 million in federal stimulus funds will be disbursed through three local lending organizations: Community Capital Development, ShoreBank Enterprise Cascadia, and the Rainier Valley Community Development Fund.

“On behalf of the three community lenders, we are pleased to increase loan capital available for businesses most impacted by the economic downturn,” said Jim Thomas, president of Community Capital Development. “Each of our organizations has unique

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relationships with business communities, and as a group we will be able to reach a broad spectrum of Seattle's small businesses, especially microenterprises and low-income entrepreneurs."

For small- to medium-sized businesses that need capital to grow, the city announced a new \$8 million Grow Seattle Fund, which is a partnership between the city, the National Development Council's Grow America Fund and the Seattle Foundation.

"The National Development Council is proud to partner with the city to make funding available for small businesses through the Grow America Fund," said John Finke, president of the National Development Council. "We recognize that businesses are struggling to access capital and we are glad that the Grow Seattle Fund will increase availability for financing for business growth in Seattle and King County."

The Grow Seattle Fund will help loosen up credit for small- and medium-sized businesses at low interest rates and will be targeted to finance business development and expansion. One example is financing for energy efficiency improvements in local grocery stores.

For large businesses, Nickels announced that federal stimulus dollars will allow the city to issue \$19 million in tax exempt bonds for private business projects, geared toward businesses that are looking to make substantial infrastructure improvements.

Nickels and partners also cut the "reel of film" to officially open Alpha Cine's new location in southeast Seattle.

The relocation of Alpha Cine retained 31 livable wage jobs in the Seattle area, allowed Alpha Cine to acquire its own property, and increased business growth in southeast Seattle.

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