Courtney Loftin, Owner of Gentry Boutique
Rock Island, IL
Bridge Investment Microloan Recipient

INVESTING for the FUTURE

Supporting Small Business
Creating Jobs
Changing Communities
A Message from the Board Chair

Bridge Investment plays an important role in generating economic growth and opportunity for our bi-state region, and has made a significant impact in 2017 by offering tailored resources and innovative programs. Each business financed, each job created, and each home improved represents a critical step in empowering growth within the communities we serve. New milestones were reached this year, and I am excited for Bridge Investment’s growing impact in 2018.

Kevin Peterson, Chair

Board of Directors

Bridge Investment is able to accomplish its efforts thanks to the guidance and leadership of its Advisory Board, Executive Board, Governing Board, and Loan Committee. Bridge Investment has a 12-member Governing Board of Directors consisting of nine banks, two for-profit businesses, and one non-profit business. In 2017, Bridge Investment established a 9-member Advisory Board to help guide the organization's strategic direction, prioritization, and policies.

Advisory Board

Loredia Dixon
Open Door Program
Nina Epstein
Former Mayor, City of Kankakee
Char Flickinger
Char Flickinger & Associates LLC

Dan Hawkins
Ward Murray Pace & Johnson
Denise Isaac
Regions Bank
Molly Newell
EnviroNET

Shelley Sheehy
River Cities Development Services
Shelly Tucciarelli
Turtle Clan Development Services

Executive Board/ Loan Committee

Kevin Peterson, Chair
AJ Loss, Vice Chair
Matt Wynn, Treasurer
Kevin Schoonmaker, Secretary

Mission

Bridge Investment is a non-profit Community Development Financial Institution supporting job creation and economic growth in low-and-moderate-income communities and underserved areas by providing loans, guidance and resources.

Governing Board

American Bank & Trust
Jon Davidshofer
BankORION
Kevin Schoonmaker, Secretary
Bush Construction
AJ Loss, Vice Chair
Community State Bank
Karen Reynolds
Development Association of Rock Island
Bill Renk, Executive Board Member
Modern Woodmen Bank
Kevin Peterson, Chair
Quad City Bank & Trust
Beth Dunn
Russell Construction
John Daly

Sauk Valley Bank
Dirk Meminger
Southeast National Bank
Matt Wynn, Treasurer
Triumph Community Bank
Lawrence Davis
U.S. Bancorp Community Development Corporation
Dan Blocher
SNAPSHOT of 2017 Activity

In 2017, Bridge Investment originated $1,088,948 in total loans for over 11 projects which have created or retained more than 546 jobs and benefit over 1,019 individuals. This year Bridge Investment’s impact grew substantially, assisting low-income households and business owners, minorities, female-owned businesses, and non-profit organizations.

The impact data below showcases how quickly Bridge Investment has reached the region, demonstrating its dedication to delivering responsible, affordable lending to help underserved people and communities join the economic mainstream:

Bridge Investment Provides Opportunity. For All.

In just over one year, Bridge Investment has made a difference in underserved communities in Iowa and Illinois.

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**ASSISTING UNDERSERVED POPULATIONS**

- **73%** Minority
- **55%** Female

**CREATING TANGIBLE IMPACT**

- **546** jobs created or sustained
- **393** affordable housing units
- **6** small businesses

**INVESTING IN RURAL AMERICA**

- **$1,365,463** total lending in underserved communities in Iowa and Illinois
- **74%** percentage transactions to clients in CDFI Target Market

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**Underserved Populations:**

73%, or eight out of eleven total loans originated by Bridge Investment to date went to Minority Based Businesses or Minority-Controlled Non-Profits. Eight of the eleven total loans went to businesses owned by individuals who identify themselves as Black American, Asian American, Hispanic American, or Native American and minority controlled non-profit entities.

55%, or six out of eleven total loans originated by Bridge Investment to date went to Female Owned Businesses or Female Controlled Non-Profits.

**Impact**

Bridge Investment’s impact reached from Davenport, Iowa to Chicago, IL, creating or sustaining 546 jobs through its lending activity, advancing efforts in creating 393 units of affordable housing, and assisting six (6) small businesses located in Bridge Investment’s CDFI Investment Area.

**CDFI Target Market**

As a CDFI, Bridge Investment provided 73% of its total transactions to clients in its six-county CDFI Target Market of Scott and Clinton County in Iowa; and Rock Island County, Whiteside County, Carroll County, and Jo Daviess County in Illinois.
Rapid Growth of a 3-Year Old Non-Profit

Bridge Investment provides loans for gap financing, predevelopment, patient capital, working capital, real estate, inventory and equipment, construction and renovation.

In 2017, Bridge Investment has served small business owners in need of working capital to keep their business afloat as they wait to factor receivables. Others served include low income entrepreneurs who are seeking to expand their business, but cannot access bank financing due to blemished credit, uneven sales, undervalued collateral, or over-leveraging. The organization also assisted nonprofit community-based organizations in need of patient capital for predevelopment costs for affordable housing projects.

In 2017, Bridge originated $1,088,948 in loans supporting growth in low income census tracts, creating or supporting 546 jobs, advancing small business growth, and helping stabilize neighborhoods.

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans originated</th>
<th>Year end loan balance</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 271,651</td>
</tr>
<tr>
<td>2016</td>
<td>$ 276,515</td>
<td>$ 276,515</td>
<td>$ 640,175</td>
</tr>
<tr>
<td>2017</td>
<td>$ 1,088,948</td>
<td>$ 1,201,456</td>
<td>$ 1,400,089</td>
</tr>
</tbody>
</table>

In 2017, Bridge provided $350,000 predevelopment loan to MI Icexes LLC to support predevelopment expenses associated with the construction associated with the development of 972 units of residential housing, of which 389 are affordable housing serving households at or below 80% Area Median Income (over three phases), along with 66,500 square feet of commercial space and parking.
Microloan Pilot Program Makes Big Impact in 90 Days

Bridge Investment collaborated with a myriad of non-profits including Development Association of Rock Island, Downtown Rock Island Partnership, and Economic Growth Corporation to create a new 90-day pilot program to assist needs of Rock Island businesses to open, grow, and expand. Rock Island, IL is where Bridge Investment is headquartered.

Three programs were launched under “SEED Rock Island” to help immediate and emerging needs of small businesses, and in some cases, complementing other loan programs such as the Commercial Industrial Revolving Loan Fund offered by the City of Rock Island and Revolving Loan Funds offered by the Bi-State Regional Commission.

Bridge Investment Loan Committee approved an innovative micro-lending program known as riGROW, offering a short-term, low-interest loan up to $10,000 to local businesses in the 61201 zip code to expand their operations. Bridge Investment teamed up with the Downtown Rock Island Partnership to market the program, with the Downtown Rock Island Partnership serving as a liaison to connect with businesses emphasizing projects in low-income census tracts.

SEED Rock Island’s pilot was so successful, that efforts are working to recapitalize the program for a relaunch first quarter 2018.

5 Microloan Recipients
28 Jobs Created/Supported through Microloan Program
$44,600 Total Loans Originated to five (5) Businesses
$480,000 Leverage in 90-days

All microloan recipients had businesses located in low-income census tracts where unemployment is nearly 2.5% higher than the national average, average median family income is just over 33%, and poverty rates top over 30%.
Success Story: Neighborhood Housing Services

Neighborhood Housing Services of Davenport Iowa, Inc. is a 501(c)3 created in 1981 by community members who identified a need for an organization to rehabilitate and preserve affordable and/or historic properties within Davenport, Iowa.

As an Iowa Licensed Mortgage Bank, a Community Development Financial Institution (CDFI), a Community Housing Development Organization (CHDO), and certified HUD Housing Counseling Entity, Neighborhood Housing Services has made quite an impact in neighborhoods with high foreclosure rates.

After exhausting all other options for gap financing, Neighborhood Housing Services turned to Bridge Investment to assist in financing the gaps needed to complete rehabilitation efforts of single family homes. Bridge Investment saw the need to move quickly, allowing Neighborhood Housing Services to complete rehabilitation efforts without any delays.

Bridge Investment provided Neighborhood Housing Services a $394,000 loan approval, supporting the rehabilitation of four (4) single family purchase-rehabilitation homes located in low income census tracts, that all have either been sold or received offers to purchase, closing 30 days after rehabilitation is completed:

4 Low-to-Moderate Income Homebuyers Assisted

$538,281 Total Investment through REACT Program in a low-income census tract rated as having the highest vacancy rate in the City of Davenport*

- $237,491 Rehabilitation Costs
- $148,500 Other Investment
- $109,990 Neighborhood Housing Services Staff Wages
- $42,300 Subcontract Wages

$206,140 Total Increase in Property Values

$70,278 in Property Taxes Secured

2.11 Jobs Supported

*National Homebuilders Association (NAHB). NAHB indicates for every $100,000 spent in rehabilitation properties, .89 jobs are created and $29,779 in residential taxes are secured.
Meet the Team

Bridge Investment has a management agreement with Economic Growth Corporation (GROWTH), an experienced national non-profit specializing in all aspects of community development. It is through this management agreement that enables GROWTH staff to advance the mission of Bridge Investment:

**Brian Hollenback | Executive Director**

Brian serves as Executive Director of Bridge Investment, having the responsibility of Bridge's operations and general direction. With Brian's direction and Board leadership, Bridge has reached a milestone of more than $1.35 Million in lending activity, deploying a total of nearly $17 Million in capital into underserved communities in just over one year.

Brian serves as President/CEO of GROWTH, and has over 30 years experience in mortgage banking, real estate, and community based development. Under Brian’s direction, over $300 million in capital has been deployed, with nearly 5,000 jobs created. Under Brian’s leadership as President and CEO, GROWTH has diversified its business model to meet the needs of distressed communities by creating a variety of national for-profit and not-for-profit economic development entities: CDC (Community Development Corporation), CDFI (Community Development Financial Institution), CDE (Community Development Entity), and a Property Management Company.

**Cindy Berg | Chief Financial Officer**

Cindy serves as Chief Financial Officer, having the responsibility of administering and guiding the overall financials of Bridge and GROWTH, totaling more than $61 Million in assets. Cindy has over 20 years in financial management in the private, public and non-profit sectors, with a focus on financial institutions and non-profit corporations, in addition to vast experience in federal and state regulations and grant compliance. She is also responsible for risk management for the company's assets.

**Erik Reader | Executive Director, Downtown Rock Island Partnership**

Erik serves as Executive Director for the Downtown Rock Island Partnership, having the responsibility to serve as a liaison with small businesses, microenterprises, and non-profit organizations to increase awareness of financial products and development services available to those located within Bridge Investment’s Investment Area. Erik has nearly 10 years' experience in community revitalization, with an emphasis on downtown redevelopment and place making.

**Sonia Berg | Director of Community and Member Relations**

Sonia serves as Director of Community and Member Relations, having the responsibility to increase awareness of Bridge Investment through its business and lending activity. Sonia worked diligently on increasing Bridge’s membership from eight members in 2015, to twelve members in 2016. In addition, Sonia leads strategic member and community outreach efforts by generating new partnership and new memberships within the community. Sonia has 13 years' experience in community development, real estate, and banking, with an emphasis on community reinvestment.
Bridge Investment became a certified Community Development Financial Institution in 2017, almost exactly three years after its incorporation as a non-profit.

Through its lending activities, Bridge Investment is able to advance its goals to increase job and wealth-building opportunities in its six-county CDFI Target Market of eastern Iowa and western Illinois, which includes urban and rural areas in the following counties: Scott County and Clinton County in Iowa; and Rock Island County, Whiteside County, Carroll County, and Jo Daviess County in Illinois.

When comparing to statewide averages, Bridge’s Target Market has:

- Lower Area Median Incomes
- Higher Unemployment Rate
- Higher Rate of Poverty

Bridge Investment’s clients vary depending on their service and product needs. Bridge Investment has assisted many other clients by reviewing their business plans, connecting clients to additional small-business resources, assisting with analysis of market trends and providing financial education.

Bridge Investment’s strong relationship with local municipalities, financial institutions, and community organizations has helped to foster cooperation and collaboration - thereby advancing housing and job creation goals of the community.

Bridge Investment mirrors its activities to be consistent with the mission of the CDFI Fund: to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and low-and-moderate income communities throughout the United States, with an emphasis on Iowa and Illinois in its CDFI Target Market.