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Illinois Finance Authority Announces Small Contractor Bridge Program

Partnership with Quinn administration, Chicago Community Loan Fund helps emerging companies compete for public works projects

CHICAGO – The Illinois Finance Authority (IFA) today announced *Small Contractor Bridge*, a new program designed to help emerging businesses access working capital to compete for public works projects. The program is a partnership between the Quinn administration, the IFA, the Chicago Community Loan Fund (CCLF) and a number of Illinois state agencies.

Small Contractor Bridge provides financing to ease cash flow problems for small contractors, including disadvantaged, minority, and women-owned business enterprises, allowing them to qualify for and execute public agency (local, state and federal) contracts in Illinois. Approved by both the IFA and CCLF board at their March meetings, the pilot program is expected to be available in May 2013.

“*Small Contractor Bridge* is an essential tool to help small and emerging businesses compete for public works projects,” Christopher B. Meister, Executive Director of the IFA, said. “This program fills a gap in the market, helping credit-disadvantaged businesses compete for public works projects and boosting economic development throughout our state by pairing essential infrastructure improvements with support for small contractors.”

Small contractors frequently have difficulty securing working capital, a prerequisite to obtaining bonding for public work. The high financial barriers of public works projects make them inaccessible to large numbers of these companies, despite their ability to complete the work competitively.

“CCLF is pleased to partner with the IFA to help small contractors access public works contracts,” CCLF President Calvin L. Holmes said. “We look forward to working with businesses from around the state, connecting them with the capital they need to compete. Filling credit gaps in the community development market is why we were created.”

Small Contractor Bridge is currently in the pilot stage, with \$500,000 each from the IFA and Chicago Community Loan Fund (CCLF) for a total of \$1 million in available financing. The pilot program will initially be available to businesses headquartered in the six county Chicago metropolitan area (Cook, DuPage, Kane, Lake, McHenry and Will counties). IFA intends to expand the program in partnership with local lenders such as CCLF and bond agents throughout Illinois.

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“As we head into another construction season, I commend Governor Quinn for his commitment to leveling the playing field so that all contractors can compete fairly for business opportunities with the state,” State Senator Mattie Hunter (D-Chicago), a strong supporter of the program, said. “I also applaud the IFA and CCLF for their collaboration and swift work to make this program a reality.”

Small Contractor Bridge was developed with information from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Small Business Administration’s (SBA) national Small Contractor Initiative. Several state agencies have already signed on to participate in this program, including the Illinois Tollway, the Illinois Department of Transportation and the Capital Development Board.

For more information on Small Contractor Bridge, including how to apply, visit:

<http://www.cclfchicago.org>.

About IFA

IFA provides expert, hands-on support to help businesses get the capital they need for growth. To strengthen Illinois businesses and the State’s economic development agenda, the IFA provides access to low-cost, non-conventional financing, through banks and other sources. IFA secures financing for farms, industries, businesses, local governments, hospitals and other non-profits. The agency is continually seeking new opportunities and invites developers, financiers and community partners to see how IFA can help. Go to www.il-fa.com to learn more.

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