

The Progress Fund

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The Progress Fund Is Putting Money To Work For Communities

Small businesses with a travel and recreation focus now have access to more capital for start-up or expansion. The Progress Fund, a non-profit community development corporation and spin-off of Congressman Murtha's Southwestern Pennsylvania Heritage Preservation Commission, received over \$1.5 million that will now enable them to provide larger loans in greater numbers to small businesses, while offering more flexible terms and conditions than banks. The funds come from three sources: the United States Department of Agriculture (USDA) Intermediary Relending Program (IRP) contributed \$750,000 plus \$50,000 under their Rural Business Enterprise Grant (RBEG); Pennsylvania Community Development (PCD) Bank provided \$500,000; and National Community Capital Association (NCCA) support included \$250,000.

The Progress Fund, an equal opportunity lender, targets bed and breakfasts, campgrounds, recreational sites, visitor attractions, specialty grocery stores, retailers and other tourism operations within a nine county area encompassing south central and southwestern Pa. The

Progress Fund has loaned funds to over 64 businesses. A total of 50 loans are current, and 14 have been repaid to date. The Progress Fund is capitalized at \$4.4 million and estimates growth to \$10 million by the end of 2001.

The USDA IRP funding is the largest amount most recently awarded to a community development organization. A department under the Rural Development office, IRP provided money to The Progress Fund to re-lend for job creation and economic development. The PCD Bank Program is a joint effort begun by Governor Ridge and the Department of Community and Economic Development but financed through the Pennsylvania Economic Development Financing Agency (PEDFA). PEDFA makes capital available for community development lending and technical assistance to promote Community Development Financial Institutions (CDFIs) in distressed communities. The NCCA also helps to create opportunity and change by providing credit and development services to low-income communities on a national level.

Last year The Progress Fund provided financing to Eric and Lynne Martin, owners of Wilderness Voyageurs Outfitters for its still-water raft excursion on the Youghiogeny River at Dawson, complementing its long established white water operation at Ohiopyle. Also included in its loan portfolio is funding that helped establish The Inn at Lenora's in Perryopolis. Lenora Palonder, whose family operates the Inn, opened several of the rooms recently and expects to have all the rooms completed by the end of June.

“We are very excited to have received more funding to create jobs and support small businesses,” said David Kahley, who heads up The Progress Fund. “I am thrilled that we are being viewed by our peers and clients as a unique corporation offering business expertise, technical assistance and lending services to startup ventures or those well-established businesses that need to expand their services and staff.” Kahley emphasized that both ventures are “good

investments” because most businesses can generate positive cash flow by following a comprehensive business plan, but can’t often receive loans from a local bank, because banks concentrate on collateral when considering a loan.

It’s not unusual for The Progress Fund to join forces with other organizations to help finance a worthy project. In addition to its relationship with the USDA, NCCA and PCD Bank, The Fay-Penn Economic Development Council and The Progress Fund recently collaborated to finance the new Caileigh’s Restaurant in Uniontown and Topo’s restaurant in Markleysburg. Although banks alone often find it difficult to provide a loan, The Progress Fund is often willing to work with a bank considering a business loan to help share the risk.

“Whether we work independently or in a partnership, if a business needs a loan to expand its products or services to travelers, use historic buildings in its operations or create good jobs, we are here to help,” said Diane Wiegman, the Fund’s Loan Officer.

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The Progress Fund is a nonprofit corporation working to create economic opportunity in southwestern and south-central Pennsylvania by lending needed capital and providing technical assistance to small businesses. The Progress Fund is a “Westsylvania Partners” affiliate.