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Partnership-Style Loan Helps Cedar Crest Grocer Thrive

By Damon Scott for Finance New Mexico

The era of big box retailers and internet giants like Amazon have made it easy to write off local independent businesses. But Rita Riebling, co-owner and managing partner of Triangle Grocery in Cedar Crest, has built a business that local and surrounding communities rely on. Nevertheless, you won't hear Riebling say that running an independent grocery store is an easy task.

To stay relevant and keep business buzzing, Riebling has worked hard and made strategic moves at opportune times. She recently purchased the building that's home to Triangle Grocery and bought out her partners so that she and her husband Morey would have controlling interest in the grocery store. The management decisions were made possible by a loan from the nonprofit Enchantment Land Certified Development Company (ELCDC), in partnership with the Small Business Administration and private sector lenders.



"This [loan] helped me [because] we had partners that were unhappy," said Riebling. "It's hard to deal with that on a daily basis. I ended up with more property — income property — and pay less than what I was paying in rent," she said. "I'm more in debt now, but like my accountant reminds me, it's a good kind of debt."

Store With Deep Roots

Riebling bought Triangle Grocery in 1988 while working as its part-time bookkeeper and manager. She would later move the business about three miles away to its current location on Highway 14 in Cedar Crest. The move to 25,000 square feet more than doubled the size of the store that now employs 35 workers.

"In this building, we now have more product and can serve more people," said Riebling. "We're able to tap into the outlying communities and provide special orders. We see the same people once or twice a week. It's about customer service," she said.

Grocery stores rely on volume, often operating at profit margins of one to three percent. Riebling said that's why efficiency is of utmost importance.

Lenders Working Together

ELCDC is a nonprofit organization that finances business loans for fixed assets by partnering with the SBA and local banks on the 504 Program.

The borrower contributes 10 to 20 percent, while the bank underwrites 50 percent of the loan. ELCDC, under a license agreement with the SBA, packages, underwrites, closes and services the loan while taking on between 30 and 40 percent of the financing.

Loans under the 504 Program are designed to allow businesses to retain working capital while paying below-market fixed-rates of interest for real estate, equipment, improvements and loan consolidation. Loans can range from about \$100,000 to as high as \$6 million.

Riebling said her experience with ELCDC made the process of borrowing a large sum of money a manageable endeavor.

“Borrowing that kind of money with governmental oversight is pounds and pounds of paperwork,” she said. “They made it easy. Rather than a 10-foot-long list, they gave it to me in pieces. They made a fairly daunting task workable.”

Borrowers often find ELCDC through local banks that partner with the 25-year-old organization.

Alexis Hamilton, ELCDC office manager, said the nonprofit works hard to educate bankers and potential borrowers about their economic development mandate. “Our mission is to help the state become more stable through the economy,” she said. “That’s why we have a requirement that the borrower create a certain number of jobs.”

ELCDC clients include Calibers gun shop and shooting range, the restaurant Sadie’s of New Mexico, gas stations, hotels, assisted living facilities, dental clinics, offices, and those in the manufacturing and retail industries.

ELCDC, with offices in Albuquerque, Las Cruces and El Paso, TX, can be reached through its website at elcdc.com or calling (505) 843-9232.

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