

## LATEST NEWS

May 18, 2005

### **NM Community Capital announces initial close of \$7.5 million**

[Clay Holtzman](#)

NMBW Staff

A new venture fund focused on community development has announced its initial close at \$7.5 million and fund managers say that total will likely increase.

[New Mexico Community Capital](#) (NMCC) achieved its first close on the fund earlier this week.

"We're going to leave the fund open until the end of the year and we're confident we'll achieve our goal of \$10 million," says Jarratt Applewhite, NMCC CEO.

NMCC, started in 2004, targets small and expanding traditional businesses in areas of New Mexico where equity capital is deficient.

Among the fund's larger investors are [Wells Fargo & Co.](#) (NYSE: WFC), which has upped its \$500,000 commitment to \$750,000, according to Applewhite, and the [New Mexico Small Business Investment Corp.](#), which has committed \$5 million to the fund.

NMCC is considered to be a Community Development Venture Capital fund -- a type of investment vehicle that unlike traditional venture funds, is meant to generate a solid return and help improve the surrounding community.

According to the [Community Development Venture Capital Alliance](#) (CDVCA), a New York City-based trade group, the number of such funds in the U.S. has grown from 45 in 2000 to about 80 at the end of 2003. The alliance also has an investment arm that invests capital in the community-oriented funds.

Tom Keleher, managing director of NMCC, says officials with the alliance will come to Albuquerque later this year to look at a possible investment in the NMCC fund.

The fund has not made any investments in companies yet, but Applewhite says NMCC started taking applications three months ago and he is "anxious" to expand the fund's deal flow.

Although there are potential investments now being considered, Keleher says fundraising has been the fund's priority up until now. But with the initial close and the official launch of the NMCC Web site in about two weeks, the hunt for potential investors will intensify.

"We do have a pipeline -- we have a list of deals that we've been seeing," he says.

Parts of the fund's Web site, at [www.nmccap.org](http://www.nmccap.org), are still under construction.

© 2005 American City Business Journals Inc.

All contents of this site © American City Business Journals Inc. All rights reserved.