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Quemado Rito Convenience Store Puts Rural Community Back on the Map

By F. Leroy Pacheco, President and CEO, The Loan Fund

Tommy Padilla works full time for the state Livestock Board and owns a 2,000-acre cattle ranch near Quemado, a rural community that's home to 781 people. In 2008, he saw an opportunity to provide a needed service to motorists driving through the town.

Quemado is on U.S. Highway 60 in rural western New Mexico. For decades, the community supported five gas stations and four restaurants that served travelers heading to and from Arizona and California. But after east-west Interstates 10 and 40 were built in the 1960s, Quemado began a slow decline.

In recent years, Padilla noticed that people were rediscovering Quemado as they sought alternatives to the heavy volume of truck traffic and high speeds on the interstates. "Our traffic counts now are the same or a little more than when I-40 was built," Padilla said. As he watched the traffic grow, Padilla predicted an increased demand for motorist services given that the nearest gas station with a convenience store was 30 miles away.

With \$150,000 of his own money, Padilla bought, cleared and cleaned an abandoned property with an existing building, hooked up power, water and sewer lines, laid down a cement pad for a parking lot and installed an ATM machine. But he needed to make a substantial additional investment to purchase gas pumps and stock a spacious and attractive 3,000-square-foot convenience store.

Padilla turned to The Loan Fund, a nonprofit organization that provides loans, training and advice to entrepreneurs, business owners and nonprofit groups throughout New Mexico and the Navajo Nation. The Loan Fund awarded Padilla a \$350,000 Small Business Administration 504 loan, which is specifically designed to help businesses purchase buildings and equipment. It was one of the first 504 loans made by The Loan Fund, which works to build communities by lending money to qualified borrowers whose financing needs may not fit a bank's traditional lending guidelines. In the past 22 years, The Loan Fund has made loans as small as \$2,000 and as large as \$750,000 to more than 1,200 New Mexicans, who in turn created or preserved 6,000 living-wage jobs. (Thirty percent of the lending total has been disbursed during the recession of the past two years.)

Now employing five people, Quemado Rito grossed \$1.8 million in its first 18 months of operation. The store serves between 250 and 450 people each day; the ATM machine alone receives 400 to 600 “hits” each month.

Padilla credits the support of his family and The Loan Fund for his success. Of the latter, he said, “They take on riskier loans, including startups.” His little store has had a big impact on this small community: “People are feeling better about the town.”

For more information about loans available through The Loan Fund, visit www.loanfund.org.

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