



Hamilton County Development Company





Letter From The President

HCDC experienced strong results in all three program areas – Lending, Economic Development and Business Incubation – in 2011.

Horizon Certified Development Company, HCDC's lending area ranked as the number one Certified Development Company (CDC) in the SBA Columbus District. Horizon accounted for 30% of the total SBA 504 loan volume in the District, which comprises 60 counties in southern/central Ohio and includes 16 CDC's doing business in Ohio. In addition, Horizon ranked third in total dollar volume among all SBA (504 and 7a) lenders in the District.

Horizon partnered with 22 third party lenders to approve 46 loans for \$24.3 million in SBA 504 and Ohio Regional 166 financing with a total project investment of \$67.3 million. This represents a 73% increase in business investment over 2010. More importantly, these business borrowers will create 453 new jobs while retaining 1,326 employees. Horizon's SBA 504 loan portfolio increased to 378 loans for over \$110.3 million, its highest level ever. As an encouraging economic recovery signal, the number of loan delinquencies and defaults declined, while 504 loan interest rates remained at record lows.

Horizon highlighted 2011 by hosting in Cincinnati the NADCO Central Regions Conference and Board of Directors Meeting. The event attracted over 150 attendees representing CDC's, the SBA, private lenders and other supporters of the SBA 504 loan program.

The HCDC Economic Development Office (EDO) facilitated \$115.5 million in new private investment that will create or retain over 2,100 jobs. This represents a direct result of companies utilizing the various tax incentive, assistance or financing programs HCDC administers throughout Hamilton County. EDO provides the economic development moorings for all of HCDC programs through its efforts in retention/expansion of existing businesses, creation of new ventures and attraction of outside firms to the County. In addition to the contract with Hamilton County, EDO renewed two existing and entered into two new local community economic development contracts. More significantly, it launched one of HCDC's most innovative and collaborative initiatives through a new contract with the Uptown Consortium, a coalition of seven neighborhoods led by the healthcare and university entities headquartered in the area. As such, EDO linked traditional business expansion/retain efforts



with business coaching management assistance to provide a comprehensive community economic and business assistance development program to companies located in the Uptown neighborhoods. This concept has been so well received by the client and consumers that there may soon be opportunities to duplicate it in other communities in Hamilton County.

Occupancy at the Hamilton County Business Center (HCBC) rose to 78%, its highest level in 6 years as 12 new entrepreneurs were welcomed as tenants to the incubation program. This brought the total number of tenants to 50, also the highest number since 2005. HCBC clients employed 197 workers and created 48 new jobs during 2011, with an aggregate payroll of \$9.8 million, and total revenues of \$17.2 million.

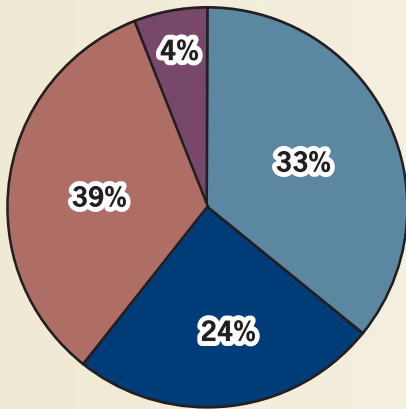
As one of the top tier Ohio Edison Incubators and the largest business incubator in Greater Cincinnati and Southwest Ohio, HCBC received an increase in Edison funding from the Ohio Department of Development. HCBC continued its participation in the Ohio Third Frontier Program, officially launched the HCBC Tenant Revolving Loan Fund (TRLF) and provide value-added business coaching and mentoring on a formal workshop and individual one on one basis. Without the above "heat" inside the incubator, HCBC clients most likely would not have been as successful.

Indeed, HCDC has been fortunate to have a dedicated staff and engaged Board of Directors and committed stakeholders all whom collaborate towards the promotion of economic development. The results of this collaboration have resulted in one very good year for 2011.

Sincerely,

David K. Main

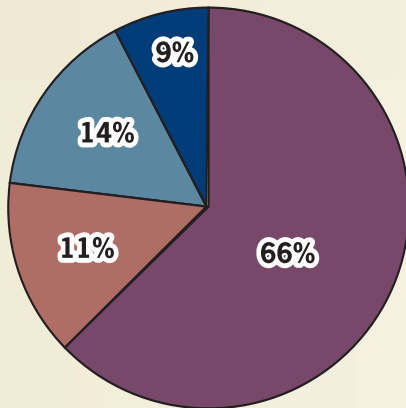
President



INCOME (SOURCES) AMOUNT

Lending (Horizon Certified Development Co.)	\$988,951
Economic Development	\$709,988
Business Incubation / Assistance	\$1,177,901
Administration/Other	\$135,400

Total Income: \$3,012,240



EXPENSE (USES) AMOUNT

Personnel Compensation/Benefits/Taxes	\$1,885,886
Office/Professional Expenses	\$319,496
Building Expense	\$402,194
Depreciation Expense	\$246,691

Total Expenses: \$2,854,267

Net Income: \$157,973



The Economic Development Office

(EDO) actively promotes Hamilton County as an attractive place in which to do business. Working with county and local officials, EDO assists businesses and developers that revitalize business districts, build office and industrial parks that create jobs and improve the overall quality of life. EDO's expertise in managing economic development programs helps attract, retain and expand businesses, connect communities and businesses with public sources of financing and maintain and market an inventory of sites and buildings available for development in Hamilton County.

As the economic development agency for Hamilton County, EDO recruits developers and retailers, assembles incentive packages, and analyzes markets, demographics and customer trends. EDO also collaborates with the county, local communities and developers, as well as state and federal officials to access grants, negotiate and obtain tax incentives and coordinate and oversee development opportunities.

2011 ACCOMPLISHMENTS

- Reviewed 66 tax incentive agreements with the Tax Incentive Review Council; the companies that were reviewed have invested over \$796 million and created or retained more than 13,300 jobs.
- Processed new tax incentive agreements with companies that agreed to invest \$115 million and create or retain more than 2,100 jobs.
- Met with 85 businesses to create relationships and to offer assistance with the goal of expanding and retaining them in Hamilton County.
- Funded projects in Golf Manor, Addyston, Lockland and Reading to assist redevelopment of blighted, urban, infill sites through HCDC's Urban Land Assistance Program. Since the inception of the program, HCDC has awarded more than \$854,000 in grants to 40 different redevelopment sites throughout the County.
- Worked to attract, retain and expand businesses in Hamilton County. We accomplish this through contracts with Hamilton County and the Community Improvement Corporation of Greater Cincinnati, as well as, providing additional services by contract to the following communities: Glendale, Lockland and Wyoming.
- Entered into a contract with the Uptown Consortium to provide technical assistance, business coaching and business retention efforts to businesses in the seven neighborhoods within the Uptown service area.
- Entered into a contract with the Metropolitan Sewer District (MSD) and Industrial Solutions Group to market an MSD program designed to assist developers expand and improve the sewer system in Hamilton County resulting in projects that create investment and jobs.

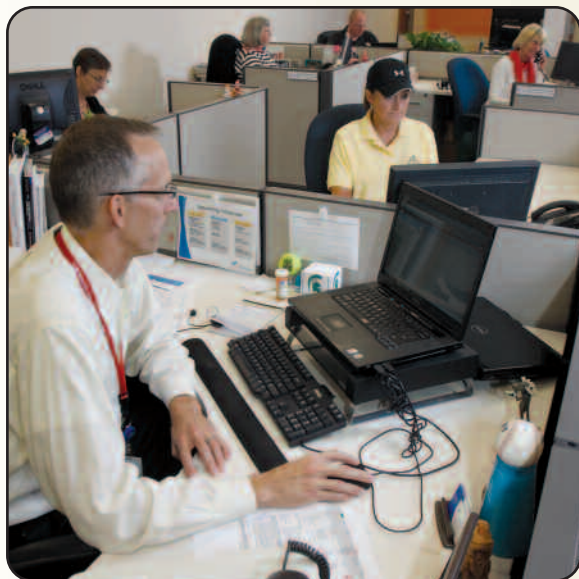


HCDC, doing business as **Horizon Certified Development Company**, provides financing to businesses for the acquisition of fixed assets, including real estate, machinery and equipment, through two economic development lending programs. Horizon CDC's flagship small-business lending program is the U.S. Small Business Administration (SBA) 504 loan program, the activity that launched HCDC more than 25 years ago. In addition to being one of the top SBA Certified Development Companies, HCDC also is a lender through the State of Ohio Regional 166 Loan Program.

Working with commercial lenders, HCDC's financing programs offer business borrowers long-term loans, with low down payments, at fixed interest rates. This enables private lenders to assist businesses that they otherwise may not be able to finance on their own. The projects financed also demonstrate a community benefit such as job creation, business district revitalization, diversification of the local economy, or the development of minority or women owned businesses.

2011 ACCOMPLISHMENTS

- Despite the uncertainty of the economic recovery in FY 2011, HCDC and the SBA 504 program continued to be a source of fixed rate, long term financing for owner occupied real estate. Interest rates dropped to the lowest levels in the almost 30 year history of the 504 program. The Small Business Bill passed in September 2011 for the first time allowed using 504 loans to refinance existing debt.
- Projects of note include the purchase and renovation of a new facility by Greenlight Optics, LLC in Symmes Township. Greenlight Optics LLC is a designer and manufacturer of high end optical systems for industry. KOST USA, a manufacturer of industrial lubricants and coolents, purchased and renovated a vacant manufacturing plant on Tennessee Avenue in Cincinnati.
- During 2011 HCDC partnered with 22 different lending institutions to provide financing.
- HCDC's portfolio of SBA 504 loans at the end of the year stood at 378 loans with an outstanding balance of over \$110.3 million. Overall in 2011, 45 loans were funded for \$23.8 million.
- In Hamilton County alone, HCDC participated in 17 projects which accounted for over \$18.7 million in new investment.
- Forty-six (46) SBA 504 and two Ohio 166 loans were approved for \$24.3 million in financing and a total project investment of \$67.3 million. The total project investment is a 73% increase over the previous year.



Hamilton County Business Center

(HCBC) plays a leadership role and is an integral part of the entrepreneurial assistance ecosystem that focuses on innovation, entrepreneurship and new business development in Southwest Ohio. Owned and operated by the Hamilton County Development Co. Inc., it is one of the largest business incubators in the United States. As one of Ohio's Edison Technology Incubators, we provide entrepreneurs with affordable, flexible space, enabling them to grow.

However, it's much more than just a building – the Business Center also offers business assistance, shared support and a vibrant environment for entrepreneurs. Programs such as Morning Mentoring, Regional Entrepreneurs Forum, and Outreach provide business plan assistance, coaching and opportunities to early-stage, innovative firms.

Since the center's creation in 1989, 271 businesses have entered the multi-year incubation program and 125 have graduated into the community. More than 95 percent of them relocated their expanding offices to Ohio sites. Currently, HCBC has 50 companies in the business incubation program.

2011 ACCOMPLISHMENTS

- Two start-ups graduated from the Business Center, all relocating to Hamilton County. The firms are:
 - *Rick Reed Productions* - provides a full service video production company focusing on delivering creative, high quality messages for their clients.
 - *Private Health News* - revolutionized the delivery of health information, providing personalized health news tailored to the interests of each individual subscriber, all branded as the Provider
- At year-end, HCBC had 48 tenants, who employed 197 with a total annual payroll of \$9.8 million. Tenant revenues exceeded \$17.2 million.
- Thirteen companies that worked with HCBC secured early-stage capital from seed funds, angel investors, banks or government entities.
- HCBC welcomed its 271st client, NextGen Learning Solutions.
- HCBC's Morning Mentoring program assisted 42 ventures by providing access to early-stage capital, networking and business coaching.
- The Business Center expanded its connection to minority entrepreneurs by joining the Cincinnati Minority Business Collaborative to facilitate the growth of early stage and growth oriented African American businesses in the Southwest Ohio marketplace.

HCDC STAFF

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Hamilton County Development Company

Generating Jobs and Economic Development

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