

Notes From The Corner Office

David K. Main, President HCDC

"What Kind of Business Do You Think I Ought to Start?"

I've been asked the question - "What Kind of Business Do You Think I Ought to Start?" - countless times. Would-be entrepreneurs, wanting to start their own businesses, are often open to suggestions as to where I think genuine opportunities lie.



At first blush it seems like a simple, straightforward question, but it's not.

I first encountered the question many years ago from a young man who enthusiastically stated that he wanted to open a new business in downtown Xenia, Ohio, and wanted my opinion on what it should be. Since Xenia did not have any bakeries, I replied that perhaps he should consider opening one.

Years have passed since I offered up that all-too-easy answer (soon I'll have been with HCDC for twenty years), and I'd answer somewhat differently today. I'd add some refinements and some caveats.

First of all, the type of business a person should open must be one in which the entrepreneur has some relevant management experience. If not, then I'd advise that person to go work in such a business, make mistakes and gain experience on someone else's time and payroll. Secondly, the type of business should fascinate the prospective new owner and make her or him willing to almost passionately devote time, energy and resources to it. Thirdly, beyond experience and passion, there should also be some reasoned analysis that a market exists for the product or service to be offered. Without demand, no matter how much expertise and passion are involved, the business is doomed to failure.

As such, my relatively naïve rationale that a bakery would do well in downtown Xenia, was not totally off the mark. I understood the demand side of the equation. But now, I also understand how crucial both experience and passion are in forming and growing a new business.

Give me your thoughts on "The Development Source" at maind@hcdc.com.

Results of the HCDC Big Beautiful Book Give-Away

We were astonished at how many of you registered for a chance to win in our "HCDC Big Beautiful Book Give-Away." The prizes were copies of "Cincinnati Majestic Vision," with its beautiful photographs and fascinating introduction by Nick Clooney. Below is a list of the winners. There will be an exciting new give-away offered in our next newsletter. Here's a hint - baseball season and a new ballpark are coming!

Congratulations to the following readers for winning a "Cincinnati Majestic Vision" book:

- Monroe Barnes - MBJ Consultants

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- Ron Miller - Hamilton County Regional Planning Commission
- Jim Eglseder - Fifth Third Bank
- Leslie Weber - McCarty Weber Hiring Solutions
- John Hudson - McGill Smith Punshon, Inc.
- Michelle Blair - City of Mason

Thanks to all who entered!!!

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Congratulations To Randy Carter!

Randy Carter, HCDC Board Member and chair of our Project Review Committee (Loan Committee), has been selected as the Business Advocate of the Year by the Clermont County Chamber of Commerce. The prestigious award follows one he received in 2001 as HCDC's Banker Advocate of the Year. Randy is Senior Vice President at Center Bank, where he has responsibility for growing the bank's small business loan portfolio. He began his career in 1982 after graduating from Miami University. We are proud to have him as part of our HCDC team, and are equally proud to watch his reputation as an advocate for small business grow throughout the region.



Randy Carter, Senior Vice President

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Putting Aside Our Differences: Notre Dame Grad Hires Michigan Grad



By [Harry Blanton](#), Economic Development Manager

HCDC is proud to announce the hiring of Wes Munzel as a Senior Development Specialist. Wes will work in the Economic Development Office and focus on the County's tax incentive programs and the stabilization of our neighborhood business districts. He comes to HCDC with a great deal of both private and public work experience and has two degrees from the University of Michigan: a Bachelor in Political Science and a Master of Urban Planning.

Wes has a wealth of experience relevant to economic development. In the public realm, he was the previous Assistant Planning Director with Clermont County. One of his roles there was the administration of economic development and tax incentive programs for Clermont County. Since leaving Clermont, Wes has had stints at Duany Plater-Zyberk, a nationally know urban planning firm, Gibbs Planning Group, where he gained experience in urban retail design/development and most recently at Woolpert, LLP, a local urban design firm.



Wes Munzel, Senior Development Specialist

While he is not spending time watching Notre Dame beat Michigan at football, Wes is the proud father of a one-year-old boy, Jack, and the loving husband of his wife, Beth. All kidding aside, as a Notre Dame grad, I am proud to say that Wes is a welcome addition to HCDC and we are happy to have him on board.

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The Route That SBA 504 Loan Money Takes



By *Andy Young, Vice President/Senior Loan Officer*

Occasionally we're asked where Hamilton County Development Company gets the funds to finance SBA 504 loans. Here's how it all works. The process begins with the United States Congress, which authorizes the U.S. Small Business Administration (SBA) to underwrite 504 loans. But because there is no appropriation of actual tax dollars, the funds don't come directly from the United States Treasury. Instead, through a procedure begun in 1986, loan proceeds are obtained through the sale of debentures, whose repayment is guaranteed 100% by the SBA.

For example, after we have helped you get a loan approved by the SBA, an Authorization for Debenture Guarantee is issued, which represents the SBA's commitment to finance your project. A 504 loan is actually "take-out" financing, which requires the project to initially be financed through borrower equity and an interim loan from the private lender. When your project is complete, HCDC and you close the 504 loan and the paperwork is sent to New York where our loan is placed in a monthly pool with several hundred other 504 loans. SBA has contracted with Merrill Lynch and First Boston as the debenture underwriters to purchase the pool of loans as well as to negotiate the interest rate. With the funding of the pool, monies are then wired to the participating lender to payoff the project interim financing and then you, the borrower, are sent completed loan documents showing the monthly payment and interest rate on your 504 loan. The process is complete when the underwriters sell partial interests in the debenture pool to private investors, who receive a fixed interest rate and the backing of the full faith and credit of the United States.

It sounds way more complicated than it is, and that's where HCDC comes in. It's our job to help and guide borrowers through the entire process. It's what we do every day. If you'd like to know how we may be able to help you with a 504 loan, and how such a loan may benefit your business, just [e-mail](#) or call me.

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Done Deals

January Rates

SBA 504: 6.35% | Regional 166: 2.83% | Microloan: 8-10%

A Sample Of Recent SBA, Ohio, And Local
Loans Done With The Help Of HCDC.

Name	Program	Bank	Project	Purpose
Law Firm of Tina R. Mills, LLC	SBA 504	Center	\$54,000	Real Estate
Ellington Management Services, Inc.	Micro	N/A	\$15,000	Working Capital
Beckman Environmental	SBA 504	Center	\$233,000	Real Estate
Tier One Search Limited	Micro	N/A	\$7,750	Working Capital
Springfield Exxon	SBA 504	Center	\$317,000	Real Estate