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## Notes From The Corner Office

David K. Main, President HCDC

### "What Kind of Business Should I Start?"

When I started working in economic development over 30 years ago, I received a call from an individual, who stated that he wanted to open a business in downtown Xenia. Since we were trying to attract new businesses to this tornado ravaged area, my initial response was ... "Great! What kind of business are you planning to open?" To my then surprise, his response was in the form of a question ... "Gee, I don't know. What kind of business do you think I ought to open?"



At that time the only bakery in the downtown area of Xenia had closed, and many of us felt that we really needed a downtown bakery. So my response to his question was ... "Well, we really need a bakery and perhaps you should consider starting one." I also dutifully provided him generic business information on bakeries and bakery franchises. In the end this individual never started the bakery perhaps because he did not really want to operate a bakery, or because he could not raise the dough for such a venture. No pun intended.

Nevertheless, upon further reflection, a more thoughtful response to this question, which has been asked of me numerous times since, is really a series of questions. First, "What kind of business related activities do you really like to do and yet could be rationally passionate about doing?" Second, "What type of experience do you have in working in this type of or a very similar business?" And third, "How much of your own earned cash are you willing to invest in this venture?"

How a person responds to each of these questions can foreshadow his or her potential for successfully launching and operating a business. It can also be extremely beneficial before someone starts a particular business venture to work in a similar business. This will help them discover not only how good are they at this activity, but more importantly is it something they really want to work at for more than 40 hours per week. Typically most successful businesses are started by those individuals that possess relevant management experience in that particular industry.

Tell me your thoughts on the Development Source call me at 513-631-8282, or e-mail: [maid@hcdc.com](mailto:maid@hcdc.com).

## A Little Known Program That Pays Big



By [Pat Longo](#), Vice President/Director, HCBC

There is a secret being passed around the halls of HCBC that is making technology-focused entrepreneurs here do a double take. It involves the fact that the State of Ohio has become very aggressive in its efforts to enhance technology-based entrepreneurship. The secret is Ohio's "Access to Capital" effort, called the Technology Investment Tax Credit (TITC) program.

As a State of Ohio supported incubation program, HCBC has seen a number of its clients benefit from Ohio's actions to boost early stage investment in start up ventures. Through the Technology Investment Tax Credit (TITC) program, Ohio investors may reduce their state taxes by 25% of the amount they invest in qualified, technology-based Ohio companies. The tax credits may be applied to personal income tax, corporation franchise tax, public utility excise tax or the tax on dealers in intangibles.

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Both the investor and the company need to be certified with the State of Ohio before the investment is made and one can visit <http://www.odod.state.oh.us/tech/titc/>, to learn more about the program's details.

The major benefit of the program is that Ohio is attempting to make early stage or angel investing more accessible and more frequent by Ohioans for Ohio entrepreneurs. This program is just another innovative way the State of Ohio is attempting to keep Ohio competitive.

In HCBC's world, the TITC program has been, and will continue to be, an effective tool for our technology-focused clients. It is little secrets like the Technology Investment Tax Credit program that will pay big dividends for Ohio's future!

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## Modernizing Industrial Areas One Building at a Time.



By *Andrew Young*, Vice President, Horizon CDC and *Daniel Ferguson*, Development Specialist, HCDC

As you drive along I-75 through the heart of Cincinnati you may notice a change. It hasn't occurred overnight, but slowly and surely companies are modernizing their facilities to enable the latest technology, accommodate future growth, and compete in the global market.

The [Village of Lockland](#), immersed in industrial heritage, has gained a great deal of local publicity touting its recent brownfield redevelopment. HCDC and Horizon have played a role in that success.

For well over 100 years, Lockland was the home to notorious industrial heavyweights like paper mills, and chemical and asbestos manufacturers. As these companies closed their doors, they eliminated thousands of jobs and left behind massive, antiquated, multi-story buildings. Furthermore, the sites themselves were found to be contaminated by all varieties of hazardous materials.

The U.S. Environmental Protection Agency defines brownfields as being real property, whose expansion, redevelopment or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant. In 1999, the U.S. EPA estimated that 75% of Lockland's industrial land, over 200 acres, was brownfields.

Despite these challenges, Lockland continues to offer many benefits found in the mid-city or inner-ring suburbs such as: great access to a broad labor force, multiple forms of transportation, infrastructure, visibility, and proximity to both downtown and the suburbs. Financial programs from state and federal agencies can assist in the redevelopment of these areas. Responsive local governments are also eager to see these projects succeed and can provide assistance in various forms.

Lockland has successfully begun to reclaim many sites for productive reuse, experiencing \$32 million of private investment that is resulting in the creation of over 700 jobs.

One such project is the former American Tissue Mill. This mill, located on a 6.5 acre site, was shut down in 1988 and sat vacant and deteriorating until the Village acquired the property in 2000. In 2002 the Village was awarded a \$2.1 million Clean Ohio Revitalization Funds grant from the State of Ohio to assist with the cleanup and demolition of the hulking industrial complex. By 2004 the site was clean and ready for reuse. The Village sold the land to two companies, Frederick's Landscaping and Premier Food Management, for the construction of new facilities.

[Frederick's Landscaping](#), is a full-line commercial and residential landscape design and installation company founded in 1977. It constructed an office, shop and equipment facility, and will employ approximately 50 employees on the site.

Premier Food Management caters a variety of meals to schools, day cares, senior centers and civic organizations throughout the region. Premier is using its portion

of the land to construct a 12,000 square foot office and commissary and will employ up to 18 people. Premier Food was approved for a 75% exemption on new investment in tangible personal and real property for a period of five years through the Enterprise Zone Agreement prepared by HCDC's Office of Economic Development.

Both companies made use of the SBA 504 Loan Program through Horizon Certified Development Company for the acquisition of the land and the construction of their new facilities. The 504 Program helped these companies achieve their expansions in Lockland because the low 10% downpayment and the long term fixed interest rate made the financing affordable.

The Cincinnati Region is modernizing and reinventing itself every day, building by building and site by site. Additional information on development opportunities in the Village of Lockland can be found at [www.lockland.com/redevelopment.cfm](http://www.lockland.com/redevelopment.cfm). If you would like to know more about any programs mentioned in this article, please feel free to give us a call.

For more information about the SBA 504 Loan Program or Enterprise Zone program, please call HCDC at 513-631-8292, or visit our website at [www.hcdc.com](http://www.hcdc.com)

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## Done Deals

### March Rates

SBA 504: 6.75%\* (20 years) 6.965%\* (10 years)  
Regional 166: 5.00%\*

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

Name	Program	Bank	Project	Purpose
DC Hair Design	SBA	Center Bank	\$215,000	Real Estate
Individual Care Center, Inc.	SBA	People's Community Bank	\$395,102	Real Estate/ Equip.
Dixie Sky/ Skyline Chili	SBA	Center Bank	\$785,000	Real Estate
Mortgage Funding USA, LLC	SBA	Bank of Kentucky	\$1,257,000	Real Estate
Services Parts Supply Corp.	SBA	Key Bank	\$4,350,000	Real Estate
FocusMark Group, LLC	SBA	Fifth Third Bank	\$370,240	Real Estate
Hand 2 Hand Acrobatic Team	SBA	First Financial Bank	\$896,000	Real Estate
Baba Budan Espresso Bar	SBA	Clifton Heights Savings and Loan	\$615,000	Real Estate/ Equip.
Tabby's American Grill and Bar	SBA	Fifth Third Bank	\$1,500,000	Real Estate
Simon Waste Consulting, LLC	SBA	Fifth Third Bank	\$275,000	Real Estate
The Athletic Club at Waycross	SBA	JP Morgan Chase	\$467,400	Real Estate/ Equip.
Galbraith Car Wash	SBA	JP Morgan Chase	\$645,000	Real Estate/ Equip.
Hyde Park Gymnastics	SBA	Northside Bank & Trust	\$900,000	Real Estate
Recreations Outlet	SBA	Key Bank	\$2,912,413	Real Estate
Witt, Good, Kelsch Funeral Home	SBA	Huntington Bank	\$665,000	Real Estate/ Equip.
Young's Tavern	SBA	Fifth Third Bank	\$223,100	Real Estate/ Equip.

\* denotes rate as of publication, subject to change

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