

Notes From The Corner Office

David K. Main, President HCDC

Nothing Ever Stops Moving

Blah, Blah, Blah.....

Lately, HCDC's flagship lending program, the SBA 504 loan program, has undergone significant shifts in how it's delivered through the national network of 250 SBA Certified Development Companies or CDC's. Originally, CDC's were granted a territorial franchise in which to approve 504 loans. If a borrower or bank wanted to utilize the SBA 504 loan program, they were required to deal with the particular CDC that had the franchise where the project was located. However, nationally the overall loan volume of the program never reached its authorized levels. To increase the activity level of the program, last November the SBA granted statewide 504 lending jurisdiction to all CDC's within their state of incorporation. That meant that we, along with the other 16 CDC's in Ohio, could make 504 loans anywhere within the State.



SBA also believed that economic boundaries transcend governmental boundaries and therefore authorized CDC's located in multi-state metropolitan areas like Greater Cincinnati to expand throughout the metropolitan or "local economic area". This means that HCDC is now authorized to administer the 504 loan program in our parts of Northern Kentucky and South East Indiana.

There's more. SBA also recently changed several operating functions of the 504 loan program. Processing of new 504 loans is now centralized nationally in one office in Sacramento, California rather than through the SBA District Office in Cincinnati. In addition, all CDC's have more responsibility for liquidating defaulted loans through the centralized SBA Servicing Center in Fresno, California.

The goal of SBA is to increase 504 loan volume and improve the overall loan program operations nationally. As you'd expect, many within our industry debate the merits of these decisions. But the reality is that the changes are here, and I choose to see them in a positive light, while realizing that change of any sort tends to increase stress, at least in the short term.

We will take these changes and run with them, because HCDC intends to be a CDC of choice for 504 loans among lenders and small businesses throughout Ohio and throughout the entire Greater Cincinnati area.

This topic is so important that you'll also see Abby Stevenson's article dealing with these same SBA changes in this same newsletter. Hers is a quick, easy-to-read synopsis of these new SBA rules, and is worth saving. Mine is longer and more philosophical. You will prefer Abby's. If Mrs. VanNess were still alive, I'm hoping she would prefer mine.

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

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How's Your Alphabet Soup Today?



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

SBIR...SBA...CCC...TechSolve...ODOD...Ohio
166...Cincytech...SBDC...SCORE...UC...XU...MU... C-
Cap...QCA...SB...GCCC...etc.

Do any of those acronyms or names look familiar? I would hope that some would be pretty easy to recall - like SBA (Small Business Administration) and UC (University of Cincinnati). But others - like CCC (Cincinnati Creates Companies), SB (SoundingBoard), QCA (Queen City Angels) and C-Cap (The Circuit's Capital Resource Hub) are not as recognizable.

So why are these members of the local alphabet soup important to you? If you are an early stage entrepreneur or a growing business located in the Greater Cincinnati area, HCDC (stands for Hamilton County Development Company) and HCBC (stands for Hamilton County Business Center) can make sense of the evolving list of business-focused economic development agencies currently serving our marketplace and how they might benefit you.

HCDC and HCBC have an established relationship with all the acronyms and names mentioned above - **SBIR** (Small Business Innovative Research Program), **SBA** (Small Business Administration), **CCC** (Cincinnati Creates Companies), **TechSolve** (Manufacturing Assistance), **ODOD**, (Ohio Department of Development), **Ohio 166** (A loan program for existing manufacturers), **CincyTech** (The Chamber of Commerce Technology Initiative), **SBDC** (Small Business Development Center), **SCORE** (The Council of Retired Executives), **UC** (University of Cincinnati), **XU** (Xavier University), **MU** (Miami University), **C-Cap** (The Circuit's Capital Resource Hub), **QCA** (Queen City Angels), **SB** (SoundingBoard), and **GCCC** (Greater Cincinnati Chamber of Commerce).

If growing your business is tasty news to you, feel free to contact HCDC/HCBC to see how the ingredients of the local alphabet soup might whet your appetite.

To learn more, please feel free to contact Patrick Longo at 631-8292 or longo@hcdc.com.

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Now Serving: Northern Kentucky & Southeast Indiana



By [Abby Stevenson](#), Loan Processor

The changes keep coming. And we think you'll really like this new one.

For over 21 years HCDC has administered the SBA 504 loan program to small businesses located in the southwestern counties of Ohio. But last fall the area of operation in which a Certified Development Company may administer the SBA 504 loan program was opened to statewide boundaries. We were then allowed to handle loans throughout the State of Ohio.

Now there is one more important change - HCDC can now administer the SBA 504 loan program throughout the entire Greater Cincinnati Area, which means we can help people and businesses beyond Ohio. Northern Kentucky and Southeast Indiana are now included in HCDC's area of operation!



What does this mean to you? Now, businesses can move anywhere in the Greater Cincinnati area and still work with HCDC to obtain fixed asset financing. Banks and other lending institutions are not bound to territories anymore, and since we're the lending experts when it comes to the SBA 504 program, you'll always be working with a familiar face. HCDC knows what drives economic development, not only in southwest Ohio, but the entire Cincinnati region.

To find out more about the SBA 504 loan program and how HCDC can assist you, contact Andy Young or Angela Howard at 513.631.8292. You may also visit our website at www.hcdc.com and click on Small Business Financing.

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Ready for Recovery



By *Harry Blanton, Economic Development Manager*

HCDC recently conducted the Hamilton County Tax Incentive Review Council (TIRC) and presented the recommendations of the TIRC to the Hamilton County, Ohio, County Commissioners. The TIRC is convened every year to ensure that companies comply with the components made in their tax incentive agreements. Recent media reports highlighted some aspects of the TIRC recommendations. Here is some additional information not

covered in those reports.

While the headlines emphasized that some enterprise zone companies did not create the number of jobs projected in their agreements, there were also good news. When looking at the program as a whole, enterprise zone incentives helped companies perform during a difficult economic time.

Additionally, those companies met 120% of their real property investment commitments and 91% of their personal property commitments. These investments were made during a time when most businesses were cautious about investing in new buildings and equipment. It is also important to note that approximately 94% of the target number of jobs to be retained or created has been met.

Most people are aware that we have been going through what some have called a "jobless recovery" and still others have termed a "job loss recovery". Although recent job creation has been limited, HCDC believes that an otherwise well-performing company should be given the chance to succeed before canceling an agreement. Many of the companies that participated in the enterprise zone program stated that they have weathered the economic storm and are looking to grow their companies over the next few years. The TIRC and HCDC will monitor the situation and make sure that Hamilton County's tax incentive programs are administered effectively.

Here are some other statistics that illustrate Hamilton County's economic strength:

Unemployment Rate - Annual Average 2003*

United States: 6.0%

Ohio: 6.1%

5.1%

State of

Hamilton County:

Loss of Manufacturing Jobs in Ohio and Urban Ohio Counties*

January 2000 to September

2003

State of Ohio:

(18.08%)

Hamilton

County:	(13.61%)	Lucas County
(Toledo)	(19.30%)	Franklin County
(Columbus)	(21.08%)	Summit County
(Akron)	(21.12%)	Cuyahoga County (Cleveland)
(22.25%)		Montgomery County (Dayton) (23.12%)

*Source: Ohio Job and Family Services - Office of Workforce Development

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Done Deals

May Rates

SBA 504: 6.59%* (20 years) 6.00%* (10 years)

Regional 166: 2.67% | Microloan: 8-10%

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

Name	Program	Bank	Project	Purpose
Citgo Gas Station	SBA	Bank One	\$1,030,000	Real Estate
Comfort Suites Blue Ash	SBA	CenterBank	\$2,395,000	Real Estate
Ellington Management Services, Inc.	Micro	N/A	\$20,000	Working Capital
Lawn & Landscape Solutions, Inc.	Micro	N/A	\$20,000	Working Capital
Mandy's Landing	SBA	Fifth Third	\$1,070,374	Real Estate
W.L. Meyer Construction	Micro	N/A	\$10,000	Working Capital