

Notes From The Corner Office

David K. Main, President HCDC

Seeds of Success and Failure



In every victory there are the seeds of defeat, while in every defeat there are the seeds of victory. In other words, either way things go, there are still valuable lessons to be learned. It's perfectly natural to glow with pride after a success, just as it's natural to feel disappointed with a failure. Even so, knowing that there are some seeds of failure in any success should provide a valuable reality check. Conversely, knowing that there are seeds of success in any failure should soften a disappointment and maybe even lead to success next time around.

Far too often, successful companies become victims of their own successes. They sometimes fail to recognize their vulnerabilities, and pursue their current paths without looking for new and better ways to achieve their objectives. Success requires constant monitoring and measuring. Procedures, products and services may need to be fine tuned or even changed dramatically in order to be successful in the future.

Likewise, failures can serve as valuable lessons on what needs to change. When entrepreneurs realize and accept that change is needed, failures can sometimes turn to successes with lightening speed.

It's my experience that change requires loss, adaptation and reconstitution. Even welcomed new ideas and procedures necessitate jettisoning old ways to some degree. There will always be a feeling of loss during the adaptation phase and before the reconstitution is complete, regardless of whether or not the change arises out of success or failure. Be alert to that feeling and don't let it deter you.

I do not mean to say here that successful ventures are doomed to eventual failure or that continuous failures are guaranteed success. I do mean to say, though, that there is much to be learned in every failure and in every success. Find those seeds and make them work to your advantage.

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

A Success of Olympic Proportions



By Pat Longo, Vice President/Director, HCBC

It's barometer time. Every four years at the Olympic Games, athletes from around the world get the opportunity to compete against the very best and evaluate their efforts. The excitement of the Summer Games got me thinking about the efforts and results of the Hamilton County Business Center. How does our incubation program's performance these past 12 months stack up against our efforts from four years ago? Let's take a look.

Measurement	2000	2004
# of Tenants	45	44
Annual Client Revenues	\$21,894,000	\$25,674,000
Capital Investments Received	\$10,150,000	\$5,058,000
# of Graduate Companies	5	10
Total Jobs on Site	202	286
Aggregate Annual Payroll	\$7,528,000	\$8,343,000

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The numbers tell a great story. If you remember, 2000 was the height of the dot com craziness. Here's our read:

- HCBC is graduating more clients, but our overall tenancy remains constant because our recruitment efforts are succeeding.
- Revenues per company and overall number of jobs are up due to a positive shift from more service oriented companies to more product oriented companies. Plus, our incubation clients are doing a great job of selling.
- On the downside, having fewer seasoned clients decreases the average salary per employee due to the natural "boot-strapping" that occurs in early stage ventures.
- The capital markets are becoming more available to early stage ventures, but I believe we will not see activity like 2000 anytime soon.

Overall, HCBC believes its efforts and performance merit consideration as an incubation gold medalist. If you know of an innovative early stage venture that needs a boost, please feel free to have them contact Patrick Longo at (513) 631-8292 or via email at longo@hcdc.com.

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504 Fast Facts



By [Abby Stevenson](#), Loan Processor

We answer so many questions about the SBA 504 program that we can predict the ones that are asked most often. Below you will find lots of useful facts about the SBA 504 loan program and how it can help you and your business.

Who is eligible for financing?

Any for-profit business that is looking to purchase **real estate** or **equipment with a useful life of at least 10 years** is eligible for this program.

Do I have to create jobs?

Although the SBA 504 loan program is a useful economic development tool for businesses looking to expand and create jobs, businesses that meet certain SBA Public Policy goals do NOT have to follow the normal guideline of creating one job for each \$50,000 lent. Such Public Policy goals are: women-owned businesses, veteran-owned businesses, minority-owned businesses, businesses located in rural areas, and businesses located in revitalization districts.

What costs are eligible for financing?

Land and/or building acquisitions, new construction, renovations, machinery & equipment with a useful life of at least 10 years, professional fees (architect, legal, appraiser, etc.).

Where can my business be located?

HCDC can process SBA 504 loans for businesses located anywhere in the State of Ohio and the entire Greater Cincinnati area including Northern Kentucky and Southeast Indiana.

FIXED rates?

Yes, SBA 504 rates are fixed from the time the loan is funded until it matures. A 20 year fixed rate, yes, that's correct.

10% equity down payment?

SBA loans have equity down payments as low as 10% for eligible businesses. An additional 5% is required for businesses purchasing buildings that have a single use purpose or if the business has not been in existence for more than two years. An additional 10% (for a 20% total down payment) is required if a business is both new and is purchasing a single use facility.

Who do I call?

For more information, please call Andy Young or Angela Howard at 513-631-8292, or visit our website at www.hcdc.com

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Aggressive Redevelopment in

Greenhills



By *Wes Munzel, Development Specialist*

A ground breaking was held in late July for Dewitt Landing in the Village of Greenhills. Sixteen new homes will be built on a two acre site near downtown Greenhills. The development is based on the neo-traditional style with front porches, sidewalks, and garages that are accessed from a rear alley. Dewitt Landing is an "infill" development within the existing

block and street network of the village.

The Village of Greenhills spearheaded the project and took the initiative in 2000 to develop a vision for redevelopment. Bonds were used to finance the purchase of the land and the four apartment buildings that were identified as in need of investment or were vacant. After the buildings were torn down, developers submitted proposals to redevelop the site. Potterhill Homes was chosen by the village and will build the homes, which will be sold to individual buyers on each homesite.

Potterhill Homes has outlined seven different home plans for Dewitt Landing. The plans include both two story homes and ranch style homes with two-car garages. The homes range in size from 1,700 to 2,500 square feet and are priced in the \$190,000 to \$300,000 range.



This is an example of the proposed streetscape as provided by Potterhill Homes.

The project provides an example of a community investing in itself to spark redevelopment and also is an example of local public dollars leveraging private sector investment. The result is the creation of new homes that meet the demands of today's lifestyle within a built-out community. The acquisition and demolition investment by the village will lead to an increased tax base for the village and county, as well as exciting new housing opportunities for area residents.

Done Deals

September Rates

SBA 504: 6.59%* (20 years) 6.10%* (10 years)
Regional 166: 3.00% | Microloan: 9%

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

Name	Program	Bank	Project	Purpose
Advanced Mobile Fleet Services, Inc.	SBA	Key Bank	\$390,000	Real Estate
Industrial Sorting Services, Inc.	SBA	Fifth Third Bank	\$1,160,336	Real Estate
Miami Market	SBA	Northside Bank & Trust	\$409,250	Real Estate
Zapps Sports Bar & Grille	Microloan	N/A	17,951.91	Equipment & Working Capital

* denotes rate as of publication, subject to change

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