



# CCD

## Business Development Corporation

— A CERTIFIED DEVELOPMENT COMPANY —

### Quarterly Newsletter, Issue 26, August 2019

An SBA 504 loan is a partnership between a Certified Development Company (CDC), the Small Business Administration, and a lender. CDC's are economic development organizations that have been certified by the SBA to make loans under the Certified Development Company Economic Development Loan Program through an SBA 504 loan.

Working with a lender, the CDC provides up to 40% of the financing for commercial real estate purchase and new construction with an SBA 504 loan. A lender must partner with the CDC and typically provides 50% of the financing, while the entrepreneur ends up paying as little as 10% down.

The CDC works closely with the small business borrower to process, approve, close, and service the SBA 504 loan. Funding is provided by the CDC issuing a 10, 20, or 25 year debenture bond that is sold to investors on Wall Street giving entrepreneurs access to capital at low, fixed interest rates.

#### August 2019 Rates:

25 yrs.— 3.64%

20 yrs.— 3.54%

10 yrs.— 3.93%

Effective rate includes principal & interest, program fees, and loan loss subsidy.

**CCD Business Development Corporation would like you to choose us as your Certified Development Company!**

Certified Development Companies  
Grow Small Businesses, Jobs,  
Communities

### 5 Best Practices Every Small Business Should Follow in 2019

For a business to succeed, it needs to constantly adjust in accordance with the marketplace, doubling down on what works and eliminating what doesn't.

#### 1. Update software and secure networks:

Outdated software is one of the most common reasons a business's network remains vulnerable to a cyberattack. It's a simple fix to make sure you're running the latest version of all your software and, if you aren't, bringing it up to date. Doing so could prevent your business from suffering a devastating cyberattack. Software companies regularly patch their products to defend against new threats and mitigate previous shortcomings.

#### 2. Unify branding and marketing efforts:

In the modern digital environment, there are many channels through which businesses reach their audience. It's critical to ensure your brand and marketing efforts are unified and coherent across these channels while remaining optimized to each specific platform. Disjointed marketing efforts, or those that focus heavily on one channel while neglecting others, are destined to fail in a hyperconnected world. Your social media strategy should feed into your website, and your advertising should echo the messages you're promoting with your content marketing. Identify the emotions you want your brand to evoke and then capture those in your marketing efforts, tweaking them only to better suit the channel through which your messages are distributed.

#### 3. Increase legal and regulatory awareness:

Regulation is often the bane of a small business's existence, but that doesn't make staying on top of all the changes in the legal landscape any less important. Although it can be a pain to navigate the byzantine world of legalese and red tape, few aspects of running a business are as important as ensuring compliance with the law. Whether it's existing laws on the books or pending legislation, knowing the rules and how they might be changing is key to making smart decisions. Entrepreneurs need to remain aware of the rules not just at the federal level, but at the state and local levels as well. When considering what a law or regulation means to your business, it's never a bad idea to consult with an attorney.

#### 4. Organize record-keeping:

A well-run business must maintain a lot of documentation, but that info doesn't do you much good if it is disorganized and difficult to access. Beyond organization, you might even consider adopting a method to make it easier to manage your archives moving forward. Today, there are plenty of software solutions that help digitize paper records and automate the record-keeping process, making it easier than ever to stay on top of your filing system. These records are especially important during tax season and when dealing with the government, but they also help illuminate your regular operations.

#### 5. Reaffirm Mission Statement:

Your mission statement should be the guiding foundation of your business. It should cut to the heart of your goals, ambition and serve as a pathfinder for your team when considering how to operate. Often, however, businesses allow their mission statement to languish unchanged, even as the company is transforming and growing. Make sure you and your staff both know why this company exists in the first place; knowing the mission will give your team a clear objective, and then the rest just comes down to planning and execution.

Source: Adam C. Uzialko, Writer / Business News Daily / [www.businessnewsdaily.com](http://www.businessnewsdaily.com)



## City of Sutherlin

### Schoon Mountain Water Storage Tank & Tanglewood Pump Station Improvements

Estimated Project Costs: \$985,980  
Funding: SDWRLF and Match Funds

The City of Sutherlin applied for and has been awarded a Safe Drinking Water Revolving Loan Fund contract to upgrade the Schoon Mountain Storage Reservoir and the Tanglewood Pump Station on 6th Avenue and Oak Street.

The upgrade to the Schoon Mountain Storage reservoir will address current and future storage needs. To achieve the total 134,000-gallon storage requirement, the existing two 12,000-gallon tanks will be removed, and a single 135,000-gallon tank will be constructed in their place. This will increase the storage capacity of water as well as create a new structure that is less prone to failure.

The second part of this project is to address the need of an updated and improved pump station. Due to the age of the existing Tanglewood Pump Station along with maintenance issues that accompany confined spaces below grade, the existing pump station will be abandoned, and a new pump station will be constructed above grade. The new above grade pump station will include new pumps, controls, and modern safety features.

CCD is delighted to assist the City of Sutherlin with this project. We are currently contracted for Project Management and Labor Standards. Design for this project has started, preliminary surveying and Geo-Tech work is complete, and construction is slated for Spring of 2020.

#### EDA Designates Opportunity Zones as Agency Priority

On June 12, the U.S. Economic Development Administration (EDA) designated Opportunity Zones – the tax incentive program established under the 2017 Tax Cuts and Jobs Act (P.L. 115-97) – as an official investment priority for the agency. The Opportunity Zone program encourages private investment in new businesses, property development and infrastructure in distressed communities. Many counties contain areas that qualify for opportunity zone status and are eligible for targeted investment. EDA's investment priorities help guide the agency's activities and ensure its investments promote sustainable economic growth and economic diversification. The agency's June 12 announcement makes projects located in Opportunity Zones eligible to receive EDA funding, effective immediately, and also applies to existing EDA funding notices. Project applications are subject to certain requirements, and must demonstrate that they:

- Align with EDA's investment priorities
- Address the creation and/or retention of high-quality jobs
- Document an ability to leverage public and private resources for the project
- Demonstrate an ability to implement the project quickly and use funding effectively, and
- Provide a clear scope of the project that includes measurable impacts.

EDA's announcement follows previous efforts in July 2018 to make projects located within Opportunity Zones eligible for EDA funding. To date, EDA has invested approximately \$30 million in 40 projects in Opportunity Zones to help communities and regions implement economic development initiatives.

#### Key Takeaways:

- U.S. EDA designates Opportunity Zones as an investment priority for the agency and will prioritize projects located in Opportunity Zones for funding;
- Many counties contain areas eligible for Opportunity Zone status and are eligible for targeted investment.

Source: NACO Blog by Daria Daniel & Valerie Brankovic, June 18, 2019, <https://www.naco.org/blog/eda-designates-opportunity-zones-agency-priority>

*Since 1971, CCD Business Development Corporation has been Committed to  
Economic Development and Building Better Communities.*

## 504 Loan vs. Conventional Loan

### PROJECT COSTS:

Building Purchase	\$1,000,000
Renovations	170,000
Furniture/Equipment	20,000
Appraisal/Environmental Reports	5,000
Closing Costs	5,000
Total:	\$1,200,000

### CONVENTIONAL BANK FINANCING

Bank Loan Amount	\$936,000
(80% of purchase price & renovations)	
Borrower Down Payment	<u>\$264,000</u>
	\$1,200,000
	\$1,200,000

### SBA 504 FINANCING:

Bank Loan Amount	\$600,000
504 Loan Amount	480,000
*Borrower Down Payment	<u>120,000</u>
	\$1,200,000

### Initial Cash Savings \$144,000 with an SBA 504 Loan Structure

*\*Assumes a business with a 2-year operating history & purchasing a non-special use property.*

## PARTNER SPOTLIGHT



LCOG's Business Loan Program helps small businesses to utilize various government loan resources including local, state and federal programs such as the U.S. Small Business Administration. For more information contact:

**Daniel K. Betschart**  
Program Manager  
859 Willamette Street, Suite 500  
Eugene, OR 97401  
541-682-3359  
[dbetschart@lcog.org](mailto:dbetschart@lcog.org)



OCWCOG's efforts aim to encourage new employment opportunities, and promote a stable and diversified economy for our tri-County Region of Benton, Lincoln, and Linn Counties. For more information contact:

**Sandra Easdale**  
Sr. Loan Officer  
Community and Economic Development  
1400 SE Queen Ave, Suite 205  
Albany OR, 97322  
541-924-8460  
[seasdale@ocwcog.org](mailto:seasdale@ocwcog.org)



The MWVCOG Small Business Loan Program can help with low interest loans to assist small businesses expand or start new ventures by providing access to commonly used government finance programs. For more information contact:

**John Safstrom**  
Loan Program Manager  
100 High Street SE, Suite 200  
Salem, OR 97301  
503-540-1612  
[jsafstrom@mwvcog.org](mailto:jsafstrom@mwvcog.org)

or

**Ed Howard**  
Loan Officer  
100 High Street SE, Suite 200  
Salem, OR 97301  
503-540-1614  
[EHoward@mwvcog.org](mailto:EHoward@mwvcog.org)

**Encouraging Economic Development in your community.**



## 10 WAYS SMALL BUSINESSES BENEFIT THE LOCAL COMMUNITY

**1. Community Identity** - Take a stroll down Main Street and you'll likely notice that your community has its own unique character and charm. From the mom-and-pop shop, local CPA and dog grooming business, to an antiques emporium, coffee shop and yoga studio, small businesses contribute to a community's identity. Many municipalities and tourism boards have prioritized preserving the unique character a vibrant small business community creates, transforming that character into an advantage.

**2. Community Involvement** - Small business owners are an integral part of the communities in which they live and work. Thus, they tend to be cognizant of how their decisions may impact their neighbors. In

addition, local small business entrepreneurs tend to be involved in the community. For instance, they may sponsor local Little League teams, donate to the city's homeless shelter, join the chamber of commerce, participate in community charity events or contribute to a local non-profit organization. It's also not unheard of for successful business owners to guest lecture at the local community college, technical institute or small business center.

**3. Community Health** - In addition to contributing to the local community's unique identity and being involved locally, small business owners help to build a sense of community. Their businesses tend to be people businesses. Small business owners are more likely to build personal relationships with their customers, knowing many of them by name. Many small business owners band together, forming casual or formal relationships, such as a merchant's association or one-on-one counseling and mentoring relationships. These relationships leverage the expertise of the participants to contribute to the business community's long-term success. They are also often a key tool for engendering goodwill between business owners, so that as foot traffic to one business increases, other nearby businesses benefit through increased exposure and word-of-mouth referrals.

**4. Environmental Benefits** - Pedestrian-friendly town centers have their own unique vibe and demonstrable environmental benefits. For example, small businesses clustered near residential areas may reduce automobile use and traffic congestion, resulting in better air quality and less urban sprawl. In a research report by the United States Environmental Protection Agency they refer to compact, walkable downtown centers as smart growth places, noting "that business that locate in smart growth places can help protect environmental resources, for example, by reducing air pollution from vehicles by encouraging walking, bicycling or taking transit; building more compactly to protect ecologically sensitive land; or incorporating natural ways of collecting and filtering stormwater runoff." The report also notes that smart growth places, in turn, deliver significant economic advantages to businesses, including: Increased productivity and innovation, improved ability to compete for labor and stronger retail sales

**5. Increasing the Tax Base** - When local residents shop at small businesses within their communities, their tax dollars stay within the local economy, helping to improve their community as a result. Likewise, local small businesses tend to buy locally as well, pumping more of their profits back into the community than their chain store counterparts, helping with economic development.

**6. Local Jobs** - Small businesses are job creators, and most of those jobs are local jobs. Rather than having to commute to another city, employees work closer to home. Supporting local businesses also helps your fellow community members who work at them. When a community has a vibrant commercial center, it also creates ample opportunities for these workers to shop at other local small businesses. They grab lunch or dinner from local restaurants, run errands on their break and grab drinks from local bars. This keeps money local and further creates a tight-knit community vibe.

**7. Entrepreneurship** - Small businesses are the product of the business owner's entrepreneurial spirit. By starting a small business, the business owner is taking charge of his or her future. Entrepreneurship fuels America's economic innovation and prosperity and serves as a key means for families to move out of low-wage jobs and into the middle class. In a bid to further invest in local job creation some communities have gone so far as to create a small business development center that teaches entrepreneurial skills to the local populace. There may even be special arrangements with a community bank set up to provide would-be entrepreneurs with a small business loan to get their operation up and running. The goal with all these initiatives is to inspire entrepreneurship and encourage continued small business development in the local community.

**8. Innovation and Competition** - Small businesses, like any business, need to stand out from the crowd to survive. They must serve a legitimate need in the community and do it better than their competitors. Having multiple small businesses all striving to be unique, innovative, and better can result in a healthy marketplace and well-served consumers.

**9. Less Infrastructure and Low Maintenance** - Compared to shopping malls and chain stores, local shops tend to require fewer public services and less infrastructure. While a new music store owner may require a business license and occupancy permit, the process of opening a shop is much less demanding on the city planning department than building a new department store would be.

**10. Diverse, Locally Made Products and Services** - One-of-a-kind and locally made products can attract customers to a community, bolstering tourism and contributing to the local vibe. Locally made goods are also attractive to residents who want to minimize their carbon footprints, support local businesses, and keep their tax dollars close to home.

Source: Paul Nugent, ShopKeep Small Business HubBlog. [ShopKeep.com/blog](http://ShopKeep.com/blog)





## Featured CCD RLF Project

### Honor Freedom Enterprises, Inc dba Lookingglass Brewery

190 SE Main Street  
Winston, OR 97496  
(541) 78-8565

[www.lookingglassbrewery.com](http://www.lookingglassbrewery.com)

Mark & Lydia bring craft beer lovers high quality ales. Lookingglass brewery features an assorted array of craft-brewed beers with something for everyone. They are located just west of Roseburg and the taproom is located in Winston, OR. Lookingglass is dedicated to bringing customers a craft beer experience they will never forget.

## Connect With SBA-Approved Lenders

Lender Match connects small businesses with SBA-approved lenders.

### Get matched at [SBA.gov/lendermatch](http://SBA.gov/lendermatch)

If you need financing to start, grow or expand your small business, start with Lender Match. Answer a few questions and you will be connected with SBA-approved lenders who may be able to help.

Lender Match is a free online referral tool that connects small businesses with participating SBA-approved lenders.

How it works...

1. Describe Your Needs—Answer a few questions about your business in as little as five minutes.
2. Get Matched in 2 Days—Receive an email with contact information of lenders who express interest in your loan.
3. Talk to Lenders—Compare rates, terms, fees, and more.
4. Apply for a Loan—Submit loan applications and paperwork. You're well on your way to securing a business loan!

Source: SBA Portland District Office Updates



*CCD Business Development Corporation's (CCD) Revolving Loan Funds cover projects located in Coos, Curry, Douglas, Jackson, Josephine and Lane counties.*

*These programs were created to assist with business financing when other financing is not available or a traditional lender is looking for a partner to assist with the proposed financing package.*

*Eligible loan costs include: purchasing land & building costs, construction & leasehold improvement costs, equipment, inventory and working capital. The collateral pledged must adequately secure the entire loan.*

*CCD often takes on higher-risk loans, such as a start-up business venture. While this alternative financing program may be more accessible to a wider group of borrowers, CCD does not compete with banks; but rather it compliments their financing options so that local businesses can grow and create jobs.*

*"An RLF Loan will not make a bad loan good, but will make a good loan possible."*



## 5 Major Reasons to Monitor Your Business Credit Reports

Similar to personal credit reports and scores; business credit reports are constantly changing because of a variety of data. This ongoing change is based on a variety of factors such as the number of reported transactions, outstanding balances and payment activity to name a few.

The accuracy of the data being reported about your business is crucial. It shows your company's ability to meet its financial obligations with vendors, suppliers, lenders and other businesses.



Your business credit report impacts the following decisions:

- The amount of credit issued to your business
- What the terms of repayment will be
- The interest rate you will pay
- What your insurance premiums will be

It's important to realize an established business credit report and score is an invaluable asset for your company. Like all assets it's necessary to take certain steps to protect and manage them.

The first step is to order a copy of your company's credit reports and review the information being reported about your business. Business credit agencies such as Dun and Bradstreet allow you to view your business credit report and update your company information all online via iUpdate.

Here are five key reasons to monitor your business credit report:

- 1) Ensure your company's credit report is complete and accurate
- 2) Stay notified on any changes to your report that could impact your business
- 3) Identify any issues or areas in your report that can be improved upon
- 4) Be aware of who is inquiring about your business
- 5) Prevent identity theft by monitoring inquiries into your report

If you identify any inaccurate information on your company reports you will need to take the proper steps to initiate a dispute. Any type of inaccurate information will require that you contact the business credit reporting agency and initiate an investigation.

Other protective measures you can take include having spending limits and control measures on business credit cards issued to employees.

As a business owner, it's essential that you take a proactive approach and monitor your business credit profiles on a regular basis. You've worked hard at establishing a creditworthy report, it's important to work equally hard at protecting and managing it. With the proper steps and protective measures in place you can easily avoid potential threats to the business.

*Source: Marco Carbajo, Guest Blogger for Dun and Bradstreet Credibility Corp. and SBA.gov. He is a business credit expert, author, speaker, and founder of the Business Credit Insiders Circle.*

### Featured SBA 504 Project

**Siskiyou Mountain Properties LLC  
Callahan's Lodge, Inc.**

7100 Old Hwy 99S  
Ashland, OR 97520  
(541) 482-1299  
<http://callahanlodge.com>

The lodge offers full service dining, lodging and meeting and reception Services and appeals to weddings, skiers, retreats, and much more. Located west of the Mt. Ashland ski area exit off I-5 Hwy. CCD partnered with CIT leading services.



### **Featured SBA 504 Project**

#### **Highway 101 Harley Davidson**

536 South 2nd Street  
Coos Bay, OR 97420  
(541) 266-7051

<http://www.highway101hd.com>

Highway 101 is the only full service Harley Dealership on the entire Oregon Coast and is the most western dealer in the continental U.S. They carry new and previously owned and their staff will make your experience enjoyable one.

CCD partnered with Zions First National Bank.



### **10 Steps to Start Your Business**

*Starting a business involves planning, making key financial decisions, and completing a series of legal activities.*

1. **Conduct Market Research**—Market research will tell you if there's an opportunity to turn your idea into a successful business. It's a way to gather information about potential customers and businesses already operating in your area. Use that information to find a competitive advantage for your business.
2. **Write Your Business Plan**—Your business plan is the foundation of your business. It's a roadmap for how to structure, run, and grow your new business. You'll use it to convince people that working with you or investing in your company is a smart choice.
3. **Fund Your Business**—Your business plan will help you figure out how much money you'll need to start your business. If you don't have that amount on hand, you'll need to either raise or borrow the capital.
4. **Pick Your Business Location**—Your business location is one of the most important decisions you'll make. Whether you're setting up a brick-and-mortar business or launching an online store, the choices you make could affect your taxes, legal requirements, and revenue.
5. **Choose a Business Structure**—The legal structure you choose for your business will impact your business registration requirements, how much you pay in taxes, and your personal liability.
6. **Choose Your Business Name**—It's not easy to pick the perfect name. You'll want one that reflects your brand and captures your spirit. You'll also want to make sure your business name isn't already being used by someone else.
7. **Register Your Business**—Once you've picked the perfect business name, it's time to make it legal and protect your brand. If you're doing business under a name different than your own, you'll need to register with the federal government, and maybe your state government, too.
8. **Get Federal and State Tax IDs**—You'll use your employer identification number (EIN) for important steps to start and grow your business, like opening a bank account and paying taxes. It's like a social security number for your business. Some—but not all—states require you to get a tax ID as well.
9. **Apply for Licenses and Permits**—Keep your business running smoothly by staying legally compliant. The licenses and permits you need for your business will vary by industry, state, location, and other factors.
10. **Open a Business Bank Account**—A small business checking account can help you handle legal, tax, and day-to-day issues. The good news is it's easy to set one up if you have the right registrations and paperwork ready.

**Open Shop**—Congratulations! It's time to cut the big ribbon. Your business is officially open. Now, focus on managing and growing your business.

*Source: SBA Portland District Office Updates*

#### Roseburg Office

522 SE Washington Ave., Ste. 111A  
Roseburg, OR 97470  
(541) 672-6728  
[www.ccdbusiness.org](http://www.ccdbusiness.org)

#### Coos Bay Office

540 Anderson Avenue  
Coos Bay, OR 97420  
(541) 756-4101  
[www.ccdbusiness.org](http://www.ccdbusiness.org)

*CCD is a private non-profit corporation formed in 1971.*

*CCD was designed by the 3 counties (Coos, Curry, & Douglas) not as a replacement for the individual county development efforts, but as a focal point for economic development throughout the 3 county area. CCD is recognized as an Economic Development District.*

*In 1981, CCD expanded its financial services. The US Small Business Administration designated CCD as a "Certified Development Company," which enabled CCD to begin helping businesses with SBA financing programs.*

**Equal Credit Opportunity Lender**

## Certified Development Companies

### What is a Certified Development Company?

*A CDC is a nonprofit organization certified by the SBA to provide 504 loans to small businesses. Nationwide, there are about 214 of these organizations. Some only make 504 loans; others offer a range of programs to help small businesses. A CDC receives certification to operate statewide, and with approval from SBA, can be given certification to serve multiple, contiguous states. A CDC operates under the leadership of a board of directors, who are drawn from the service area.*

**Visit Our Website [www.ccdbusiness.org](http://www.ccdbusiness.org)**

**CCD Business Development Corporation (CCD) is dedicated to helping small business owners get the financing they need to start or expand their business.**

**Our CDC has a 24-member Board of Directors, comprised of volunteers who care about the economic development role played by small business owners. Our Board includes representatives from banks, small businesses, government, and community groups.**

## To Get Started, Contact CCD's Lending Team!



**Theresa Haga**  
Executive Director/Finance Manager  
(541) 756-4101 x1  
[t.haga@ccdbusiness.com](mailto:t.haga@ccdbusiness.com)

**Louie Robida**  
Loan Officer/Marketing  
(503) 789-8191  
[l.robida@ccdbusiness.com](mailto:l.robida@ccdbusiness.com)

***WE WANT YOUR BUSINESS!***

**CCD Business Development Corporation—Growing Small Businesses and Supporting Small Communities for over 48 Years.**

**CCD's team is ready to serve you and your clients.**

### Why We Do It...

**Our Mission:** *To encourage economic development, diversify local economies, support industry, and enhance quality of life for all in the region.*

*Federal Notice: To help the government fight the funding of terrorism and money laundering activities.*

*Federal Law requires all Certified Development Companies to obtain, verify and record information that identifies each person who applies for a loan.*

#### **LCOG Contact**

Dan Betschart  
Program Manager  
(541) 682-3359  
[dbetschart@lco.org](mailto:dbetschart@lco.org)

#### **OCWCOG Contact**

Sandra Easdale  
Senior Loan Officer  
(541) 924-8460  
[seasdale@ocwcog.org](mailto:seasdale@ocwcog.org)

#### **MWVCOG Contact**

John Safstrom  
Loan Program Manager  
(503) 540-1612  
[jsafstrom@mwvcog.org](mailto:jsafstrom@mwvcog.org)