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.

March 2020 Rates:
- 25 yrs. — 2.88%
- 20 yrs. — 2.81%
- 10 yrs. — 2.84%

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

New Microenterprise Assistance Services Program

Entrepreneurs in Coos, Curry and Douglas counties could get some free training aimed towards getting their businesses off the ground, thanks to a $100,000 grant awarded to the City of Roseburg.

A Community Development Block Grant from Business Oregon, which is awarded to rural cities and counties each year, will go towards the development of a small business-training program for eligible recipients.

The grant, administered by Business Oregon, finances programs that build and expand economic opportunities for rural areas in Oregon. Projects funded by the CDBG are categorized in the following six areas: Microenterprise, Public Works, Community/Public Facilities, Community Capacity/Technical Assistance, Regional Housing Rehabilitation and Emergency Projects. The City of Roseburg, in August 2019, applied for and won the Microenterprise Project Grant.

CCD Business Development Corporation has been tasked to create and implement the Microenterprise Assistance Services Program. The program is available for microenterprises, which are small businesses with five or fewer employees, including the owner.

The program teaches eligible entrepreneurs core concepts in how to run a small business. Topics in the curriculum include writing business & marketing plans, conducting marketing research, understanding financial statements, projections, record keeping, access to markets, customer service training, and more.

In January 2020, CCD began taking applications for the program.

Businesses who may be interested in participating and receiving free technical assistance should contact Bryan Sykes at CCD Business Development Corporation. Bryan can be reached at 541-672-6728 Ext. 301.

Zerbach Construction Inc.
1224 NE Walnut Street
Roseburg, OR 97470
(541) 957-9307
www.zerbachconstruction.com

Zerbach is a general contractor that specializes in commercial and residential work. They also build custom homes as well as kitchen and bathroom remodels and additions. The company opened in 1992. In 2016 they expanded to offer cabinets, fixtures, flooring, countertops and give design assistance to their customers.

CCD partnered with Oregon Pacific Bank.
Partner Program Spotlight

Small Business Sustainability Fund

Purpose: To stabilize and grow small businesses that may be at risk by leveraging loans with private financing and business consulting services. Seventy percent of funding will be targeted to serve rural or underrepresented businesses and all projects must provide public benefit and increase out-of-state sales.

Loan Amount: The maximum available to an applicant is $75,000.

Eligible Projects: Eligible projects include but are not limited to:
- Tenant and capital improvements
- Equipment and machinery purchase
- Inventory and accounts receivable funding
- Working capital including employee training

Eligibility Requirements: All of the following must be met to be eligible for funding:

The Business:
- Is a legally formed entity, authorized to conduct business in the state of Oregon;
- Is in compliance with federal, state, and local laws;
- Has a physical location in Oregon;
- Has been in business and have revenue from sales for at least one year;
- Has between one and 30 employees;
- Provides funding, from its own or other sources, for at least 30% of the cost of the project (up to 10% can be in-kind services);
- Has a business plan or is working with a Small Business Development Center or similar assistance provider;
- Can demonstrate a capital gap in their funding needs;
- Is traded sector, has a majority of out-of-state sales, or is a key business in a rural community.

The Project:
- Complies with federal, state, and local laws and the budget includes all elements necessary to achieve the proposed outcome(s);
- Is supported by local economic development partners and Regional Solutions Team;
- Addresses one or more Business Oregon Strategic Plan priorities (innovation; grow small- and middle-market economies; cultivate rural stability; advance opportunity for underrepresented people; inclusivity and transparency);
- Provides public benefit and increases out of state sales.

For more information or to apply, contact the Oregon Regional Development Officer for the region in which the business is located. Contact information for your Business Development Officer is available on the Business Oregon website.

Sean Stevens
Regional Development Officer
South Coast Region
541-954-0903 Mobile
541-346-8620 Office
**504 Loan vs. Conventional Loan**

**PROJECT COSTS:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Purchase</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Renovations</td>
<td>170,000</td>
</tr>
<tr>
<td>Furniture/Equipment</td>
<td>20,000</td>
</tr>
<tr>
<td>Appraisal/Environmental Reports</td>
<td>5,000</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,200,000</strong></td>
</tr>
</tbody>
</table>

**CONVENTIONAL BANK FINANCING**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan Amount</td>
<td>$936,000</td>
</tr>
<tr>
<td>Borrower Down Payment</td>
<td>$264,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>

**SBA 504 FINANCING:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan Amount</td>
<td>$600,000</td>
</tr>
<tr>
<td>504 Loan Amount</td>
<td>480,000</td>
</tr>
<tr>
<td>Borrower Down Payment</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>

*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.

---

**Community Development Department Project Highlight:**

**City of Winston**  
**Snow Pump Station**  
**Estimated project costs: $1,330,000**  
**Funding: DEQ - CWSRLF and Match funds**

The City of Winston applied for and has been awarded a Clean Water State Revolving Loan Fund contract to upgrade and replace the Snow Avenue pump station and associated sewer lines and manholes.

The upgrades to the pump station will include installation of three submersible pumps, a new wet well, new valves and metering system. A new pump station building including controls and generator will be constructed on site with the existing dry well slurry filled and abandoned. Approximately 1,000 feet of 14” asbestos concrete pipe along Thompson Avenue that has exceeded its useful life will also be replaced. The new pipeline will provide additional capacity for growth and winter flows expected in the area.

The project went to bid in February 2019 and was awarded to Bateson Enterprises in April. Construction has begun and the project is underway with an estimated completion by Spring of 2020.

CCD is excited to assist the City of Winston with their project. We are contracted for project management and labor standards.
To ensure your business partnership stays on course, follow these tips:

1. **Share the same values.** Don’t write the first word of your business plan until you know that you and your partner have the same dreams, goals and vision for your new business. You and your partner must share the same core values, goals and work ethic if you want the business to succeed.

2. **Choose a partner with complementary skills.** When you and your business partner have different strengths, you’ll double the power of your startup team right in the beginning. For example, a shy tech expert who wants to start an Internet business would do well to find a partner with sales, marketing and people skills. This way, both partners can focus on doing what they enjoy and are good at.

3. **Have a track record together.** Succeeding as business partners doesn’t require having to run a business together or even having worked together before. It does require a track record of going through similar challenges together successfully. Look for a partner you’ve handled conflicts with, achieved common goals with and survived tough times with in the past.

4. **Clearly define each partner’s role and responsibilities.** An informal organization where each partner does what’s needed at that moment may work in the very early startup stages, but not in the long term. Defining each partner’s job title and duties helps eliminate disagreements by giving each partner control of his or her domain. Employees and customers also benefit from knowing which partner handles what aspects of the business.

5. **Select the right business structure.** You can organize a partnership as a general partnership, limited partnership or limited liability partnership. However, you can also organize it as a C corporation or S corporation. Each form of business has its advantages and disadvantages in terms of liability, taxes and continuity. Talk to an attorney or other experienced advisor to help determine which form of business is right for you and your partner.

6. **Put it in writing.** Even if you’re starting a business with your best friend from kindergarten, you need to draw up legal documents regarding your business structure, capital contribution to the business, how decisions will be made and disputes resolved and what happens if one partner wants to leave the business. Thinking through all the things that could go wrong and how you will handle them makes it easier to deal with any difficulties that do arise.

7. **Be honest with each other.** Soft-pedaling your true feelings because you don’t want to hurt your business partner will cause more problems than it eliminates. In order for your partnership to work, both of you must feel comfortable openly sharing your opinions and hashing out any disagreements that arise. Sweeping your concerns under the rug only leads to bitterness and resentment which can destroy your partnership—and your business.

These can be tough issues to discuss, especially when you’re excited about your startup and can’t wait to get going. But unless you take the time to lay the foundation for a lasting business partnership, your new business may never get off the ground.

Source: SCORE, Canon U.S.A., Inc.

---

**Michele Laird**
**Recently Promoted to CCD Loan Officer**

September 2013, Michele stated working for CCD as a Loan Servicing Specialist. Over the past six years, Michele has developed into a strong Finance Department employee. She is a true asset to CCD Business Development Corporation.

**CCD appreciates her dedication to her work, our clients and partners.**

**Congratulations on your promotion.**
Don’t Go Broke: 5 Ways to Validate Your Business Ideas

Coming up with a new product or business idea can be difficult. And it is even more difficult to have the confidence to make the jump and push through with that idea.

You will never really know with 100% certainty how well your idea will do until you actually take that leap of faith and start up a business. However, there are ways to validate your business idea before jumping in head first. That way you can mitigate risks and build confidence in your idea before investing too much of your time and money.

1. Make sure it doesn’t already exist. Do your research. There’s a chance that you think you have the next big business idea, but when you do a search on Google, you’ll find that there’s already a product or service similar to your idea.

If your idea doesn’t already exist, or you think the current product or service can be improved upon, then move on to the next steps.

2. Ask your friends and family for feedback. Seek the opinion of other people, especially people you trust. It’s important to ask them for honest feedback before investing too much time and money into your idea. If you have a prototype of your product or something tangible to show them, even better.

3. Put your idea on a crowdfunding site. Are you familiar with sites like Indiegogo or Kickstarter? These are two of the most popular crowdfunding sites. Setting up a crowdfunding campaign is another great way to test the potential of your product idea. It doesn’t only help you validate your idea but allows you to raise money as well. If you fail, then you’ve learned early on that there may not be much interest for your product idea.

4. Create landing pages, and advertise online. An affordable way to validate your idea is to run online ads targeting potential customers, lead them to a landing page, and see if they opt in to learn more about your product. To do that, you need to create a landing page to communicate the main features and benefits of your product, and collect email addresses from people who might be interested.

There are plenty of tools you can take advantage of these days to easily create a landing page, including LeadPages and Unbounce, or you can create a site using WordPress. You can host your landing page on your own URL (purchase from GoDaddy or any other web hosting service). Then you’ll get full control of all of the aspects of your landing page.

Once you have the landing page ready, the next step is to gauge how many people are interested in your concept by running pay-per-click (PPC) ads. Two of the main avenues you can use are Google AdWords or Facebook Ads.

After a couple of days, you will have gathered valuable data that will help you forecast if you have a blockbuster in the making or a total flop. Check to see if your campaign has gotten a high click through rate (CTR) — the ratio of the users who clicked on your campaign to the total number of people who have seen it. You’ll also see if a large number of people who went to your landing page bought your product or signed up for your email list. This will give you good reason to believe that people are interested in your business idea.

5. Create a pop-up store. Pop-up stores or pop-up shops are temporary physical stores where businesses can sell their products or services. Having a local pop-up shop is a great way to test the waters before committing to a longer retail lease.

Based on this experience, you will have a better idea if your business idea will be a hit.

It Will Not Be Easy...

The journey to validating your business idea won’t be as easy as flipping a coin. However, it is a critical step you need to take if you don’t want to waste time, money and effort down the road. There’s no such thing as 100% success guarantee in business start-ups, but using these techniques can help improve your chances.

Source: Marc Prosser. He is the co-founder and publisher of Fit Small Business, a rapidly growing website that reaches over 600,000 small business readers a month.
Community Development Department Project Highlight:

City of Canyonville
Wastewater Treatment Plant Upgrades—Phase II
Estimated project costs: $13,171,224
Funding: IFA W/W, USDA (DEQ Interim), and Match Funding

The City of Canyonville is working on Phase II of their new wastewater treatment plant. The City is replacing aged infrastructure originally built between 1959-1961. The system has outlived its useful life and needs upgrades and repairs to meet current standards.

The project went to bid in the Spring of 2019, and construction is currently at 38% with expected completion in the fall of 2020.

The City was able to secure funds for the $13 million project through various funding agencies. CCD is contracted to provide assistance with project administration and labor standards monitoring.

CCD would like to thank the City of Canyonville for inviting us to be a part of this project and having us “at the table” once again. We are excited to see this project bring new and sustainable infrastructure to the community, helping to make our region even more wonderful to live and work in!

While SBA 504 loans are designed to help small businesses finance the purchase of fixed assets, like a new building, they are also a valuable economic development tool since small business expansion benefits communities through job creation, business growth and increased tax revenues.

“Growing Small Businesses, Jobs, Communities”

Featured SBA 504 Project

Morada Incorporated
Dbx River Stop Restaurant & Sports Bar
39297 McKenzie Highway
Springfield, OR 97478
(541) 232-2384
www.theriverstop.com

River Stop Restaurant & Sports Bar offers a full range of homemade dish options for breakfast, lunch and dinner with a full bar featuring local beers, wines and liquors. They are located right on the McKenzie River just ten minutes from Eugene. They have local art displayed for sale, open jam nights, bingo and live bands.

The project was funded through CCD’s partnership with Lane Council of Governments and Oregon Pacific Bank.
Here are 5 reasons every entrepreneur should write a business plan.

1. **It forces you to think through all aspects of your startup.** Entrepreneurs generally focus primarily on the “big idea” - less on its execution. While the nuts and bolts aspects of startup, such as setting up an accounting system, may not be spine-tingling, they’re essential. While writing a business plan, you are forced to consider how you’ll run every aspect of your business—marketing, managing, financing and more. In fact, the very areas you’re tempted to skim over are usually places where you need to really drill down. The business plan gives your startup a blueprint for success.

2. **It highlights potential problems.** Would you rather uncover a major flaw in your business concept during the planning stage, or when you’ve already spent money on location, inventory and hiring? By spotlighting possible obstacles, your business plan lets you plan how to work around them.

3. **You’ll be prepared for anything.** Even if you’re not actively seeking financing, what if an opportunity arises for someone to invest in your startup or otherwise help you launch? If your business plan is ready to go, you can hand it over and impress them. If it’s not, you’ll have to stall while you scramble to write your plan—leaving the impression your idea wasn’t well thought-out to begin with. Think like a Boy Scout and be prepared.

4. **It will help you explain your concept.** Looking for vendors, business partners or even employees for a business that doesn’t yet exist is a challenge. A business plan can help people visualize your future business and decide whether or not they want to be involved.

5. **There is plenty of help out there.** Yes, a business plan involves some work, such as market research and financial projections. But technology has made the planning process so much easier that there’s no excuse for skipping it. If you want in-person help, the experts at your local Small Business Development Center (SBDC) or the experts at SCORE can walk you through the process of writing a business plan step-by-step.

Source: Rieva Lesonsky. Rieva is CEO of GrowBiz Media, a content and consulting company specializing in covering small business and entrepreneurship and SmallBizDaily.com.

---

**Port of Bandon Economic Development Fund (PBEDF)**

**PBEDF’s Purpose**
To support the economic growth and health of Coos County by assisting businesses with capital needed to create and retain jobs.

The Port of Bandon Economic Development Fund (PBEDF) was initiated in 1995, with assistance from the Port of Bandon, to create and preserve jobs. PBEDF has a $1.5 million dollar loan fund which comes from two USDA loans. The first $1 million loan was in 1995 and the second $500,000 loan was in 2000. The PBEDF is a 501(c)4 private non-profit that consists of 10 Board of Directors. To date, PBEDF has funded a total of $5,184,637 in loans, which created/retained 169 jobs.

CCD administers the PBEDF’s loan program. For more information you may contact CCD’s office at (541) 756-4101.

The below projects were supported by the PBEDF loan program: **Tin Cup Coffee, LLC, Mack’s Saw Shop and Lloyd’s Smokehouse & Tavern**
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**

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

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
thaga@ccdbusiness.com

Louie Robida
Loan Officer/Marketing
(503) 789-8191
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.