

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD**

*******Wednesday, July 26, 2023*****
**** 3:00 P.M. ******

Virtual only via zoom: <https://us06web.zoom.us/j/88248360079>
Call in: 669-900-6833, Meeting ID: 882 4836 0079

AGENDA

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Introductions	2 minutes	Information
June 2023 Minutes	2 minutes	Approval
Financials	5 minutes	Approval
Loan Modification Requests <i>Thirsty Café LLC</i>	20 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Action	5 minutes	Approval
Officers Election	5 minutes	Approval
Annual Report	5 minutes	Approval
University of Oregon Report Discussion	15 minutes	Discussion
Other New Business, Good of the Order		
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance please contact MCEDD at (541) 296-2266 at least 48 hours before the meeting so arrangements for appropriate accommodations can be made.

Executive Session Protocol Oregon Investment Board

After discussion agenda items are presented in open session by OIB staff, the OIB Chair will state the following:

Pursuant to ORS 192.660(f), Exempt Documents, I call the executive session of the Oregon Investment Board to order. Representatives of the news media are allowed to attend but are specifically directed not to report on any of the deliberations during the executive session other than to state the general reason for the session as previously announced. All others besides staff and OIB members are asked to leave the meeting. If clients for loans being discussed are present, they also may be asked to join part of the executive session. No decision may be made, nor final action taken in executive session. We will return to regular session in approximately ___ minutes, at which time we may take action.

OIB Chair asks those not allowed in the executive session to leave the meeting. Staff will explain to visitors where they can wait and that they will be invited into Executive Session when their agenda item will be discussed.

For each discussion item on the agenda for Executive Session, the OIB Chair will follow the following procedural steps:

1. Invite the loan applicant (or their representative) into the Executive Session for the presentation of their loan request. OIB Chair requests a brief presentation from OIB staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the OIB Chair asks if there are any questions for the loan applicant or OIB staff.
3. Following questions and discussion by the OIB, the loan applicant (and/or their representative) is asked to leave Executive Session with instruction that they will be invited into the Open session when Executive Session is adjourned.
4. OIB Chair asks OIB members if there is any discussion related to loan request that needs to take place before inviting the next loan applicant or other persons in to Executive Session for the next discussion item.
5. Additional discussion between the OIB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the OIB chair will close the Executive Session. The OIB moves back to open session. At this point, the OIB Chair can ask for a motion of the decision items in open session. Open session is when the OIB can make decisions on agenda items.

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD
WEDNESDAY, June 28, 2023
Hood River Library and via Zoom**

ATTENDANCE

OIB Members: Gil Kelley, Sam Bauer, Kirk Wright, Marlee Boxler

Staff: Jessica Metta (MCEDD Executive Director), Jill Brandt (Administrative Assistant)

CALL TO ORDER/ INTRODUCTIONS

Gil Kelley called the meeting to order at 3:04 pm. A quorum was present.

MINUTES APPROVAL

Sam Bauer motioned to accept the April 6, 2023, minutes as presented. Kirk Wright seconded the motion. All voted in favor, and the motion passed.

FINANCIALS

Jessica presented the financials ending May 31, 2023. The financials were as expected. There was \$10,031 in interest income in May plus \$4,000 directly from the LGIP account, for a total \$14,445 in revenue in May. Expenses were \$9,555 and were primarily for MCEDD staffing, with some for closing costs. The packet also includes May P & L, broken out into both the regular OIB fund as well as the USDA/NSA fund. The Trial Balance report shows all current outstanding loans and where each client is with payments.

There is a USDA requirement that their funds will have a UCC filing placed on the bank account where the funds are held. Dana is in the process of setting up a new account for this purpose. Kirk asked why this was necessary and Jessica explained that the UCC filing is necessary only for the USDA money and a separate account will not attach MCEDD's entire checking account.

Ankhiale's loan closed on Monday, and the initial disbursement of \$75,000 will show up in next month's financials.

Kirk Wright moved to approve the financials as presented. Sam Bauer seconded the motion. All voted in favor and the motion passed.

LOAN MODIFICATION REQUESTS: Gorges Brewing, Lucy's Informal Flowers

Jessica requested entering Executive Session to present the confidential memos for these two loan clients requesting modifications.

EXECUTIVE SESSION

Executive Session per ORS 192.660 (f) (Exempt Documents) was called to order at 3:09 pm. Chair Gil Kelley read aloud the full requirements pertaining to Executive Session.

Regular Session reconvened at 3:22pm.

LOAN ACTIONS: Gorges Brewing, Lucy's Informal Flowers

Sam Bauer motioned to approve the collateral release request for **Gorges Brewing, LLC** as presented since the loan remains fully collateralized. Marlee Boxler seconded the motion. Kirk voted no, based on the desire for more information. The motion passed with three yeas and one no vote.

Kirk Wright motioned to approve the loan modification request for **Lucy's Informal Flowers** to extend the loan schedule by 18 months and retain all existing conditions. Sam Bauer seconded the motion. All voted in favor and the motion passed.

FUNDED LOAN UPDATE: Big Buddha Yoga

Jessica asked to enter Executive Session to provide an update on current client Big Buddha Yoga.

EXECUTIVE SESSION

Executive Session per ORS 192.660 (f) (Exempt Documents) was called to order at 3:25 pm. Chair Gil Kelley read aloud the full requirements pertaining to Executive Session.

Regular Session reconvened at 3:32pm.

Gil requested to have continuing updates on this client. The other board members agreed.

MARKETING BUDGET BRAINSTORM

Jessica asked how the Board would like to proceed forward with spending the \$1000 in marketing funds allocated in the new budget.

Gil asked for background information on what has worked and not worked in the past.

Jessica explained that there were videos made a few years ago with a \$5,000 budget that were very successful and have been used extensively. Last year, the window decals were made and sent out to all clients, the marketing flyer was updated, there were 1:1 visits with bankers and the SBDC. There was no paid advertising, either in print or by boosting on social media.

Discussion: Sam felt that \$1,000 would be a much better "bang for the buck" use to boost social media rather than print advertising.

Gil appreciated the window decals, which were posted in Votum's window when he visited the restaurant.

Kirk referenced the report from U of O that emphasized web presence as the best avenue for public outreach. He asked how web traffic can best be directed to our website. He asked for a more in-depth discussion of the report, with a focus on how to turn their recommendations into an actionable strategy. Gil asked Jessica to schedule a Board session for further discussion on the U of O report. Jessica agreed to bring this topic up at the next board meeting. She added that she was looking at a grant opportunity coming up that could be used to fund website improvements.

Sam asked how many referrals the OIB gets from banks. Jessica replied that the banks that have an established relationship with the OIB give the most referrals. Sam then suggested inviting local bankers to a luncheon for a presentation, similar to what Jessica presented at the Lions and Rotary Clubs. If ten local bankers came, would this be more targeted and effective? Jessica explained that MCEDD has hosted lenders roundtables in the past, and this is doable. A nice lunch wouldn't cost the full \$1,000 that is in the budget. Sam asked for clarification on the confidentiality requirements for the OIB, what Board members are allowed to disclose about our clients. Jessica replied that all clients sign a waiver that we can use their name and general information about their loan for loan client spotlights. Sam was excited about this presentation to show bankers the money that the OIB puts into the community. He felt that when bankers can see the names and connections of all the businesses that the OIB has helped – that this will be a powerful message.

Gil suggested social media. Kirk explained that social media can be either a stand-alone source but can also direct web traffic to the OIB's webpage. Social media is the best way to help people find out about the OIB.

Sam asked Jessica for her recommendation on how to spend this \$1,000. Jessica agreed that she would spend some of it on social media boosts, but not the whole \$1,000. While \$1,000 is not a whole lot to sponsor an event, the idea of a lunch for bankers has good merit. She added that the SBDC would help to sponsor this type of event, and possibly (not sure though!) the Chambers.

Marlee suggested linking the OIB webpage on other city and county websites on their business resources page. This has been done on the City of Troutdale's page (<https://www.troutdaleoregon.gov/econ-dev/page/economic-development-resources>). Marlee noted that more backlinks like this will drive traffic to the OIB's page. Jessica added that MCEDD develops a business siting guide for Wasco and Hood River counties. This is a pdf that lists the OIB as a resource. She noted to review websites to see if the OIB is listed. Marlee also suggested having conversations with the Urban Renewal Office so that they can refer businesses coming in.

Jessica thanked the group for their feedback and ideas.

OTHER NEW BUSINESS/ GOOD OF THE ORDER

Gil asked about Board member elections. Jessica explained that the July meeting is the usual time that this business is taken care of. Gil agreed, and asked if there was anything to prep the Board members to be thinking about for the elections. Jessica said that the current officers should be prepared to state that they are or are not interested in continuing in their position.

Jessica noted that the three Board members that were at the meeting for the U of O presentation were not here today. She recalled the project from one year ago when the SBDC refreshed our loan applications. There was a lot of positive feedback from the revised application, and now perhaps we can take that a step further and consider videos that explain how to fill out the applications, as the report recommended. She added that one of the values that MCEDD provides is that clients get to work personally with Ami so we would need to balance how videos help or hurt that relationship building.

Next month's meeting will be on July 26th. We will try to arrange a meeting space in Hood River for a hybrid meeting.

ADJOURN

Gil Kelley adjourned the meeting at 3:49 pm.

Respectfully submitted by Jill Brandt, Administrative Assistant

Mid-Columbia Economic Development District Balance Sheet - OIB

June 30, 2023

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1171 · LGIP National Scenic Fund

167,449.96

1,240,919.30

Total 1000 · Bank Demand Deposits

1,408,369.26

Total Checking/Savings

1,408,369.26

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

5,912.23

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,545,136.55

Total 1300 · Loans Receivable

1,545,136.55

1400 · Loan Payments Holding

1475 · OIB

0.00

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-67,535.30

Total 1500 · Allowance for Doubtful Loans

-67,535.30

Total Other Current Assets

1,483,513.48

Total Current Assets

2,891,882.74

TOTAL ASSETS

2,891,882.74

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

6,461.23

Total Accounts Payable

6,461.23

Total Current Liabilities

6,461.23

Total Liabilities

6,461.23

Equity

3100 · Fund Balances

2,836,289.19

Net Income

49,132.32

Total Equity

2,885,421.51

TOTAL LIABILITIES & EQUITY

2,891,882.74

OIB FINANCIAL SUMMARY

REPORT PERIOD: June 2023

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/22	1,846,496		-
Less Payables	-		-
Plus Accounts Receivable	-		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	-		-
ADJUSTED CASH BALANCE 06/30/22	1,846,496	-	-
INCOME			
Interest	107,697	98,062	9,635
Loan Processing Fees	11,625	11,625	-
Loan Filing Fees	2,054	2,054	-
Loan Late Fees	1,519	709	810
Other Revenue	-	-	-
Invested Interest	36,960	32,841	4,118
TOTAL INCOME	159,855	145,291	14,563
PRINCIPAL REPAYMENTS	276,881	263,954	12,927
REVENUE BEFORE DISBURSEMENTS	436,736	409,245	27,491
EXPENSES AND PAYMENTS			
Grants Distributed FY23	-	-	-
New Loans Disbursed	775,000	775,000	-
Converted to Principal	-	-	-
Bank Service Charges	114	106	9
Professional Services: Legal	400	400	-
Professional Services: Filing Fees	1,941	1,941	-
Professional Services: Contractual	97,850	89,696	8,154
Communications / Telephone (Advertising)	105	105	0
Other Materials & Supplies	-	-	-
TOTAL EXPENSES AND PAYMENTS	875,411	867,248	8,163
ADJUSTED CASH BALANCE	1,407,820	(458,002)	19,327
LESS:			
Approved Grants not Disbursed	(10,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	(5,912) *		
AVAILABLE TO GRANT/LOAN	1,391,907		
LOANS RECEIVABLE BALANCE	1,545,137 ^		
PROOF:			
Cash Balance After Reconciliations - March 31, 2023	1,408,369 ^		
Less Payables	(6,461)		
Plus Interest Receivable	5,912		
ADJUSTED CASH BALANCE	1,407,819		

**Mid-Columbia Economic Development District
Profit Loss
Oregon Investment Board**

<u>Account</u>	<u>Account Title</u>	<u>6/30/2023</u>
975-4600	Loan Interest	\$ 9,634.53
975-4650	Principal Payments	\$ -
975-4700	Loan Processing Fees	\$ -
975-4705	Loan Filing Fees	\$ -
975-4707	Loan Title Fees	\$ -
975-4710	Loan Late Fee	\$ 810.49
975-4750	Investment Interest	\$ 4,118.39
	TOTAL Income	\$ 14,563.41
975-6400	Professional Services	\$ -
975-6410	Legal Services	\$ -
975-6420	Audit Services	\$ -
975-6430	Accounting	\$ -
975-6440	Title/Lien Search	\$ -
975-6450	Contractual	\$ (8,154.17)
975-6470	Filing Fees	\$ -
975-6610	Advertising	\$ -
975-6930	Bank Service Charges	\$ -
975-6931	ACH Collection Fees	\$ (9.04)
	TOTAL Expense	\$ (8,163.21)
	Net Income	\$ 6,400.20

Mid-Columbia Economic Development District

Profit Loss

USDA / NSA

<u>Account</u>	<u>Account Title</u>	<u>6/30/2023</u>
300-4600	Loan Interest	953.62
300-4700	Loan Processing Fees	2055.68
300-4705	Loan Filing Fees	1765.23
300-4707	Loan Title Fees	0
300-4710	Loan Late Fee	0
300-4750	Investment Interest	0
	TOTAL Income	953.62
300-5010	Accrd PTO - Wages	0
300-5050	Wages - Paid Leave	-158.98
300-5080	Wages Prior Period	0
300-5100	Wages	-503.51
300-5500	Fringe Benefits	-107.15
300-5550	Fringe Benefits - Paid Leave	-35.57
300-5580	Fringe Benefits Prior Period	0
300-5700	Payroll Taxes	-47.59
300-6460	Testing/Training/Screening	0
300-6470	Filing Fees	0
300-6700	Building Costs	0
300-6710	Building Rent	-22.23
300-6714	Building Remodel	0
300-6715	Remodel Alloc (Admin)	-2.5
300-6716	Remodel Alloc (Transit Center)	-33.15
300-6931	ACH Collection Fees	0
300-6935	Online Processing Fees	0
300-9000	Indirect Spread	-15.28
300-9040	Transportation Facility Spread	-11.11
300-9050	Loan Fund Costs Allocated	-1316.73
300-9060	Transportation Admin Spread	0
	TOTAL Expense	-2268.59
	Net Income	-1314.97

Oregon Investment Board

FY 23 Annual Report



From a \$4 million allocation and revolved funds, the OIB has approved more than \$10.8 million total in grants and loans which have:

- Leveraged over \$15.8 million in private funds.
- Leveraged over \$14.6 million in public funds.
- Directly created or retained approximately 800 jobs.

Project funding awarded through the Columbia River Gorge National Scenic Area Oregon Investment Board helps strengthen and diversify the regional economy. New lending approved in **FY23 totaled roughly \$855,000** in support of:

- Build out of an event space and debt refinance for a brewery in Cascade Locks (see sidebar).
- Debt refinance for new equipment for a Hood River pet store.
- Working capital to launch a cold weather outdoor equipment/ gear company in Hood River.

This year, the OIB also partnered with the Washington Investment Board to:

- focus on deploying the **\$1.9 Million USDA Rural Business Development Grant** to supplement the existing revolving loan funds; and
- work with **University of Oregon students** to assess the impact of the loan programs and suggest opportunities for improvement.

OIB Members:

Chair Gil Kelley, Vice-Chair Kirk Wright, Sec./Treas. Jorge Barragan, Sam Bauer, Craig Bowder, Marlee Boxler, Rod Cole

OIB Loan Client Profile: Gorges Beer



Gorges Beer opened their Cascade Locks pub in December 2021. By mid-2022, the facility employed up to 40 during the busy summer season. As the events portion of the business continued to grow into larger outdoor concerts and weddings, the brewery secured OIB funding to finance the construction of a permanent outdoor event center and to refinance the remaining construction loans. OIB worked in partnership with MCEDD and Business Oregon on the refinancing to provide affordable options for the business. The event center is now offering site tours and booking for 2023 and beyond!

Loan Impact

Institute for Policy Research and Engagement (IPRE)

June 14th, 2023

Alexander Hernandez Botello, Christian Tinoco Lopez, Joshua Burlin, Lucas Coan, Maya Lieberman, Elliott Nichols



Lundquist College of Business



Oregon Consulting Group

Exceptional Value for Clients, Transformative Experiences for Students

Agenda

Introduction

- Our Group
- Meet the Team

Project Overview

- Project Purpose
- Project Timeline

Loan Program Impact

Recommendations

- Update Website
- Increase Service Offerings
- Obtain Additional Funding
- Assess Collateral Earlier

Our Group

Who we are

- ▶ Management consulting firm
- ▶ Housed in the Lundquist College of Business
- ▶ Student-run, professionally-managed
- ▶ 32 members from 13 disciplines

What we do

- ▶ 10-week engagements with paying clients
- ▶ Work with clients ranging from nonprofits to Fortune 100
- ▶ Service offerings include: market analysis, financial analysis, and business strategy



Meet the Team



Maya Lieberman
Project Manager,
Operations and Business Analytics



Alex Hernandez Botello
Consultant, Economics &
Operations and Business Analytics



Joshua Burlin
Consultant,
Operations and Business Analytics



Lucas Coan
Consultant,
Operations and Business Analytics



Elliott Nichols
Senior Manager,
Finance



Christian Tinoco Lopez
Consultant,
Accounting

Project Overview

Project Purpose

Goal: To provide a comprehensive analysis of how the loan program contributes to regional economic growth, while also identifying strategies to optimize internal processes.

*Analysis of Loan Program
Impact on the Community*

How?

Conduct survey audit,
redistribute to loan
recipients, analyze data,
compare to 2018 findings
for insights.

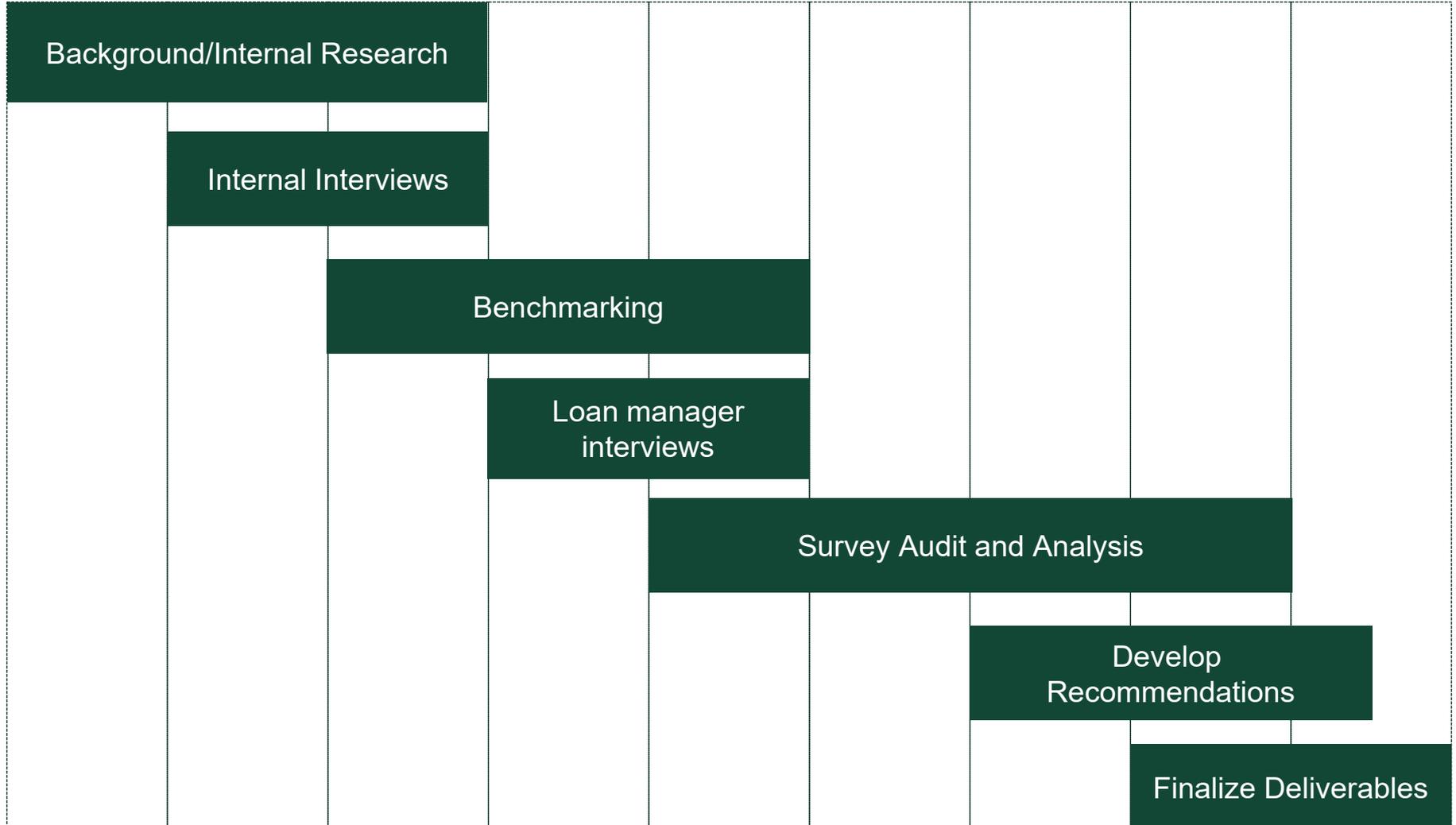
*Provide Recommendations
to Optimize Internal
Processes*

How?

Benchmark, analyze, and
recommend
improvements for MCEDD
and SEDC by comparing
with other lending
programs.

Project Timeline

Week 2 Week 3 Week 4 Week 5 Week 6 Week 7 Week 8 Week 9 Week 10



Loan Program Impact

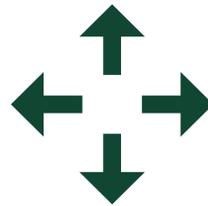
Impact of Number of Locations

Businesses with multiple locations want to grow their operations in response to an effective loan while businesses with one location prioritize stability.

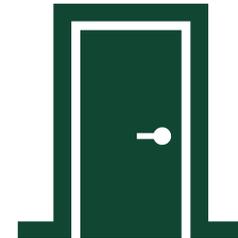
Key Insights



Businesses with multiple locations are more likely to view the loan as effective



Businesses with multiple locations are looking to expand within the area when the loan is effective



Businesses with one location are choosing to stay the same regardless of loan effectiveness

Impact of Number of Locations

Talking Points

Businesses that operate multiple locations have intentions to expand within the area, and they perceive an effective loan as a catalyst for their expansion plans.

This holds particular significance because businesses with multiple locations are more inclined to consider the loan as an effective tool for their growth and development.

On the other hand, businesses with only one location tend to prioritize stability over the level of loan effectiveness.

Therefore, when MCEDD and Skamania are considering granting loans, it is important for them to take these distinct mindsets into account. Understanding the differing perspectives will help inform their decision-making process and ensure that loans are tailored to meet the specific needs and goals of different types of businesses.

For further details and information, please refer to slide 55 of the presentation.

Impact of Loan Use and Purpose

Businesses without a clear and realistic goal in mind for their loan are likely to not be completely satisfied even if financing in general is important to them.

Key Insights



Too many uses of a loan can hurt its perceived value for businesses



Businesses lacking in purpose struggled to make the most out of the loan



Businesses can have a positive or negative experience regardless of financing importance

Impact of Loan Use and Purpose

Talking Points

Businesses that fail to clearly indicate their area of investment, such as focusing on the business itself or the community, often do not perceive the loan as effective or satisfactory.

This observation also applies to businesses that set unrealistic goals and attempt to accomplish too much with the loan.

The impact of this perception can occur regardless of the significance of financing to the business.

To address this, MCEDD and Skamania should ensure that applicants have a clear and realistic goal in mind when seeking a loan. It is important to guide applicants in defining their investment area and setting achievable objectives that align with their business and community needs.

For further details and information, please refer to slide 57 of the presentation.

Impact of Outreach by County

The network of businesses plays a greater role in discovery than current outreach initiatives by MCEDD and Skamania, leading to a disproportionate discovery rate among counties.

Key Insights



Local businesses are a key source of traffic for loan programs



Loan is not as visible among local businesses in Wasco, Multnomah, & Klickitat



Only Skamania & Hood River have a chamber of commerce which may account for more loans

Impact of Outreach by County

Talking Points

Interesting Find: Out of the 13 respondents surveyed, 77% reported that they found out about the loan through business contacts, which has historically been the most common method. This leads us to *Key Insight 1*.

Among the business contacts, 66% originated from Hood River or Skamania, suggesting a strong local network. This leads us to believe *Key Insight 2*.

Recommendation: Other counties should focus on enhancing their local business presence.

The Chamber of Commerce has been utilized only recently, specifically between 2017-2022, and has primarily yielded results from Hood River. Since Skamania and Hood River are the only two counties with chambers of commerce, this may explain why there is a higher number of businesses in those counties that reported finding out about the loan through that channel.

Recommendation: Other counties should explore alternative methods to generate word-of-mouth referrals since they do not have their own chambers of commerce.

It is worth noting that only one respondent did not discover MCEDD through a business contact or Chamber of Commerce; instead, they learned about it from a parent.

For more detailed information and references, please refer to slide 55 in the appendix.

Impact of Number of Loans

Businesses that got 2 or more loans from OIB/WIB are able to invest more in their employees, showing a greater impact in the community.

Key Insights



Only 1 loan leads to a minimum amount of employee benefits offered



Repeat clients are able to offer more employee benefits

Impact of Number of Loans

Talking Points

Among the 7 businesses that received only one loan, all 7 indicated that they offered their employees only one type of benefit, which could include flexible compensation, health care insurance, or paid leave. This observation leads us to Key Insight #1.

In contrast, out of the 7 businesses that received 2 or more loans, 6 of them reported offering their employees a combination of benefits, such as life insurance in addition to health insurance.

Furthermore, 5 out of the 7 businesses that received 2 or more loans stated that they provide at least 4 different types of benefits to their employees.

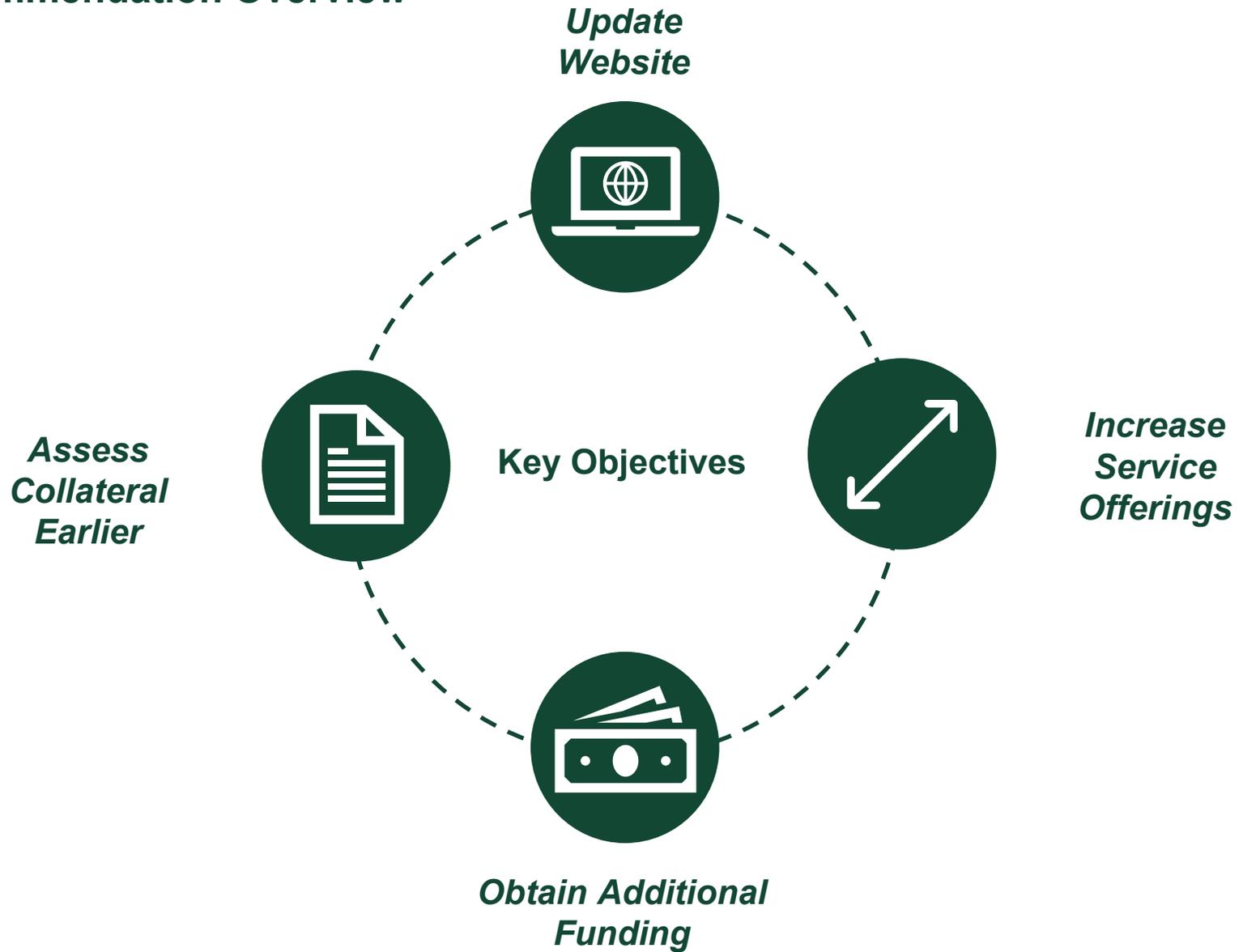
When comparing businesses that received only 1 loan to those that received 2 or more loans, it becomes apparent that the latter group offers a wider range of benefits, including pension plans, life insurance, and disability insurance.

Recommendation: Engaging with past clients and supporting repeat clients will enable a greater impact in the community. Since one of the goals of this loan program is to make a substantial community impact, it is recommended to explore ways to provide ongoing support and assistance to repeat clients.

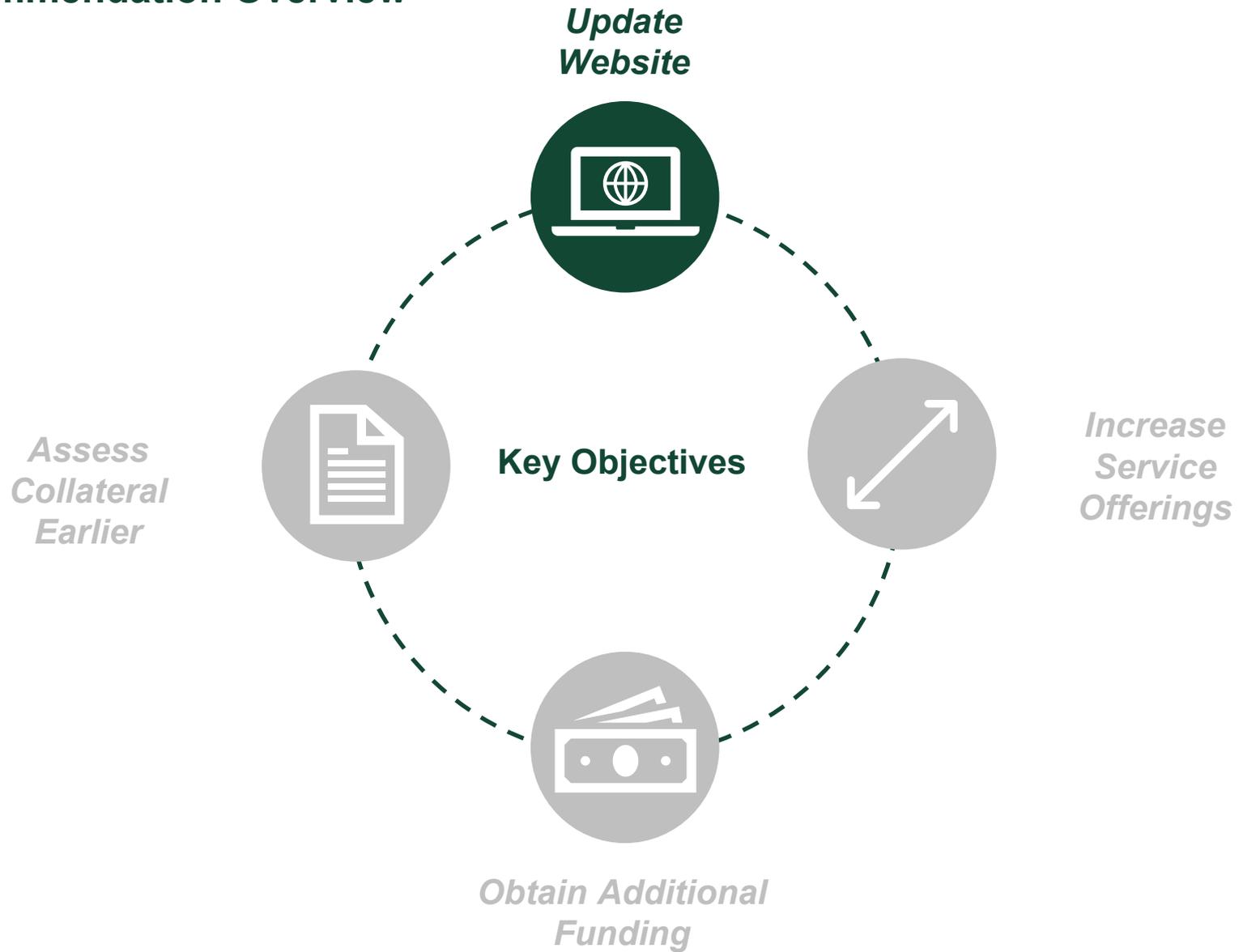
For detailed references and information, please refer to slide 61.

Recommendations

Recommendation Overview



Recommendation Overview

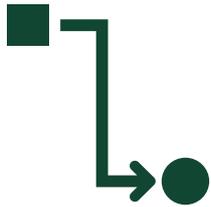


Current State - Website

Problem

The loan program page on MCEDD and Skamania's website is lacking depth and organization, leaving potential for confusion during the application process.

Reasons



Information doesn't follow a logical order



Important documents are not explained



Applicants enter initial conversations unprepared

Current State - Website

Talking Points

There is a lack of logical order in the information provided, as applicants are prompted to apply before being presented with basic terms and requirements.

MCEDD's supporting document reference list simply lists the required documents without providing explanations or clarifications. This assumes that applicants already possess prior knowledge of what these documents entail.

The initial stage of the application process acts as a bottleneck, as many applicants are not adequately prepared, resulting in wasted time for the loan officer.

Website Recommendations

1



Preliminary Screening

2



Lending Information Page

Templates

Video Tutorials

General Financing Information

Website Recommendations – Preliminary Screening Page

Recommendation

MCEDD and Skamania should have a new page to screen applicants through questions that will help self-determine their preparedness while reducing applicants who are unqualified.

Steps

1

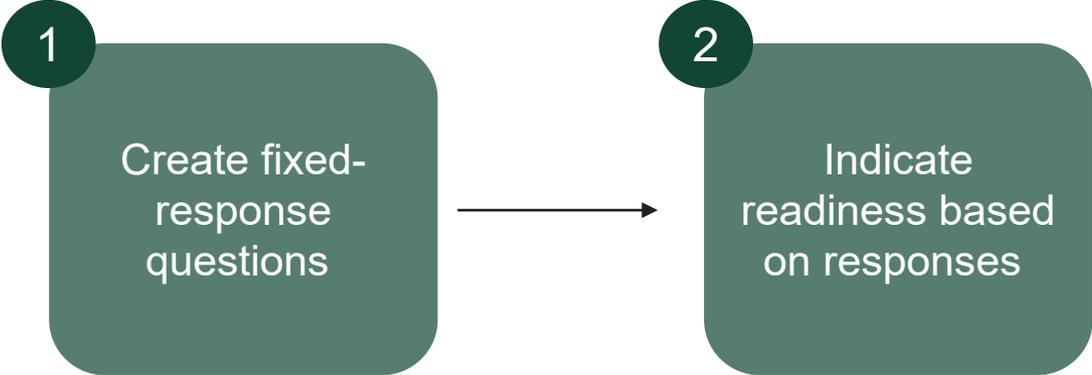
Create fixed-
response
questions

Website Recommendations – Preliminary Screening Page

Recommendation

MCEDD and Skamania should have a new page to screen applicants through questions that will help self-determine their preparedness while reducing applicants who are unqualified.

Steps



Website Recommendations – Preliminary Screening Page

Recommendation

MCEDD and Skamania should have a new page to screen applicants through questions that will help self-determine their preparedness while reducing applicants who are unqualified.

Steps



Website Recommendations – Preliminary Screening Page

Talking Points

To enhance the application process, begin by incorporating fixed response questions that allow for yes/no or scaled answers (such as on a scale of 1-5) related to the basic requirements.

For example: "Are you ready to contribute x% to the total project cost?"

Based on the applicant's responses, provide feedback on their readiness to proceed with the application. If they are deemed not ready yet, offer clear next steps or guidance on how they can become prepared.

If the applicant is considered ready, the next step would be to encourage them to apply and direct their attention to reviewing financial documents. This transition leads smoothly into the lending information page, where applicants can find detailed information on the loan process, terms, and requirements.

By implementing this approach, the application process becomes more structured and efficient. Applicants receive clear feedback on their readiness, allowing them to take appropriate actions to become ready or proceed with the application confidently

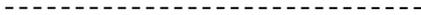
Website Recommendations

1



Preliminary Screening

2



Lending Information Page

Templates

Video Tutorials

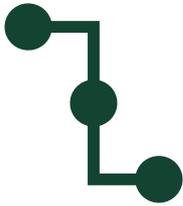
General Financing Information

Website Recommendations – Templates

Recommendation

MCEDD and Skamania should implement a reference document page that guides applicants through the necessary financial documents, which will help applicants understand what information they need, why, and where to get it.

Components



Show list of forms
in order of
completion



List sample PDF
forms of required
documentation



Highlight
resources for
assistance

Website Recommendations – Templates

Talking Points

Currently, Skamania does not have a direct reference list, while MCEDD has a "supporting reference document list" on the loan program page that includes additional potential documents.

Since EDCs typically require more documentation than traditional financing methods, small businesses that have never prepared these financial documents may feel overwhelmed and discouraged about what is needed to complete the application.

To address this challenge, we recommend creating a dedicated reference document page that will guide applicants on what documents are required, why they are necessary, and where to obtain them.

Website Recommendations – Templates

Talking Points

In order to implement a more successful application process, OIB/WIB should consider the following:

1. List the required documents in the order they need to be completed, providing a clear sequence for applicants to follow.
2. Provide template PDF forms that include fill-in-the-blank sample forms for business plans and profit/loss statements. These templates can serve as helpful guides for applicants, making it easier for them to provide the necessary information.
3. Highlight available resources for assistance, such as video tutorials (refer to slide 31). These resources can offer additional guidance and support to applicants who may need help in completing the required documents.

By adopting these measures, the application process will become more streamlined and less daunting for small businesses. Applicants will have a clear understanding of what documents are needed, access to helpful templates, and available resources to assist them throughout the process.

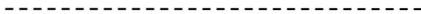
Website Recommendations

1



Preliminary Screening

2



Lending Information Page

Templates

Video Tutorials

General Financing Information

Website Recommendations – Video Tutorials

Recommendation

MCEDD and Skamania should create video tutorials to teach applicants how to prepare necessary documents which will allow clients to be more prepared without individual help.

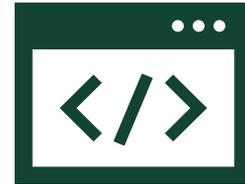
Steps



Film walkthroughs
of financial
documents



Encourage
template use
during videos



Embed videos
next to PDF forms

Website Recommendations – Video Tutorials

Talking Points

To assist applicants in producing documents that often take a significant amount of time, such as the P&L statement, business plan template, balance sheet, and income statements, it is recommended to create video tutorials specifically focused on these documents.

Using an audio/visual modality for tutorials makes the information more accessible to everyone, as it caters to different learning preferences and provides a more engaging experience.

During the video tutorials, it is beneficial to encourage the use of templates. By demonstrating how to fill in the blanks and complete the templates while watching the tutorial, applicants can follow along step-by-step and gain a better understanding of the process.

To maximize the effectiveness of the videos, embedding them next to the respective PDF forms is recommended. This ensures that applicants have easy access to the videos while working on the specific document, increasing the likelihood that they will utilize the videos effectively.

For further details and references, please refer to slides 80 and 81 in the appendix.

Website Recommendations

1



Preliminary Screening

2



Lending Information Page

Templates

Video Tutorials

General Financing Information

Website Recommendations – General Financing Information

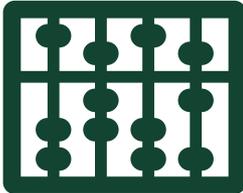
Recommendation

MCEDD and Skamania should add general information to improve the applicant's understanding of the financial content within the loan program page, templates, and videos.

Components



Definitions of terminology



Program differences



FAQ

Website Recommendations – General Financing Information

Talking Points

The goal is to enhance transparency and ensure that applicants have the necessary knowledge to facilitate a smooth application process.

To achieve this, it is important to provide clear definitions for financial terms that applicants may be unfamiliar with. This includes explaining terms such as RLF (Revolving Loan Fund) and title report, helping applicants understand their significance and relevance to the loan process.

Additionally, it is crucial to clarify the differences between OIB and WIB and how these distinctions are relevant to the applicant based on their specific background and circumstances.

Addressing common questions is also essential. Providing answers to inquiries such as "What determines the interest rate?" or "What collateral do I need to provide?" helps applicants gain a better understanding of the loan terms and requirements.

For further information and comprehensive answers to frequently asked questions, please refer to the appendix (slide 81). By incorporating these measures, transparency is increased, and applicants can be more knowledgeable and confident throughout the application process.

Website Recommendations – Risks and Mitigation Strategies

1. Personal Touch

Risk: Loss of human interaction may make the experience feel **less personal**



Mitigation strategy: Maintain the **opportunity to connect** with someone

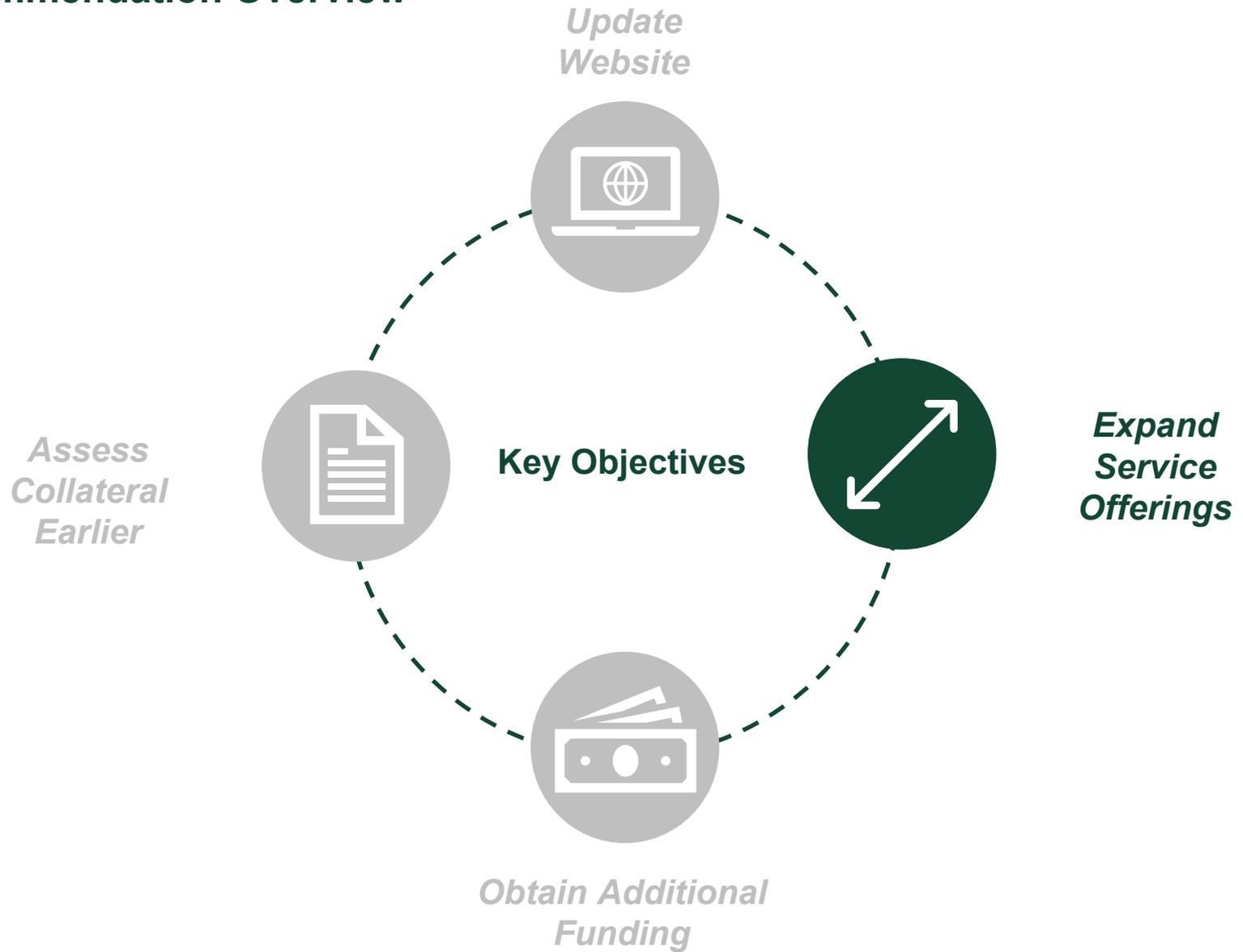
2. Information Overload

Risk: Excessive info and links may cause **confusion** and pertinent information to be missed



Mitigation strategy: Present info in a **logical order** and space it out

Recommendation Overview



Current State – Service Offerings

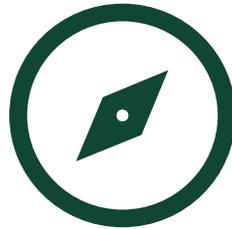
Problem

MCEDD and Skamania’s website list no available services for businesses unlike other EDCs, which limits the potential of loan uses.

Reasons



Applicants are solely
reliant on financing to
achieve desired
outcome



Applicants lack guidance
for purpose behind loan



Applicants not entirely
satisfied even when
financing is very important
to them

Current State – Service Offerings

Talking Points

Applicants heavily depend on the loan they receive to achieve their intended goal. However, it has been observed that some applicants fail to specify how they intend to utilize the financing they receive, leaving them without a clear vision for the loan's purpose.

Even though financing is crucial for the success of a business, it does not automatically ensure complete satisfaction. This suggests that there may be an important element missing from the equation.

Service Offerings

Recommendation

MCEDD and Skamania should expand their services to deliver a more satisfactory experience by helping applicants enhance the use of their loan.

Steps

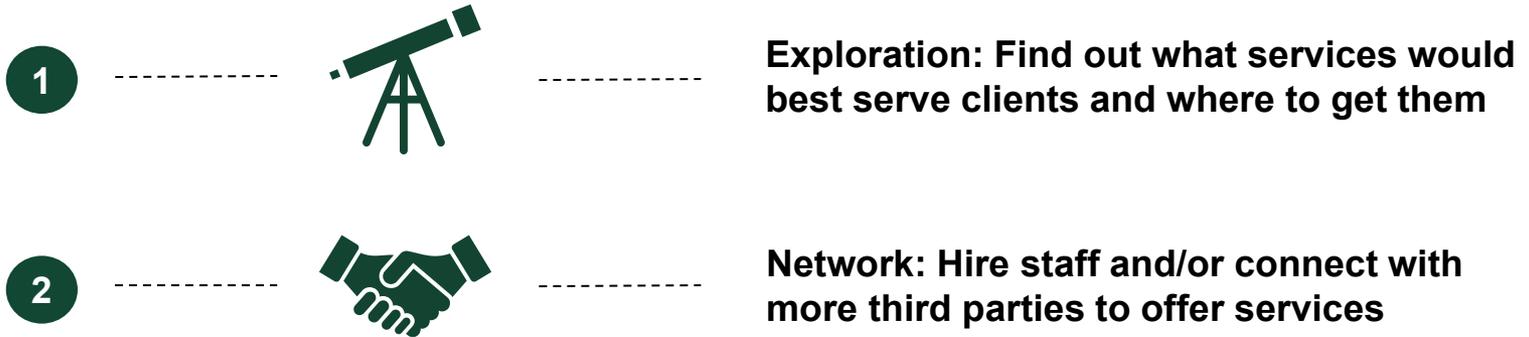


Service Offerings

Recommendation

MCEDD and Skamania should expand their services to deliver a more satisfactory experience by helping applicants enhance the use of their loan.

Steps

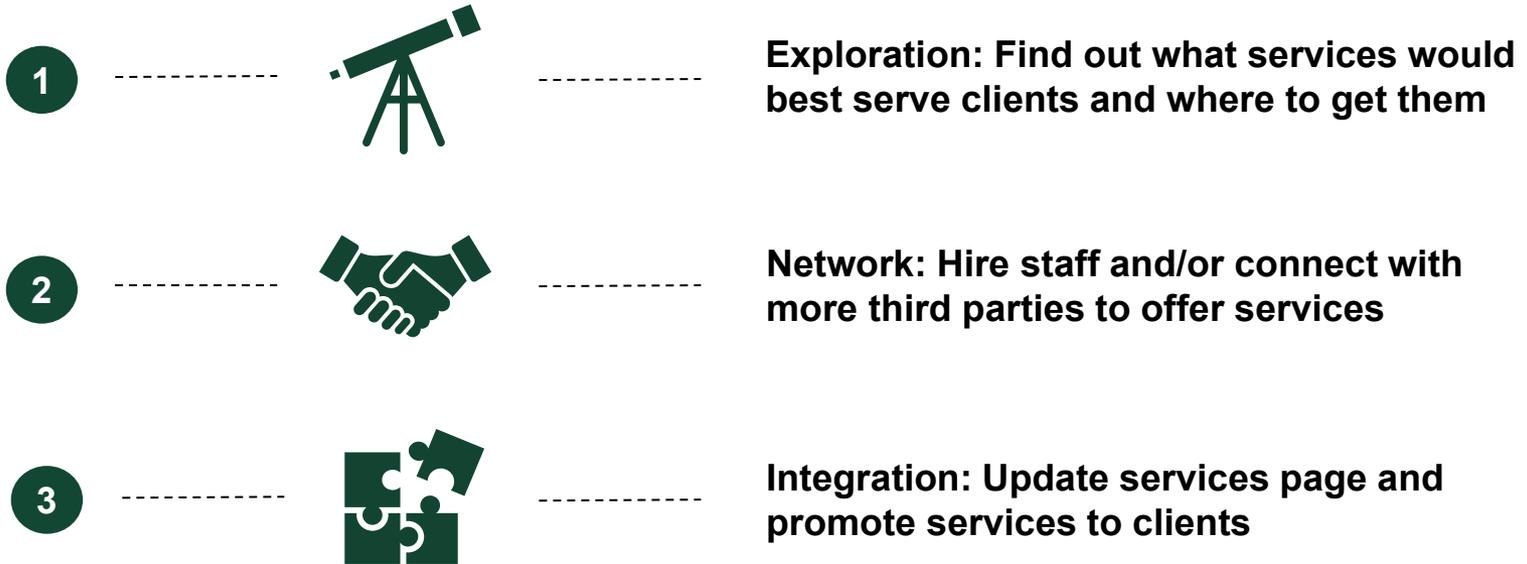


Service Offerings

Recommendation

MCEDD and Skamania should expand their services to deliver a more satisfactory experience by helping applicants enhance the use of their loan.

Steps



Service Offerings – Examples



Marketing



Employee
Development



Consulting

Service Offerings – Examples

Talking Points

Marketing services can play a vital role in assisting businesses that aim to establish a new image for themselves through the use of the loan. This can include initiatives such as building renovations or the development of new products.

As demonstrated in the mockups section of our Appendix, one EDC showcased logos they helped businesses create, illustrating the impact that marketing services can have on shaping a business's visual identity and overall brand image.

Employee development is another important aspect that can contribute to the growth of businesses and the community, particularly when implemented in conjunction with the loan. Investing in employee training and skill development programs can empower businesses to foster growth and enhance productivity.

In addition, consulting services can provide valuable guidance to business owners, helping them discover their purpose and direction, which they may have previously lacked. Working with consultants can assist businesses in refining their strategies, identifying their unique value proposition, and achieving their goals more effectively.

By incorporating marketing services, employee development initiatives, and consulting services into the loan program, businesses can access the necessary support to strengthen their brand, drive growth, and fulfill their potential.

Service Offerings – Risks and Mitigation Strategies

1. Stagnant Satisfaction

Risk: Offering more services **doesn't change** the overall satisfaction of businesses



Mitigation strategy: Inquire about needs **early** to see what services can enhance loan use

Service Offerings – Risks and Mitigation Strategies

1. Stagnant Satisfaction

Risk: Offering more services **doesn't change** the overall satisfaction of businesses



Mitigation strategy: Inquire about needs **early** to see what services can enhance loan use

2. Confusion

Risk: The expansion of services may **confuse** some businesses who only care for the loan



Mitigation strategy: **Limit info** about services on the loan program page to a brief mention and link

Service Offerings – Risks and Mitigation Strategies

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Mitigation strategy: **Limit info** about services on the loan program page to a brief mention and link

3. Misguidance

Risk: Services may hinder or hurt business growth due to giving the **wrong advice**



Mitigation strategy: Wait for **full context** before giving advice and ensure client opinion is valued

Service Offerings – Risks and Mitigation Strategies

1. Stagnant Satisfaction

Risk: Offering more services **doesn't change** the overall satisfaction of businesses

Mitigation strategy: Inquire about needs **early** to see what services can enhance loan use



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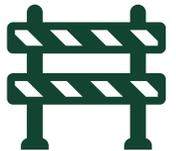
Mitigation strategy: Wait for **full context** before giving advice and ensure client opinion is valued



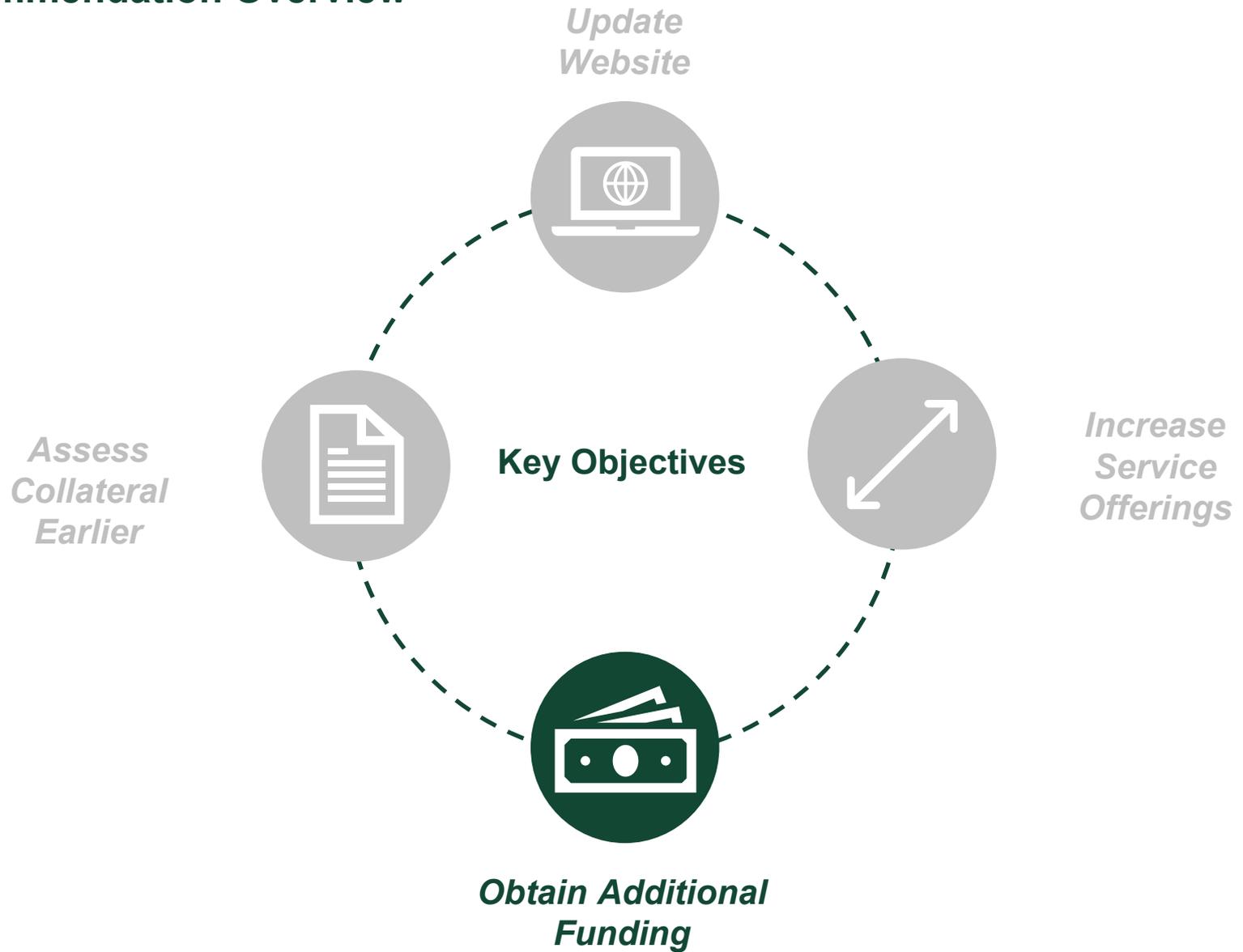
4. Networking Limitations

Risk: Hard to **find** staff or third parties that can provide the identified services

Mitigation strategy: **Evaluate** current staff abilities and **look** at third parties from other EDCs



Recommendation Overview



Current State - Obtaining Additional Funding

Problem

Fund shortages limits EDC's ability to provide loans to new applicants and creates a halt to loan generation.

Reasons



Influx of Applicants



Awaiting Loan Maturity

Current State - Obtaining Additional Funding

Talking Points

Fund shortages can and do happen. In our benchmarking analysis, many EDCs have indicated that they have experienced situations where they have insufficient funds readily available for lending.

This shortage of funds limits their ability to provide loans to new applicants, leading to a halt in the loan generation process. There are several reasons for these fund shortages:

1. **Influx of applicants:** When a large number of highly qualified applicants seek funds, the available funds are typically lent out to meet their needs. This drains the pool of readily available funds for future applicants.
2. **Awaiting loan maturity:** As a majority of the liquid funds are already lent out, a situation arises where EDCs have to wait for previously given loans to mature and be repaid before they can lend those funds again. This creates a loop of waiting for loans to come back before new loans can be issued.

Due to this lending halt, the situation can become problematic for future applicants, as they may face delays or even be unable to access the necessary funds they require.

Obtaining Additional Funding

Federal Grants

Skamania should fulfill requirements for additional federal grant because recapitalizations of federal grants will provide a significant long-term pool of funds.

Implementation

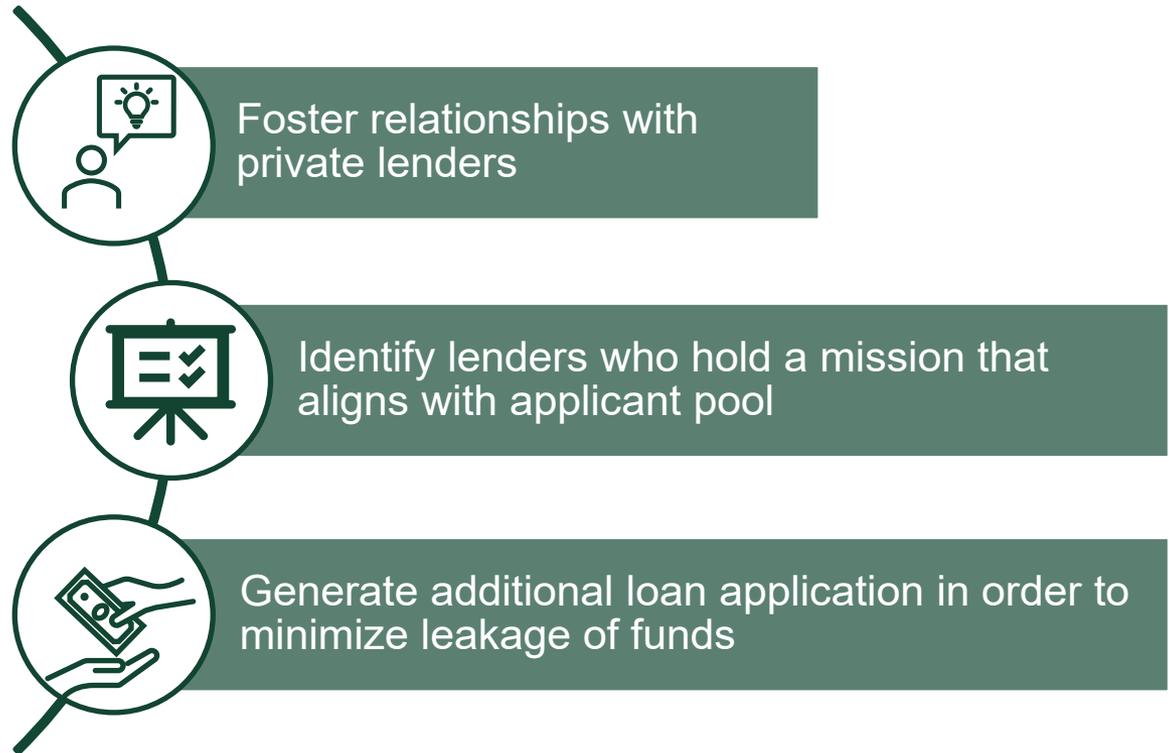


Obtaining Additional Funding

Private Contributors

Skamania should foster relationships with local private contributors open to co-op lending because private contributors provide readily available funds with a shorter turnover than federal grants.

Implementation



Obtaining Additional Funding - Considerations



Seeking additional funds carries a low risk

1. Federal Programs

Applications through Federal programs such as the USDA incur **no cost** beyond staff-time

The application process can be **time-consuming**



2. Private Contributors

Partnering with private contributors who share a similar **social, cultural, or regional** motives will solely **enhance collaboration**

Additionally, banks partners can be utilized as a **client-acquisition tool**



Obtaining Additional Funding - Considerations

Talking Points

Exploring the federal grants route:

Applying for federal grants does not involve any application fees, so the only cost involved is the allocation of staff time. However, it's important to note that preparing grant applications requires a significant amount of staff time.

Engaging private contributors:

Seeking private contributors and building relationships with them can greatly enhance collaboration if a lending initiative is not pursued. This means that private entities can provide support, resources, or funding to the EDC without the need for a lending program.

Obtaining Additional Funding - Considerations

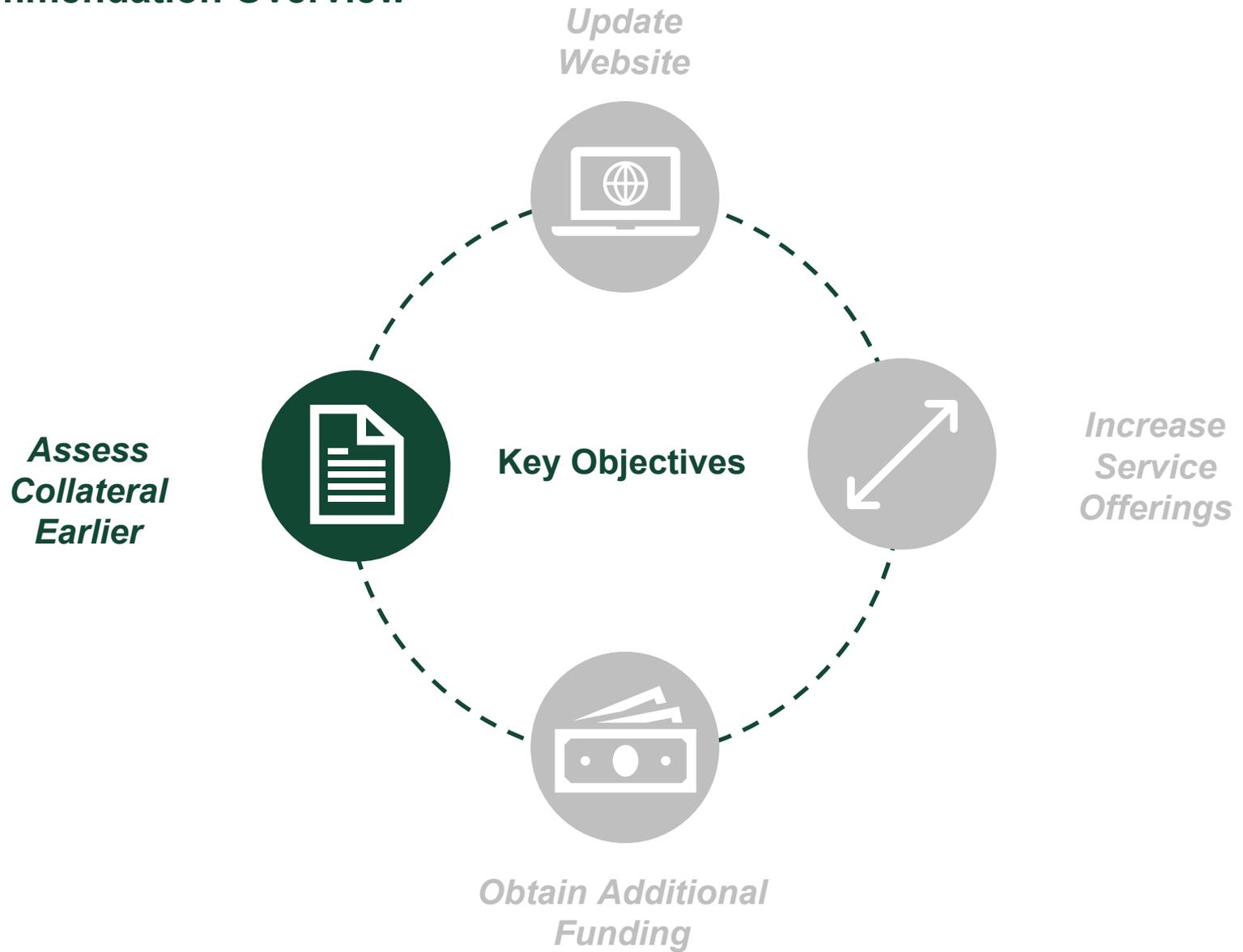
Talking Points

Considering the private bank route:

Our analysis of other EDCs has revealed that establishing relationships with banks can serve as an excellent client-acquisition tool. Banks can collaborate with the EDC by creating a cooperative lending plan and referring applicants who meet the criteria of that plan. By building a strong rapport with banks, there can be a continuous flow of applicants from the bank who are better suited to seek a loan through an EDC.

For instance, Wind River Development, operating within an Indian reservation, collaborates with third-party sources like NAFF, Oweesta, and Wells Fargo for native-specific grants. This example illustrates that partnerships with lending institutions can be established for various reasons. These partnerships can align with the business's specific goals, industry requirements, or social/regional objectives.

Recommendation Overview



Current State – Assessing Collateral

Problem

There is often conflicts with collateral being pledged in other places, that prevents MCEDD from successfully giving out loans.

Reasons



Collateral pledged elsewhere



Wasting time on ineligible applicants

Current State – Assessing Collateral

Talking Points

During our investigation, we discovered a conflict regarding pledged collateral to the Small Business Administration (SBA) and other organizations, which creates challenges in collaborating with them. Unfortunately, this conflict prevents loans from being disbursed.

One issue we encountered is that the title report for the property is requested only after the loan approval process. This leads to wasted time when applicants do not possess viable collateral.

In our discussions with MCEDD, we identified a common problem in the underwriting process, specifically related to applicants providing collateral. Upon further examination, we found instances where conflicts arise due to collateral being pledged to both the SBA and other organizations simultaneously.

It is important to note that applicants cannot pledge the same collateral to multiple entities. Additionally, in cases where property is pledged, the request for a title report is delayed until after the loan approval, which can cause inefficiencies.

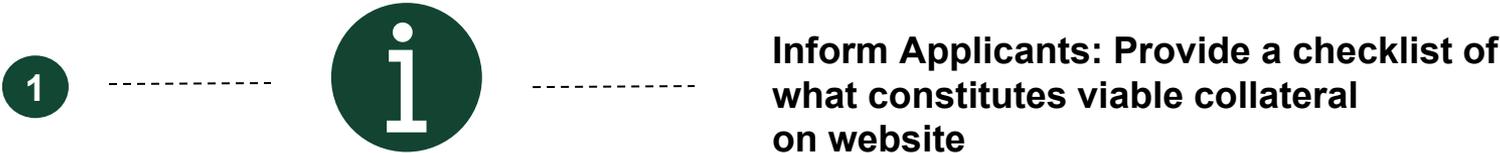
To streamline the process, UCC filings on business assets and vehicle collateral are evaluated in advance, allowing for a more efficient and timely underwriting process.

Assessing Collateral

Recommendation

MCEDD should request a title report after receiving the pre-application to help identify businesses ineligible for a loan and streamline the application process.

Steps

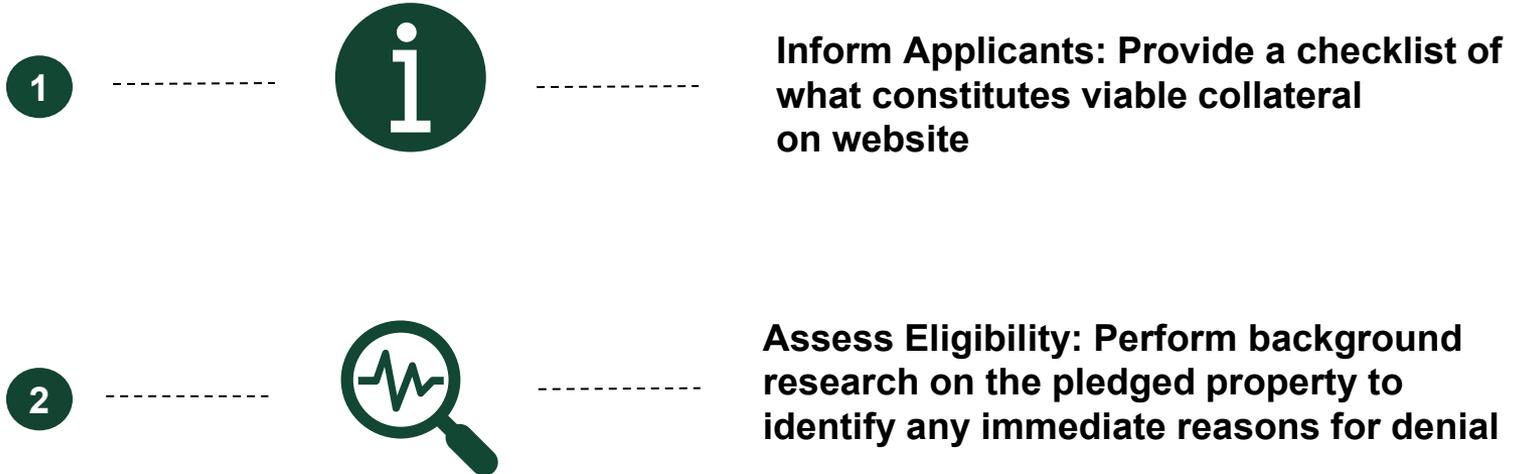


Assessing Collateral

Recommendation

MCEDD should request a title report after receiving the pre-application to help identify businesses ineligible for a loan and streamline the application process.

Steps



Assessing Collateral

Talking Points

To ensure applicants are aware of the requirements for the title report, it is advisable to provide them with a checklist. This checklist will outline the specific items that a third party would evaluate when assessing the collateral in a title report.

Depending on available resources, this communication can be conducted through a phone call or email to the applicant. The purpose is to inform them about the necessary information and documentation that will be examined during the collateral evaluation process.

To perform thorough background research, it is important to identify potential issues by reviewing the deed. This includes checking for liens, property disputes, encumbrances, and easements. Gathering this information will contribute to a comprehensive assessment of the collateral's value and potential risks.

In addition to the checklist and document review, a conversation with the client can also provide valuable insights about the collateral. Through a call or meeting, it may be possible to gather further useful information directly from the client, enhancing the understanding of the collateral's condition and any associated factors.

Assessing Collateral – Risks and Mitigation Strategies

1. Cost to order

Risk: It costs money to order the title report, which is only recouped in **closing fees**



Mitigation Strategy: MCEDD can do background research and pull the deed record of the pledged property **before** paying for a title report

Assessing Collateral – Risks and Mitigation Strategies

1. Cost to order

Risk: It costs money to order the title report, which is only recouped in **closing fees**



Mitigation Strategy: MCEDD can do background research and pull the deed record of the pledged property **before** paying for a title report

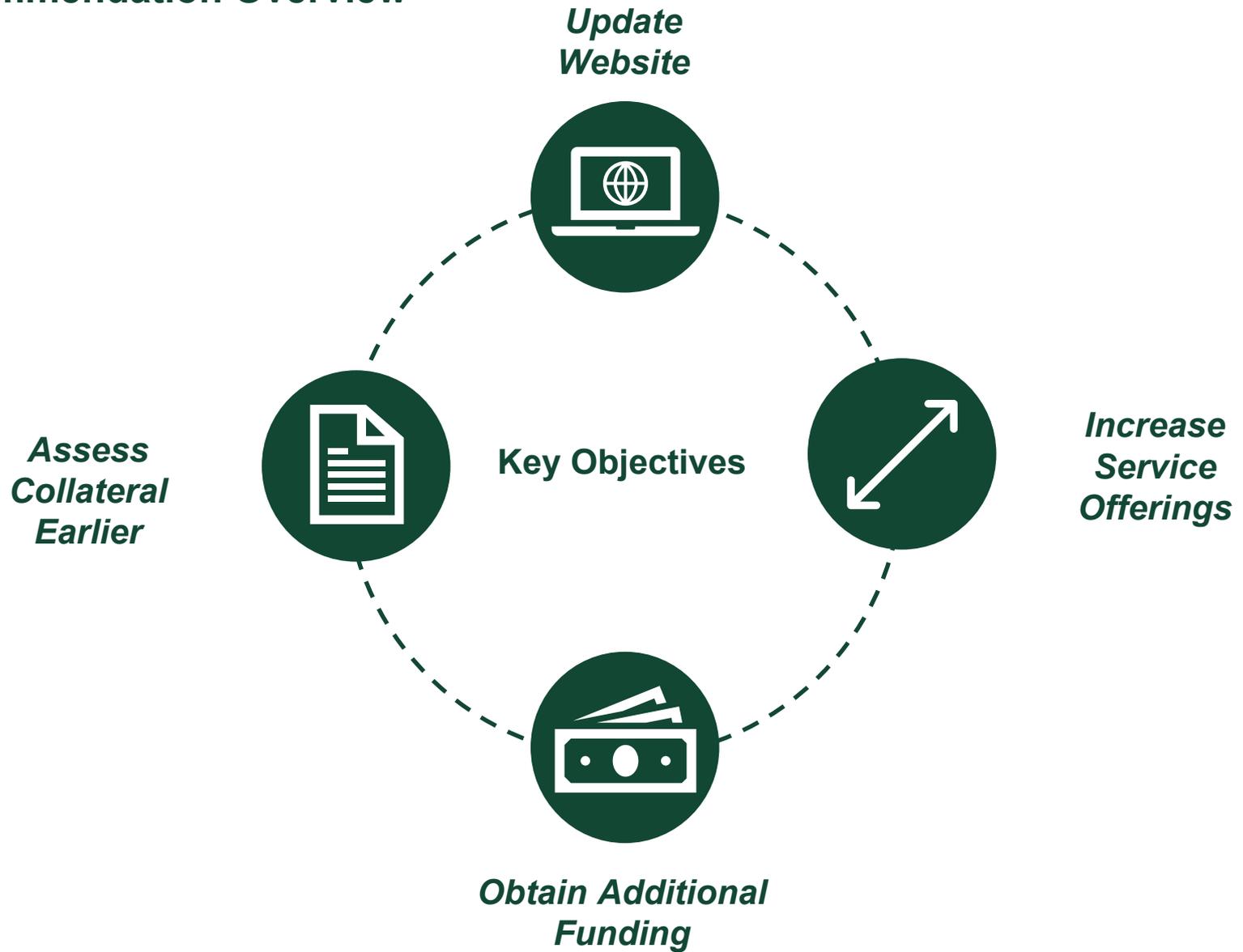
2. Background Research

Risk: Doing background research ahead of time will require **more time** of MCEDD



Mitigation Strategy: Evaluate current staff ability to identify an **underutilized** employee rather than the loan officer to perform this job

Recommendation Overview



Exploration Directory

Survey Questions

Insight Statements

Survey Comparison

Interviews

- ▶ External EDC Interviews
- ▶ Internal Interviews

Questionnaire Responses

Case Studies

Mock-Ups

Appendix

Survey Questions

Survey Overview

Purpose

The survey was used to analyze the long-term impact of the loan program on businesses in the Columbia River Gorge National Scenic Area.

Methodology

The survey was sent out via Qualtrics and the results were analyzed in Excel.

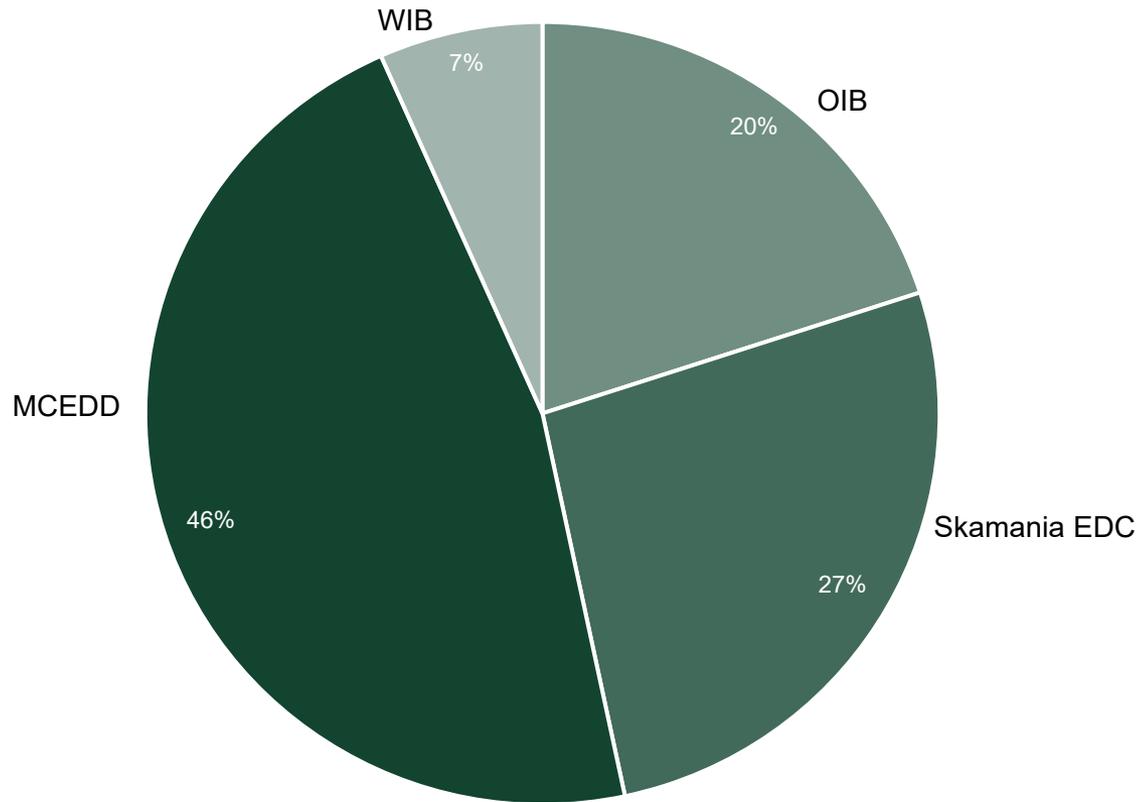
Response Rate

The survey was sent out to a total of 52 businesses with 15 responses, giving a response rate of 29%. However, some questions had less than 15 responses.

Q5 – Who did you receive your loans from?

MCEDD and OIB distribute double the amount of loans as SEDC and WIB which correlates to the size of their organizations.

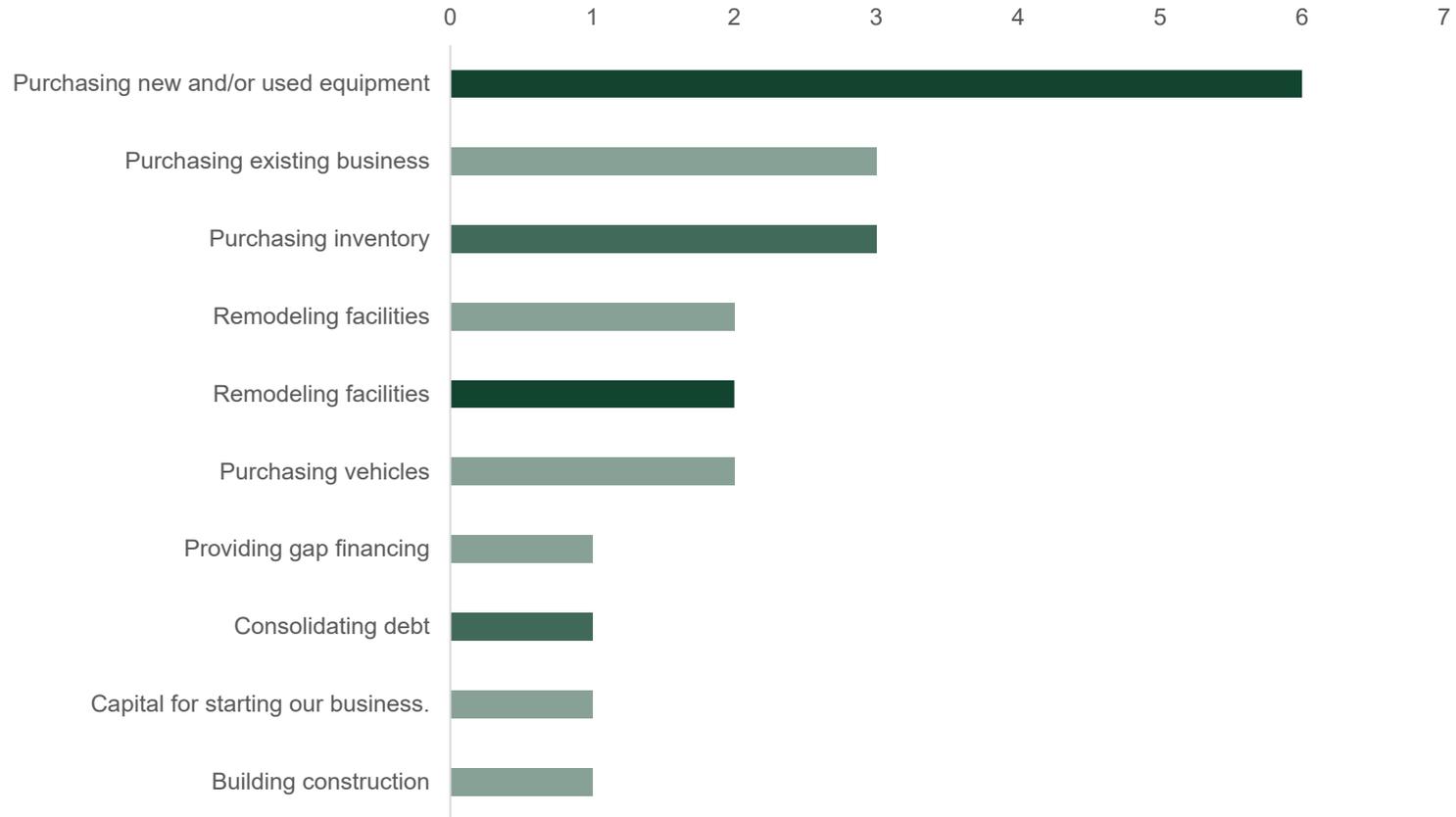
Key Observations



Q6: How was the loan utilized?

The most common use of funding is to purchase equipment or acquire working capital

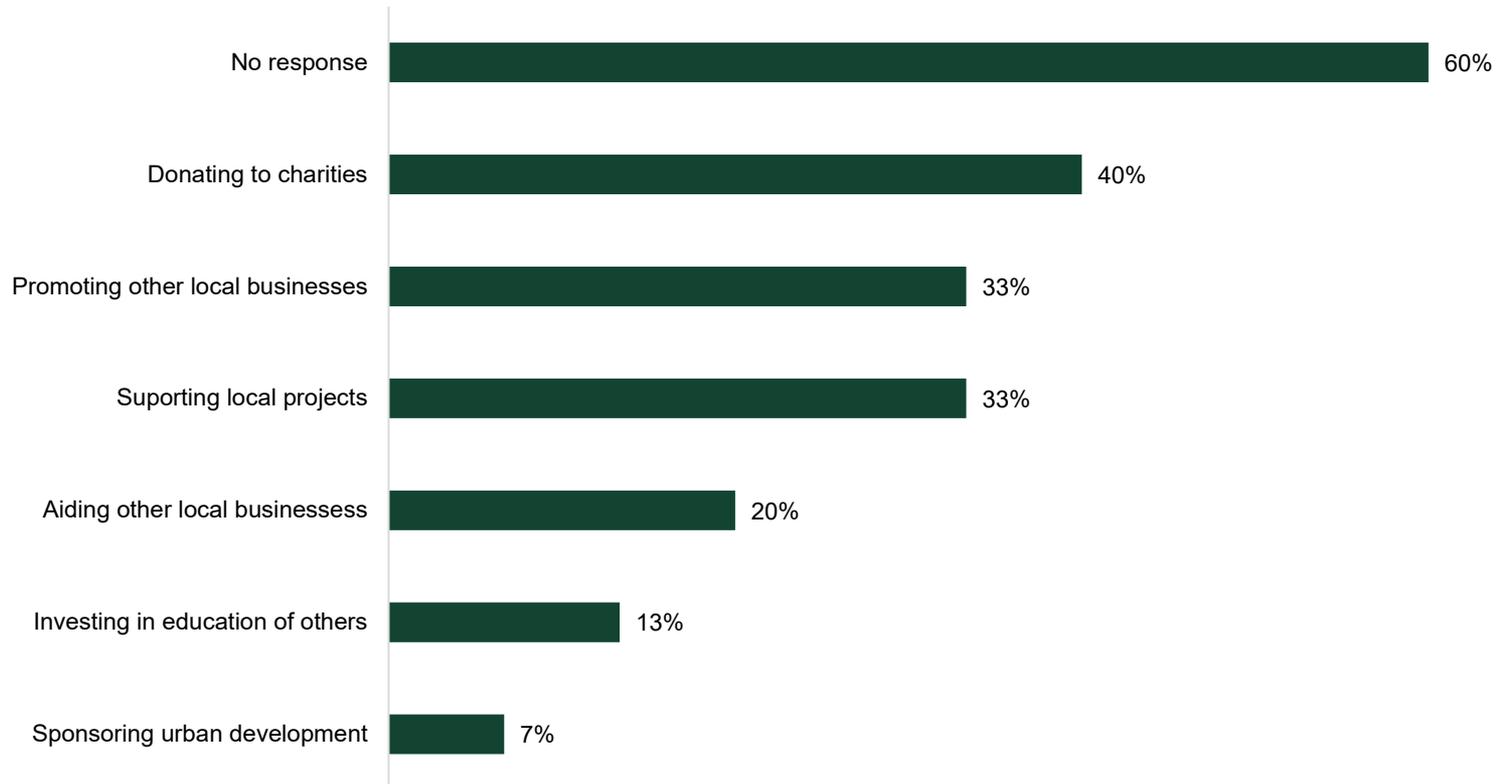
Key Observations



Community Reinvestment

Gap financing is not being predominately used to invest in their community; therefore, we recommend MCEDD/SEDC additional requirements within their loan programs to increase community reinvestment.

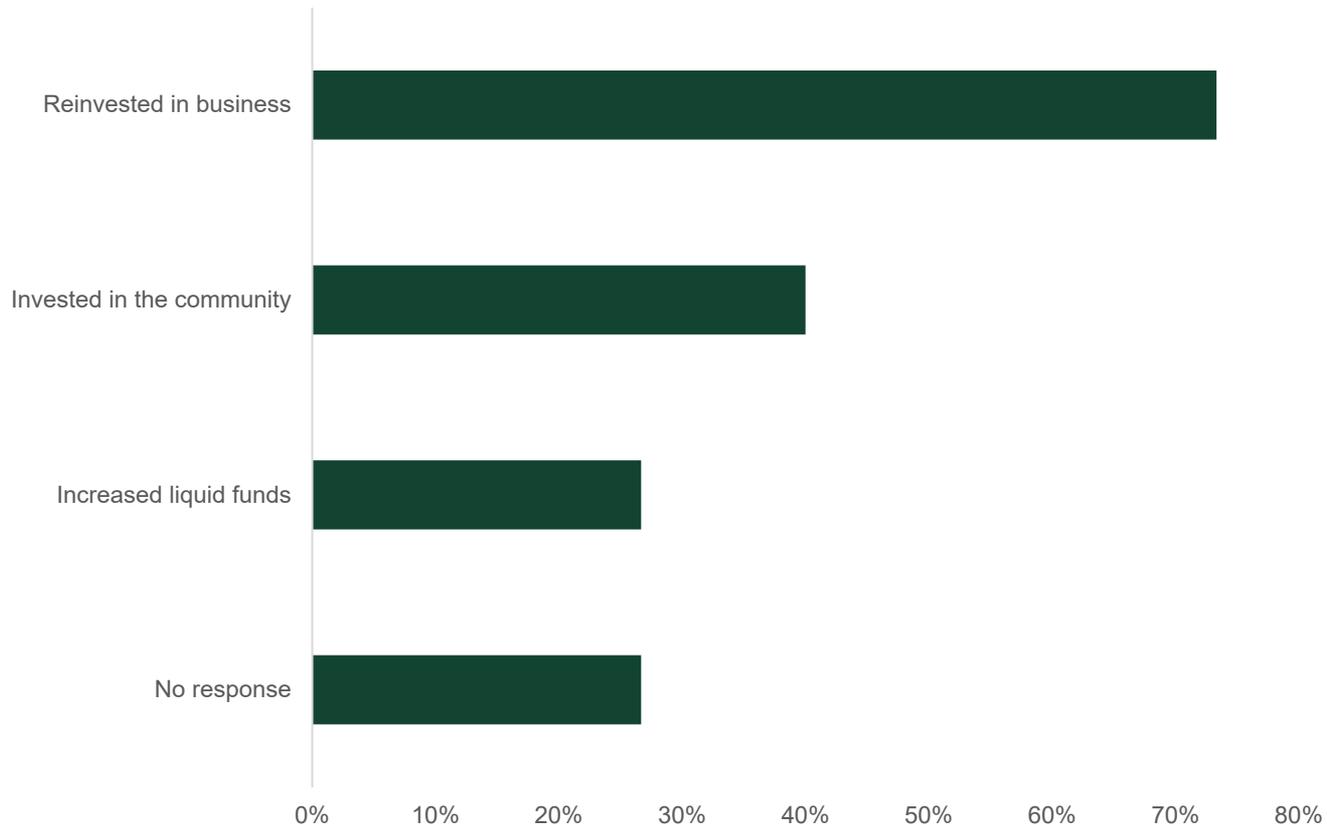
Key Observations



Gap Financing and Business Reinvestment

Since the majority of businesses that receive loans are struggling businesses or startups, they mostly utilize financing to reinvest in themselves.

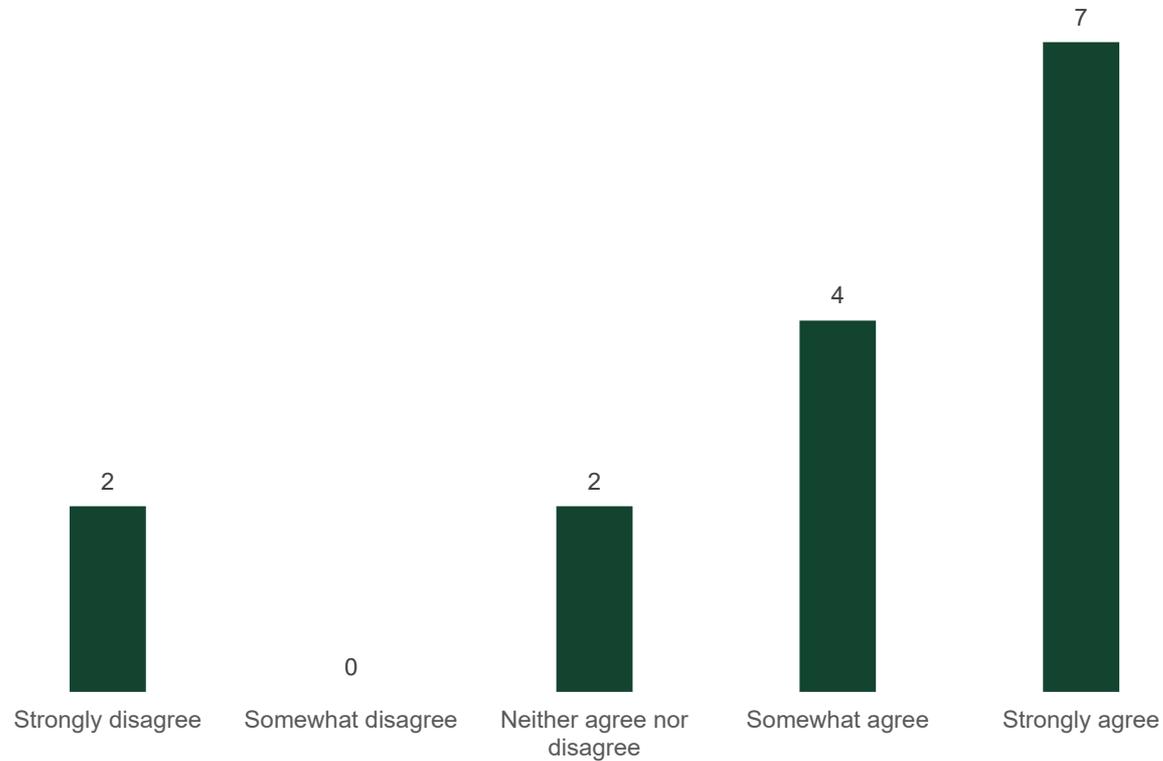
Key Observations



Q8: Loan(s) received from the OIB or WIB helped your business or organization hire more employees:

Most businesses agree that financing helped to hire more employees despite that not being the purpose of the loan.

Key Observations



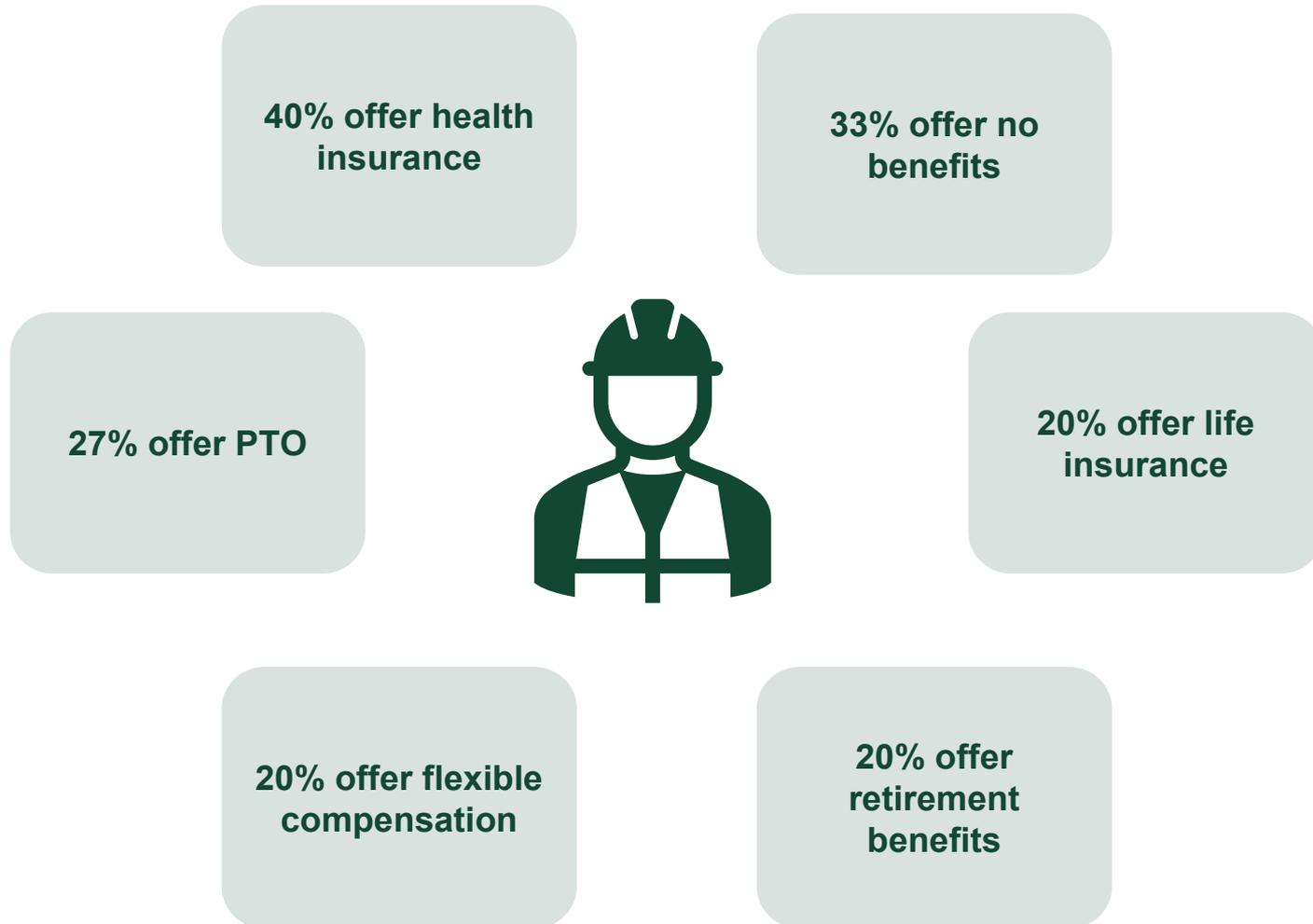
Q9: Wage Growth Question

Due to the erratic and unreliable data collected for question #9, we were unable to extract statistically sound information and draw a meaningful conclusion.



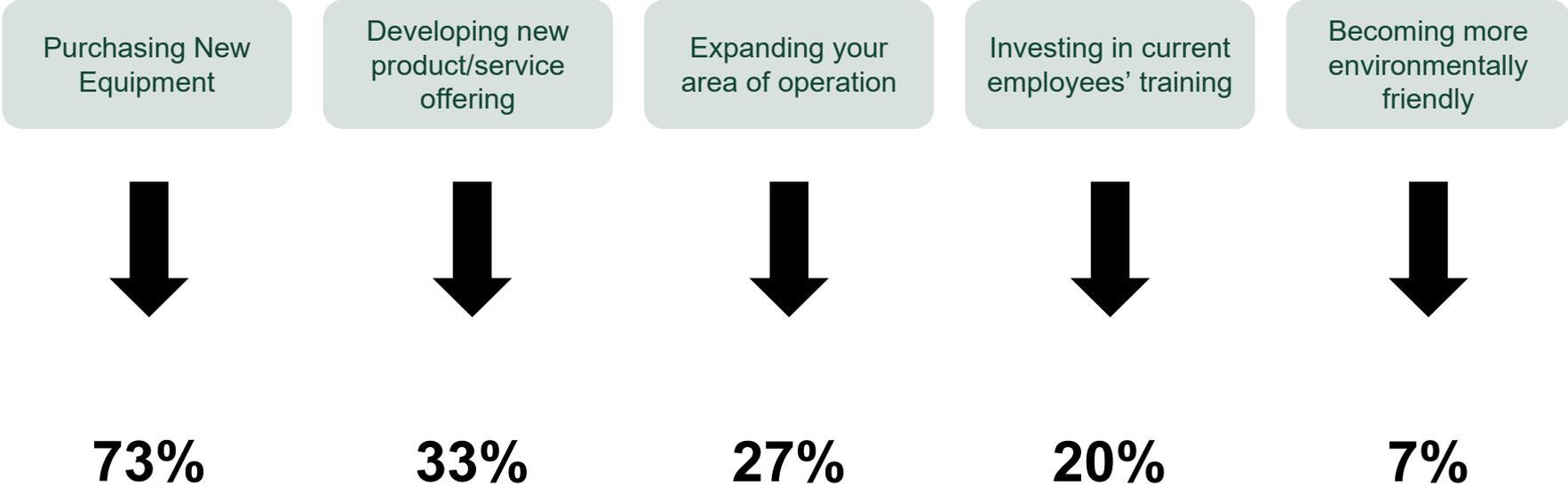
Q10: What types of benefits do you offer your employees?

Majority of businesses provide benefits to their employees. However, it is unclear the significance that gap financing had in this specific area.



Q11: Has the gap financing allowed you to further invest in any of the following resources?

Gap financing is being utilized primarily for capital expenditures, developing stronger businesses that align with MCEDD's and SEDC's strategic impact goals.



Q12: Your business or organization has reinvested in itself by?

Businesses are primarily investing gap financing either in themselves or the community - empowering their local economies.



73%

Reinvesting in
Business



40%

Investing in the
community

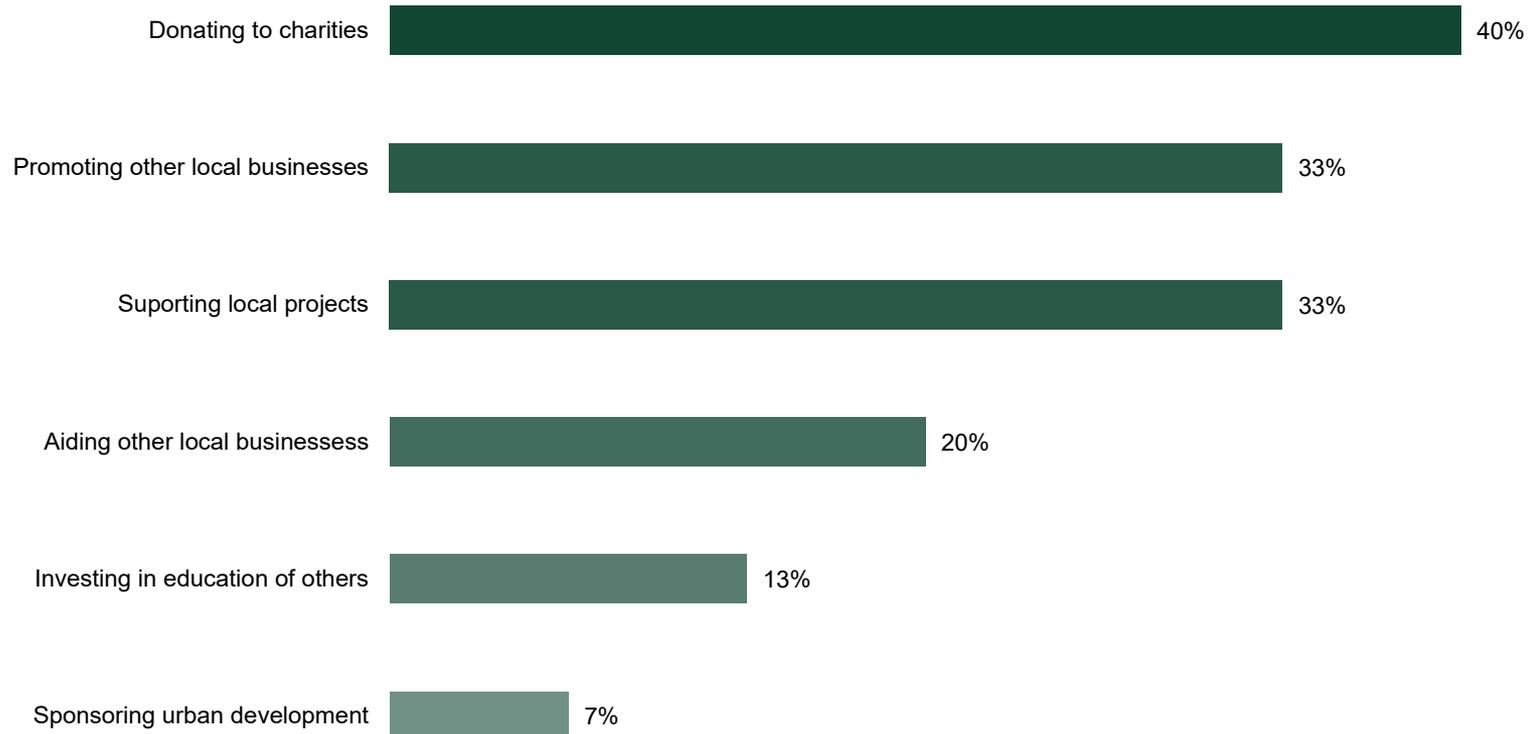


27%

Increased
Liquid Funds

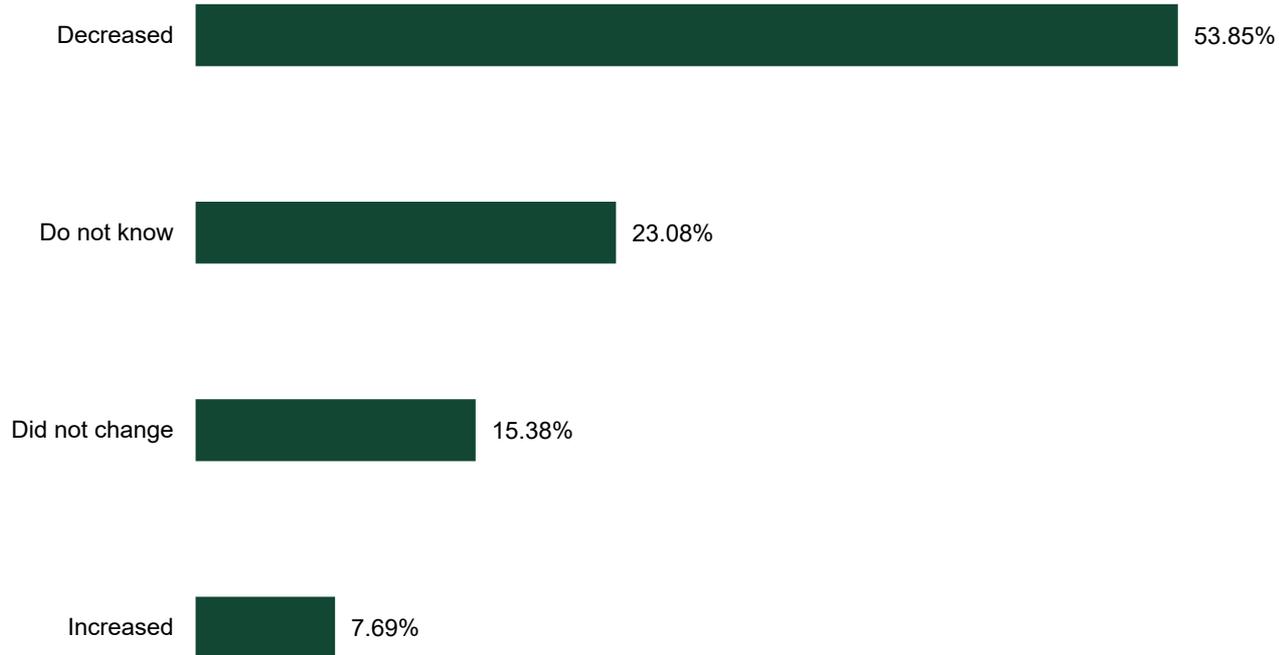
Q13: Your business or organization has invested in the community by?

Businesses are using gap financing to reinvest in their communities through philanthropic donations or activities that bolster other businesses.



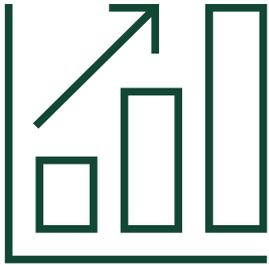
Q15: How has your reliance on loans (or other financing) changed since obtaining the OIB or WIB loan?

Since obtaining the OIB or WIB loan, the majority of recipients have reported a decrease in their reliance on loans or alternative financing methods, reflecting positive impact of the loans.



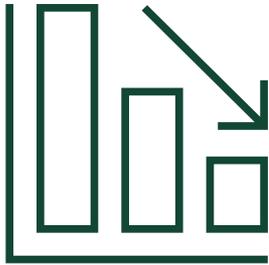
Q16: Rate the significance of financing in general to your business or organization

Establishing a benchmark on the significance of financing in general to their business or organization, a majority of respondents indicated that they find any financing to be very significant.



61.5%

Very significant



7.7%

Not significant

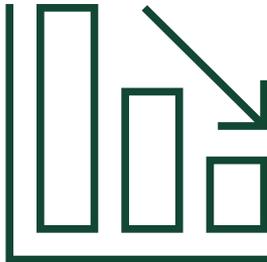
Q17: Rate the significance of the OIB/WIB loan to your business or organization

The significance of the OIB/WIB loan to their business or organization, majority of loan recipients find it very significant. Therefore OIB/WIB loans provide the same level of significance as traditional financing methods.



61.5%

Very significant



7.7%

Not significant

Q18: Does your business or organization have multiple locations?

Many businesses only have one location, meaning that many applicants only operate within the Columbia River Gorge region and are likely to be smaller in size.



61.5%

One location

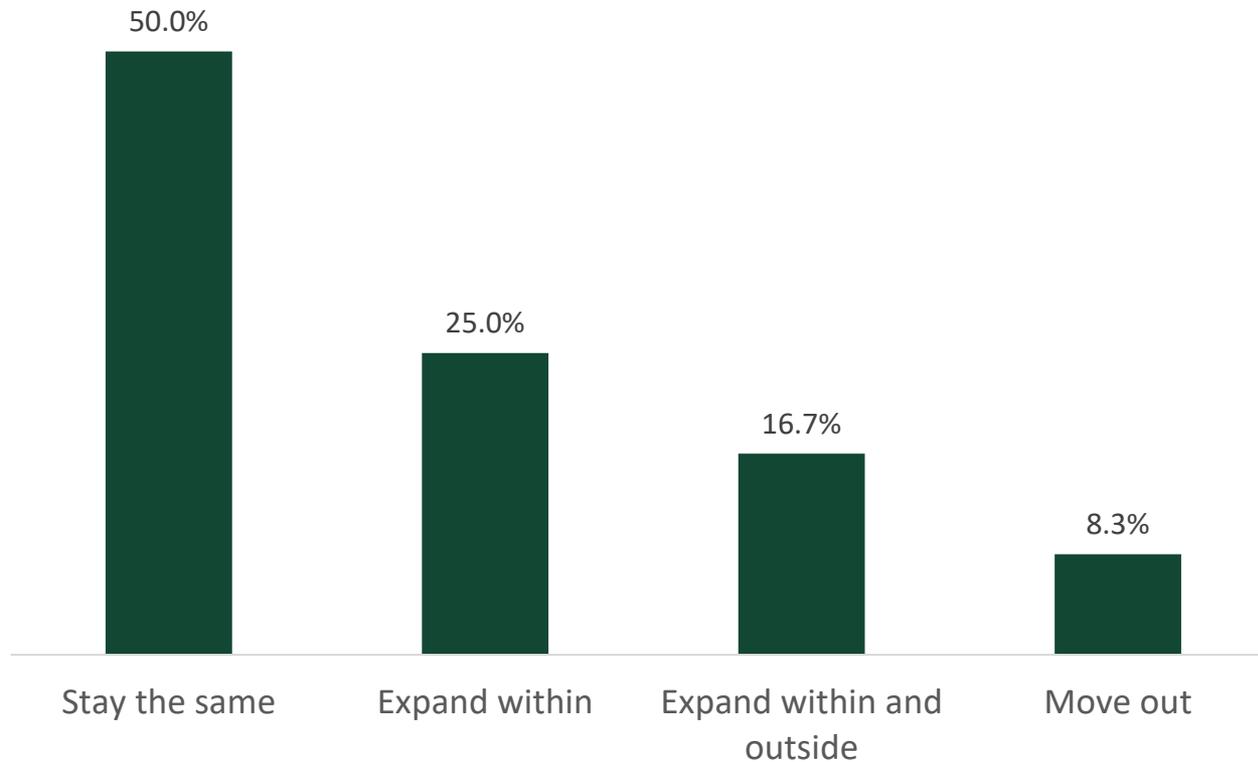


38.5%

Multiple locations

Q19: In the near future, are you planning to geographically expand or move out of the Columbia River Gorge?

Half of all respondents have no plans to make geographical changes, implying that many businesses are comfortable with how they currently are.



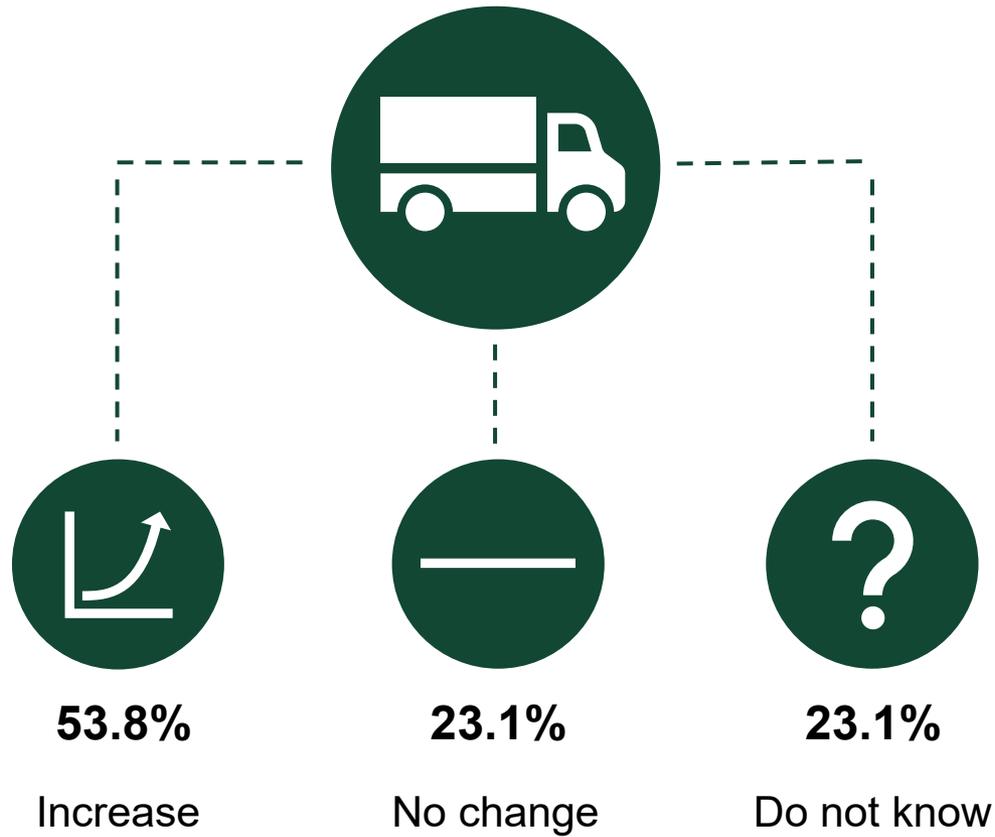
Q20: What percentage of your sales are local within or around the Columbia River Gorge area?

The average percentage of sales that are local from before to after receiving financing increased by 26.5%, highlighting the loan's effectiveness for increasing economic activity in the area.



Q21: How has the number of suppliers you've engaged with changed since obtaining financing?

Even though financing helped over half of the businesses build new supplier relationships, the other half either didn't increase engagement or didn't view the loan as applicable to their ability to build these relationships.



Q22: How important was the OIB or WIB in your overall financing process?

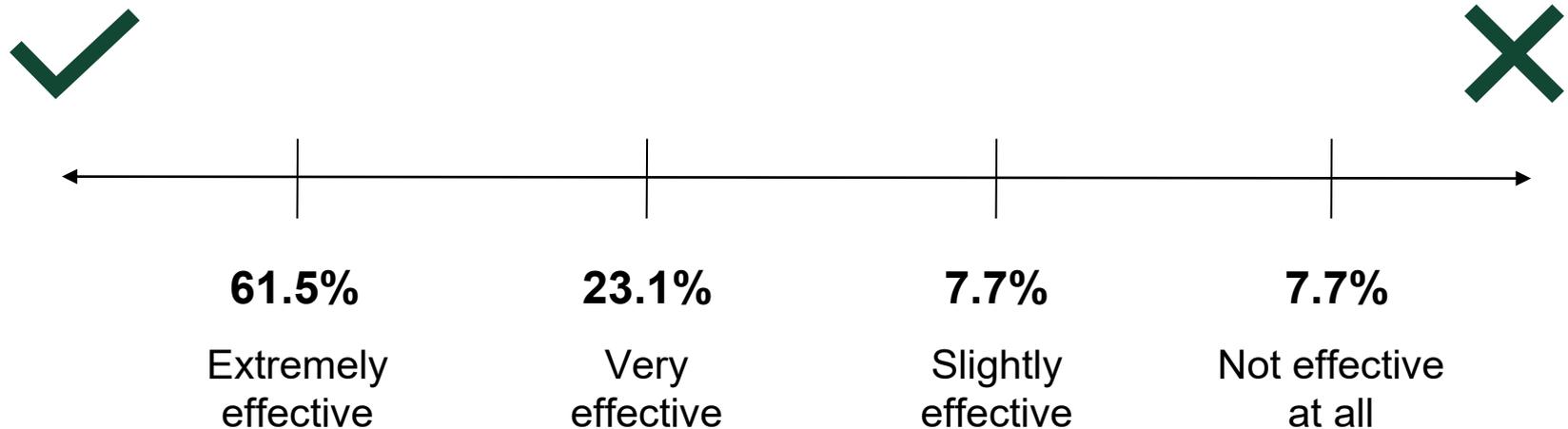
The OIB and WIB play a pivotal role in the financing process of businesses that the overwhelming majority see value in.

92.3%

*of respondents said they were either "**very** important" or "**extremely** important" in their overall financing process*

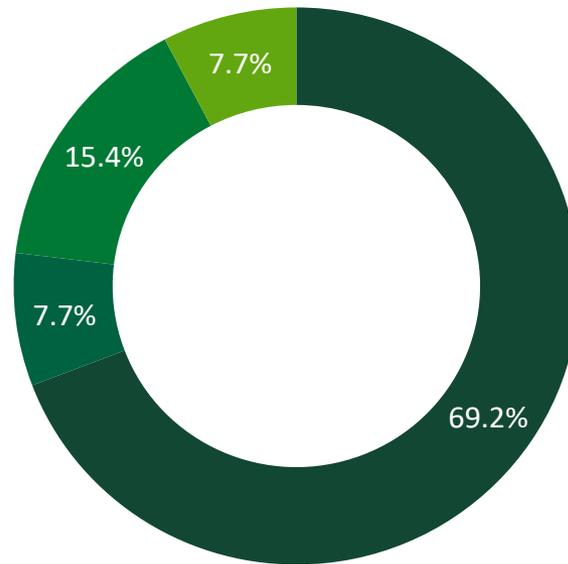
Q23: How effective was the OIB or WIB loan in accomplishing your business or organization's goals?

The majority of businesses cited the OIB or WIB loan as being extremely or very effective for accomplishing their goals, which means many businesses are directly attributing the loan to the success of its use case.



Q24: How satisfied were you working with the OIB or WIB?

Satisfaction levels are mostly positive, but around a third of the businesses didn't feel compelled enough to say they were extremely satisfied, meaning there is still room to improve the experience of the loan program.



■ Extremely satisfied

■ Somewhat satisfied

■ Neither satisfied nor dissatisfied

■ Extremely dissatisfied

Q25: How did you find out about the loan program?

Businesses most frequently discover the loan program through business contacts, which implies that the number of connections an applicant has is playing a larger role than MCEDD's other outreach efforts.



76.9%

Business
contacts



15.4%

Chamber of
Commerce



7.7%

Parent

Insight Statements

Loan Effectiveness (Q23), Expansion (Q19), and Number of Locations (Q18)

Successful businesses with multiple locations want to expand while those without multiple locations wish to stay the same.

Key Observations

- ▶ Among the 7 respondents with one location, 71.4% said the OIB/WIB loan was "very effective" or "extremely effective" while 100% of the 5 respondents with multiple locations said gave those same responses
- ▶ 85.7% of the 7 businesses that only have one location plan on staying the same
- ▶ 100% of the businesses with multiple locations that said the OIB/WIB loan was "extremely effective" plan on expansion within the area while all of those with one location had no plans on expansion
- ▶ The one business with multiple locations that said "very effective" plans on moving out of the area

Year (Q3), County (Q7), Outreach (Q25)

MCEDD's emphasis on business contacts, driven by their historical success in attracting applicants with this method, may be overshadowing other outreach methods. This focus, along with a disproportionate attention on Hood River and Skamania, hinders the growth potential of the remaining three counties.

Key Observations

- ▶ Among 13 respondents, 76.92% said business contacts, which is the method that has the most historical significance
- ▶ 66% of business contacts came from Hood River or Skamania
- ▶ Chamber of Commerce has only recently been utilized between 2017-2022 and only produced any results from Hood River
- ▶ Only one respondent didn't come from a business contact or Chamber of Commerce, who discovered MCEDD through a parent

Financing Significance (Q16), Loan Purpose (Q11), Use (Q6), and Satisfaction (Q24)

Those who try to do a lot of different things with the loan and/or lack purpose are more likely to express less satisfaction, which suggests that a lack of satisfaction could be due to unreasonable expectations rather than a bad experience.

Key Observations

- ▶ The 3 businesses who either gave "extremely dissatisfied" or "neither satisfied nor dissatisfied" also selected 3+ options for loan use or area of investment
- ▶ The applicant who gave "extremely dissatisfied" also gave a 0 for significance of financing in general
- ▶ Among the 4 respondents who said "Not applicable" for loan purpose, only 25% said "extremely satisfied"
- ▶ 62.5% of 8 respondents who gave a 5 for the significance of financing in general said that they were "extremely satisfied" while the other 4 businesses besides the outlier mentioned above said "extremely effective" despite varying levels of significance of financing in general

County (Q7), Local Sales (Q20B) , and Sales Growth (Q14A, Q14B, Q14C)

Businesses are more likely to experience sales growth and not have fluctuations if their sales are primarily local and only operate in one of the five counties, implying that focusing on the Columbia River Gorge and consolidating within the region is more likely to bring consistent sales to the business.

Key Observations

- ▶ Among the 4 respondents with 15% or less of sales being local, 50% showed fluctuating sales between 2018 and 2022 while the other 50% didn't provide sales numbers
- ▶ All businesses with 100% of sales being local and that operate in a single county showed no fluctuations, meaning they either stayed constant or showed growth between 2018 and 2022
- ▶ One business with 87% of sales being local had fluctuating sales but operated in all five counties while another business with 80% of sales being local showed and only operating in one county showed growth between 2018 and 2022
- ▶ Note: I can extract growth rates later from the pivot table if needed

Impact of OIB/WIB Financing (Q17) on Loan Reliance (Q15)

Those who rated the OIB/WIB loan as significant (rating 4-5 on the scale) experienced a decrease in their reliance on loans or other financing since obtaining the loan roughly 38.46% of the total respondents. Suggesting, that the availability of the OIB/WIB loan may have contributed to a more stable financial position for these businesses or organizations, allowing them to reduce their dependency on external funding sources.

Key Observations

- ▶ Majority of respondents 53.8% reported a “decrease” in their reliance on loans or other financing since obtaining the OIB or WIB loan, 23% were unsure and 15.38% stated that their reliance did not change
- ▶ 61.5% of respondents rated the significance of the OIB/WIB loan to their business or organization as very significant, with a rating of 5
- ▶ 23% of respondents rated the financing as significant, with a rating of 4

Expansion Intentions (Q19) based on current location count (Q18)

85.7% of respondents with one location prefer to maintain their current status within the Columbia Gorge, while 80% of those with multiple locations express a desire to expand within or beyond the boundaries of the Columbia Gorge.

Key Observations

- ▶ Majority of respondents 50% seek to in the near future, to stay the same regarding their plans to expand or move out of the Columbia Gorge
- ▶ 25% of respondents plan to in the near future, to stay within the area
- ▶ 61.5% of respondents operate their businesses with a single location, while a significant 38.5% of respondents have multiple locations for their business

Loan Usage (Q6)

Businesses primarily utilize loans to increase their purchasing power.

Key Observations

- ▶ Most loans are used to acquire working capital or purchase new equipment
- ▶ The second most common use was purchasing existing businesses and purchasing inventory
- ▶ Success stories documented by EDA and MCEDD indicate that loans used to purchase equipment are highly beneficial

(Q10) Type of benefits offered to employees vs. (Q4) How many loans id you receive?

Businesses that got 2 or more loans from OIB/WIB are able to offer their employees a wider range of benefits, which shows that receiving money multiple times allows businesses to make a bigger impact on their community.

Key Observations

- ▶ Of the 7 businesses who received only one loan, all 7 said they offered employees only one type of benefit (flexible compensation, health care insurance, paid leave).
- ▶ 6/7 of the businesses who received 2 or more loans said they offered employees a combination of benefits (e.g. life insurance in addition to health insurance).
- ▶ 5/7 of the businesses who received 2 or more loans offer at least 4 different types of benefits to their employees.
- ▶ Compared to businesses who only received 1 loan, those who received 2 loans offered more types of benefits such as pension plans, life insurance, and disability insurance.

(Q17) Rate the significance of the OIB/WIB loan to your business vs. (Q8) Loans received from OIB/WIB helped your business to hire more employees

Organizations who were able to hire more employees rated the loan they received as much more significant indicating the importance of OIB/WIB financing to creating jobs in the Columbia River Gorge

Key Observations

- ▶ Both businesses who "Strongly Disagreed" with the statement from Q8 did not perceive the loan as significant to their organization
- ▶ 5 businesses who "Strongly Agreed" with the statement from Q8 perceived the loans to be moderately or very significant
- ▶ Businesses that both "Strongly Agreed" with the statement and rated the loan as significant overall increased wages for their employees or increased the number of employees paid within a salary range

(Q19) Plans to geographically expand vs. (Q21) Local Supplier Engagement

Those businesses who increased the number of local suppliers they engaged with were more embedded in the Columbia River Gorge Area, keeping economic growth within the region

Key Observations

- ▶ Of the 6 businesses that increased engagements with local suppliers, 4 wanted to stay in the area and 2 businesses wanted to expand within the area
- ▶ 2/3 of the businesses that did not change their relationship with local suppliers indicated they wanted to move out and expand outside of the area respectively
- ▶ The businesses that indicated it was not applicable if their relationship had changed also either wanted to stay or expand within the area

(Q8) Ability to hire more employees vs. (Q17) Significance of OIB/WIB loan

Startup business rely on loaning for building out their business as they are not at a stage in which they can look to expand the size of their business

Key Observations

- ▶ Most businesses either strongly or somewhat agree that the loan from OIB/WIB helped them to hire more employees
- ▶ Of the 2 businesses that disagreed with this statement, neither of them had wage information on employees
- ▶ Of the 2 businesses that disagreed with this statement, they used the loan to "purchase inventory" or acquire "capital for starting our business"

Robust Workforce

There are mixed signals regarding the impact of financing on creating a more robust workforce. Some businesses experienced growth while other experienced lower employment numbers. Businesses did, however, experience an increase in nominal wages over the 4-year timeframe.

Key Observations (sample size adjusted to 12 because some did not have any information)

- ▶ 50% of companies experienced an overall increase in employees throughout the 4-year timeframe of the survey
- ▶ 50% of companies experienced no change or decrease to their employee workforce throughout the 4-year timeframe of the survey
- ▶ Multiple-time loan recipients tend to have higher wage rates than those who receive loans only one time
- ▶ Companies generally experienced a growth in wage rates for employees over the 4-year timeframe

Employee Benefits

Most loan recipients provide benefits to their employees. We recommend that MCEDD increase incentives or requirement for employers to use financing to provide more benefits to employees to increase a robust workforce.

Key Observations

- ▶ 50% of loan recipients from MCEDD and OIB provide healthcare benefits, while only 20% from WIB/SEDC provide healthcare benefits
- ▶ 33% of employers do not provide any sort of employment benefits to their workforce.
- ▶ Only 27% of employers offer Paid Time-Off benefits to their employees.

Gap Financing and Business Resources

Businesses are primarily using gap financing to invest in equipment and other capital expenditures, while the minority are using funds to expand their business into new ventures. This indicates that businesses who receive financing are not looking to expand or grow their companies.

Key Observations

- ▶ 73% of companies are using gap financing to increase capital expenditures (i.e., purchasing equipment)
- ▶ Only 33% of businesses are using the financing to develop new products or offer new services
- ▶ 27% of loan recipients are using their funding to expand current area of operations
- ▶ Only 20% of companies utilized financing to increase training among current employees, which does not coincide with the strategy of developing a robust workforce

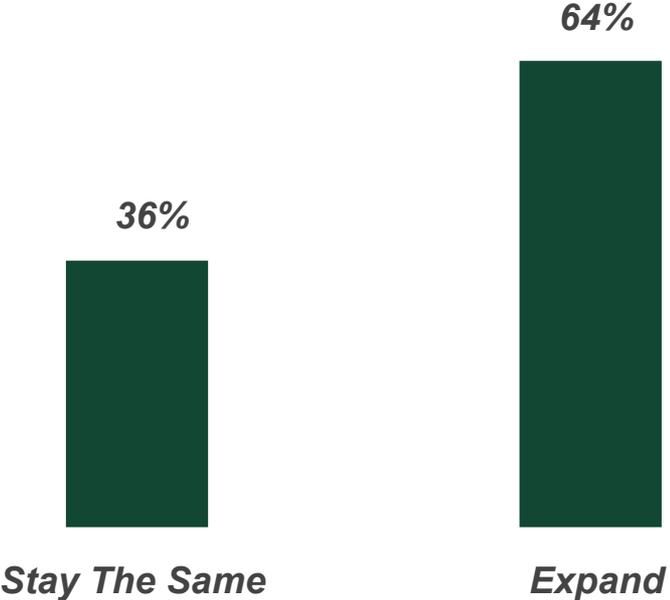
2018 Survey Comparison

Area Growth

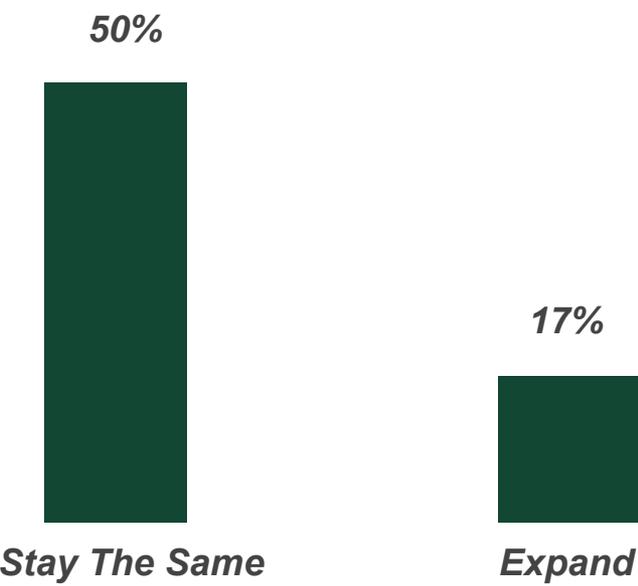
Intentions for Geographic Growth

In the Future are you planning to expand or move your business outside the gorge?

2018 Survey out of the **22** respondents



2023 Survey out of the **12** respondents



Employee Hiring

Impacting of financing on the ability to hire

Loan(s) received from the OIB or WIB helped your business or organization hire more employees:

2018 Survey out of the **41** respondents

66%



Yes

2023 Survey out of the **15** respondents

47%



Strongly agree

10%



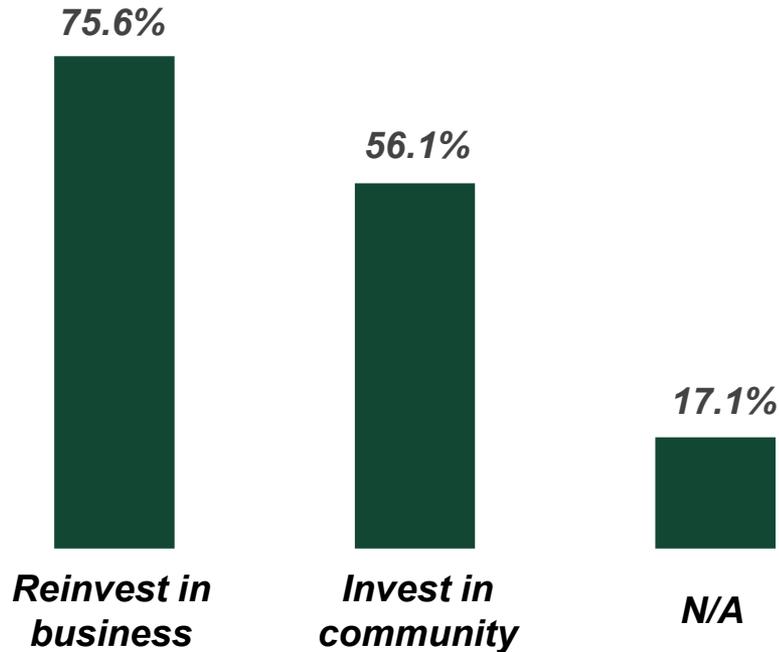
Somewhat agree

Investment

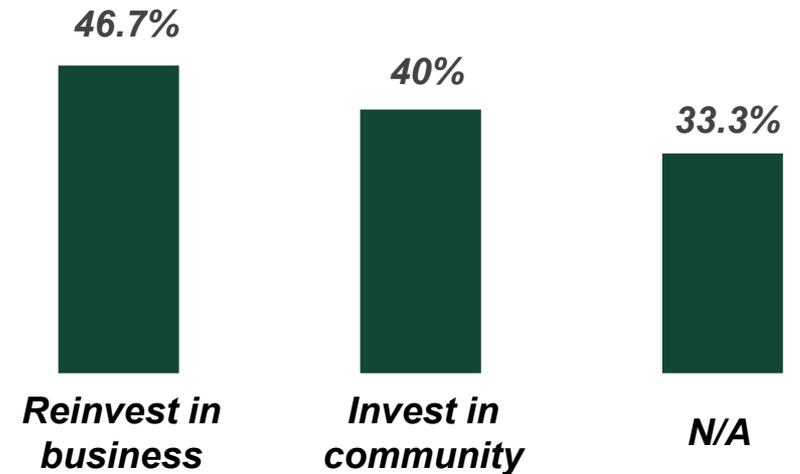
Purpose behind loan use

Has gap financing allowed you to further invest in any of the following resources?

2018 Survey out of the **41** respondents



2023 Survey out of the **15** respondents



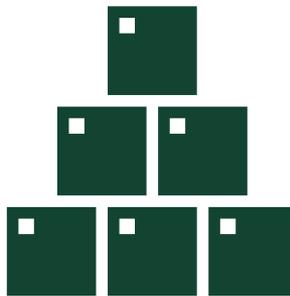
Loan Use

To purchase expensive equipment, businesses heavily rely on loans.

Select the categories that describe the loan you received from the OIB or WIB:

2018 Survey out of the **41** respondents

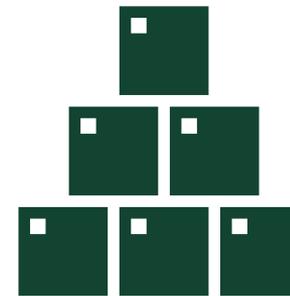
49%



Purchased Equipment

2023 Survey out of the **15** respondents

53%



Purchased Equipment

Significance of OIB/WIB loan

Scaling the impact of financing on individuals

Rate the significance of the OIB/WIB loan to your businesses or organization?

2018 Survey out of the **41** respondents

46%



10 = "Very Significant"

2023 Survey out of the **13** respondents

62%



5 = "Very Significant"

EDC Interviews

Chuck Herring

South Delta Planning and Development District

Small Business Developer

Greenville, Mississippi

Key Insights – Funding Generations and Contributions

- ▶ EDA, State of Mississippi, and local banks provide funding
- ▶ The sources above are listed by degree of contribution
- ▶ Banks contribute due to collateral reasons
- ▶ Prefers to have it fully paid by one source or another rather than combining

Chuck Herring

South Delta Planning and Development District

Small Business Developer

Greenville, Mississippi

Key Insights – Approval Process

- ▶ Applicant contact -> business plan -> submit plan with application -> board review
- ▶ Will help with business plan if need be
- ▶ Board meets once a month

Chuck Herring

South Delta Planning and Development District

Small Business Developer

Greenville, Mississippi

Key Insights – Board

- ▶ General board encompassing all aspects of the district and executive board for reviewing business loan applications
- ▶ General board has 25-30 members and executive has 9-10 members
- ▶ Consists of public and private interests
- ▶ Each county has representation
- ▶ Annual meeting where members are voted on

Chuck Herring

South Delta Planning and Development District

Small Business Developer

Greenville, Mississippi

Key Insights – Partnerships

- ▶ Doesn't cite partners outside of funding sources mentioned earlier that directly contribute to the loan program
- ▶ Refers to other lenders when eligible for them
- ▶ Referrals from banks to them due to bank's stricter requirements

Chuck Herring

South Delta Planning and Development District

Small Business Developer

Greenville, Mississippi

Key Insights – Program Eligibility and Loan Details

- ▶ Looks at credit score, down payment of total project cost, and collateral
- ▶ Applicants can be weak in one area if strong in others
- ▶ 5% down payment for women minority program and 10% otherwise
- ▶ 675 credit score for RLF program, 650 for women minority program, and 625 for existing small capital businesses
- ▶ Won't loan above 75% of appraised value for land and building request and 50% for machinery (?)
- ▶ 75% of WSJ Prime Rate

Quotes

- ▶ "We don't have a numerical system in place like some programs"
- ▶ "We're not a source of refinancing and are not looking to compete with banks"

Marc Bellantoni

San Luis Valley Development Resources Group

Director of Business Loan Fund

Alamosa, Colorado

Key Insights – Funding Generations and Contributions

- ▶ Community Development Block Grant (CBDG) responsible for 50% and EDA for 25-30%
- ▶ Both are easy to obtain and abundant but need to wait 7 years for EDA funds to revolve
- ▶ USDA funds solely used for hemp industry currently with 2 loans for around \$600k
- ▶ RLF funds need to be used for their purpose but no need to report
- ▶ Have a large manual of policies/regulation from all funding sources designed to help use multiple funding sources for the same project

Quotes

- ▶ "The ability to take a dollar in and bring it directly to the community is really valuable"
- ▶ "The borrower just needs to worry about conducting business and repaying the note"

Marc Bellantoni

San Luis Valley Development Resources Group

Director of Business Loan Fund

Alamosa, Colorado

Key Insights – Approval Process

- ▶ Inquiry -> preliminary screening -> documentation collection for the full application -> underwriting -> loan committee review
- ▶ Marc does all of the steps prior to committee review on his own
- ▶ Looks at age, amount of collateral, extra cash flow to support new debt, etc.
- ▶ Marc usually adds conditions, strengths, and weaknesses to applications sent for review

Marc Bellantoni

San Luis Valley Development Resources Group

Director of Business Loan Fund

Alamosa, Colorado

Key Insights – Board

- ▶ Can't elect government officials for the loan committee
- ▶ 7 members at all times appointed by county commissioners
- ▶ 50% of members from local banks

Marc Bellantoni

San Luis Valley Development Resources Group

Director of Business Loan Fund

Alamosa, Colorado

Key Insights – Partnerships

- ▶ Federal and state interactions mostly transactional but very important
- ▶ Heavy integration with local partners since they're the beneficiaries
- ▶ Certain dynamics of community partners can create personality clashes
- ▶ Economic development summit to discuss needs and compile ideas into one document

Marc Bellantoni

San Luis Valley Development Resources Group

Director of Business Loan Fund

Alamosa, Colorado

Key Insights – Program Eligibility and Loan Details

- ▶ Follows current WSJ Prime Rate of 8.25% with maximum rate of 2% above
- ▶ Won't fund projects that deal with construction or housing
- ▶ Eligibility issues include not filing taxes, lack of accounting systems, no business plan, or bad credit
- ▶ Applicant should fund 10-20% but does not have to be cash

Mary Kearney

Rural Nevada Development Corporation

Chief Executive Officer

Ely, Nevada

Key Insights—Funding Generation and Contribution

- ▶ Public Entities
 - ▶ Large amounts of funding derived from CARES act in COVID's wake
 - ▶ Economic Development Administration
 - ▶ United States Department of Agriculture

- ▶ Private Entities
 - ▶ Institutional investors
 - ▶ State and Regional banks

Mary Kearney

Rural Nevada Development Corporation

Chief Executive Officer

Ely, Nevada

Key Insights—Approval Process

- ▶ Underwriting
 - ▶ Strict underwriting process to vet various elements of risk assessment
- ▶ Business Consulting
 - ▶ Assistance from RNDC to solidify applicant's business plans and ensure sustainability
- ▶ Fund Pools
 - ▶ Three separate pools divided from different funding sources and earmarked for specific uses
- ▶ Loan Committees
 - ▶ Decentralized loan committees for each fund pool for application approval

Quotes

- ▶ "We have a stringent underwriting process, and only send vetted applications to [the board]. We have a 99% approval rate when it gets to our committee."

Mary Kearney

Rural Nevada Development Corporation

Chief Executive Officer

Ely, Nevada

Key Insights—Board

- ▶ Organizational Board
 - ▶ Board is composed of 9 all volunteer members that represent 15 different counties in rural Nevada along with various Tribal areas
 - ▶ 11 staff that were employed for the calendar year.]
- ▶ Organizational tone
 - ▶ Emphasis within all echelons to “buy into the mission”, allows for increased volume output with same number of staff

Quotes

- ▶ “We owe all our success to our amazing staff. We have had the same number of 11 staff for years, even pre-pandemic. Our key point was making them truly buy into our cause. Now, we handle much larger volume than before with the same amount of people. I

Mary Kearney

Rural Nevada Development Corporation

Chief Executive Officer

Ely, Nevada

Key Insights—Partnerships

- ▶ Donor Restrictions
 - ▶ Federal and Private partners; Federal has more stringent regulations on what funds can be appropriated for
- ▶ Industry partners
 - ▶ RNDC partners with large, regional mining companies and was able to source an apportioned fund amount dedicated that serves a narrower constituency
- ▶ Public Outreach
 - ▶ RNDC attributes a large portion of their success to a strong marketing strategy, involving many visits to rural areas of Nevada
 - ▶ Ensuring business owners know that RNDC is there to assist

Quotes

- ▶ “It’s a constant marketing game. We have communities that have no local media coverage, so word-of-mouth marketing is essential to ensure people know who to turn to.”

Mary Kearney

Rural Nevada Development Corporation

Chief Executive Officer

Ely, Nevada

Key Insights—Program Eligibility & Loan Details

- ▶ Environmental
 - ▶ Federal and Private partners; Federal has more stringent regulations on what funds can be appropriated for
- ▶ Loan Specifics
 - ▶ Range from \$500 and \$250,000
 - ▶ Owner's Equity Injections and Collateral required
- ▶ Loan Fees
 - ▶ Loan packaging fees of 2pct
 - ▶ Attorney and Collection fees

Quotes

- ▶ “We work with companies, but we ask that the owner(s) provide collateral, sometimes they refuse. The way we see it, if you don't believe in your business, why should we?”

John Lane - Business Development & Finance Director

Clearwater Economic Development Association

Business Development & Finance Director

Orofino, ID

Key Insights – Board

- ▶ 65 members representing county/city government, taxing districts, non-profits, and education
- ▶ Board of directors with six councils/committee
- ▶ One of the six is Business development & financial council which then leads into the loan review committee
- ▶ There is a fee to be on the board that is then used to leverage grants

Quotes

- ▶ Partners pay membership fee, 15% of that goes toward loan funds, the majority is leveraged for grants

John Lane - Business Development & Finance Director

Clearwater Economic Development Association

Business Development & Finance Director

Orofino, ID

Key Insights – Funding Generations and Contributions

- ▶ Federal Banks are huge sources of funding and allow for funding of big projects
 - ▶ CEDA does regional and community development which was credited to these bank partnerships
 - ▶ Regional Development: plan implementing strategic planning and business cluster & supply chain analysis
 - ▶ Community Development: project specific additional funding derived for these projects by contracts for services with governmental units, public grants, and industry contributors
 - ▶ Federal Partners and programs
 - ▶ EDA Revolving loan fund
 - ▶ USDA Rural development Intermediary relending program
 - ▶ USDA Rural development rural business enterprise grant program
 - ▶ USDA Rural micro-entrepreneur assistance program

Quotes

- ▶ "Creating these Bank partnerships has allowed for many additional services ... loans have been received from commercial banks CEDA has built relationships with"

John Lane - Business Development & Finance Director

Clearwater Economic Development Association

Business Development & Finance Director

Orofino, ID

Key Insights – Approval Process

- ▶ CEDA's Loan review committee meets once each month to consider applications
- ▶ Applications must be completed with ample time for CEDA to review on this monthly screening

John Lane - Business Development & Finance Director

Clearwater Economic Development Association

Business Development & Finance Director

Orofino, ID

Key Insights – Program Eligibility and Application Process

- ▶ General Business Loan application for the five possible loans
- ▶ Financial information
 - ▶ Personal financial statements of applicant owners holding 20% or more of equity
 - ▶ Tax return three prior most recent year
- ▶ Eligibility
 - ▶ Borrower is not delinquent upon federal debt
 - ▶ Borrower employ at least 30% of its workforce from members of families with income below federal poverty line
 - ▶ Borrower must have a DUNS

Quotes

- ▶ "We don't advertise our different loan pools"
 - ▶ Specific requirements for specific money (federal/local/de-federalized federal), CEDA evaluates each business loan application and matches it to the eligible loan program

John Lane - Business Development & Finance Director

Clearwater Economic Development Association

Business Development & Finance Director

Orofino, ID

Key Insights – Partnerships

- ▶ CEDA operates closely with commercial banks providing capital funding
- ▶ Operates similar to MCEDD with a close by smaller loan program like Skamania
 - ▶ CEDA will be recommended clients from Missoula Economic Partnership

Quotes

- ▶ " Applicants from Missoula who do not fit their loan requirements are sent to us to then be screened for one of our business loans"

Funding Generation and Contributions

Rural Nevada Development Corporation

Observations

*Increased funding from
EDA and private lenders
since the pandemic*

*Finds USDA to be strict
for certain types
of business in Nevada*

Clearwater Economic Development Association

Observations

*Regional and community
development from bank
partnerships*

*Receives funding from
EDA and multiple USDA
programs*

Approval Process

Rural Nevada Development Corporation

Observations

*Stringent underwriting
process*

*Collaborative, Creative
Relationships*

3 separate committees

<1% default rate

Clearwater Economic Development Association

Observations

*Business Development &
Finance Council oversee*

*Loan Review Committee
convenes once/ month*

Board

Rural Nevada Development Corporation

Observations

Volunteer positions

5+ years of experience

*Multiple committees to
reduce confusion*

Majority rule

Clearwater Economic Development Association

Observations

*Members pay a fee for
loan pool and grants*

*Board of directors with 6
councils/committees*

*65 members
representing various
entities*

Partnerships

Rural Nevada Development Corporation

Observations

*Leverage regional
industry partners for
funds*

*Operates closely with
commercial banks for
capital funding*

Clearwater Economic Development Association

Observations

*Feeder partnership with
Missoula Economic
Partnership*

*Operates closely with
commercial banks for
capital funding*

Program Eligibility and Application Process

Rural Nevada Development Corporation

Observations

*Constant word of mouth
marketing*

*Reason: rural areas are
less connected and it is
difficult to spread the
word*

*Require shareholder
collateral*

Clearwater Economic Development Association

Observations

*General app. for
multiple loan pools*

*30% workforce from
families
below poverty line*

*Borrower must have a
DUNS*

Sarah James- Development Specialist

Ark-Tex Council of Governments/ Ark-Tex Regional Development Company

Texarkana, Tx

Key Insights – Funding Generations and Contributions

- ▶ US Small business administration 504 loan
- ▶ Federal Banks are sources of funding match 50%
 - ▶ Federal Partners and programs
 - ▶ Chapman Revolving Loan fund 1.4 million from housing /urban development grant
 - ▶ East Texas Rural access program
 - ▶ USDA Rural development business enterprise grant program 200 thousand
 - ▶ Covid-19 Revolving loan fund 500 thousand in funds

Quotes

- ▶ "Setting up the 504 revolving loan program has been crucial. Becoming a Certified development and creating a relationship with local bank as private sector lender cover 50% of project"

Sarah James- Development Specialist

Ark-Tex Council of Governments/ Ark-Tex Regional Development Company
Texarkana, Tx

Key Insights – Board

- ▶ In the Council of Government 16 members executive elected officials committee county/city government, former bankers, and chambers of commerce
- ▶ Additional smaller board for Economic development
- ▶ President & VP both served on the loan committee
- ▶ Loan committee with five members Bankers and other industry

Quotes

- ▶ "Our President and Vice President served twenty plus years in the EDD in the revolving loan side and loan committee... president was who established 504 programs"

Sarah James- Development Specialist

Ark-Tex Council of Governments/ Ark-Tex Regional Development Company
Texarkana, Tx

Key Insights – Approval Process

- ▶ Northeast Texas Loan review committee meets once a week to consider applications
- ▶ Sent to loan packagers for financial review
- ▶ If accepted sent to legal for contractual drafting
- ▶ Funds are then distributed via bank wire transfer of the funds

Sarah James- Development Specialist

Ark-Tex Council of Governments/ Ark-Tex Regional Development Company
Texarkana, Tx

Key Insights – Program Eligibility and Application Process

- ▶ General Business Loan application for the four possible loans
- ▶ Eligibility
 - ▶ Borrower must have been turned down before for funding
 - ▶ Borrower ejection of at least 10% increase by specific loan
 - ▶ Borrower must go through a background check and have one lane of tax
 - ▶ Collateral- assignment of sales tax revenue, real estate, equipment accounts receivables

Quotes

- ▶ "We match our applicants to what suites them to help with any confusion when applying"

Sarah James- Development Specialist

Ark-Tex Council of Governments/ Ark-Tex Regional Development Company
Texarkana, Tx

Key Insights – Partnerships

- ▶ Ark-Tex operates closely with an organization called the right corner of Texas
- ▶ Committee of 23 counties in the North-East corner of Texas
- ▶ Invite only meetings to improve each other Economic development initiatives and loan programs
- ▶ Attempting to gain a competitive advantage in their respected region

Ami Beaver

Mid-Columbia Economic Development District

Loan Fund Manager

The Dalles, Oregon

Key Insights – Funding Generations and Contributions

- ▶ Majority of funds from federal sources like the EDA and USDA
- ▶ Board reviews RLF plan annually
- ▶ RLF plan changes have included WSJ Prime vs treasury, COVID, wildlife relief, development of the microlending program, etc.

Ami Beaver

Mid-Columbia Economic Development District

Loan Fund Manager

The Dalles, Oregon

Key Insights – Board

- ▶ OIB members apply and are then approved by the governor's office
- ▶ MCEDD board members have representation from each county
- ▶ MCEDD members do not require approval from the governor
- ▶ Looking at global applicants for staffing
 - ▶ Sourcing staff has been a challenge
- ▶ Board members have overlapped in the past

Ami Beaver

Mid-Columbia Economic Development District

Loan Fund Manager

The Dalles, Oregon

Key Insights – Program Eligibility and Loan Details

- ▶ Determines risk through credit score, financial history, and use of program "tables"
- ▶ Loan size dependent on purpose
- ▶ Looks at personal and business financial statements
- ▶ Partners with SBDC for client support with projections, business plans, and documentation
- ▶ No minimum credit score requirement

Quotes

- ▶ "One source may allow us to do debt consolidation but other RLFs may not"

Questionnaire Responses

Amy Rosquist

Six County Association of Governments
RLF Program Manager/Executive Assistant
Richfield, Utah

Background

- ▶ \$200k in new loans per year, serving 6 counties

Key Observations – Staffing & Third-Party Resources

- ▶ Outsources underwriting and closing due to low volume of loans

- ▶ RLF Program manager helps wherever necessary

Amy Rosquist

Six County Association of Governments
RLF Program Manager/Executive Assistant
Richfield, Utah

Background

- ▶ \$200k in new loans per year, serving 6 counties

Key Observations – Funding

- ▶ Found which grants worked well and applied for additional funding from the same sources
- ▶ RLF Program manager applies for grants
- ▶ No additional loans from private funders

Amy Rosquist

Six County Association of Governments
RLF Program Manager/Executive Assistant
Richfield, Utah

Background

- ▶ \$200k in new loans per year, serving 6 counties

Key Observations – Application

- ▶ "We give the applicant an application along with a detailed list of required documents"
- ▶ Ask about collateral early in the process
- ▶ Don't start verifying collateral until we feel good about the application package
- ▶ Phone call or in-person meeting to make sure applicant is prepared

Jerred Tarrell

West River Revolving Loan Fund

Loan Officer

Rapid City, South Dakota

Background

- ▶ \$2.3M loaned annually, serving 22 counties

Key Observations – Staffing & Third-Party Resources

- ▶ Only 1 loan officer but does not feel limited
- ▶ Utilizes resources like the Small Business Development Center for financials projections (when necessary) and applicant guidance
- ▶ Acquire the info that's necessary to make the reviewed more streamlined
- ▶ Determine their eligibility as quickly as possible, based on program regulations

Jerred Tarrell

West River Revolving Loan Fund

Loan Officer

Rapid City, South Dakota

Background

- ▶ \$2.3M loaned annually, serving 22 counties

Key Observations – Funding

- ▶ Non-profit that partners with EDCs and banks with federally sourced funds
- ▶ Primarily utilizes USDA Rural Development's Intermediary Relending Program (IRP)
- ▶ Utilizes resources like the Small Business Development Center for financials projections (when necessary) and applicant guidance
- ▶ Administers funds for local EDCs making it so that when they run out of funds there is other resources available
- ▶ EDCs in their network are able to focus on helping businesses

Jerred Tarrell

West River Revolving Loan Fund

Loan Officer

Rapid City, South Dakota

Background

- ▶ \$2.3M loaned annually, serving 22 counties

Key Observations – Application

- ▶ Flow: Eligibility → Cash Flow → Collateral
- ▶ Eligibility determined through conversation
- ▶ Then, a project-specific checklist is given to them, so they know what to specifically work on and provide
- ▶ Requires asset list from applicants (personal and business)
- ▶ Open conversation with them on securing their potential loan
- ▶ Marketing brochures/hand-outs for some quick details
- ▶ Educate EDCs and conventional lenders of our program for referral traffic
- ▶ Condensed requirement checklist based on the project

Mohawk Valley Economic Development District
Loan Officer
Mohawk, New York

Background

- ▶ \$500k-\$700K loaned annually, serving 6 counties (population 450K)

Key Observations – Staffing & Third-Party Resources

- ▶ Not limited by their 2 loan officers
- ▶ Board makes themselves available when needed
- ▶ When close to finishing the underwriting, we reach out to the board for their availability
- ▶ No third-party underwriters, except for one program in which they outsource to specific county IDA boards
- ▶ Open conversation with them on securing their potential loan
- ▶ Marketing brochures/hand-outs for some quick details
- ▶ Educate EDCs and conventional lenders of our program for referral traffic
- ▶ Condensed requirement checklist based on the project

Mohawk Valley Economic Development District
Loan Officer
Mohawk, New York

Background

- ▶ \$500k-\$700K loaned annually, serving 6 counties (population 450K)

Key Observations – Funding

- ▶ Recapitalized Rural Development RLF
- ▶ Takes advantage of the USDA Rural Business Development Grant (RBDG)
- ▶ Uses RBDG to purchase equipment to lease to businesses, that is sold to businesses for \$1 at the end of it
- ▶ Lease recapitalizes RD RLF while the business saves on tax (from the purchase), closing costs, and interest (don't charge closing costs, and the lease is 0% interest)
- ▶ Applied and were awarded an EPA grant for brownfield remediation
- ▶ NYS has a loan fund where we borrowed money to relend to farms and agribusinesses, giving access to \$500K for loans
- ▶ CARES act money was very useful

Mohawk Valley Economic Development District
Loan Officer
Mohawk, New York

Background

- ▶ \$500k-\$700K loaned annually, serving 6 counties (population 450K)

Key Observations – Application

- ▶ Conversation with applicant to discuss necessary documentation
- ▶ Work with applicant throughout their application to get documents, rather than instantly denying
- ▶ Works closely with SBDC to help businesses with their business plan and proforma statements
- ▶ SBDC has a copy of their loan application in case a client originates from there

Marie Mellick

Wind River Development Fund

Loan Officer

Fort Washakie, WY

Background

- ▶ \$600K loaned in 2022 & 2023 , serving Wind River Indian Reservation, Fremont, and Hot springs counties

Key Observations – Staffing & Third-Party Resources

- ▶ Limited by their 1 loan officer
- ▶ No third-party assisting in portfolio management and underwriting
- ▶ Attempting to development a streamlined underwriting process

Marie Mellick

Wind River Development Fund

Loan Officer

Fort Washakie, WY

Background

- ▶ \$600K loaned in 2022 & 2023 , serving Wind River Indian Reservation, Fremont, and Hot springs counties

Key Observations – Funding

- ▶ Apart of a regional NCDFI coalition working to secure larger EDA, build back better grant for the year
- ▶ Work with private-lenders for grants and loans such as the NAFF, Oweesta, and Wells Fargo for native specific grants

Marie Mellick

Wind River Development Fund

Loan Officer

Fort Washakie, WY

Background

- ▶ \$500k-\$700K loaned annually, serving 6 counties (population 450K)

Key Observations – Application

- ▶ Implement basic templates for business plans and financial documents
- ▶ Work with applicant on a 1 to 1 basis providing additional business support
- ▶ As a CDFI there is more flexibility in the collateral coverage and do not require 100% match on all loans
- ▶ Will ask applicants early in the application if they hold any other assets that can be put up for collateral
- ▶ In economic development collateral can be a huge barrier especially in the reservation leading to applicants purchasing business assets that can be utilized for collateral

Loan Recipient Case Studies

Angus Ruck

Columbia Gorge Riverside Lodge

Owner

Stevenson, Washington

Key Insights

- ▶ Loan helped take his sales from 0 to the business being a very profitable company
- ▶ Slowly increased part-time employees but could not secure full-time employees
- ▶ Completely refurnished the place which increased traffic and repeat customers
- ▶ Business supported tourism and in turn other local businesses
- ▶ Angus's property appreciated greatly and he was able to sell it, with the money he earned, he then loaned money to his friend to start a business

Quotes (You can paraphrase)

- ▶ "When I was looking to buy this property, people thought it would be impossible"
- ▶ "Me and my wife could have done it... maxing out credit cards and such, but it would have been a lot riskier"

Ken Catlin

Beachwood Eatery

Owner

The Dalles, Oregon

Key Insights

- ▶ The company Ken purchased was going bankrupt
- ▶ The loan allowed the business to go from 6 to 21 employees
- ▶ Employment benefits include paid leave and IRA contribution
- ▶ The reason for not expanding is due to old age
- ▶ Not advertising will hurt the business due to its location
- ▶ Increased engagement with suppliers has helped keep costs down

Mock-Ups

Self-Prequalification

- Do you operate a for profit business?
- Do you intend to occupy a minimum of 51% of the property for your business?
- Do you have cash available for the down payment & closing costs?
- Does your business have the ability to repay the loan from existing cash flow (or if growing, projections)?

Financial Document Templates- Lake Agassiz Regional Council

Lake Agassiz Regional Development Corporation ♦ 417 Main Avenue ♦ Fargo, ND 58103

CONFIDENTIAL FINANCIAL STATEMENT

Name		Social Security No.		Age	Home Phone No.		Home Address			
Name of Spouse (if married)		Social Security No.		Age	Dependent Children		City	State	Zip	
Name of Employer	Position		Years		Business Phone No.		Address of Employer			
City	State	Zip	Name of Attorney		Business Phone No.		Name of CPA		Business Phone No.	
FINANCIAL CONDITION AS OF (DATE)										
PLEASE DO NOT LEAVE ANY QUESTIONS UNANSWERED. USE "NO" OR "NONE" WHERE NECESSARY.										
ASSETS			Market Value			LIABILITIES				(omit cents)
Cash	In this bank				Due to brokers in margin accounts					
	Checking				Notes Payable to this bank (Schedule 6)		Unsecured			
	Savings, CD						Secured			
	Other				Notes payable to other banks (Schedule 6)		Unsecured			
	In other banks						Secured			
	Checking				Other notes payable (Schedule 7)					
	Savings, CD				Accounts payable (Schedule 7)					
	Other				Mortgages Payable (Schedule 8)		Homestead			
Securities (Schedule 1)	Marketable (NYSE, OTC, ASE)						Partial interest in R/E			
	Non-marketable						Real estate owned			
	Restricted or control stock				Taxes Owning		Income taxes			
Accounts receivable (Schedule 2)				Other taxes						
Notes receivable (Schedule 2)				Other liabilities (itemize)						
Cash value of life insurance – Net (Schedule 3)				Revolving accounts/credit cards						
Real Estate	Homestead				Other					

Website Example

Business Loans

Overview

MCEDD's business loan funds meet the financing needs of businesses with favorable rates, terms and requirements to support businesses that create and retain jobs. We provide loans to businesses located within the MCEDD region:



Skamania County, Washington

Klickitat County, Washington

Hood River County, Oregon

Wasco County, Oregon

Sherman County, Oregon

Apply Now

Complete the business loan pre-application linked below and send it to ami@mcedd.org. Our loan program staff will review your pre-application to see if it is a good match for one of our programs and follow up with you for the required supporting documentation. We've provided a list of what may be required below for your reference in preparing for the next step in the application process. Your application will generally be reviewed within 2-6 weeks and a decision made by one of our loan boards.

 [Business Loan Pre-Application](#)

Step 1: Start Here!

 [Supporting Documents Reference List](#)

Step 2: Click here after you've submitted your pre-application!

Contact:

Loan Program

802 Chenoweth Loop Road, The Dalles, OR 97058

Phone: 541-296-2266 x1004

[Step 3: Click here to utilize our templates!](#)

How Does The Application Process Work?

We break the process down into four steps, including a three-part application. Note that the amount of time needed for each step will vary based on your preparation, and you may be asked for additional documents and information multiple times during the process.

Step 1 – Pre-Application

1. Register for services here: [Sign-Up](#)
2. Fill out our Lending Inquiry Form.
3. **If you meet our initial eligibility criteria, you'll receive an email with a link to our loan application platform, Lenderfit.** Click the link in that email, and create an account. Make sure you check your junk folder if you don't receive the welcome email.
4. *Note that your pre-application is NOT COMPLETE, until you make an account on Lenderfit.* If you have problems setting up your account, please contact us at lendingteam@cacapital.org.

Step 2 – Application

1. Once you're logged into your Lenderfit account, you'll see a checklist outlining the application process, as well as the first set of documents we require to evaluate your request.
2. Complete the Application Phase on the checklist.
3. We will review and respond to inform you of your eligibility to move forward to the final application stage. Please send any questions you have directly through the message feature on the Lenderfit portal.

Step 3 – Final Application Stage

Once we confirm you are eligible for the final application stage, we'll ask you to submit additional documents as outlined on the next phases of the checklist.

Step 4 – Notice of Approval or Denial

Once we've reviewed your complete loan application package, we will make a decision to approve or deny. The Loan Officer will contact you with any additional questions during this time.

Lending Center Tutorial Series

Education and outreach is a crucial component to ensuring access to capital for all types of business owners. As part of these efforts, the California Capital Lending Center has created a Lending Tutorial Series. View the videos below for thorough overviews of balance sheets and profit and loss statements by Sunita Maharaj, Senior Loan Officer, Direct Lending Programs.

Lending Center Tutorial Series: Balance Sheets
Balance Sheet
Example

A Simple Balance Sheet	
Assets	
Cash	\$1,000
Inventory	
Total assets	\$4,000
Liabilities	
Accounts payable	\$2,000
Loan payable	1,000
Owner's equity	
S. Nelson, capital	1,000
Total liabilities and owner's equity	\$4,000

Watch on YouTube



Lending Center Tutorials: Profit & Loss Statements



Watch later



Share

Profit and Loss Statement Broken down

- ❖ Revenue:
Gross receipts earned by the company selling its goods/services
- ❖ Cost of goods:
Reflects all costs directly tied to the product made or sold
- ❖ Gross profit:
= Revenue – Cost of goods (COGS)
- ❖ Operating Expenses:
Rent, salaries, advertising, office supplies, internet, phone and depreciation of furniture, equipment, etc.
- ❖ Net operating profit:
= Revenue – Cost of goods – Operating Expenses



Watch on  YouTube

FAQ from Other EDCs

What Documents Do You Require, And Why?

[Click here](#) to print the list. The documentation we require is similar to all lending institutions. Missing or incomplete documentation will delay the loan application process, so preparation is key. Before you apply for a loan, you should have the following documents ready:

- **Business tax returns** – Allows us to verify business income and understand the financial performance of your business over time.
- **Profit and Loss Statement** – Helps us understand recent financial performance. [Click here for a video](#) on how to put together a P&L statement.
- **Balance sheet** – Helps us understand the assets and liabilities of your business. [Click here for a tutorial video](#) on creating a balance sheet.
- **Last 3 months business bank statements** – Allows us to understand the cash flow dynamics of your business.
- **Business debt schedule** – Informs us of other outstanding debt at your company, if any, and allows us to calculate future monthly debt service payments. [Click here for a free template and instructions](#).
- **Personal tax returns** – Allows us to assess additional income sources. [Click here for info on getting copies of your personal tax returns](#).
- **Personal Financial Statement** – Allows us to assess personal assets and debts. [Click here for a free template](#).
- **Current written Business Plan for Start-up businesses** (considered any business less than 2 years). Work with the [Women's Business Center](#) or the [Sacramento Valley SBDC](#) to get help writing your business plan. Remember, working with a business counselor is required for start-up businesses to apply for a loan from us.

For start-up businesses, two years of financial projections, prepared on a month-to-month basis, including an explanation of how the revenue (income) and expenses were calculated. Your business counselor can assist with these projections.

For expanding businesses, we require a written expansion plan and one year of financial projections prepared on a month-to-month basis. Work with a business counselor if you need help with these items.

<https://cacapital.org/>

Service Offerings From Other EDCs



EDC offers programs designed to assist businesses in key areas with one on one technical advising through EDC SBDC. In partnership with the Small Business Development Center, all EDC SBDC programs provide entrepreneurs with high level business consulting at no cost.

SBDC PROGRAM

The SBDC provides free consultations and training sessions in these key business areas to existing small businesses and to entrepreneurs looking to start a business:

START UP ASSISTANCE AND BUSINESS GROWTH

- › Start up Assistance
- › Strategic Planning
- › Marketing & Branding
- › E-Commerce & Social Media
- › Legal Compliance
- › Human Resources
- › Operational assistance
- › International Trade
- › Manufacturing assistance

BUSINESS CAPITAL

- › Financing & Loan Packaging
- › Disaster Loan Financing
- › Venture Matchmaking

- [Learn More About The SBDC Program](#)

Sign up for no-cost business consulting services [Click Here](#).

Economic Development Collaborative

Service Offerings From Other EDCs



EN 

CHOOSE YUBA-SUTTER

BUSINESS SERVICES

BUSINESS LOANS

STRATEGY

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BLOG

Employment Services

Yuba County One-Stop

Advertising job openings, employee recruitment, employee screening and testing, interviewing job candidates, employee training, on-the job cost reimbursement, layoff assistance, and hiring tax credits

yubacoe.org

Sutter County One-Stop

Advertising job openings, employee recruitment, employee screening and testing, interviewing job candidates,

sutteronestop.com

Small Business Development Center

Workshops and consulting, including personnel issues

capitalregionsbdc.com

Yuba Sutter Economic Development Corporation

Service Offerings From Other EDCs



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Logos Created for REDC Clients by our Design Advisor



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Regional Economic Development Center