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

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

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

March 2019 Rates:
25 yr.— 4.75%
20 yr.— 4.59%
10 yr.— 4.62%

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

Curry County
Head Start Building & Remodel

Curry County was awarded a $1.6 million dollar Community Development Block Grant, for a Head Start building operated by Head Start and ORCCA, to purchase and remodel the building they currently occupy. ORCCA (Oregon Coast Community Action), is in final design discussions with McSwain-Woods Architecture. Curry County and the architect are also finishing up the construction bid documents to be advertised in the upcoming weeks. This building is located in Brookings, Oregon.

CCD is working in partnership with Curry County, ORCCA, and Business Oregon to renovate the Head Start facility. The project is funded with both CDBG and ORCCA funds. So far, funds have been used to purchase the building from Southwestern Oregon Community College, and acquire CCD (Grant Administration, Environmental Review, and upcoming Labor Standards) and McSwain-Woods Architecture (building design). Construction funds will be used to improve the building for the children and families enrolled in the Head Start program. The building was formerly a library for SOCC’s Curry County Campus, before Head Start began their program at the location.

For more information on these services, contact: Tracy at 541-682-6728, Ext. 302, tloomis@ccdbusiness.com, or Brandi at 541-672-6728, Ext. 308, bwhelchel@ccdbusiness.com.

How Big is Your Project?

Most growing businesses are adding staff as they expand and look for larger facilities. This is when the SBA 504 Loan Program is the perfect choice for financing.

There is no limit to the total project cost, however, CCD/SBA can lend up to 40% of the project cost with a dollar cap of $5,000,000 depending on the type of project. CCD/SBA can go as high as $5,500,000 of SBA 504 financing for eligible energy conservation and manufacturing projects.

Contact CCD at 541-756-4101 for additional information on this loan program, as well as, others.

WHY WE DO WHAT WE DO

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

Vision: “Provide opportunity for proactive economic growth through diversification and expansion.”
One of the ways we can help is through Labor Standards and Project Monitoring

Many of you are familiar with prevailing wages or have heard of the Davis-Bacon Act (DBA) and Oregon Bureau of Labor Industries (BOLI). Most public works projects are subject to either the DBA and/or the Oregon State BOLI prevailing wage rate (PWR) laws, and sometimes they are subject to both, creating a layer of complexity for project monitoring and labor standards compliance. The prevailing wage rates that are applicable to any given project are determined by the funding source, project amount, and are generally set during the bidding process.

CCD staff attends training often to stay current on the requirements and any changes of prevailing wage rate laws. We are knowledgeable and experienced in working with public agencies, engineers, and contractors ensuring labor standards compliance.

Questions about Labor Standards? Give us a call today! 541-672-6728

Did you know?

⇒ The Davis-Bacon and Related Acts (DBRA) apply to contractors and sub-contractors performing on federally funded or assisted projects in excess of $2,000 for the construction, or repair (including painting and decorating) of public buildings or public works.

⇒ The Davis-Bacon Act (DBA) ensures that construction workers on federal or federally assisted construction projects will not see their wages and benefits undercut by government spending practices. The DBA exists to prevent the infusion of federal dollars into local communities from depressing local wages.

⇒ Oregon State Prevailing Wage Rate (PWR) laws apply to projects costing $50,000 or more where funds of a public agency are used, and all projects with construction or installation on public property of any device, structure or mechanism that uses solar energy.

⇒ Oregon’s lawmakers designed PWR law to ensure that contractors compete on their ability to perform work competently and efficiently while maintaining community established compensation standards, to encourage the training and education of workers in industry skill standards and to encourage employers to use the funds required by the PWR law for fringe benefits for the actual purchase of such benefits.

https://www.dol.gov/whd/govcontracts/dbra.htm
https://www.oregon.gov/boli/WHD/PWR/Pages/index.aspx

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

**Eligible Project Costs**

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
<th><strong>504 Financing Structure</strong></th>
<th>2019</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land/Building</td>
<td>500,000</td>
<td>Third Party Lender</td>
<td>$500,000</td>
<td>50%</td>
</tr>
<tr>
<td>Renovation</td>
<td>400,000</td>
<td>504 Portion</td>
<td>$400,000</td>
<td>40%</td>
</tr>
<tr>
<td>Equipment</td>
<td>50,000</td>
<td>Borrower Contribution</td>
<td>$100,000</td>
<td>10%</td>
</tr>
<tr>
<td>Soft Costs:</td>
<td></td>
<td>TOTAL SOURCES</td>
<td>$1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Title Charges</td>
<td>3,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recording Taxes</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td>$1,000,000</td>
<td><strong>BORROWER SAVINGS WITH 504</strong></td>
<td>$140,000</td>
<td></td>
</tr>
</tbody>
</table>

**Conventional Financing**

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
<th>Hard Costs</th>
<th>Percentage</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal</td>
<td>3,500</td>
<td>20%</td>
<td>$190,000</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>3,000</td>
<td></td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Architect/Engineer</td>
<td>15,000</td>
<td></td>
<td>$240,000</td>
<td></td>
</tr>
<tr>
<td>Bank Points</td>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL HARD COSTS</strong></td>
<td>$240,000</td>
<td><strong>TOTAL SOFT COSTS</strong></td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Title Charges</td>
<td>3,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recording Taxes</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td>$1,000,000</td>
<td><strong>BORROWER SAVINGS WITH 504</strong></td>
<td>$140,000</td>
<td></td>
</tr>
</tbody>
</table>

**PARTNERSHIP SPOTLIGHT**

Mid-Willamette Valley Council of Governments (MWVCOG) started its loan program in 1983 to assist the start-up of small businesses and expansion of existing businesses. MWVCOG provides access to commonly used government finance programs, such as U.S. Department of Agriculture (USDA), U.S. Economic Development Administration (EDA), Oregon Business Development Fund (OBDF), and the U.S. Small Business Administration (SBA).

MWVCOG is an intermediary lender through contractual agreements with CCD Business Development Corporation, for SBA 504 loans, and with the State of Oregon/Business Oregon for OBDF loans. MWVCOG is also a direct lender that provides small business financing in Marion, Polk, and Yamhill counties, and rural Clackamas County for various revolving loan programs.

Similar to CCD, MWVCOG is an economic development organization. All loan programs have targets and goals for diversifying the regional economies, stimulating investments and job growth. By providing financing, small businesses can preserve working capital to generate new jobs. MWVCOG has been providing financing in the Willamette Valley and throughout the state for decades. Their staff have many years of experience to assist businesses with technical issues and the complexities of business loans.

In 2018, MWVCOG provided loans totaling $7,882,000 which created/retained 104 jobs.

The beneficial partnership between CCD and MWVCOG provides another resource for small business clients to access capital.

**MWVCOG Staff**

John Safstrom, Loan Manager, has been with the MWCOG since 1990 and had prior positions in commercial lending. John can be contacted at jsafstrom@mwvcog.org or at (503) 540-1612.

Alison Boswell, Loan Officer, has been with MWVCOG for 5 years. She previously worked for Business Oregon as a Loan Officer and has good knowledge of the State finance programs. Prior to that, she worked in the banking industry for 28 years providing financing, operational, and administrative expertise. Alison can be contacted at aboswell@mwvcog.org or at (503) 540-1614.

Ragan McHone, Loan Documentation & Servicing Specialist, began working at MWVCOG in 2017. She has worked in the finance, insurance, and investment industry for over 20 years in various capacities including underwriting, sales, operations and financial institution management. Ragan can be contacted at rmchone@mwvcog.org or at (503) 540-1613.

**CCD’s Board of Directors and Staff appreciates the established partnership with MWVCOG. This partnership assist with accomplishing our goals and benefits the communities we both serve.**

“Providing Financing Opportunities and Services for Oregon Businesses.”
Enterprise Zones

This abatement from local property taxes lasts for three to five years and is widely used across Oregon by diverse businesses.

Business Eligibility

Before construction/installation activities begin on-site, the local zone manager must receive an application for authorization, which also provides a great deal of information.

**CCD is the Zone Manager for all 8 Enterprise Zones in Coos, Curry, and Douglas counties.**

Eligible businesses include manufacturers, processors, shippers and a variety of operations that serve other organizations, as well as call centers and headquarter-type facilities. Hotel/resort businesses also are eligible in some of the enterprise zones. Otherwise, retail, construction, financial and certain other defined activities are ineligible.

Qualified Property

A new building/structure, structural modifications or additions, or newly installed machinery and equipment qualify for exemption, but not land, previously used property value and miscellaneous personal property.

Criteria for Qualifying Projects

For the basic, three-year enterprise zone exemption period, the business needs to:

- Increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10% (or less with special-case local sponsor waivers);
- Generally have no concurrent job losses outside the zone boundary inside Oregon;
- Maintain minimum employment level during the exemption period;
- Enter into a first-source agreement with local job training providers; and
- Satisfy any additional local condition that has been established (only) in an urban zone.

Criteria for extended tax abatement (for a total of four or five exemption years)

These include the above criteria for the three-year period (which need to be maintained during the extra years), in addition to:

- Special local approval (before authorization application is approved) by written agreement entered into with the local zone sponsor (city, port and county, or tribe), in which the sponsor may reasonably request additional requirements that the business must also satisfy, and
- Except in the urban zones of the Salem and Portland areas, the average of new employees' compensation (including benefits), during all years of the abatement, needs to be at or above 130% or 150% of the county average wage as set at the time of authorization; and wages must be equal to or greater than the current county average wage in that fourth/fifth year.

**Featured CCD RLF Project**

**Raevin, Inc**  
**dba The Human Bean**  
1611 Virginia Ave  
North Bend, OR 97459  
(541) 756-7984  
62993 US-101  
Coos Bay, OR 97420  
(541) 267-6724

Human Bean has two local locations: one in Coos Bay and one in North Bend. They offer a wide variety of specialty cappuccinos, mochas, smoothies, and also their classic coffees and teas. They furnish great coffees with a fun atmosphere and exceptional customer service. They recently went mobile with the purchase and renovation of a coffee truck.

---

**BOARD MEMBER SPOTLIGHT**

**SEAN NEGHERBON**

I have been City Administrator since 2012, having worked as PW Director previously. I think I have been on the CCD board at least five years. I am almost a Douglas County native, living here for over 50 years. I graduated from Days Creek High School and UCC.

The City of Myrtle Creek is in excellent financial health and has an infrastructure that is modern and has capacity for future growth. Recently the City Council adopted an Urban Renewal Agency for Myrtle Creek, which will provide funding in the future for some exciting projects in our business corridor. One major project going on in downtown Myrtle Creek is the complete renovation of a building which will serve as an extension of Countryside Veterinarian Clinic in Canyonville. Further out of town at the 103 exit there is construction of a Grocery Outlet and Dollar Tree, with some other building activity in the works in the South Umpqua Valley Industrial Park.
Quarterly Newsletter, Issue 24, March 2019

Port of Bandon Economic Development Fund (PBEDF)

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

The Port of Bandon Economic Development Fund (PBEDF) was initiated in 1995, with assistance from the Port of Bandon, to create and preserve jobs. PBEDF has a $1.5 million dollar loan fund which comes from two USDA loans. The first $1 million loan was in 1995 and the second $500,000 loan was in 2000. The PBEDF is a 501(c)4 private non-profit that consists of 10 Board of Directors. To date, PBEDF has funded a total of $4,909,160 in loans, which created/retained 166 jobs.

CCD administers the PBEDF’s loan program. You may contact CCD’s office for more information at (541) 756-4101. (The below projects were supported by the PBEDF loan program.)

PBEDF loans can provide up to 75% of the total projects costs up to $250,000 to any one borrower. Borrower must have a 25% injection into the project.

The PBEDF loan funds can be used for:
- Purchase Land/Building;
- Purchase Equipment/Inventory;
- Working Capital.

Featured SBA 504 Project:

Monroe Golf, LLC
Db a Diamond Woods LLC
96040 Territorial Highway
Monroe, OR 97456
(541) 998-9707
www.diamondwoods.com

Diamond Woods Golf Course is one of Lane County’s newest courses, opening in 1997 between Eugene and Corvallis. The 18-hole course features a driving range and small pro shop that can accommodate outings and large groups. The club-house provides the latest in their personal apparel and great service.

CCD’s partner, Lane Council of Governments (LCOG), packaged this project on behalf of CCD.
**Featured SBA 504 Project**

Asper Properties, LLC  
Dba Theresa Asper, D.D.S., P.C.  
328 S. 2nd Street  
Coos Bay, OR 97420  
(541) 269-1317

Theresa Asper is a dentist, specializing in general dentistry. Her office is located in the Coos Bay area and strives to provide their patients with the best and most complete dental care using the latest dental techniques.

This SBA loan funded in September 2007 and was in partnership with CIT Lending Services Corporation.

---

Answer the following to determine if your business is ready to go global.

**Where is your target international market?**  
If you need help determining the best option for expansion, start with a country that will likely love your product. Do you frequently receive emails asking if you ship to a particular location outside the U.S.? You may have a growing fan base in that country. This low-hanging fruit can help boost initial sales and spur greater long-term growth. It can be tempting to open your business up to all international markets at once, but tackling one country at a time can help improve your chances of successfully navigating tax codes and language barriers.

**How will you budget for international expansion?**  
When you’re going global and entering a new market, more often than not, you’re going to be dealing with a new currency. While you can budget for different international exchange rates, it can also be beneficial to work with a foreign currency transfer service provider. This saves your business money by avoiding the international costs of sending and receiving money from a national bank.

**How will you enter the new markets?**  
Once you’ve identified which new country you want to enter and have developed a flexible budget to do so, you’ll need to make sure you have a marketing plan to help guide your success. Just as you would for a new domestic market, you’ll want to develop a new marketing strategy for your new market. It’s important that this plan be different than your domestic strategy, but also similar enough that your **brand identity** remains consistent everywhere.

When you’re ready to expand to new countries with new languages, you’ll want to explore ways to make sure your company remains personable. Start by searching for a translator who understands your **mission, vision and values** and can update your website and new marketing materials accordingly.

Part of your strategy should be researching the new market and understanding their popular methods of communication and commonly used expressions. An example of this would be [Lays Potato chips using the brand name “Smiths”](https://www.score.org/blog/three-questions-consider-your-business-goes-international) in Australia. While the logo and branding stay consistent across all markets, the local culture impacts the messaging.

Still struggling to evaluate international opportunities for your small business? Contact a SCORE mentor. Many of our volunteers have done business around the world and can provide experienced insight for your unique situation.

*Information provided by SCORE - https://www.score.org/blog/three-questions-consider-your-business-goes-international  
Author - Bridget Weston Pollack - Vice President of Marketing & Communications at the SCORE Association. December 27, 2018.*
CCD is a private non-profit corporation formed in 1971. CCD was designed by the 3 counties (Coos, Curry, & Douglas) not as a replacement for the individual county development efforts, but as a focal point for economic development throughout the 3 county area. CCD is recognized as an Economic Development District.

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

Equal Credit Opportunity Lender

Certified Development Companies

What is a Certified Development Company?

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

Visit Our Website www.ccdbusiness.org

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

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

To Get Started, Contact CCD’s Lending Team!

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

Louie Robida
Loan Officer/Marketing
(503) 789-8191
l.robida@ccdbusiness.com

WE WANT YOUR BUSINESS!

Our lending staff are experts in government loan programs, providing excellent advice and counsel to small business owners and private commercial lenders.

CCD Business Development Corporation—Growing Small Businesses for over 47 Years.

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

Federal Notice: To help the government fight the funding of terrorism and money laundering activities. Federal Law requires all Certified Development Companies to obtain, verify and record information that identifies each person who applies for a loan.