

U.S. Small Business Administration



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## Success Story

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### **SBA 504 Loan Helps Finance the Nation's First Microtel Inn Owned by African Americans**

*--New 60-Room Hotel is Located in Lithonia, Georgia--*

The Microtel Inn & Suites in Lithonia, Georgia, which was partially financed with an SBA 504 development loan, celebrated its grand opening with a ribbon cutting on May 10<sup>th</sup>. Hosting the special event were the hotel's owners: Rick Branch, Vance Harper, Michael Patterson and Wayne Harris.

The opening marks the first and only African-American owned hotel in the history of DeKalb County. The Lithonia property is also the first African-American owned hotel in the Microtel system. There are currently 256 Microtels open or in development across the country.



*Taking part in the Microtel ribbon cutting were, from left, Mike Patterson, owner; Charles Penner, General Manager; Wayne Harris, owner; Mike Leven, President of Microtel Inc.; Vance Harper, owner; Vernon Jones, CEO of DeKalb County; and Rick Branch, owner*

A 504 Loan, secured from Georgia Certified Development Corporation., an SBA Certified Development Company, helped finance the \$3.2 million facility at 2980 Evans Mill Road. The

504 financing package included a private-sector loan from The Peoples Bank in Lithonia

“Tim Smith at Peoples Bank was familiar with the 504 program and he introduced us to Ron Tigner at the Georgia Certified Development Corporation,” said Rick Branch. “We (partners) are extremely pleased with how the loan process worked.”

Money from a 504 loan can be used for long-term, fixed rate financing for small businesses to acquire real estate, machinery or equipment for expansion or modernization. Typically, a 504 package includes a loan from a private-sector bank, a smaller loan from a Certified Development Company (CDC) covering about 40 percent of the project, and at least 10 percent equity from the borrower. (The CDC funds come from a 100 percent SBA-guaranteed debenture.)

The Microtel property is located in close proximity to three major destinations: the 25,000-member New Birth Missionary Baptist Church, The \$2.1 billion-dollar Mall at Stonecrest, and the proposed National Heritage Area of Arabia Mountain Park.

With high visibility from I-20, the hotel expects to attract visitors from these three areas as well as travelers, family reunions and meetings. “We couldn’t be happier with the way the area is developing around our site,” noted co-owner Branch. “Our property features 60 sleeping rooms and a large meeting room that can be used by local community organizations.”

“We are excited about the growth of Lithonia. This hotel is a welcome addition to our community. We are delighted to have them in this area,” remarked Mayor Darold Honoree.

The Lithonia facility opened informally in early April of this year. The Lithonia Microtel is attractively constructed of brick with a stately entrance, handsome landscaping and a lighted parking lot.

**Microtel Inn & Suites**  
**2980 Evans Mill Road**  
**Lithonia GA 30038**  
**678/287-4400**