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Steven R. Ayers Appointed SBA District Director in Kentucky



Steven R. Ayers, a Kentucky native, has been named District Director of U.S. Small Business Administration's Kentucky district office. He is responsible for the delivery of SBA's loan guarantee program, technical assistance, and contract coordination programs throughout the Commonwealth of Kentucky. The SBA Kentucky district office is located in Louisville.

"SBA is very fortunate to have someone with Steve Ayers' qualifications serving as director of our Kentucky office," said SBA Regional Administrator Nuby Fowler. "With more than 20 years of highly diversified technical and administrative management experience spanning public, private and international business sectors, he is uniquely qualified to

head the Agency's operations in Kentucky."

Prior to his appointment, Steve served more than thirteen years with the Tennessee Valley Authority in Chattanooga, TN. At TVA, he held several Senior Manager positions in the Procurement and Electric System Projects organizations. He was a key member of TVA's Supply Chain Reengineering Team that designed and implemented process improvements which saved the company more than \$ 270 million in five years. Steve was also an executive with Science Applications International Corporation, a Fortune 500 company providing high-tech solutions to worldwide customers in the defense, energy and environmental sectors.

Steve holds a Global Masters of Business Administration degree from National University, San Diego, CA and a BA degree in Social Ecology from the University of California, Irvine.

"I am delighted to be back in Kentucky," said Steve Ayers. "It is not only a beautiful venue, but also, an excellent platform for successful business growth. Small businesses will continue fuel the economic growth and job creation in Kentucky and around the country. I am very pleased to have the opportunity to make a contribution to growing prosperity in the Commonwealth."

Steve is a Vietnam veteran and served four years in the United States Marine Corps. He and his wife, Carol, reside in Louisville.

Just the Beginning

By Nuby Fowler

In a few weeks I will be celebrating my 2nd anniversary as Southeastern Regional Administrator for the SBA. Working with you to assist small businesses across the region continues to be a high point in my career. With your help, the SBA has set a new standard for program delivery and broken all records for the number of small businesses benefiting from our lending, counseling and training programs. I am particularly proud to be a part of the SBA as we celebrate the agency's 50th year of service to America's entrepreneurs by creating a new SBA; an SBA with new streamlined processes, more efficient operations and a renewed commitment to customer service. Together we are building an SBA for the 21st century.

It should be reassuring to small business that Congress and the President have acted to strengthen SBA's flagship 7(a) loan program. With President Bush's signature, loan authority under the program has increased by \$3 billion. This 30% increase in funding allows the SBA to reach out to thousands more small businesses than ever before and to lift the temporary restrictions that were instituted earlier this year. The program improvements create a more stable and self sufficient program. The result will undoubtedly be a spike in 7(a) lending activity followed by new businesses starts, businesses expansions and job creation.

Over the past few months, I have been traveling across the region, meeting with our lending partners to discuss issues of mutual concern and to encourage greater participation in SBA loan guarantee programs. It is encouraging to see such broad interest in our programs within the lending community and to hear how critical the SBA is to their ability to make capital available to small businesses. We are committed to expanding the availability of SBA-backed loans and to working with all of our partners to make that happen.

I am confident about the SBA's future. We stand today as a stronger, leaner agency with greater singleness of purpose than at any time in our history. Our focus is and will continue to be America's 25 million small businesses. To be responsive to our mission we will continue to assess and improve the way we do business. We will also continue to do what we do best: be America's number one resource for small business.

We're Looking for Small Business Success Stories!

If you know of a small business that has overcome the odds to succeed, tell us. The success story on page three is a great example of the assistance available to small business persons and the impact it can have on a business and even a community. These businesses are inspirations, let's share them with the world.

Please email amcalister@centertech.com with the business name, phone number and address if possible. We'll do the rest.

COVINGTON WOMAN SERVES THE COMMUNITY WITH SBDC HELP, A Small Business Success Story

Through research and active use of government programs, Ester Johnson's business has grown from one residential unit to approximately 100 buildings (residential and commercial), many of them rescued from pending demolition in this small city, just across the Ohio River from Cincinnati. This unbelievable growth started when Johnson's husband was laid off from his job; so the couple bought a tri-plex and to provide an income and a place to live. They lived in one of the apartments. Ms. Johnson's resourcefulness has been supported by the Northern Kentucky Small Business Development Center, a facility which is partially funded by the U.S. Small Business Administration. Johnson's alliance with the SBDC began in 1989 when Sutton Landry, SBDC Director, assisted her with some loan proposals. The relationship between Johnson and the SBDC has continued to the present time.

In addition to receiving accolades from the Kentucky Society of Architects, the Kentucky Post Outstanding Woman of The Year), and historic and beautification awards, the U.S. Small Business Administration presented Johnson with the 1994 Kentucky Woman Owned Business Award. To add to her knowledge of women owned businesses, Johnson was chosen to serve on a woman's task force to study Kentucky businesses. This study was presented to the Kentucky governor. Johnson feels her business strength lies in her ability to take buildings that are vacant and abandoned, find financing from both public and private sources to rehabilitate them, and then find a productive use for them that improves the community. She has gained expertise in the utilization of local and federal loan programs, investment tax credits for historic rehabilitation and low-income housing, and the use of limited partnerships, joining banks and non-profit organizations to undertake joint ventures.

After several successful purchases and renovations, Johnson began Classic Properties, which is a commercial development business. Through this company Johnson has renovated facilities for the Northern Kentucky Family Health Center, the Greenup House - a 19 unit housing complex for the local mental health agency, Comprehensive Care; offices for the Women's Crises Center, Maysville High School, and the local abandoned railroad hotel is now the home of Adams, Brooking, and Stepler Law Offices. The success of the rehabilitation of the Family Health Center building established her reputation as a developer who could use creative financing (historic tax credits, local CDBG assistance, etc.) to leverage private equity and loans to enable non-profit groups to buy and rehabilitate needed facilities. Interestingly enough, when Esther presented one of her first projects to a committee, the owners of the dilapidated building were told they should get a male contractor instead of her. She proved them wrong time and time again!

Johnson's passion for community development led her in 1992 to an interest in purchasing two burned-out buildings on Madison Avenue in Covington. As before, she again contacted the Small Business Development Center for advice on restoring the two structures. A few of Johnson's endeavors have been the financing and rehabilitation of a \$1.5 million project involving 21 rental units in 10 vacant, dilapidated buildings for Anawim, Inc. along with a restoration project on the Madison Theater in Covington. The Madison Theater is another story of passion for redevelopment. When Johnson bought the old theater she was approved for several different types of financing, including an SBA loan. Due to 9/11 and the drop in the stock market, the bottom fell out of tax credit purchases, and so the financing was never completed. However in typical Esther Johnson fashion, she took the mortgage on her own, rehabbed the building, and opened it as a movie theatre and community center. On Monday nights the theatre has Olympic wrestling (WWE) and a flock of Special Olympic children in the audience. On Tuesday movies are shown. On Wednesday movie makers have come from as far as France to rent the equipment. Weekends have seen the Lonesome River Band, Tanya Tucker, the Kentucky Symphony, and dances.

Esther is back in school again, learning about the New Market credits and the Renaissance grants. She could probably teach a few courses on her own. "Esther Johnson is one of the sharpest business owners I know," says SBDC's Sutton Landry. "She does her homework and thoroughly understands the real estate business - from beginning to end. She is a pleasure to work with due to her knowledge and pragmatic focus. She does not have unrealistic expectations, and always examines the project benefits to the community with an entrepreneurial focus".

Esther says, "the SBDC work would have cost me \$5000 or \$6000 per job, which I can't afford. The rehab work would have never been done. Before I make any major decisions, I contact Sutton Landry at the Northern KY Small Business Development Center".

Does Your Company Need Equipment? New 2003 Tax Incentives Make NOW the Time to Buy!

The “Jobs and Growth Tax Relief Reconciliation Act of 2003” passed by Congress this year, increases the amount of money small business owners can deduct from their taxes for investment in new equipment, such as machinery and computers.

Section 202, "Increased Expensing for Small Business," affords an immediate tax advantage to small businesses that invest in equipment between 2002 and 2006. The amount of investment that may be immediately deducted by small businesses quadruples from \$25,000 to \$100,000 beginning in 2003.

The amount of investment qualifying for this immediate deduction will begin to phase out with investment in excess of \$400,000 (doubled from \$200,000) to restrict the tax advantage to small businesses. (Both parameters are indexed for inflation beginning in 2004, however, the provision sunsets after December 31, 2005.)

Any small businesses that have been contemplating investing in expensive equipment and/or machinery, would do well to consider doing so now. The U.S. Small Business Administration has a loan program expressly designed to finance the purchase of capital assets - the SBA 504 Loan Program. The SBA 504 loan is uniquely suited to provide financing to acquire and install machinery because of the low downpayment required by the small business and the fixed, competitive interest rate over a 10-year term (Note: For machinery and equipment to qualify, it must have a useful life of ten years).

TYPICAL SBA 504 FINANCING STRUCTURE

Equipment	Source	Lien	Funding Limits	Interest Rate	Term of Loan
50%	Financial Institution	1st	No Limit	Market	7 Years or Longer
40%	SBA 504 Loan	2nd	Max: \$1,000,000- \$1,300,000	Fixed	10 Years
10%	Borrower				

SBA 504 loans are arranged through Certified Development Companies (CDCs) located throughout the country. Your local CDC will walk you through the entire process. Their professional staffs work directly with small business owners to tailor financing packages that meet the 504 loan program guidelines and credit criteria of each business. The CDC’s role is to package, process, close and service the 504 Loan.

**Review your equipment/machinery needs, talk with your accountant
and then call your local Certified Development Company for complete
details on an SBA 504 loan!**

To find a CDC in your area, contact the Small Business Administration, Kentucky District Office:
(502) 582-5971 or <http://www.sba.gov/ky/kycdc.html>

Small Business Development Days Announced

In an effort to assist local small businesses and entrepreneurs, eight regional afternoon and evening Small Business Day events will be presented throughout Southern and Eastern Kentucky in the coming months. These events will provide businesspersons the opportunity to network and make valuable contacts with organizations that may assist them with business issues or problems they may be facing. The program will feature numerous training choices, including Financing Your Business; How to Start Your Business; Contracting with Federal, State and Local Government; and several other topics. Organizations will have information booths and business development experts available to speak one-on-one with the entrepreneurs and small business owners.

Participants will include the Small Business Administration, Kentucky Small Business Development Centers, Kentucky Cabinet for Economic Development, Kentucky Procurement Assistance Program, Southern and Eastern Kentucky Tourism Development Association, Chambers of Commerce, Mayors, County Judge Executives, Area Development Districts, economic development organizations, banks, universities and colleges, non-traditional lending institutions and purchasing agents from federal, state and local governments among others.

Thanks to all the participants that helped make the first Small Business Development Day on June 15, 2004 in London, Kentucky a success.

Top Kentucky SBA Lenders as of May 31, 2004

Lenders Listed by number of SBA Guaranteed Loans for both 7(a) loans and 504 loans:

7(a) Loans -

National City Bank
PNC Bank
US Bank
Fifth Third Bank
Capital One Federal Savings

504 Loans -

Capital Access Corp-KY
Commonwealth Small Business Development Corp.



U.S. Small Business Administration
Room 188 Mazzoli Federal Building
600 Dr Martin Luther King Jr. Place
Louisville, KY 40202

2004 Lender Training Schedule

Date	Training Program	Presented by
July 22 nd	- Selling Loans in the Secondary Market	Phil Danhauer/Karen Wright
August 19 th	- The 7(a) Application and Loan Processing	Robert Coffey
Sept 16 th	- Loan Closing and Servicing Guaranty Purchases & 1502 Reporting (Concurrent Session)	Karen Wright Diana Hurley
October 21 st	- Loan Processing and Liquidation	Karen Wright/Tommie Causey
November 5 th	- Kentucky Lenders Conference	

Location: Training for July through October will be held in the Seaside Room of the Romano Mazzoli Federal Building

Regional Entrepreneur Conference 2004
“World Class Service, Building Great Customer Experiences”
August 9-10
Clay Community Center
Mt. Sterling, KY

For more information about or to register for this event call 606.783.2895 or visit us online at www.moreheadstate.edu/sbdc.

Small Business Development Days Schedule

July 27 th	The Center for Rural Development	Somerset, KY
August 26 th	Holiday Inn	Middlesboro, KY
September 14	Jenny Wiley State Park	Prestonsburg, KY

Small Business Development Days are also planned in Ashland, Morehead, Richmond and Nicholasville and will be scheduled in the near future.

For additional information about Small Business Development Days,

Email: amcalister@centertech.com or call 606.677.6082

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