



Portland District Annual Report

Fiscal Year 2003

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A Word From Our District Director



Phil Gentry

This past year was a challenging one for our district's small businesses. In spite of our state's high unemployment rate that again led the nation, a faltering economy and the continued threats of terrorism, small businesses again showed their resilience by leading our economic recovery. Small businesses are job creators, and as these businesses continue to expand because of an improved economic climate, there will be increased hiring which will be the catalyst for increased economic growth for Oregon and SW Washington.

In Fiscal Year 2003, the activity levels in all of our programs set new records. We exceeded all of our goals in every category and more importantly, directly impacted the creation or retention of over 13,500 jobs in our district as a result of our program activities.

The coming year will present us with new challenges and opportunities. In FY 2004, we want to increase the numbers of loans approved, increase the numbers of individuals counseled and trained and increase the number of contracting opportunities for small businesses. We have been given new goals that significantly increase the levels of activity in every program area. We are confident that we will be able to achieve these goals in spite of shrinking budgets. We will again need to rely on our partners to help us. Our lenders, resource partners and procuring agencies will be counted upon to increase their use of our programs and services. Our staff will do what they can to orchestrate that record level of activity and we are thankful that we have such great partners to work with.

Transformation of our agency will continue in the next year, as plans to centralize our backroom functions will again be a priority goal of this agency. Our office is expected to join in phase 2 of this project, which will result in the transfer of liquidation and guaranty purchase actions to a central facility in Virginia, loan processing transferred to the Sacramento processing center, and 8(a) BD program annual reviews transferred to the Dallas office. There may be more consolidations of other activities in the future; however, there are still a lot of unknowns at this time. We will keep you informed.

Congratulations to Rhonda Herschell, President of Cherokee General Corporation, who was recently named as SBA's National Minority Small Business Person of the Year. Cherokee General is a participant in SBA's 8(a) program, and this award is in recognition of the outstanding development of her firm.

We are pleased to present to you our report of our accomplishments for Fiscal Year 2003. As we celebrate our agency's 50th anniversary, we look forward to another 50 years of assistance to our nation's small businesses.

"To Provide Quality Resources That Make A Difference For Small Business"

Women's Report

Several activities were accomplished this fiscal year to help women entrepreneurs. Sue Richardson, the Portland District Women's Business Ownership Representative, worked closely with the Portland Metro Chapter of



the [Women Entrepreneurs of Oregon](#) (WEO). Three WNET (Women's Network for Entrepreneurial Training) Roundtables were held during FY 2003. Three WNET Roundtables are scheduled for FY 2004. The WEO staffed booths at the Business Journal's Women in Business party in April 2003, the Women at Work & Play conference in May 2003, and the SBA Small



The Spirit of Portland

Business Fair in September. In addition, WEO sponsored a joint networking cruise with the Portland Chapter of the National Association of Women Business Owners (NAWBO) in September (see photo above). These events shared information about the SBA and the resources available to women business owners. If you have any questions about the Women Entrepreneurs of Oregon, contact Kathie Nelson, president, at email address kathie@kathienelson.com.

[SOWAC](#) (Southern Oregon Women's Access to Credit) Business Training & Lending Center, serving Southern Oregon entrepreneurs, increased its advanced training and technical assistance to existing businesses last year. In addition to the basic training courses which served 142 clients, SOWAC staff worked individually with 21 established business clients to create business plans. Marketing Roundtable, a dynamic program for experienced business owners, was offered in Jackson and Josephine counties. These programs resulted in 94 written business plans and marketing plans. SOWAC assisted 22 new businesses and 212 existing businesses.

SOWAC added a new program, Bookkeeping Basics, and greatly increased networking efforts

and outreach to rural areas, including working with the Greater Applegate Community Development Corporation and Josephine County Child Care Network.

In addition to making seven direct loans, SOWAC loan fund manager worked with 16 business owners, helping them package applications to be submitted to the Oregon Entrepreneurial Loan Fund.

SOWAC also put a new program in place to offer services to the Hispanic business community, worked individually with 11 entrepreneurs, and increased networking efforts with Latino organizations. Next year SOWAC will have a bilingual, bi-cultural instructor/counselor working full time to expand the program.

SCORE Report

During FY 2003, the five SCORE chapters counseled



7,953 clients and held 40 training classes with a total of 262 training hours and 849 attendees. Throughout the year, they participated in several events related to publicity, marketing and community outreach.

Several significant events took place within SCORE District 1086 (Oregon) during the subject fiscal year. While some represented a temporary setback to SCORE activities, the long term outlook represents a better and stronger SCORE presence in the communities we serve. These events are categorized as follows:

Chapters

The charter for Bend was voluntarily surrendered early in the fiscal year due to inability to secure leadership roles from within their membership. The members who wished to remain as a branch operation are now assigned to the Eugene Willamette Chapter until a chapter can be reconstituted within Deschutes County. Eugene has an Ad Hoc committee diligently working to recruit new members, particularly those willing to serve in leadership positions.

Branch Operations

The district now has branch operations in Roseburg, Coos Bay/Bandon, Florence, Lincoln City and Bend. A new branch operation is about to be established in Seaside, and other possibilities in the future include Hood River, La Grande and Klamath Falls. The Roseburg branch, formerly part of the Southern Oregon chapter, has been transferred to Eugene.

Workshops

The district is scheduling an overall increase in workshops.

Counseling Activities

Overall, the district reflected a decline in face to face counseling activities, although there was an increase on a nationwide basis. SCORE plans to improve marketing, since SCORE's presence is still widely unknown in many communities.

Leadership Training

Within SCORE District 1086, a workshop is conducted annually within a week or two of the start of the fiscal year to apprise new chapter officers of the requirements and timing of various reports and chapter business plans for each chapter. Additionally, it provides a vehicle for chapter officers to become acquainted with those of other chapters in the district, and also permits an interface atmosphere to discuss problems and their solutions.

In August 2003, a two day conference was held in Kansas City for new chapter chairs to receive first hand knowledge of SCORE's strategic planning and goals. This conference, now in its second year, also provided the opportunity to have roundtable discussions on topics of interest to achieving a successful chapter operation. It also resulted in the opportunity to network with chairs throughout the country on a number of topics of concern. The general consensus of opinion of chapter chairs within our district, as well as those interviewed from other districts, reflected the high value received by those in attendance in being able to return to their chapters and effectively administrate the affairs of their individual chapters.

Resource Partner Client Activity

During Fiscal Year 2003...



...20 Small Business Development Centers (SBDCs) in Oregon and three in SW Washington assisted **19,065 clients**.

...5 SCORE Chapters in Oregon and SW Washington assisted **12,103 clients**.

...3 Business Information Centers (BICs) assisted **5,832 clients**.

...1 Women's Business Center assisted **620 clients**.

Small Business Development Center (SBDC) Achievements

According to a study conducted by Campbell DeLong Research, Inc. for the Oregon Economic & Community Development Department, businesses assisted by the 20 Oregon [SBDCs](#) in 2003 added 2,676 new jobs. SBDC-assisted businesses generated \$66.6 million in new sales and generated \$44 million in new payroll. SBDC clients started 1,110 new businesses. While the state struggled under staggering losses of revenue and jobs in large companies, small businesses assisted by the Oregon SBDC network continued to start, grow and add jobs.



Five centers now host [Business Capital Resource Centers \(BCRCs\)](#). These centers are a partnership of key lending organizations and the SBDCs devoted to providing coordinated assistance to businesses looking for capital. The information below represents just one BCRC, the Oregon Institute of Technology SBDC in Klamath Falls.

FY03 Klamath Falls OIT SBDC Assistance:

A. Financing Sources	Totals
Commercial Bank Loans	\$1,433,811
COIC Revolving Loan	\$55,000
Seller Financing Arrangements	\$158,000
County Loan Programs	\$27,000
State (OECD) Loans	\$85,500
Vocational Rehab Grants	\$27,200
SBA 504 Loans	\$872,468
Regional Strategies Monies	\$70,000
Owner Cash Injection	\$614,440
Private Investors	\$80,000
IRP	\$258,000
TOTALS	\$3,681,419
B. Jobs Created	
Full-time Including Owners	57
Part-time	1
TOTAL JOBS CREATED	58
C. Women, Rural & Minority Businesses	
Women-owned Enterprises	11
Rural businesses	9
Minority-owned	4
D. Projects/Businesses Served	
	26

Described below are the successes of four Oregon SBDCs:

The Blue Mountain Community College SBDC was a co-sponsor for Pendleton's first *Business Northwest Conference*. The focus on this year's program was customer service. Robert Farrell, founder of Farrell's Ice Cream Parlors, was the special guest speaker. The conference was a huge success. It was well attended by area businesses, education, retail and service industries.

The Eastern Oregon University (EOU) SBDC partners with the Native American and Affirmative Action office at EOU to disseminate more information to minority populations. Additionally, they provide business counseling and support to two business incubators and have the potential of working with two others in economically distressed counties.

The Lane Community College SBDC Farm Management Program continues to provide outstanding service to a large number of local farmers who say that they saw their average net

farm income increase an average in excess of 30% over the course of a year. Eighty farms participate in the program.

The Tillamook Community College SBDC helped clients access more than \$570,000 in financial assistance, including three bank loans, four loans from the Economic Development Council of Tillamook County and one from a private lender. They also helped a client make an application for a SBA Express Loan using the SOHO (Small Office, Home Office) program. This client obtained a \$5,000 loan to expand her home-based candy business.

10th Annual Oregon Small Business Fair

The SBA celebrated our tenth year as a participant at the [Oregon Small Business Fair](#) held at the Portland Community College's Southeast Campus. This event was tailored for small business owners and those thinking about becoming small business owners. At the fair the SBA provided information and Resource Guides to over 261 clients and provided answers to questions or referrals to other organizations which could best provide assistance.



Moe Mowery (left) assists clients

Moe Mowery, SBA Public Affairs Officer, shown in the picture above, participated in the original planning of this fair ten years ago and has attended each year. A similar event is planned in southern Oregon later this year.

SBA's Speakers Bureau

The Portland District Office staff spoke to 4,512 attendees at 61 functions during fiscal year 2003. The District Office's territory includes 30 counties in Oregon and 4 in Southwest Washington. Our staff is willing



and eager to inform the small business community about our loan programs, services, and available resources. To arrange for a speaker for your group or association contact Moe Mowery at (503) 326-5209 or email marlin.mowery@sba.gov.

SBA's Minority Enterprise Development Program

The Portland District Office (PDO) Minority Enterprise Development staff expanded its reach this year to Eastern Washington, adding 33 8(a) firms to the portfolio. The PDO staff traveled to the Tri Cities area to meet the eastern Washington firms and hold a matchmaking event that was a great success.

Portland's MED program also grew in number of dollars in federal government contracts to \$69,400,541.00 with 196 contracts and 295 modifications to existing contracts assisting 65 businesses. The United States Property & Fiscal Office (USPFO) in Salem, Oregon led the way with 12 contract awards this year.

The support of the procuring agencies continues to grow in terms of dollars, number of contracts and number of businesses assisted. The SBA thanks all of the buyers for their continued support of the MED program.

Local 8(a) Firm Receives National Honors

Cherokee General Corporation, a woman-owned Native American certified 8(a) business was named SBA's 2003 National Minority Small Business Firm of the Year. This is SBA's highest honor for a minority owned small business and the first time that it was won by a Region X business.



Rhonda Herschell

Rhonda Herschell, President was presented the award by SBA's Administrator Hector Barreto on October 1, 2003, during Minority Enterprise Development Week.

To qualify for the national award, Cherokee General Corporation first won the SBA Portland District Minority Small Business of the Year and then was placed in competition with other district offices in Region X, including Washington, Idaho and Alaska. Herschell was recognized in Portland by District Director, Phil Gentry, at the Minority Business Opportunity Committee's local awards luncheon on October 15, 2003. The regional award was presented in Washington, DC.

The Minority Small Business award is based on the outstanding development of the business and contributions the owner and the business make to the community. Cherokee General is an outstanding general construction business that provides services to both public and private customers.

Further testimony to the outstanding achievements of Cherokee General is the fact that they were named the tenth largest women-owned business in Portland by the Daily Journal of Commerce and twenty-second in the list of fastest growing companies in Oregon by the Oregon Business Journal.

More 8(a) Minority Small Businesses Honored

Pro Landscape, Inc.

Manuel Castaneda, President of Pro Landscape, Inc. of Hillsboro was presented the Minority Business Opportunity Committee 2003 Minority Construction Contractor of the Year Award at the MED Week Awards Luncheon in Portland on October 15th.

Pro Landscape, Inc. was established in 1986 and provides landscaping and construction services in the public and private sectors. Pro Landscape has been an 8(a)BD program participant since 2001 and was recognized for outstanding work and customer service.

Garcia Reforestation, Inc.

Reyes Garcia, President of Garcia Reforestation, Inc. of Salem received the MBOC 2003 Minority Service Contractor of the Year Award at the October 15th awards luncheon.

Garcia has been in the reforestation business since 1991 and is a recent graduate of the 8(a) program. When Garcia started his business, the only financing he was able to secure was through factoring. With hard work and persistence, he was able to secure a line of credit with his bank. Today Garcia's company is highly sought after and Garcia continues to have a positive working relationship with his banker.

Cisneros Construction, Inc.

Cisneros Construction, Inc., of Portland, was recently honored with an SBA Administrator's Award of Excellence. Earlier this year the firm was also selected for the SBA Region X Prime Contractor of the Year Award and the U. S. Department of Agriculture (USDA) Small Business Contractor of the Year Award.

Cisneros has been in the general contracting business for the past six years and has developed a proven track record as a designer and builder in the public and private sector.

Randolph Construction Services

Randolph Construction Services of Pasco, Washington, received an award from SBA's Administrator, Hector Barreto, in recognition of outstanding contribution and service to the nation by a small business in satisfying the needs of the federal procurement system.

Randolph Construction was founded by Khris Judy in 1985 and is a design build construction firm. It was approved for the 8(a) program in July 2003.

Oregon Association of Minority Entrepreneurs

Sam Brooks, founder, president and chairman of the board of the [Oregon Association of Minority Entrepreneurs \(OAME\)](#), was honored for his lifetime efforts in promoting and encouraging diversity in the construction industry by the Oregon-Columbia Chapter of the Associated General Contractors.

Brooks is also the president and chairman of the board of S. Brooks & Associates, Inc., a

certified 8(a) firm providing temporary support services to the public and private sectors.

Congratulations to all our award winners!



Are You Looking for Financing to Start or Grow Your Small Business?

Attend a free SBA loan briefing presented by an SBA Loan Specialist and learn more about your financing options.

Portland:

When:

3rd Thursday of each month
11:30 – 12:30 pm (Please arrive 15 minutes early for check in.
Registration is **NOT** required.)

Where:

1515 Market Square
1515 SW 5th Avenue, 9th Floor
Corner of 5th & Clay, Downtown

Salem:

When:

3rd Tuesday of each month
11:30 – 12:30 pm (Bring your lunch)

Where:

Chemeketa TED Center
365 Ferry Street SE

Registration: Call (503) 399-5088

Eugene:

When:

Last Tuesday of each month
11:30 – 12:30 pm

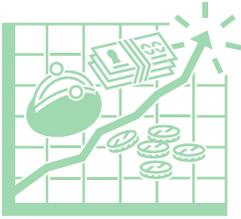
Where:

Lane Community College SBDC
1445 Willamette St., Ste. 1

For more information call (503) 326-2682 or (503) 326-5205.

Lenders Meet The Challenge

The Portland District Office is proud to announce that our participating lenders responded to our call to increase the availability of capital to



small businesses in Oregon and SW Washington by setting yet another loan production record of 1004 loans for \$215 million. This number surpasses by 35% the previous high of 740

loans established last fiscal year. Included in the loan total are 101 Certified Development Company 504 loans for \$55 million.

Underscoring the importance of small business to national and local economies, the SBA is asking its participating lenders to reach out even further to assist this critical economic segment by increasing FY 2004 loan production over FY 2003 levels. Lenders in the Portland District are being asked to make at least 1376 loans, representing a 37% increase from FY 2003.

We are confident that our lenders are up to the task. During this year, Joe Martinez and Dennis Lloyd will be visiting with our lenders to introduce them to the SBA Express Loan Program. This program has many advantages to both the lender and borrower alike, and will enable the lenders to meet this new challenge.

Vets Opportunity

SCORE Chapter 11 is offering a special opportunity for U.S. Veterans who want to begin or expand a business. With paid attendance of an all day workshop SCORE will provide, free of charge, a diskette containing their complete business planning software package. (A savings of \$25.)



Most workshops are held at the World Trade Center Bldg #2, 121 SW Salmon St., Portland, Oregon. Make sure you note that you are a U.S. Veteran when you register for your workshop. For more details on these workshops and how to register, visit the following hyperlink <http://www.scorepdx.org/workshops.htm> or call (503) 326-5211. You may need to come to the SCORE office to get your free diskette.

For assistance from the District Veterans Business Development Officer, contact james.steiner@sba.gov or (503) 326-2586.

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***FY 2003 Loan Production
Portland District Office
10/1/2002 thru 9/30/2003***

<i>LENDER NAME</i>	<i>Numbers</i>	<i>Dollars</i>
ALBINA COMMUNITY BANK	27	\$2,204,000
AMERICAN PACIFIC BANK	1	\$235,000
BANK OF AMERICA	192	\$5,210,800
BANK OF ASTORIA	3	\$1,497,500
BANK OF CLARK COUNTY	8	\$1,422,350
BANK OF THE CASCADES	57	\$6,866,200
BANK OF THE WEST	8	\$1,904,800
BANNER BANK	5	\$1,110,000
BORREGO SPRINGS BANK	9	\$3,054,900
BRANCH BANK & TRUST	1	\$893,500
BUSINESS LOAN CENTER, INC.	2	\$1,248,000
CCD BUSINESS DEVELOPMENT	16	\$8,124,000
CALIFORNIA BANK & TRUST	5	\$1,210,300
CAPITAL ONE FED. SAVINGS BANK	38	\$1,930,000
CAPITAL PACIFIC BANK	3	\$875,000
CASCADES WEST FINANCIAL SERVICES., INC.	32	\$14,258,000
CIT, SMALL BUSINESS LENDING CORP.	49	\$30,752,000
COLUMBIA COMMUNITY BANK	7	\$1,350,000
COLUMBIA COMMUNITY CREDIT UNION	10	\$1,416,800
COLUMBIA RIVER BANK	3	\$327,500
COMERICA BANK-CALIFORNIA	5	\$1,858,500
COMERICA BANK-TEXAS	1	\$245,800
COMMUNITY BANK	3	\$143,400
COMMUNITY FIRST BANK	2	\$684,000
COMMUNITY NATIONAL BANK	1	\$1,333,300
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	33	\$20,414,000
FIRST INDEPENDENT BANK	2	\$132,000
GE CAPITOL SMALL BUSINESS FINANCE	8	\$2,772,600
GOLETA NATIONAL BANK	5	\$1,527,600
GREATER EASTERN OREGON DEV. CO.	2	\$1,340,000
INNOVATIVE BANK	5	\$26,000
KEY BANK	14	\$2,495,500
KITSAP BANK	2	\$590,000
LIBERTYBANK	7	\$1,168,000
MATRIX CAPITAL BANK	10	\$3,867,000
MID-VALLEY BANK	1	\$35,000
NORTHWEST BUS. DEVEL. ASSOC.	3	\$1,083,000
NORTHWEST SMALL BUS. FINANCE CORP.	8	\$6,550,000
OREGON CERTIFIED BUSINESS DEV. CORP.	7	\$3,203,000
PACIFIC CONTINENTAL BANK	60	\$14,435,500
PACIFIC CREST BANK	4	\$1,211,000
PEOPLES BANK OF COMMERCE	7	\$748,200
PINNACLE BANK	1	\$150,000
PREMIER WEST BANK	1	\$230,000
RIVERVIEW COMMUNITY BANK	1	\$150,000

SILVER STATE BANK	10	\$2,202,400
SIUSLAW BANK	6	\$771,000
SMALL BUSINESS LOAN SOURCE, INC	3	\$2,008,500
SOUTH VALLEY BANK & TRUST	2	\$865,000
TEMECULA VALLEY BANK N.A.	5	\$4,113,500
THE COWLITZ BANK	6	\$1,343,780
THE MERCHANTS BANK	12	\$1,410,900
TOWN CENTER BANK	1	\$100,000
TWIN CITY BANK	16	\$1,832,941
US BANK, NATIONAL ASSOCIATION	131	\$21,566,600
UMPQUA BANK	9	\$1,583,500
UNION BANK OF CALIFORNIA, N.A.	1	\$50,000
WACHOVIA SBA LENDING, INC.	3	\$2,909,000
WASHINGTON MUTUAL BANK/WESTERN BANK	3	\$446,400
WELLS FARGO BANK	104	\$14,215,100
WEST COAST BANK	23	\$7,320,450
TOTAL APPROVALS	1004	\$215,023,121

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