



# PORTLAND DISTRICT news

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A Word  
from our  
District Director-



## Welcome!

This newsletter is our new method for sharing our goals, aspirations and steps toward success. We will also provide valuable information about changes to our regulations and programs.

While this newsletter will summarize the District news, in-depth reports will be sent to those resource partners and others with specialized interests. We will continue our Lender's Update and 8(a) News as special supplements. If you want to be on those mailing lists, call us at (503) 326-2682.

In an effort to be efficient and cost-effective, our primary means of distribution will be electronic. Please keep us informed of any changes to your addresses.

We hope you enjoy the new format. Let us know what you think.

Phil Gentry



# HAPPY HOLIDAYS



## RESOURCE PARTNERS HELP IN MEETING DISTRICT GOALS

Fiscal year 1999 was a tremendous success for the Business Development Division, thanks to all of our resource partners. We began the year with Memorandums of Understanding signed between the Portland District Office and several organizations; Southern Oregon Women's Access to Capital (SOWAC), Oregon Association for Minority Entrepreneurs (OAME), Urban League of Portland, the Foundation for Women Owned Businesses (FWOB), Oregon Native American Business Entrepreneurial Network (ONABEN) and the Metropolitan Hispanic Chamber of Commerce (MHCO). In addition to these partnerships we renewed our national agreements with the Oregon Small Business Development Centers Network (SBDC's) and the Service Corps of Retired Executives (SCORE).

Because of these relationships, we accomplished great successes. The twenty SBDC's in Oregon and three SBDC's in Washington held 787 training classes for 8,650 attendees, and the SBDC counselors assisted 4,392 clients in total. The six SCORE chapters in our district; Bend, Eugene, Medford, Portland and Salem, Oregon and Vancouver, Washington, counseled 7,861 clients with the assistance of 226 volunteer members. We increased the number of women counselors in these chapters to 32. SCORE also conducted 191 workshops for 3,171 attendees.

The partnerships with SOWAC and FWOB helped the district office approve the most loans to women ever. These two organizations held numerous training workshops for women and

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*"To Provide Quality Resources that Make a Difference for Small Business"*

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completed the credit training necessary to participate as intermediaries for the SBA pre-qualification loan program. In addition they formed partnerships with other resource partners to assist the minority communities throughout southern Oregon and in the metropolitan Portland area.

The MHCOC was very active in providing essential training to Hispanic small business owners. Through partnerships formed with SBDC's and SCORE, they instructed attendees on preparation of a business plan, accounting techniques, marketing and international trade. The MHCOC also hosted an open house reception for its membership at the SBA location, including a tour of the Business Resource Center (BRC).

Finally, the BRC completed its first full year of operation, serving a total of 5,617 clients and conducting tours for 2,244 clients. A result of surveys completed by BRC clients indicated a 95% satisfaction with the services provided and 69% of the clients indicated the computers as the primary service utilized.

The year was capped off with a birthday party for SCORE celebrating their 35<sup>th</sup> year. The relationship between SBA and SCORE has provided a strong team offering assistance to our small business clients. We want to thank our SCORE members for their contribution to our success.

### FINANCE DIVISION



The Portland District Office extends a hearty thank you to our participating 7(a) and Certified Development Company lenders, which sponsored a banner year in gross dollar loan volume. At the close of our fiscal year, a total of 586 loans totaling \$174 million were approved. The dollar volume is a record and the number of loans is exceeded only by FY95, in which 626 loans for \$124 million were approved.

Of the 586 approvals, 507 were 7(a) loans, 69 were 504 loans and 10 were microloans. Of the 7(a) loans 335 (66%) were approved at SBA's PLP and LowDOC central processing centers in California.

We expect the percentage of loans approved at the processing centers to increase for FY2000.

Loan production goals are established annually by Headquarters. Our loan production goal was 700+ loans. A major component of this goal was, and continues to be, lending to the "**New Markets**". The *New Markets* include African Americans, Asian Americans, Native Americans and Hispanics. We are gratified to report that the lending goals for these specific markets were met or exceeded. *New Markets* also includes loans to women-owned and veteran-owned small businesses. Goal attainment of 71% and 77% was achieved respectively this past year and with your continued support, we hope to report more favorable results for FY2000.

### PORTFOLIO MANAGEMENT DIVISION



At year end, the number of loans in the Portland District Office portfolio totaled 2,149, a decline of 93 loans from the previous fiscal year. The decline is attributed primarily to a large number of early payoffs as a result of the competitive interest rate market. Fiscal year 1999 saw an eroding of the portfolio currency rate to 90.8 as measured in numbers of loans, with a slight increase in the number of liquidation cases to 106. Of those, lenders serviced 79 and 27 were disaster loan liquidation cases serviced by the SBA staff.



### MINORITY ENTERPRISE DEVELOPMENT

Fiscal year 1999 was a record year in the Minority Enterprise Development Program in contracting activity for the Portland District Office 8(a) portfolio. The MED staff processed 167 contract awards for \$23.7 million. With modifications, total contracting activity reached \$32.2 million, the highest in the last ten years.

Leading all agencies in the number of 8(a) contracts awarded in the Portland District was the USDA's Agriculture Marketing Service in,

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Washington, D.C. The AMS awarded 55 contracts totaling \$7.2 million. Leading agencies in the Pacific Northwest providing contract support were the Northwest Oregon Contracting Area, formally known as the Mt. Hood National Forest, awarding 16 contracts; Bureau of Land Management with 13; and Portland District Corps of Engineers with 10.

The Northwest Oregon Contracting Area will be presented the Portland District Agency of the Year award in the near future.

PORTLAND LEADS THE WAY —  
NATIONAL AWARD FOR Y2K!

Serving over 6000 clients through more than 200 events, the Portland District Office, in conjunction with the Oregon Y2K Statewide Task Force, has carried the torch of knowledge about Y2K to small and home-based businesses, culminating in receipt of the SBA National Award for Y2K.

Moving from just a media blitz, the office built a three hour "hands-on" training seminar with the local SCORE Chapter in October of 1998. An information kit was prepared along with a hardware testing diskette loaded with a PowerPoint Presentation on the problem and highlighting those things within a business which are most likely date sensitive.

In January 1999, the Oregon Manufacturing Extension Partnership combined our outreach efforts with all 35 County Extension Agents of Oregon State University, the 25 Small Business Development Centers and six SCORE Chapters into an integrated delivery network.

When we realized that many business owners could not take time off during the day, or the session was not logistically accessible, we began using the SBA's INTERNET CHAT evenings and weekends as a means to reach out even more.

Now the effort is in high gear. In concert with the City of Portland, neighborhood associations and business groups are now getting both the Oregon Y2K Statewide Task Force toolkit as well as the 'Jumpstart Kit', combining testing information along with contingency planning.

Finally, all Lenders have been notified about the Y2K Action Loan Program through briefings and literature. This information is built-in to the Oregon Kit and is often the final word should they have failed to correct the problem or overlooked something. There is still a safety net!

**USEAC - ONE STOP SHOP  
FOR  
INTERNATIONAL TRADE**

Since its opening in early 1997, the U.S. Export Assistance Center (USEAC) Portland, has had one SBA representative assigned to provide export finance assistance to small export companies in Oregon, Idaho, Montana and SW Washington.

This assistance may take the form of advising on methods of payment, risk assessment and mitigation, loan structuring and packaging under SBA's Export Working Capital Program (EWCP) or referral to other federal and state programs. During FY99, \$2.74 million in short term export financing was approved for Oregon companies under the EWCP program. This financing supported the export of diverse products to many countries: snow boards to Japan, lumber to European countries, a turnkey MDF production facility to China and telephone poles to South Pacific Islands. Loan sizes ranged from \$40,000 to \$800,000, with the average loan size at \$328,333.

The USEAC published a *TRADE FINANCE Guide for Oregon* during 1999. Outreach activities included presentations at the Oregon State Bar's Global Business Conference; the State of Oregon's Annual Economic Development Conference; and as part of the 'TRADE TEAM' export program overview visits to Redmond, Coos Bay, Bend, The Dalles, and Hood River.

## SMALL DISADVANTAGED BUSINESS CERTIFICATION PROGRAM

Major reforms of federal government procurement programs have been implemented to assist Small Disadvantaged Businesses (SDBs). The SBA now processes SDB certification applications in Washington, DC. To qualify as an SDB, a firm must be owned and controlled by one or more individuals who are socially and economically disadvantaged.

Congress has directed that individuals who are members of certain ethnic groups are presumed to be socially disadvantaged. These groups are: African American, Hispanic American, Native American, Asian Pacific American and Subcontinent Asian American. Other persons, including women and persons of any race, can also qualify by establishing their social disadvantaged status. All applicants must establish their economic disadvantaged status.

In the past, the government has relied on self-certification for purposes of SDB eligibility, which allowed firms to identify themselves as meeting the requirements for certification. Under the new rule, before the small business concern can become eligible to receive a benefit as an SDB, it must be certified as an SDB by the SBA.

Certified SDBs may receive price evaluation adjustments of up to 10% on federal government prime contracts in selected industries – those that still reflect the effects of discrimination. There is also a system of preferences for large businesses that use certified SDBs as subcontractors on federal government contracts.

Applications for SDB certification are available at SBA districts nationwide or by calling the SBA's Office of Small Disadvantaged Business Certification and Eligibility at 1-800-558-0884.

# HUBZ ONE

An “Historically Underutilized Business zone.” The program provides contracting benefits to small businesses located in these areas with the goal of creating jobs and business opportunities in economically distressed urban and rural areas. HUBZone is a “place-based” federal contracting program serving communities with either low income or high unemployment. The program encourages capital investment and job creation.

The HUBZone program greatly impacts the federal procurement process by restricting the competition for federal government contracts in excess of \$100,000 to HUBZone certified firms. Previously only contracts from \$2,500 - \$100,000 were set-aside for small business. Certified firms are also eligible for a 10% price preference when bidding against large businesses in full and open competition. HUBZone firms that are currently certified as Small Disadvantaged Businesses (SDB) are eligible for additional price preferences. Additionally, certified firms can market prime federal contractors for subcontracting opportunities. There is limited potential to negotiate sole-source contracts. Through September 30, 2000, only ten federal agencies participate in this program. For a list of the agencies, please view the SBA Website. Effective October 1, 2000 **all** federal agencies will participate in the program.

### Locating Eligible Areas

HUBZones represent more than 7,000 census tracts, 900 rural counties, and every federally recognized Native American reservation. Computer mapping software is available on SBA's web site which allows you to search a database to determine whether or not a firm is located in a qualified HUBZone. Using census data from the Census Bureau and the Bureau of Labor Statistics, this state-of-the-art technology allows potential applicants to find out quickly if they qualify

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geographically. The system allows searches by address, county, or town, and maps out metropolitan areas, Indian reservations, and areas that qualify by income, unemployment rate, or both. It will also display areas that are not located in HUBZones.

### Requirements

To qualify for the program, a business must meet the following criteria:

- \* The business must be small according to SBA size standards for its primary industry
- \* Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands on federally recognized Indian reservations;
- \* It must be owned and controlled by one or more U.S. Citizens; and
- \* At least 35% of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35% of a HUBZone firm's employees reside in the HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

The U.S. Small Business Administration (SBA) began accepting applications for the HUBZone Empowerment Contracting program, on March 22, 1999. As of November 16, 1999 there are thirteen certified firms in Oregon, twelve in Washington and 410 nationally. To search for eligible HUBZone businesses, contracting officers can use SBA's Procurement Marketing and Access Network (PRO-Net). The PRO-Net web site address is [www.sba.gov/pronet](http://www.sba.gov/pronet). If a firm does not have access to the Internet, it may use the computers located at local SBA Business Resource Centers to find HUBZone areas and apply.

### Electronic Application

To apply, companies are encouraged to use the electronic application directly on the HUBZone web site, although applicants can also submit a paper copy to SBA headquarters in Washington, D.C. Applicants can download the paper version from the web site or obtain it from any local SBA district

office. A useful application guide, also available on the web site, explains the basics of the application process, indicates the necessary documentation, and clarifies a few technical specifics.

For more information visit our website at [www.sba.gov/hubzone](http://www.sba.gov/hubzone) or contact:  
Samuel B. Goldstein at (503) 326-5101 or  
E-mail: [samuel.goldstein@sba.gov](mailto:samuel.goldstein@sba.gov)



*DreamBuilders* is a new Oregon show focusing on the entrepreneurial achievements of business owners in Oregon and southern Washington. *DreamBuilders* is a one hour call-in talk show that airs once a month on the Portland Cable Access station (PCA). PCA is available throughout the Portland metro area, including Vancouver, Washington, and has over 400,000 viewers.

Sylvia Gercke, Economic Development Specialist with the Portland District Office of the SBA, and Jennifer Dirks, Managing Editor of the Vancouver Business Journal, are co-producers. They interview highly successful entrepreneurs about their backgrounds and the business concepts and principles that work for them. The focus of the show is the small business owner. The purpose is to demonstrate to potential small business owners the courage, vision and sense of mission successful entrepreneurs need in order to be successful. The audience has the opportunity to call in to ask questions. The intent of the call-in format is to help people to succeed in business through one on one mentoring over the telephone.

As we approach the century's final days, new technologies are redrawing the very boundaries of organizations. Traditional patterns of work are disappearing and a new economic order is being born. Today large corporations are downsizing and

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small companies are resurgent. Small business is once again King! *Dreambuilders* will focus on entrepreneurs who are changing today's business world and becoming successful.

For more information contact Sylvia Gercke at (503) 326-5207 or [sylvia.gercke@sba.gov](mailto:sylvia.gercke@sba.gov).



The **Northwest Innovative Business & Technology Center (NIBTEC)** of Portland has been named the state of Oregon winner of the **1999 Small Business Administration Tibbetts Award**, the agency's highest national recognition for innovative technology.

Named for Roland Tibbetts, the person acknowledged as the father of the Small Business Innovation Research Program (SBIR), the prestigious Tibbetts awards are made annually to those small firms, projects, organizations and individuals judged to exemplify the very best in SBIR achievement. Those receiving this award are selected based on the economic impact of the technological innovation, overall business achievement and demonstration of effective collaborations.

**NIBTEC** is a non-profit corporation that serves technology driven companies by finding the most appropriate technologies and research and development funding resources. The organization assists in technology transfer, technology research and development funding, joint technology research and development projects, and educational programs.

The SBIR program accounts for more than \$1 billion per year in federal research and development funds and is coordinated by the SBA in

cooperation with 10 other federal agencies. The program encourages small businesses to explore their technological potential and provides the incentive to profit from its commercialization.

## 8(a) FIRMS HONORED

A number of Portland District Office 8(a) participants have been accorded honors in the last half year. At the well-attended MED Week luncheon held October 7<sup>th</sup> at the Oregon Convention Center, there were three 8(a) awardees:

Edward Holmes, president of **Ebony Iron Works, Inc.**, Portland, Oregon, was presented the Small Business Administration's 1999 **Minority Small Business Person of the Year** award for the Portland District Office. Representing the Portland District, Mr. Holmes was also the winner of the SBA's Region 10 award.

Georgia O'Mary and Janie Millican, principals, of **GEO & JEM, Inc.**, Milwaukie, Oregon, were the recipients of the 1999 Minority Business Opportunity Committee (MBOC) **Minority Vendor of the Year** award.

Noell Webb, president of **Webb & Associates, Inc., dba TEMPORARY STAFFING**, Portland, Oregon, was the recipient of the 1999 Minority Business Opportunity Committee **Minority Contractor of the Year** award.

**Also recognized was SPIRIT COMMUNICATIONS, INC.**, Tualatin, Oregon, Clyde Stryker, President, at the Washington D.C. MEDWeek luncheon, in September, as the **Service Firm of the Year**. Spirit Communications was honored in Oregon this year with the **Governor's Business Excellence Award**.

Jeffrey Benge, **VERAZ CONSTRUCTION, INC.**, was recognized earlier this year by the USDA which awarded him the **U.S. Department of Agriculture Small Business Contractor of the Year** award.

★ *Congratulations all!* ★

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NOT FOR THEMSELVES  
BUT FOR OTHERS!

Valley SBA Loan Center made more loans to minority-owned businesses than any other lending institution within Oregon and SW Washington. Jerry Casteel, Vice President and Manager of Valley SBA Loan Center, states that his team is committed to deliver the highest level of service to all segments of the business community. As a result, his bank has gained the respect of people everywhere.

Valley SBA Loan Center was honored as SBA's Minority Lender of the Year on October 7, 1999 at the Annual Minority Enterprise Development Awards Luncheon.

MAN OF STEEL  
RISES FROM THE ASHES!

**Ebony Iron Works, Inc.**, a steel fabricating company located in Northwest Portland, started business late in 1993 and was located in a small shop in North Portland with five employees. Ebony initially struggled to survive a major structural fire that occurred during the first six months of operation. During its first full year of business in 1995, Ebony rebounded with sales exceeding \$1.2M. Since 1995, Ebony's sales have increased dramatically, employment has increased to 28 full time employees, and the firm now far exceeds industry averages for profitability.

In 1998 Ebony was facing a forced move. Ebony Properties, an affiliated entity, located and purchased its current facility at 2401 NW 22<sup>nd</sup> Avenue and began leasing the site to Ebony Ironworks. *The financing for this facility purchase was*

*through Evergreen Community Development Corporation utilizing the SBA 504 loan program.* This move provided an improved physical layout, increased space, and improved production and lifting capacity.

Ebony's business blossomed, and in 1998, Ebony was the recipient of the Minority Business Opportunity Committee Minority Vendor of the Year award. Some of Ebony's major contracts include installation, repair, and replacement of some of the Bonneville & John Day Dam trash racks and fish screens, fabrication of the Portland International Airport entry archways along Airport Way, and welding and fabrication services related to the construction of a Kaiser medical office building.

*Ebony became SBA 8(a) certified in 1996 as a Small Disadvantaged Business.* Under the 8(a) program the firm was awarded its first contract in December 1997 from the Army Corps of Engineers. Total contract assistance in the 8(a) program to date is approximately \$2.37M. Ebony has performed admirably and has received additional work through the Corps of Engineer. In addition to the 504 loan, 8(a) program participation, and SDB certification, *SBA also provided the underwriting of a 7(a) loan start-up loan through U.S. National Bank (USNB) in 1994.* Ebony has significant bonding capacity and a large Line of Credit allowing it to perform contracts in excess of \$1M.



**Edward Holmes**, President, was the 1999 winner of the SBA Minority Small Business Person of the Year award for Oregon. As a result of being the winner in Oregon, Mr. Holmes was nominated as and named the Minority Enterprise Development Small Business

Person of the year for Region 10. The re-

## SBA Announces Three Oregon Award Winners

The Oregon Association of Minority Entrepreneurs (OAME), Umpqua Community Development Corporation and Clyde Stryker, President of Spirit Communications Inc. have been selected to receive the **Vision 2000 Models of Excellence** awards by the U.S. Small Business Administration. Winners of these national awards were selected from hundreds of nominations submitted to the SBA's Office of Advocacy, which is sponsoring the awards programs. Vision 2000 is designed to showcase outstanding initiatives that advance small business programs and policies.

OAME was chosen to receive the award for their efforts to assist and support minority business owners and efforts to make entrepreneurial opportunities available for minorities. The Umpqua Community Development Corporation was the recipient of the small business development category for their Micro-Enterprise Development and Lending (M.E.D.A.L.) Program, a program designed to promote, assist and develop new start-up micro businesses in the distressed rural communities of Southwest Oregon. Clyde Stryker was chosen to receive the award for leadership in small business issues for his work in amplifying the voice of small business. Mr. Stryker serves as a member of SBA Regulation Fairness Board for Region10, has been a delegate to the past White House Conference on Small Business and has taken a leadership role in the advancement of Native American businesses in Oregon.

These awards will be presented at Vision 2000: The State and Small Business Conference that will be held in Washington D.C. in December.

## Wanted: Unique Entrepreneurs with Singular Talents

Each year, the U. S. Small Business Administration's Portland District Office celebrates National Small Business Week to recognize the best and brightest entrepreneurial talent. This year's celebration takes place on May 17, 2000 at the Benson Hotel in downtown Portland.

SBA invites you to help celebrate America's thriving small business owners and advocates. For event information, contact Moe Mowery at (503) 326-5209.

Remember, behind successful business people are tales of self-reliance, persistence and the joy of following dreams. These success stories could inspire you to achieve your own success.



Pacific Continental Bank approved 84 loans for \$21,505,565 to become the #1 SBA lender in the Portland District for the second straight year. The 84 loans made this year surpassed the bank's record production of 67 loans for \$13,646,300 in FY98. We applaud Pacific Continental Bank for their commitment to small business.

