



PORTLAND DISTRICT news

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Your Partner in Business

January, 2001

A Word from our District Director



I write this message as we settle into the year 2001, after an uncertain fall without an agency budget. In spite of the uncertainty, we continued to ensure the delivery of products and services to our small business constituency.

At the end of December 2000, significant legislative changes to our loan programs took effect, the major points of which are detailed in a separate article.

During this fiscal year, we are moving forward to increase small business access to our programs and services. We are charged with providing unprecedented levels of assistance to small businesses. In our financing programs, we will continue our emphasis on increasing loans to minority, women, veterans, rural businesses and to firms involved in exporting. We want to increase our loan volume to over 725 loans, up from the 601 loan approvals last year. In the procurement areas, we will increase total contracting to participants in our 8(a) Program, especially those that are new to the program. We will provide procurement training to those firms as well as those that are owned by women. And finally we want to make sure that small businesses are aware of opportunities provided to them under our HUBZone Program, and will increase the number of firms certified in that program. In our business development programs, we will serve more clients, increase business development opportunities to the disabled, and increase public awareness of our programs and services.

We will do more with less, and will continue to have a significant impact on our district's small business community.

PHIL GENTRY



IMPORTANT LEGISLATIVE CHANGES

On December 21, 2000 "The Consolidated Appropriations Act of 2001" (PL 106-554) took effect, making several significant changes to loans approved under SBA programs.

7(a) LOAN PROGRAM

1. The maximum dollar amount that SBA can guarantee has been raised to \$1 million from \$750,000.
2. A maximum loan size of \$2,000,000 has been established for 7(a) loans. Loans greater than this amount can no longer be approved.
3. Small loans are now considered to be those that are \$150,000 (gross amount) and smaller. The maximum guaranty on these loans is now 85%. Previously, small loans were considered to be \$100,000 or less and received a maximum guaranty of 80%.
4. The maximum guaranty on loans greater than \$150,000 is 75%. Previously, loans for more than \$100,000 received a maximum guaranty of 75%.
5. The maximum size for loans under the SBA MicroLoan program has increased from \$25,000 to \$35,000, and allows the SBA to continue expanding the number of lenders in the program.

To Provide Quality Resources that Make a Difference for Small Business

504 LOAN PROGRAM:

The maximum 504-loan amount has been increased from \$750,000 to \$1,000,000 for loans meeting the job creation criteria or a community development goal. The maximum loan amount to a borrower has been increased from \$1,000,000 to \$1,300,000 for those loans that fulfill a public policy goal.

More Information:

Please contact Dennis Lloyd at (503) 326-5205 or Joe Martinez at (503) 326-5214 with any questions or email us at por-needhelp@sba.gov.

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E-Commerce Makes Way for I-Service: May 16, 2001

You won't want to miss Charles Jennings, our Small Business Week Awards keynote speaker, at the Hilton Hotel in downtown Portland on May 16th. Jennings will give our attendees a look into the world of Internet's new possibilities. Many of you may not be aware that E-Commerce systems and business models have ended. A new era of machine to machine I-services is about to change the Internet business world. This new I-Service technology will bring new opportunities for established companies and new companies who will service this new technology.

Jennings is an Internet entrepreneur, author, accomplished speaker and former film/television producer. He co-founded Supertracks in 1999, a download music distribution service company, where he is now CEO. *The Hundredth Window: Privacy and Security in the Age of the Internet*, published by Simon and Schuster.

Be sure to mark May 16th for the Small Business Week Awards Banquet 2001. The cost is \$45 per person, \$450 per table (seats 10) and after May 1st the cost is \$55 per person and \$550 per table.

The Portland District Office is accepting contributions to support this event and the Business Resource Center. The contribution levels are:

Platinum - \$2000, incl. 1 full table admissions
Gold - \$1,500, includes ½ table admissions
Silver - \$1,000, includes 2 admissions
Bronze - \$750, includes 1 admission

If you would like to make a contribution, please contact Moe Mowery at 503-326-5209. If you would like to attend, please contact Katie Allwander at 503-326-3329.

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KIOSKS CONNECT SBA TO RURAL COMMUNITIES



To help the SBA connect to our small business clients located in rural areas, the Portland District Office is opening six kiosks. The kiosks will be located in Grants Pass, Hermiston, Brookings, Lakeview and Prineville in Oregon and in Longview, Washington, and will be in operation by March 31, 2001.

We have a commitment from the Grants Pass Chamber of Commerce to host a kiosk, and we are currently in the process of formalizing the other locations. SBA will provide the computer equipment and the disk presentation, which will include local information specific to the location of each kiosk.

It is our hope that the six kiosks will be the beginning to bringing assistance to those clients not able to reach SBA by other means. For more information, call 503-326-2682.

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LEARNING ABOUT SBA CAN BE FUN!

The Portland District Office has adopted a new format for informing lenders and its resource partners of new changes in SBA programs and services. Through the "SBA – A Beacon for Small Business" event our staff provides an overview of the most recent changes and shares some of our

successes. The first two events, held in Portland on November 29, 2000, and in Eugene on January 17, 2001, were hosted by Evergreen Community Development Association (ECDA) and Pacific Continental Bank (PCB) respectively.



Each program included highlighting three SBA borrowers, some role playing by very talented SBA and ECDA/PCB staff and sharing of unique case studies by a panel comprised of local lenders. Over fifty lenders and SBA resource partners in attendance at each event were presented with a CD-ROM, which provides in-depth information of all SBA programs, to utilize as a training tool.

The Portland and Eugene events were the first of several breakfast sessions that will be held throughout our district. Each program will highlight local success stories. For more information call Toni McKissen at 503-326-5122.



NATIONAL HONORS FOR OUTSTANDING PERFORMANCE



Service Corps Of Retired Executives (SCORE) "Chapter 11" was recognized by their national association on ranking fourth in the nation. SCORE provides free business counseling and low cost workshops. The national ranking is based primarily on the amount of total number of services offered and clients served.

Over the past year *Chapter 11* counseled 500 business clients, and held an average of three workshops per month, on starting a business, business planning and business ownership. In addition SCORE counselors operate the SBA \SCORE Business Resource Center, located within the SBA Portland District Office, containing a library, videotapes, computers with numerous business software programs and web access.

SCORE is sponsored by the U.S. Small Business Administration. For additional information or assistance contact SCORE Chapter 11 at 503-326-3441 or e-mail at scorepdx@uswestmail.net.



COUNSELING and TRAINING

During the first quarter of FY 2001, the twenty Small Business Development Centers (SBDC's) in Oregon and three SBDC's in Washington held 235 training classes for 1,929 attendees and the SBDC counselors assisted 1,233 clients in total. The six SCORE Chapters in our district; Bend, Eugene, Medford, Portland, Salem, and Vancouver, Washington counseled 2,245 clients and held 9 training events with 193 attendees.



WEBPAGE DESIGN HELP



SBA would like to assist small businesses that are involved in E-Commerce (electronic commerce). As part of that effort, and in conjunction with Bigstep.com®, Allbusiness.com® and SCORE Chapter #11 of Portland, we now offer free CD-ROM kits that show businesses how to prepare a Webpage.

To obtain a kit, call "Big Jim" Steiner, Computer Specialist, at 503-326-2586 or send an email to por-needhelp@sba.gov. In order to use the software, you will need an IBM compatible computer having a speed of at least 233MHZ with 32MB of RAM, 20MB of hard drive space, an INTERNET browser, a sound card with speaker or headset and Windows® 95/98/NT/ME/2000. You will also need INTERNET access and an email address in order to make use of this software. However, you may use the resources of Portland's Business Resource Center to prepare your website.

In addition, SCORE Chapter #11 in Portland will hold Saturday morning workshops, teaching how

to use the Webpage design software, so that after just four hours you can have your provisional WebPages up and running. The next workshop is scheduled for February 10, 2001. To get more information and sign up for the workshop, call SCORE at 503-326-3441 and ask about the E-Commerce Workshop. This \$25.00 workshop is a four-hour course of instruction on the full spectrum of e-commerce plus how to use software that allows you to expand and maintain your new website.



MINORITY ENTERPRISE DEVELOPMENT NEEDS YOUR HELP!

During the last fiscal year, the Portland District Office (PDO) participants in SBA's 8(a) Business Development program, a program for socially and economically disadvantaged entrepreneurs, received almost \$30,000,000 in 8(a) contract assistance. This represents close to five percent (5%) of total federal dollars spent in our geographic service which is a significant portion of the total contracts. This is an increase locally, although total contract dollars awarded through the 8(a) business development program shrank nationally.

With our assistance, local federal buying agencies have taken on more responsibility in meeting public policy initiatives, including procurement support for small, small disadvantaged, women, veteran, and HUBZone small businesses. You may be aware that on a national basis the government buys all sorts of products, from paper clips to space shuttles, but locally federal agencies spend much of their procurement dollars on construction, natural resources conservation, professional services, reforestation and other non-professional services.

In order to better serve the economically and socially disadvantaged business community, the

SBA wants to come to your community to help educate you, your resource partners and your clients.

The SBA is asking for your assistance in these ways:

1. We want you to be familiar with all of our contracting programs so that businesses with which you work and the communities where they are located may benefit from them.
2. We ask your assistance in identifying potential participants for our programs, communicating basic program information to them and, when appropriate, referring them to our office.
3. We seek your assistance in our outreach efforts.

You know your community resources and small business owners. We want to participate in informational and recruitment workshops around Oregon and Southwest Washington to foster a larger pool of participants for our programs, thereby helping to develop these small and underserved businesses and at the same time improving the economy in your area. In order to decide if you can use our assistance, you can ask yourself the following questions:

1. Am I aware of the following programs?:
 - 8(a) Business Development
 - HUBZone Empowerment Contracting Program
 - PRO-Net Registration
2. Small Disadvantaged Business Certification
3. How can I counsel my clients that sell to the federal government?
4. How can I help to participate in outreach efforts?

If you don't have the answers to all of the questions, then you are a candidate for assistance from the Portland District Office. For general information about these programs, you can call us for a copy of our one page fact sheet: *Contracting Help for Small and Minority Business*. In order to schedule our participation in a workshop, please call our Business Opportunity Specialists, Bob Jensen at 503-326-5102 or Sam Goldstein at 503-326-5101.



INCREASED HEALTH CARE SIZE STANDARD SWELLS RANKS OF SMALL BUSINESSES

In December 2000, the SBA increased maximum size standard for health care providers, expanding the number of businesses that can qualify as "small" for government programs and services.

The agency estimates that nearly 5,000 firms will benefit from the change nationally, mostly skilled nursing care facilities, and offices and clinics operated by doctors. Under the previous size standard, the health care industry qualified a business as "small" if its annual revenues were \$5 million or less. The new SBA size standards set higher size thresholds for 19 of the 30 industries in the health care category. The changes were based on a review of the economic characteristics of firms in the health care industries. The new standards took effect on December 18, 2000. A full listing of SBA's size standards is available on the sba web site at www.sba.gov.



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LENDERS RESPOND TO SURVEY

Thanks to the National Association of Government Guaranty Lenders (NAGGL) and our lenders, the Portland District Office will have the benefit of learning from our lenders what works and what doesn't work based on responses to a survey recently conducted. NAGGL distributed the survey on behalf of our office and an overwhelming 15% response was received. The final report will be completed at three focus groups meetings in January and February 2001.



Early reviews indicate that training and timely communication between SBA and lenders is desired, especially in rural areas. With this in

mind SBA is moving forward and is scheduling some bank training on new loan programs and servicing policies and procedures. If your organization wishes to be included in the training, please contact Joe Martinez at 503-326-5214.

A summary of the survey final report should be available in our next newsletter.

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SMALL BUSINESS SERVICE PROVIDERS DEVELOP ACTION PLAN

'Summit II: A Call to Unity – A Call to Excellence' brought together over 30 small business service providers on December 13, 2000, in Eugene, Oregon. The gathering was the follow-up to a July 1999 event held for the purpose of developing a strategy for the creation of a "seamless delivery system" for small businesses. Summit II represented a joint effort of several organizations, including the SBA. The agenda included a resource rally for sharing an overview of each participating organization, a round table discussion for discussing the Governor's Small Business Council report, and three facilitated group discussions for developing an action plan in support of the recommendations in the Governor's report.



A summary of the action plan will be completed by the Oregon Economic and Community Development Department (OECD) and will be distributed to interested parties. Small business service providers will be meeting annually to enhance relationships and discover partnership opportunities for the benefit of providing quality service to small business owners. If you would like to receive a copy of the Governor's Small Business Council report and/or the summary of the Summit II action plan, or you would like to participate in next year's meeting, call Toni McKissen at 503-326-5122.

FY 2001 LOAN PRODUCTION (thru 12/31/00)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
ALBINA COMMUNITY BANK	3	521,900
AMERICAN PACIFIC BANK	1	143,000
ASSOCIATES COMM. CORP. - DELAW	1	57,000
BANK OF AMERICA	14	861,300
BANK OF CLARK COUNTY	1	90,000
BANK OF THE CASCADES	1	75,000
BANK OF THE WEST	1	192,200
BANNER BANK	1	833,000
BORREGO SPRINGS BANK	1	316,000
CASCADES WEST FINANCIAL SERVICES, INC.	5	2,930,000
CWFSI - MICROLOANS	2	25,000
CCD BUSINESS DEVELOPMENT CORP.	2	865,000
CENTENNIAL BANK	6	1,018,000
CIT SMALL BUS. LENDING CORP.	6	3,276,000
COLUMBIA COMMUNITY BANK	1	100,000
COLUMBIA RIVER BANKING COMPANY	1	32,800
COLUMBIA STATE BANK	1	100,000
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	6	2,901,000
FIRST UNION SMALL BUS. CAPITAL	5	3,185,800
GOLETA NATIONAL BANK	1	359,000
GREATER EASTERN OREGON DEVELOPMENT CORP.	1	557,000
HELLER FIRST CAPITAL CORP.	1	1,000,000
IMPERIAL BANK	3	1,295,200
KEY BANK	9	1,376,900
LIBERTY BANK	2	120,800
MID-VALLEY BANK	1	97,300
NORTHWEST SMALL BUS. FINANCE CORP.	1	757,000
OREGON STATE BANK	1	357,000
PACIFIC CONTINENTAL BANK	6	1,468,800
PEOPLE'S BANK OF COMMERCE	5	548,500
SILVER STATE BANK	2	183,700
SIUSLAW VALLEY BANK	1	30,000
STEARNS BANK NATIONAL ASSOC.	1	80,000

FY 2001 LOAN PRODUCTION (thru 12/31/00)
(CONTINUED)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
THE MERCHANTS BANK	2	73,000
TODAY'S BANK	4	544,304
TWIN CITY BANK	5	715,500
UMPQUA BANK	2	500,000
US BANK, NATIONAL ASSOCIATION	15	4,003,000
WASHINGTON MUTUAL BANK dba WESTERN BANK	2	37,000
WELLS FARGO BANK	8	1,555,500
WEST COAST BANK	8	1,490,000
TOTAL	140	34,672,504

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FY 2001 LOAN PRODUCTION BY COUNTY
(10/01/00 - 12/31/00)

COUNTY	# OF LOANS	TOTAL \$ AMT	#	504 \$	# 7	7(a) \$
OREGON STATE						
BENTON	1	357,000			1	357,000
CLACKAMAS	14	2,639,700			14	2,639,700
CLATSOP					0	0
COLUMBIA	1	1,000,000			1	1,000,000
COOS					0	0
CROOK					0	0
CURRY					0	0
DESCHUTES	6	920,500			6	920,500
DOUGLAS	1	267,000			1	267,000
GILLIAM					0	0
HOOD RIVER	1	400,000			1	400,000
JACKSON	11	3,210,500	1	222,000	10	2,988,500

FY 2001 LOAN PRODUCTION BY COUNTY
(continued)

COUNTY	# LOANS	TOTAL \$ AMT		# 504	504 \$	# 7(a)	7(a) \$
JEFFERSON	0	0				0	0
JOSEPHINE	2	129,000				2	129,000
KLAMATH						0	0
LAKE						0	0
LANE	14	3,780,300		2	1,455,000	12	2,325,300
LINCOLN	2	277,700				2	277,700
LINN	2	432,000		1	336,000	1	96,000
MARION	5	350,100		1	139,000	4	211,100
MORROW	1	833,000				1	833,000
MULTNOMAH	36	10,874,000		4	2,557,000	32	8,317,000
POLK						0	0
SHERMAN						0	0
TILLAMOOK	1	10,000				1	10,000
UMATILLA	1	557,000		1	557,000	0	0
WASCO	3	149,800				3	149,800
WASHINGTON	16	3,827,300		1	537,000	15	3,290,300
WHEELER						0	0
YAMHILL	3	1,313,000		1	1,000,000	2	313,000
WASHINGTON STATE							
CLARK	9	1,924,904		2	1,068,000	7	856,904
COWLITZ	10	1,419,700		1	139,000	9	1,280,700
SKAMANIA						0	0
WAHKIAKUM						0	0
TOTALS	140	34,672,504		15	8,010,000	125	26,662,504

