



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

September 11, 2012

The Honorable Marco Rubio
United States Senator
201 South Orange Avenue, Suite 350
Orlando, Florida 32801

Dear Senator Rubio:

Thank for your recent inquiry on the behalf of Mr. Darwin Gilmore, owner of Manown Engineering Company, Inc., regarding his request for reinstatement under the U.S. Small Business Administration (SBA) HUBZone Program and the redesignation of Holmes County based on the 2010 census.

The release of the results of the 2010 decennial census data triggered a re-drawing of the boundaries of HUBZone geographic areas nationwide. The boundaries are determined by a number of factors, including the statutorily mandated expiration of re-designated HUBZones.

Holmes County is a non-metropolitan county which is not HUBZone qualified by either unemployment rate or household incomes. Its HUBZone designation was initially based on the 1990 Census. On May 29, 2003, Holmes County lost its HUBZone designation based on changes in unemployment and it was redesignated for 3 years as required by statute. When its redesignation expired on May 29, 2006, the county was reinstated based on a December 2004 statutory amendment to the Small Business Act, which kept its redesignation until the public release of the first results from the 2010 decennial census, which occurred on October 1, 2011. Consequently, areas such as Holmes County were provided an extended "grandfathering" period beyond the original required three years, (See *Pub. L. 108-447 (2004)*).

Holmes County is not qualified as a HUBZone because it does not meet the regulatory and statutory criteria for designation. A Qualified Nonmetropolitan County (QNMC) is any county not located in a metropolitan area that meets any or all of the following three criteria:

1. the county's median household income is less than 80% of the nonmetropolitan state median household income, based on the most recent data available from the Census; or
2. the county's unemployment rate is not less than 140% of the average unemployment rate for the United States or for the State in which such county is located, whichever is less, based on the most recent data available from the Bureau of Labor Statistics; or

The Honorable Marco Rubio
Page 2

3. the county includes a Difficult Development Area, as designated by the U.S. Department of Housing and Urban Development, in accordance with section 42 of the Internal Revenue Code of 1986, within Alaska, Hawaii, or any territory or possession of the United States outside the 48 contiguous States.

We appreciate your continued support of the SBA and the Florida small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

Mariana Pardo
Director
HUBZone Program