

NEW YORK BUSINESS DEVELOPMENT CORPORATION



JANUARY 2007 ON-LINE NEWSLETTER

Message from the President and CEO
Patrick J. MacKrell



Dear Friends,

The New Year is well underway and we wish you the best for a very successful 2007!

We are in the planning process for our 2007 Staff Retreat. This year's theme is "User Friendly." Please help us become a more effective partner by emailing your comments and suggestions to me at mackrell@nybdc.com.

Did you notice our new 504 logo? As of January 23, 2007, Empire State Certified Development Corporation (sometimes confused with Empire State Development Corporation) began doing business as "The 504 Company."

It is our mission to promote the growth of the New York State economy and to create and retain jobs. In this month's [Lender's Corner](#), Curt Solomon writes about SBA financing for small businesses which are owned by foreign nationals (other than those with permanent resident alien status) and/or foreign entities.

You can read about a very successful project featuring two brothers who obtained SBA financing in the [Success Story of the Month](#). It coincides with our mission of assisting minority owned businesses and working with economic development groups in our communities to promote growth.

Diane McDonald is featured this month in our [Employee Spotlight](#) and in our [News Highlights](#).

This month we continue our [Partner Page](#) with a submission from one of our community partners, the New York State Small Business Development Center.

In addition to the [December 2006 Loan Approvals](#) contained in this edition of the newsletter, a list of all loans approved during our recently concluded fiscal year and prior issues of our electronic newsletter are available on our website www.nybdc.com.

Finally, please review the announcement for the 9th Annual Small Business Excellence Awards luncheons in Albany and Syracuse on our [Upcoming Events](#) page.

Your ideas, thoughts and opinions are always welcome and encouraged. Please take a moment to let us know what you think about our newsletter and website. Your ideas on how to improve our newsletter and website would be greatly appreciated. Please send those to lcouture@nybdc.com.

Sincerely,

Pat

SBA 504 Program Effective Rates
20 Year Term (\$1MM+).....6.29%
10 Year Term (\$1MM+).....6.44%



LENDER'S CORNER

Not Just for US Citizens

by Curt Solomon, Vice President, NYBDC
Regional Manager, Central & Northern New York



Did you know that businesses owned by principals that are neither US Citizens nor permanent resident aliens can obtain financial assistance and loan guarantees from the SBA?

A small business owned by a foreign national or a foreign entity is eligible for SBA financing if it:

- (1) has a place of business located in the US;
- (2) operates primarily within the US;
- (3) pays taxes to the US; and
- (4) uses American products, materials and labor.

However there are requirements as follows:

- The borrower must demonstrate that separate continual and consistent management (in addition to the owners) exists and will continue indefinitely.
- Management must have US citizenship or verified LPR status.
- Management must have operated the business for a least one year.
- There must be sufficient collateral within the jurisdiction of the US.

We have successfully packaged SBA loans to meet the needs of applicants owned by foreign nationals. In some areas of New York, especially along the Canadian border, we see Canadian-owned companies that are seeking financing to grow their businesses in the United States. These businesses provide jobs and increase the overall economic opportunity for the New York State communities supported by these businesses.



SUCCESS STORY OF THE MONTH



HUNTINGTON Country Inn



Referred By: Harry Shaw of the McSam Hotel Group
 Owners: Parmod Kumar and Nitin Kumar
 Economic Developer: Anthony Aloisio, Town of Huntington
 Bank Partner: Synergy Bank · Banker: Sriramulu Krishnamurthy
 The 504 Company (Empire State CDC): \$2,000,000 · Total Financing: \$5,600,000

For over 12 years, The Huntington Country Inn has been part of the historic Huntington, Long Island community. The solid reputation of this independent hotel was one of the factors that drew brothers Parmod Kumar, President and Nitin Kumar, Vice President of the Roselyn Properties Group to this property situated in one of the largest commercial marketplaces on Long Island.



After having run successful telecommunications companies for the past few years, the brothers decided to take on the challenge of entering the hotel service market. The Kumar brothers purchased the Huntington Country Inn in January 2007 with the help of Harry Shaw, a consultant with the McSam Hotel Group.



Parmod and Nitin benefited from Harry's expertise. Harry contacted Richard Amsterdam at our Long Island office to secure the 504 financing for this project. "My experience with NYBDC/Empire State CDC has been excellent," stated Harry Shaw. "NYBDC/Empire State CDC was very prompt, diligent and cooperative in getting the approval from SBA. When we needed amendments to the loan authorization they came through with flying

colors. On top of it they saved our client the mortgage recording tax on the second lien."

Nitin Kumar said, "it was a great pleasure working with NYBDC. It was a wonderful learning experience and NYBDC was very helpful throughout the entire transaction. I was impressed with their work ethic and understanding of our financing needs. They were very prompt on any issues related to the loan process. They were also very courteous and paid attention to our special needs and fulfilled them in less than the expected time. Once again, I was delighted to work with them. We look forward to working with them again in the future."



In addition to the borrowers, the consultant and the banker, NYBDC loan officer, Rich Amsterdam, also worked closely with Anthony Aloisio, Director of Planning & Environment for the Town of Huntington, to establish that a community development policy goal was achieved by this project, allowing the borrowers to take maximum advantage of the 504 Loan Program. According to Huntington Town Supervisor Frank P. Petrone, "The revitalization of the Huntington Country Inn will enhance our Town's efforts to stimulate the local economy of the Huntington Station area. The SBA 504 funding was a critical element of the financing package to make this project happen."

The Huntington Country Inn's property covers 2.6 acres and the 40,000 sq. ft. structure contains 61 rooms, each equipped with cathedral ceilings, a living room with dining area, cordless phone, gourmet coffee and tea, refrigerator, microwave, whirlpool bath, and spacious bedroom. Other amenities include a bridal suite, multi-purpose family room, exercise room, outside pool, and conference room that can accommodate up to 60 people.





NEWS HIGHLIGHTS

Diane McDonald Participates in SBA Field Test

Diane McDonald recently participated in the field testing of the new SBA 504 Authorization prior to its recent release. Diane received thanks from both the SBA and the National Association of Development Companies for her contribution to the testing process. Diane works in our Loan Servicing Department and is responsible for the processing of all SBA 504 approvals and modifications. Please read more about Diane in our [Employee Spotlight](#).



Rainbow/PUSH Wall Street Project Economic Summit

On January 10th NYBDC Director and National Director of Business Banking for Citibank, Hugh Donlon, and NYBDC President, Pat MacKrell, participated in a Financial Services Roundtable in connection with the Rainbow/PUSH Wall Street Project. Rev. Jesse Jackson was the moderator of the panel. The panel focused on access to capital for underserved markets.

First \$4 million 504 Loan

The 504 Company (Empire State CDC) closed its first \$4 million debenture on January 30, 2007. The loan was to Candid Litho Printing, which relocated from Manhattan to Long Island City (Queens). Our borrower is among the first in the country to take advantage of the higher 504 loan amount available to manufacturers. This financing gave the company the ability to stay and grow in New York state, retaining 110 jobs.

Moving Up the Charts

The 504 Company (Empire State CDC) moved from 11th to 9th place in the national ranking of certified development companies, based on the SBA's ranking of certified development companies, by number of loans for the three- month period ending December 31, 2006.



Long Island Office on the Move

Our Long Island office relocated to 68 South Service Road, Suite 100, Melville, NY 11747. Please note the new address. The telephone and fax numbers remain the same for Jim Goldrick, Stan Grochocki, and Rich Amsterdam.

NYBDC Welcomes the Rockland Business Association and the Sullivan County Partnership for Economic Development

The Rockland Business Association and the Sullivan County Partnership for Economic Development have become two of our newest Community Partners. We are excited about a very successful 2007 with these two dynamic organizations.



Small Businesses' Window to Wall Street

The OCC article, [Small Businesses' Window to Wall Street](#) is a great source of information on how the SBA 504 Loan Program provides small businesses access to financing. You can view the article by clicking the link above or the image to the left. If your organization would like to learn more about the 504 or other loan programs, please contact Laurie Couture by phone at 518-463-2268 or via email at lcouture@nybdc.com.



UPCOMING EVENTS

You do not want to miss the 9th Annual Small Business Excellence Awards luncheons hosted by NYBDC.

Two dates/locations for this event are:

- **Albany**
Monday, May 7, 2007, 11:00am to 1:00pm
at The Desmond Inn and Conference Center, Albany
- **Syracuse**
Friday, May 11, 2007, 11:00am to 1:00pm
at The Doubletree Hotel, Syracuse (*formerly The Syracuse Wyndham*)

Small Business Excellence AWARDS

May 7 **May 11**
Desmond, Albany Double Tree Hotel, Syracuse

9:30 a.m. to 10:30 a.m. — Winner Circle Marketing Workshop
10:30 a.m. to 11:00 a.m. — Business to Business Networking/Reggie

11:30 a.m. to 1:00 p.m. — **Excellence Awards Luncheon**
A luncheon recognizing the importance of small business in our communities.
75% of purchases to honor your small business customer. Hosted by NYBDC. *Just for small business!*

Here's how to win! You select a small business customer. We select you! For details:
For your commitment of \$750.00, you will receive:
• A table for 10 people at the general small business awards luncheon.
• Reservations for your customer at the luncheon (seating and table also optional).
• An elegant gift card for your small business customer.
• Publicity for you and your customer in the local media and luncheon program.
• Two, 8x10 professional photographs for you and your small business customer.
• Syracuse luncheon media sponsor — The CW Business Journal.

If you also want to honor a business, show your support by being a sponsor at \$750 per table of 10 people.
For information, contact Cathy Pothier at 518-437-8335, ext. 217 or cathy.pothier@nybdc.org.

Don't miss out! Tables are limited!

Click on these forms below to complete on-line

RESERVE
February
23

Reservation Deadline: submit "GENERAL RESERVATION" form
Complete online or fax to (518) 437-8073 or email to cathy.pothier@nybdc.org
Small Business Selection Deadline: submit "SMALL BUSINESS SELECTION" form
Complete online or fax to (518) 437-8073 or email to cathy.pothier@nybdc.org
Payment due: make check out to NYBDC Small Business Luncheon, Mail to:
PO Box 738, Albany, NY 12201-0738, Owen Burns

[Click here to see a full-size, downloadable PDF version.](#)

Reservations:

Reservations can be made anytime by completing the partner commitment form online at <http://www.nywbc.org/form/add.php>.

Reservation deadline February 23rd

Nominations:

Select and submit your business customer online at <http://www.nywbc.org/form/selection.php>.

Business submission deadline February 23rd



Small Business

Excellence AWARDS

NINTH ANNUAL

May 7

Desmond, Albany

May 11

Double Tree Hotel, Syracuse

9:30 a.m. to 10:30 a.m. --- *Winner Circle Marketing Workshop*
10:30 a.m. to 11:30 a.m. --- *Business to Business Networking/Displays*

11:30 a.m. to 1:30 p.m. --- **Excellence Awards Luncheon**

Join us in recognizing the importance of small business in our communities.

It's your chance to showcase your small business customer - hosted by NYBDC - just for small businesses!

Here is how it works! You select a small business customer. We take care of the details!

For your commitment of \$700.00, you will receive:

- A table for 10 people at the premier small business awards luncheon
- Reservations for your customer at the free marketing seminar and trade show (optional)
- An elegant crystal award for your small business customer
- Publicity for you and your customer in the local media and luncheon promotions
- Two, 8x10 professional photographs for you and your small business customer
- Syracuse luncheon media sponsor ~ The CNY Business Journal

*If you choose not to honor a business, show your support by being a sponsor at \$700 per table of 10 people.
For information, contact Cathy Pokines at SBA at (315) 471-9393, ext. 241 or cathy.pokines@sba.gov*

Don't miss out! Tables are limited!

Click on these forms below to complete on-line

DEADLINE
February
23

- Reservation Deadline: submit **"PARTNER COMMITMENT FORM"**
Complete online or fax to (315) 471-9273 or email to cathy.pokines@sba.gov
- Small Business Selection Deadline: submit, **"SMALL BUSINESS SELECTION FORM"**
Complete online or fax to (315) 471-9273 or email to cathy.pokines@sba.gov
- Payment due: make check out to NYBDC-Small Business Luncheon, Mail to:
PO Box 738, Albany, NY 12201-0738 Attn. Owen Burns



EMPLOYEE SPOTLIGHT

Diane McDonald, 504 Coordinator

Diane joined NYBDC in 2002. She works in the Servicing Department in the Albany office. She is our main point of contact with the SBA for processing 504 and Preferred Lender Program 7(a) loans.



Prior to joining NYBDC, Diane worked at United Road Services, a national towing and transport company where she was the Executive Assistant to the CEO. Additionally, she worked in the Payroll Department where she was responsible for the Towing Division's payroll nationwide. Diane was also a dance instructor for 25 years in the Capital Region.

Diane is active in many organizations. She serves as secretary for the American Legion Auxiliary and the Wildlife Mixed Bowling League. Diane is also active in the North Albany Limericks where she served as their Marshal in 2002. Diane also judges the talent show at the Saratoga County Fair and the Miss Empire Rose Beauty Pageant.

Diane lives in Guilderland with her husband Kevin. They have two daughters, Jenine and Tracy. In her spare time, Diane enjoys spending time with her family and friends, especially her Mom who is her best friend. In the summer, she loves to spend the weekends in Warrensburg at their seasonal camp. She loves to dance, cook, play trivia games, crochet, and volunteer her services where needed.

"My job at NYBDC is very rewarding. I love to make people's dreams come true. It gives me a great sense of accomplishment."



PARTNER PAGE

**NYBDC Community Partner:
The New York State Small Business Development Center**



Here to create prosperity for all New Yorkers

by: Mary Hoffman

The Small Business Development Center (SBDC) has been allied with the NYBDC for nearly two decades. The two organizations share a common mission - helping entrepreneurs and small business owners who want to start, grow, or save their businesses. NYBDC and its lending partners provide the financing and the SBDC provides the technical and management assistance in the form of one-on-one counseling, business training, and topical research.

The SBDC program has been funded jointly by the US Small Business Administration, the State of New York, and institutions of higher education since 1984. SBDC regional and outreach centers are strategically located on college campuses throughout the state. The SBDC works closely with the SBA, banks, NYBDC, economic development entities, and private corporations to find solutions to small business needs. Since 1995, the SBDC has won 20 national, regional and state awards for excellence in small business assistance.

SBDC Business Advisors have assisted more than 257,000 New York business owners who have invested more than \$3.1 billion in public and private funding in their enterprises. Since 1984, SBDC-assisted businesses have created and retained 121,000 jobs. The SBDC prioritizes services to women, minorities, veterans, manufacturers, and the physically and economically disadvantaged. The program supports New York State efforts to foster technology and technology-related businesses.

In 2001, the SBDC founded the World Trade Center Small Business Recovery Loan Fund to assist small businesses in New York City physically or financially impacted by the attacks on September 11th. NYBDC has served as the operational partner for the fund since its inception. The effectiveness of the SBDC/NYBDC partnership in delivery of disaster recovery assistance was acknowledged in 2003, when the Recovery Loan Fund received a National Phoenix Award from the US Small Business Administration.

Building upon that long-term association and past successes, the SBDC has become a member of the NYBDC Community Partner Program to facilitate SBDC client access to NYBDC financial services. NYBDC serves as the umbrella financial organization for many SBA-guaranteed lending programs as well as to New York State programs designed to improve capital access for small business in New York State.

In reflecting upon the recently announced addition of the SBDC as an NYBDC Community Partner, NYBDC CEO Pat MacKrell said, "this is a natural fit between two compatible organizations providing a unique opportunity for New York's small businesses to access the technical and financial assistance necessary to prosper. We look forward to a long and successful partnership." Jim King, State Director of the SBDC added, "The SBDC is very pleased to be a recognized outreach organization to facilitate access to NYBDC's varied and progressive capital programs, I share Pat's enthusiasm for our long-term joint success in helping New York's business sector remain globally competitive.



Mary Hoffman is the Associate State Director for the New York State Small Business Development Center (NYS SBDC) at the Central Office in Albany. Mary joined the SBDC as head of the program's research unit in 1978 and became Associate State Director in 2002. She oversees several statewide initiatives including Strategic Planning, Professional Development, Publications, QA/QC, internal communications, and selection of exceptional clients for awards.



LOAN APPROVAL PORTFOLIO

25 Total Loans Approved in December 2006 for a Total Amount of \$16,615,500
 Congratulations to our partner banks, referral sources, community partners, SBA and the NYBDC staff

7 loans approved in the Capital District/Southern Tier Region

<i>Business Type</i>	<i>City</i>	<i>Partner Bank</i>	<i>Referral Source</i>	<i>Total Amount</i>
Manufacturing/Real Estate	Altamont	KeyBank	Existing Customer	\$1,025,000
Dairy Farm	Homer	NBT Bank	Patrick Costello	\$901,000
Manufacturing/Real Estate (504)	Altamont	KeyBank	Existing Customer	\$845,000
Manufacturing/Equipment	Altamont	Santa Barbara Bank & Trust	Existing Customer	\$475,000
Pavement Marking Contractor	Cohoes	Altech Loan Fund	Walter Burke	\$250,000
Sewer Cleaning	Latham	Pioneer Savings Bank	Peter Amato	\$238,500
Auto Body Service	Schenectady	1st National Bank of Scotia	Bonnie Douglas	\$79,000
TOTAL AMOUNT				\$3,813,500

5 loans approved in the Western New York Region

<i>Business Type</i>	<i>City</i>	<i>Partner Bank</i>	<i>Referral Source</i>	<i>Total Amount</i>
Hotel	Niagara Falls	Community West Bank	Michael Pierson	\$2,000,000
Hotel	Williamsville	Community South Bank	Michaela Burch	\$948,000
Hotel/Motel	Williamsville	CIT Small Business Lending	Sam Gueli	\$850,000
Surveyor	Spencerport	HSBC Bank	Paul Hohensee	\$182,000
Funeral Home	Batavia	Northwest Savings Bank	Kevin Ellis	\$115,000
TOTAL AMOUNT				\$4,095,000

5 loans approved in the Central/Northern New York Region

<i>Business Type</i>	<i>City</i>	<i>Partner Bank</i>	<i>Referral Source</i>	<i>Total Amount</i>
Manufacturing & Distribution	Syracuse	Community Bank	Dave McKeon	\$1,460,000
Hotel/Conference Center	Raquette Lake	Tupper Lake National Bank	Craig Stevens	\$1,100,000
Golf Course	Hudson Falls	Glens Falls National Bank	Dave Kaiser	\$360,000
Printing	Rotterdam	Bank of America	Greg Briggs	\$221,000
Auto Body Repair	Syracuse	Alliance Bank	Jake Balcerak	\$80,000
TOTAL AMOUNT				\$3,221,000

5 loan approved in the Hudson Valley Region

<i>Business Type</i>	<i>City</i>	<i>Partner Bank</i>	<i>Referral Source</i>	<i>Total Amount</i>
Bicycle rRetailer	Scarsdale	North Fork Bank	Al Colligan	\$1,000,000
Horse Boarding Farm	North Salem	M&T Bank	Nick Centorani	\$991,000
Convenience Store/Gas Station	Chatham	National Union Bank of Kinderhook	John Antelek	\$242,000
Restaurant & Pub	Slate Hill	HSBC Bank	Robert Weiner	\$171,000
Indoor Mini Golf	Middletown	Provident Bank	Kathy Fitzgerald	\$150,000
TOTAL AMOUNT				\$2,554,000



LOAN APPROVAL PORTFOLIO

3 loans approved in the New York City/Long Island Region

<i>Business Type</i>	<i>City</i>	<i>Partner Bank</i>	<i>Referral Source</i>	<i>Total Amount</i>
Restaurant/Tavern	New York	Flushing Savings Bank	Richard Eng	\$1,125,000
Restaurant/Tavern	New York	NYBDC	Richard Eng	\$927,000
Pillow Manufacturer	Brooklyn	JP Morgan Chase	Anthony Morisi	\$880,000
			TOTAL AMOUNT	\$2,932,000



CURRENT INTEREST RATES

SBA 504 Program Effective Rates

20 Year Term (\$1MM+).....6.29%

20 Year Term (under \$1MM).....6.74%

10 Year Term (\$1MM+).....6.44%

10 Year Term (under \$1MM).....7.23%

<i>LOAN PURPOSE</i>	<i>REPAYMENT TERM</i>	<i>CURRENT INTEREST RATES</i>
Working Capital	3 to 5 Years	3 Years - 7.57% - 8.57%
		5 Years - 7.52% - 8.52%
Equipment Acquisition or Refinance	5 to 10 Years	5 Years - 7.52% - 8.52%
		7 Years - 7.52% - 8.52%
		10 Years - 7.53% - 8.53%
Purchase/Construct or Refinance a Building	20 Years	10 Years - 7.03% - 8.33%
	15 Years	15 Years - 7.21% - 8.51%
Empire Zone Loans	Up to 15 Years	<u>Fixed at funding:</u> Yrs 1 and 2 - Prime minus 2% Thereafter - Prime minus 1%
Prime Rate is 8.25%		<i>Interest Rates effective as of 1-29-07</i>



OFFICE LOCATIONS

Headquarters

Albany Office

50 Beaver Street

Albany, NY 12207

518-463-2268 · Fax 518-463-0240

New York City Office

633 Third Avenue

New York, NY 10017

212-803-3672 · Fax 212-803-3675

Long Island Office

68 South Service Road

Melville, NY 11747

631-465-2193 · Fax 631-465-2195

Buffalo Office

300 International Boulevard

Williamsville, NY 14221

716-626-3423 · Fax 716-626-3001

Syracuse Office

290 Elwood Davis Road

Liverpool, NY 13088

315-453-8195 · Fax 315-453-8197

Contact us toll free at **1-800-923-2504**