

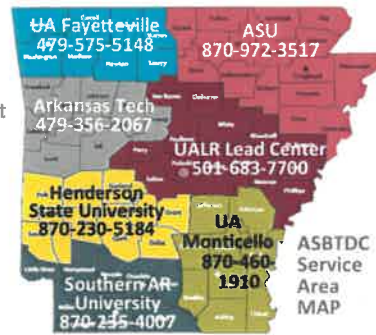
Growing Businesses, From Page 1

about 10 years as an ASBTDC business consultant.

When Arkansas Human Development Corporation (AHDC) spoke with her for this article, she had just finished helping the UALR ASBTDC get "transitioned to online and virtual assistance."

Just 15 days after Gov. Asa Hutchinson reported Arkansas's first presumptive case of Coronavirus, the UALR ASBTDC had already created a way to safely serve small businesses in the Coronavirus reality.

Ms. Horton says her ASBTDC will not do face to face meetings with clients until at least April 30, 2020, but they are doing almost two topical webinars a day. One training teaches how to apply for SBA economic injury disaster loans.



- Asked for key points of advice for small businesses, she said:
1. Understand "your" cash flow. Borrowing without adequate cash flow can ruin a business.
 2. Make sure accounting is accurate even it means hiring it out.
 3. If Coronavirus slows sales or if cash flow is tight, pause inventory purchases and discount slow moving items to move them.
 4. Know "your" market and how to communicate with customers. The Internet or Facebook may not be best for every customer.
- For more information, contact Ms. Horton at 800.862.2040 or email her at wahorton@ualr.edu.

Arkansas Capital Page 2

from Equipment to Working Capital. ACC is a direct lender, but also facilitates loan guarantees thru the SBA 7(a) program and the USDA Business and Industry Loan program so that limited collateral businesses still get help. See Page 3 for details on SBA and USDA guarantees. ACC also borrows funds thru the USDA Intermediary Relending Program to relend up to \$250,000 to small businesses.

Since 2010, ACCG has invested \$306 million in Arkansas which has leveraged \$2.3 billion in annual financial impact; generated \$74 million in annual State tax revenue; and supported 7,300 jobs. For more information, contact ACC Vice President Richard Phelps at 501-374-9247. Readers can find great background material at <https://tinyurl.com/rut5ovc>.

Hope Diversity from Page 2

collateral, insufficient loan-to-value ratio and low credit scores

Ms. Hallman shared the following key business pointers.

1. Have a trusted knowledgeable source review "your" business plan and financial model in advance of applying for a loan.
2. Provide the lender with a high quality, complete and accurate loan application on the front-end.
3. Stay in contact with "your" lender and provide timely responses.

See HOPE's business lending program summary at <https://tinyurl.com/rut5ovc>. For more information, contact Russel Hampton, HOPE's Arkansas Commercial Loan Officer, at russell.hampton@hopecu.org or 501-478-5966.

AHDC Entrepreneur One Stop Shop Get Hope's Business Lending Program Summary and handouts from all resource providers at <https://tinyurl.com/rut5ovc>.

AHDC Special Issue 2020 South Central Arkansas

RURAL BUSINESS DEVELOPMENT CONFERENCE
EQUIPPING RURAL ARKANSAS WITH THE TOOLS AND RESOURCES TO DRIVE BUSINESS OPPORTUNITIES, PARTNERSHIPS AND EXPANSION

The 2020 South Central Arkansas Rural Business Development Conference in Pine Bluff, AR, was canceled as a Coronavirus precaution. AHDC thanks the 20 volunteers who agreed to speak or share information. This 3/30/2020 edition newsletter shares their information.

ASBTDCs GROWS BUSINESS, JOBS

Helping businesses raise \$67 million in capital; create 8,225 jobs; and increase sales by \$147 million in 2019 tells a story about how the seven Arkansas Small Business and Technology Development Centers (ASBTDCs) are growing jobs and businesses in Arkansas.

Services are free, except for an occasional training tuition, and include:

1. confidential business consulting,
2. market research,
3. training and
4. grooming innovation based and technology based businesses.

Whitney Horton is Program Manager at the University of Arkansas at Little Rock ASBTDC. She also worked



Whitney Horton

See Growing Businesses, Page 4

AHDC & PARTNERS INSPIRE ECONOMIC DEVELOPMENT

AHDC is a 48 year-old human development organization that's improving the lives of families and communities statewide.

Workforce development is the centerpiece of its work, but AHDC is also engaged in economic development, and health outreach and education.

AHDC Executive Director Clevon Young credits collaboration with committed partners for AHDC's progress.

AHDC especially thanks USDA Rural Development and Arkansas Division of Workforce for their collaboration which has made the Rural Business Development Conference series a success.

PINE BLUFF GO[ING] FORWARD WITH DR. WATLEY

"Working together to cause systemic change" is the centerpiece of an ambitious and internationally recognized effort increase revenue for the City of Pine Bluff and the quality of life for its residents, says Dr. Ryan Watley.

He is the Chief Executive Officer of GFPB, Inc., [aka Go Forward Pine Bluff] a nonprofit corporation that was founded to help Pine Bluff, AR, become more attractive to investors so that jobs, population growth and increased revenues would result.

Dr. Watley was scheduled to deliver the keynote address at the 2020 South Central Arkansas Rural Business Development Conference. The event was canceled due to the coronavirus pandemic. Dr. Watley was kind enough to share his vision and his organization's accomplishments for this article.

GFPB's 58 page strategic plan emphasizes citizen participation from the beginning as both the incoming and outgoing mayors of 2017 use Page 3 to applaud the 100-plus volunteers who helped develop the plan. The plan and Dr. Watley's vision for a \$50 million economic impact rests on these four pillars.

1. Government Infrastructure
2. Education
3. Economic Development
4. Quality of Life

Dr. Watley said, Go Forward Pine Bluff is actually a "community wide movement" in which all walks of life contribute to its success. He hailed "essential relationship[s]" with the Pine Bluff City Council, residents and the business community as the basis for turning "doubt into optimism."

Although three years is a short timeframe to judge such a broad effort, Go Forward Pine Bluff has already led or had a role in the following successes.

1. Won the World Architectural News Award for Urban Design for the Re-Live downtown master plan.
2. Worked with the Pine Bluff Urban Renewal Agency on purchasing four acres downtown to demolish dilapidated buildings and re-develop.
3. Completed a \$385,000 renovation of a building donated by Simmons Bank to support an innovation hub known as The Generator, which supports entrepreneurship and innovation.
4. Acquired and secured the Plaza Hotel for future development, preferably as a Hilton or Marriot.
5. Completed the Aquatic Center and Plaza.
6. Broke ground for the renovation of the historic Curtis Merrill Center.



Dr. Ryan Watley, CEO, Go Forward Pine Bluff

GFPB continues to support other activities and programs including teaching fellowships and events. It's also gauging interest from real estate developers for the many development opportunities including retail, hospitality and residential.

BUSINESS STIMULUS FOR THE CORONAVIRUS ERA

Arkansas Human Development Corporation wants readers to be aware of the following help. For more information, visit the AHDC One Stop Shop or <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>.

1. SBA Paycheck Protection Program (PPP). PPP ran out of money fast. Congress may replenish it. Small businesses and nonprofits are eligible for loans that can be forgiven if funds are adequately spent for payroll costs, interest on mortgages, rent and utilities. Borrowers must maintain employees or quickly rehire them. At least 75 percent of the forgivable part must be used for payroll costs.

See Stimulus, Page 2

VISIT AHDC'S ONE STOP SHOP FOR RESOURCE MATERIAL FROM CONFERENCE SPEAKERS

Arkansas Human Development Corporation has created an online depository of key business material at: <https://tinyurl.com/rut5ovc> find all resource material in one place.

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Arkansas Human Development Corporation;
U.S. Department of Agriculture, Rural Development;
& Arkansas Division of Workforce Services

CO-HOSTED BY:

- Alliance & Chamber of Commerce;
- Arkansas Capital Corporation Group;
- Arkansas Procurement Technical Assistance Center;
- Arkansas Small Business and Technology Development Center;
- Communities Unlimited;
- COMMUNITIES UNLIMITED FORGE;
- Go Forward Pine Bluff;
- Hope Credit Union Enterprise Corporation;
- Jefferson County, Arkansas;
- Jefferson County Sheriff's Office;
- Pine Bluff Convention Center;
- Pine Bluff First Assembly of God;
- Relyance Bank;
- Simmons Bank;
- U.S. Department of Agriculture Office of Finance, Budget and Acquisitions;
- U.S. Department of Labor;
- U.S. Small Business Administration;
- University of Arkansas at Pine Bluff; &
- University of Arkansas Cooperative Extension Service



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1 AHDC Arkansas Human Development Corporation

GETTING FINANCED: KEY LENDERS OFFER DOLLARS, POINTERS

RELYANCE BANK is a certified SBA lender, and we are more than happy to entertain any proposal that comes in," says Commercial Loan Officer Austin Logan (870-540-4972). If a deal is doable, he will try to figure out how to get it done, he says.

Being SBA certified means Relyance has authority to apply an SBA loan guarantee so the process is faster. The bank also uses USDA Business and Industry Loan Guarantees.

For businesses, Relyance specializes in commercial real estate lending but also finances assets like inventory and equipment.

Mr. Logan advises entrepreneurs to research to make sure the market makes sense and isn't too volatile. He says the Arkansas Small Business and Development Center is a great resource.



Austin Logan

HOPE consists of a family of non-profit financial institutions including a federal credit union; a Community Development Financial Institution loan fund and a policy institute.

Since 1995, HOPE has been lending in Arkansas and has provided more than \$80 million in loans to more than 200 businesses, according to Charity Hallman, HOPE's Vice President for Community and Economic Development in Arkansas. Its loans range from acquisition to working capital, and it makes USDA and SBA guaranteed loans.

In 2019, through a collaboration with Wells Fargo, HOPE launched a new tool for supporting entrepreneurs of color, females, and other minority groups in starting and growing their businesses.

It has programs to address barriers to financing, like inadequate

See *Hope Diversity*, Page 4



Charity Hallman

GET MORE INFORMATION ON THESE LENDERS & CORONAVIRUS STIMULUS AT [HTTPS://TINYURL.COM/RUT5OVC](https://tinyurl.com/rut5ovc)

Stimulus from Page 1

- Forgiveness may be lost if wages or the number of employees fall. No collateral or personal guarantee is required.
2. SBA EIDL Loan Advance "will advance up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties," says the SBA website.
 3. SBA Express Bridge Loans "Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly," says SBA.
 4. Unemployment. The federal government is temporarily enhancing unemployment insurance payments in response to the coronavirus. Businesses should exercise care in combining SBA's PPP (above) with labor reductions because PPP requires continuity in employment or rehires.

USDA GRANTS, GUARANTEES, LOANS SPUR RURAL ECONOMIES

USDA Rural Development serves Arkansas with 42 programs categorized as: (1) Rural Housing Services, (2) Rural Utility Services and (3) Rural Business-Cooperative Services.



Gregory Dale

Listing all 42 programs would fill this newsletter. Besides USDA has already organized them into an excellent document that anyone can get by emailing Steve.Mosher@usda.gov.

USDA Southern Regional Coordinator for Innovation Center Gregory Dale (202-568-9558) identified the following USDA programs for rural businesses.

1. USDA Business and Industry (B&I) Loan Guarantee program. B&I helps businesses in cities under 50,000 access private capital by guaranteeing up to 80 percent of loans under \$5

million; 70 percent of \$5-to-\$10 million loans; and 60 percent of \$10-to-\$25 million loans. Maturities go up to 30 years. At least five lenders on Page 2 do USDA B&I loans. For information contact USDA's Tim Smith at 501-301-3280.

2. Rural Energy for America Program provides grants for up to 25 percent of a project that will improve business energy efficiency and can guaranty up to 75 percent of the debt for the project.
3. Intermediary Relending Program lends funds to public bodies, nonprofits and tribes which relend it to make business loans up to \$250,000.
4. Rural Business Development Grants are made to nonprofit economic development organizations, Indian tribes and public bodies to help businesses and support economic development.

USDA is also a primary supporter of the Rural Business Development Conference series.

PROCUREMENT TA GENERATING ECONOMIC ACTIVITY

Arkansas Procurement Technical Assistance Center (Arkansas PTAC) helps Arkansas businesses get government contracts by providing counseling, helping identify bid opportunities, training and providing access to drawings and specifications.

The taxpayer supported service is free to businesses. It returns \$427 for every State dollar spent, and \$521 per federal dollar.

In 2019, Arkansas PTAC helped create or retain 3,082 jobs; secure 1,092 contracts, and win \$145 million in contracts for Arkansas.

ADWS-BUSINESS OPPORTUNITIES FOR HELPING PEOPLE

ARKANSAS DIVISION OF WORKFORCE SERVICES (ADWS) is on a mission to help low income Arkansans get on their feet.

Contract Specialist Ida Emerson says there is a business opportunity for entrepreneurs and nonprofits organizations to deliver services. Such entities can also benefit by helping train ADWS clients for jobs. Here are some examples of the opportunities.

Arkansas PTAC Outreach Coordinator Kim Magee says that governments buy everything and not just based on the lowest price. They want:

1. competitive prices,
2. quality products and
3. delivery on time.

The federal government sets aside contracts under \$250,000 or about 95 percent of contracts for small businesses. For more information or help contact Ms. Magee at 501-671-2081 or kmagee@uaex.edu.



Kim Magee

1. Community Investment Initiative Program. ADWS contracts with businesses and nonprofits to provide goods and services to clients.
2. Job readiness programs. To develop workplace skills, ADWS may subsidize wages if the work opportunity will build skills for their clients.
3. Career Pathways helps workers attend community college.

Ms. Emerson works for ADWS's Temporary Assistance for Needy Families program. Call her at 501-683-1786, and ask to be put on the procurement roster.



Ida Emerson

ARKANSAS CAPITAL CORPORATION GROUP - OUT OF THE BOX SOLUTIONS FOR ECONOMIC GROWTH

Arkansas Capital Corporation Group (ACCG) is a diverse nonprofit economic development corporation that empowers entrepreneurs. Through its six affiliates, ACCG does everything from making business loans to providing New Market Tax Credits to spur equity investment to supporting economic development education.

The Arkansas Capital Corporation (ACC) affiliate even sponsors a "2nd Look Loan Analysis" program that figures out ways to finance difficult loans. Read on for a summary of ACCG's core programs.

1. Long Term, Low Interest Financing for Fixed Assets Like Buildings, Land and Equipment. ACCG's Six Bridges Capital

affiliate is an SBA 504 Accredited Lender. In March 2020, it was making fixed rate loans for fixed assets at 2.881 percent interest for 25 years; 2.808 for 20 years; and 2.847 for 10 years.

SBA 504 also enhances credit by letting another lender take the first mortgage for lending 50 percent of the project while Six Bridges takes a second for 30-to-40 percent.

Read more about SBA 504 in the SBA article on Page 3.

2. Business Loans for Everything



Richard Phelps

See *Arkansas Capital*, Page 4

FORGE MAKING BUSINESS HAPPEN

FORGE, Inc., is the oldest revolving community loan fund in Arkansas, according to its Regional Director and Director of Minority Business Development, Jay Young (501-444-2991).

Last year, the nonprofit loaned about \$2.6 million, says Mr. Young. Loans range from \$500 to \$250,000 for everything from adult day

cares-to-car lots-to-working capital.

Its SBA supported microloans go up to \$50,000, which may be coupled with free technical assistance; and it's also a USDA relending intermediary. Interest rates range from 6.5-to-7 percent with a standard six year maturity.



Jay Young

GUIDE TO BUSINESS FINANCE AND TECHNICAL ASSISTANCE

LEGEND: Dir stands for Direct Lender/Loans; M is Microlender; Gaur is Guarantor; 2nd is Junior lien under SBA 504; Grant is Grant; & TA-Technical Assistance

Relyance Bank Austin Logan 870-540-4972	Dir	Direct lenders like these are may be the best place to start. They tend to make a wide variety of loans and make referrals if they can't help.
Hope Credit Union Russell Hampton 501-372-2290	Dir	Lends up to 40% of a project but accepts a 2 nd mortgage. Borrower needs only 10-to-20% down. Collateral/Uses is owner occupied real estate and fixed assets.
Arkansas Capital 504 Program Richard Phelps 501-374-9247	Dir 2nd Mort	
USDA Business & Industry Loan Tim Smith 501-301-3280	80% Guar	These agencies guarantee loans to make it easier to borrow. The maximum guarantee is shown. Step 1 is to find a direct lender like the banks listed above or Arkansas Capital.
SBA 7(a) Loan Program Herb Lawrence 501-324-7379	85% Guar	AEDC minority loan program is limited to women, ethnic minorities & disabled veterans.
Arkansas Economic Development Commission, Minority Loan Program Anthony Armstrong 501-682-2559	90% Guar	
Communities Unlimited Deborah Temple 870-443-2700	M, Dir & TA	Microlenders focus on \$500 to \$50,000 loans. Under \$50,000 may qualify for 25 hours of free technical assistance. CU lends up to \$100,000. FORGE up to \$200,000.
FORGE Jay Young 501-444-2991	M, Dir & TA	
Arkansas Small Business & Technology Development Center Whitney Horton 800.862.2040	TA	ASBTDCs provide free business consulting and marketing. Sometimes there is a small training tuition.
Arkansas Procurement Technical Assistance Center Kim Magee 501-671-2081	TA	Arkansas PTAC provides free assistance in securing government contracts.

COMMUNITIES UNLIMITED SERVING THE UNDERSERVED

Communities Unlimited (CU) is also a nonprofit corporation that is also a micro-lender and a community development financial institution. CDFI's provide financing and development services and make themselves accountable to their communities.

CU's Director of Lending Deborah Temple, (870-443-2700)says CU makes "loans as low as you need up to \$100,000."

Its SBA supported microloan program lends up to \$50,000, and

borrowers are eligible for no cost technical assistance.

Ms. Temple says that 80-90 percent of CU's loans fund women and minority owned businesses in underserved, rural, persistent poverty areas. She offers the following important nuggets of advice:

1. Be willing to start small and grow.
2. Do "your" research so that you know "your" business.
3. Don't fall prey to predatory lenders that often offer fast cash with terms that are bad for business.



Deborah Temple

SBA PROGRAMS COVER SMALL BUSINESS CAPITAL, CAPACITY

The **U.S. Small Business Administration (SBA)** is probably the most recognized name in small business assistance. Although SBA doesn't lend directly to small businesses, its programs reach far.

SBA Lender Relations Specialist Herb Lawrence (501-324-7379, ext. 297) helped pick out the following key programs for readers.

1. SBA's 7(a) can guarantee up to 85 percent of loans up to \$150,000; and 75 percent of larger loans up to a \$5 million SBA exposure to help small businesses access to capital. Step one is to find a lender that is willing to make a loan that needs a guarantee. Page 2 lists several SBA 7 (a) lenders.
2. SBA 504 finances fixed assets which are assets that have a useful life of 10 years or more. The program provides



Herb Lawrence

very low interest rates, but it also enhances credit by letting a private lender take a first mortgage for lending 50 percent of the project, while the SBA supported 504 lender takes a second for 40 percent. The business owner puts-down 10 percent, but 20 percent if it is a startup. The maximum 504 portion of a project is \$5 million except for small manufacturers, which can get \$5.5 million. Arkansas Capital Corporation is an SBA 504 lender.

3. SBA Microloan Program. FORGE and Communities Unlimited on Page 2 are strong microlenders. They use SBA funds to make loans up to \$50,000. Both couple lending with free technical assistance.
4. Arkansas Small Business and Technology Development Centers (ASBTDC) are the go-to source for technical assistance. Service is free because SBA funds it. See the "ASBTDC Grows Business, Jobs" article on Page 1 and the ASBTDC service area map on Page 4.

STRATEGIC PARTNERING—DECADES OF EXPERIENCE, ADVICE Arkansas Human Development Corporation prides itself on collaboration. Here, AHDC highlights some of the best strategic partnering advice that its partners have provided over the past few years

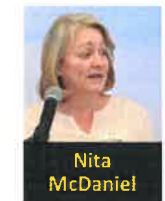
The Honorable Judge Olly Neal:

1. Rule #1. "Never, ever, never lie ... not even to the worst of enemies." It doesn't work strategically.
2. Rule #2. Seek commonality because a deal that works for both sides is still a good deal.
3. Rule #3. "Look ahead at the big picture."

Clint Nelson, Vice President of AMS Global, Inc., said, treat people right because today's acquaintances may be tomorrow's strategic partners.

Mark O'Mell, Executive Director, East Arkansas Crossroads Coalition, said to very deliberate, and:

1. Start with the end goal in mind.
2. List strengths and weaknesses.
3. Figure out how partners can help.
4. Identify what "you" bring to the table.



Nita McDaniel

Nita McDaniel, Director, Monticello Economic Development Center:

1. "You can't know too many people.
2. "Make sure you ask everyone you meet for a business card.
3. "You cannot do everything by yourself.
4. "You have to focus on what your area of expertise is, and then seek others out [for help]."
5. Create a system for keeping up with new contacts.



Greg Modica

Greg Modica, President and Chief Executive Officer of Government Supply Services, said to be a good partner, one must:

1. Know his business and its capabilities.
2. Know whether to seek an informal partnership or joint venture.
3. Think through how to move potential partners into a win-win relationship.
4. Network, network, network.