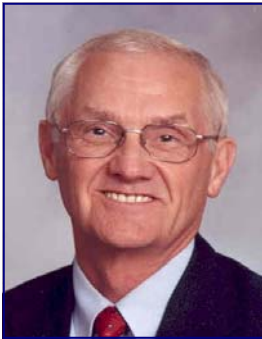


Siouxland Economic Development Corporation: "Your Partner In Small Business Development Finance"

## From the Chairman



Happy New Year! It's an exciting new year for SEDC and the U.S. Small Business Administration.

The maximum SBA 504 loan amount has been increased from \$1,000,000 to \$1,500,000, and from \$1,300,000 to \$2,000,000 for loans fulfilling a public

policy goal. A new 504 loan limit of \$4,000,000 has been established to target small manufactures!

If you are wondering what a "small manufacturer" is, SBA defines it as having its primary business classified in Sector 31, 32 or 33 of the North American Industrial Classification System (NAICS), and it must have all of its production facilities located in the United States. To qualify for a \$4 million 504 loan, the business must also create or retain at least 1 job per \$100,000 of loan funds, or improve the economy of the locality, or achieve a public policy goal.

To learn more about these changes, I encourage you to attend SEDC's Lender Training Seminar in March.

As additional good news, the first three months of this fiscal year saw the 504 program nationwide issuing 1,780 loans worth \$882.9 million, about 13% ahead of this same period one year ago.

We thank the lending community for your continued support of our small businesses!

Your Economic Development Partner,

Glenn M. Ivarsen, Chairman  
Siouxland Economic Development Corporation

## SEDC Lender Training

Thanks to all of our area lenders who responded to the Lender Training Survey sent out late last year. The response was tremendous, and will help us in the design of this year's lender training, to be held

March 29, 2005

at the Sioux City Convention Center. Mark your calendars today! More information will be coming to your mailbox shortly.

This seminar will cover the SEDC Microloan, RLF and SBA 504 programs, and as a special addition, U.S. SBA staff will present a 7a workshop. Debora Anderson, Des Moines District attorney, a person you hear of but don't often get to see, will also be present for discussion and questions!

Some information from the survey results:

- ◆ 79.2% of respondents prefer the Sioux City Metro area as a seminar location
- ◆ 67.1% do not want a group activity
- ◆ 77.5% consider "how to determine if a project is eligible" a very important topic

## In This Issue

From the Chairman.....	1
SEDC Lender Training.....	1
Company Profile: Houska Dental Clinic.....	2
SBA 504 Rate Trends.....	3
Recent Lending Partners.....	3
SEDC Loan Programs.....	3
SEDC Board of Directors and Staff.....	4
SEDC Activity Report.....	4

"The Mission of the Siouxland Economic Development Corporation is to further the economic development of Siouxland."



Houska Dental Clinic, Vermillion, SD

## Company Profile: Houska Dental Clinic

Dr. Randy Houska was fresh out of the University of Nebraska-Lincoln's School of Dentistry when he purchased an existing dental practice in Vermillion, SD in 1989. This practice had been in existence since 1962, and provided Randy with an immediate source of patients.

After four years of sharing an office, seeing patient and production growth of 8% to 9% each year, he decided to increase his office size and moved into leased space. This space worked for many years for Randy and his wife Mary, who works full-time in the practice, but then Randy began to see a need for newer equipment, a fresher environment, and to have more control of his overhead expenses.



More treatment rooms and new equipment had been the

Houskas' dream from the beginning, and they approached Community First National Bank, now Bank of the West, in Vermillion, regarding financing to build their own building.

Nate Solberg, their loan officer, directed the Houskas to the SBA 504 program, a low-down payment, long-term financing option.

In 2002, the Houskas completed construction on their new building and moved in. With effi-

ciencies gained in five patient rooms and with new equipment, this dental practice saw patient and production growth jump to 13% to 14% each year. The newly opened Newcastle-Vermillion bridge provided an increased Nebraskan patient flow to this South Dakota practice as well.

Accepting Medicaid and a wide range of insurance providers' coverage, this dental practice sees patients of all ages, from about the toddler age on up. In addition to being a general dentistry offering a wide array of services, Dr. Houska also is the dentist called on hospital cases in Vermillion.

Day care facilities take day-trips to the clinic, and the children get to ride on the dental chairs and get used to being in the dentist's office, learning that it's really a friendly place to be. Dr. Houska also visits area day cares and schools, teaching the importance of good oral hygiene, and participates in local community organizations such as the Rotary and United Way.

Pictures from inter-oral cameras in the treatment



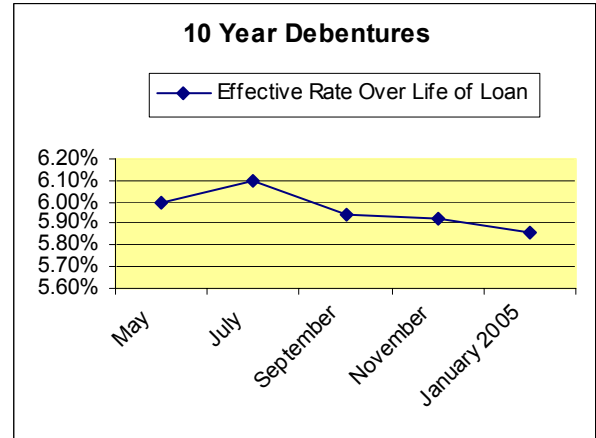
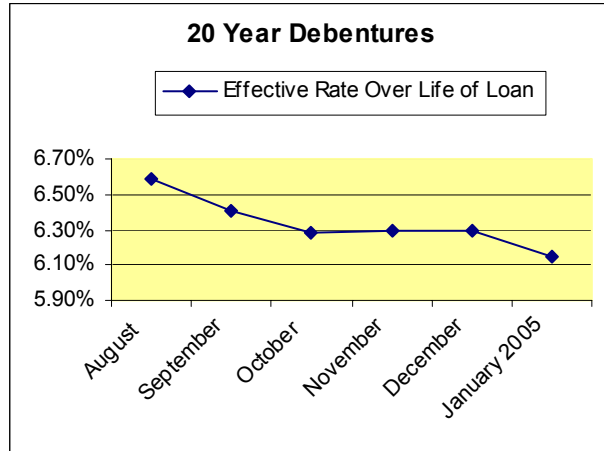
rooms can be displayed on TV screens, so that patients can see exactly what Dr. Houska is looking at in their mouths. The TVs can also be tuned to television shows for the patient's entertainment. Headphones for music and nitrous oxide for relaxation are also offered.

Dr. Houska is planning further enhanced technological developments in the practice, such as laser cavity fixes, although a specific time frame for the arrival of his "new toys" hasn't been set.

"This equipment is great, but it's expensive. Patients don't always realize how much money needs to be spent on bringing these developments to our office" says Dr. Houska.

The Houskas say Vermillion is a great community, small enough that you get to know most everyone over the years. Patients they saw when they were children now come in over breaks from college for their checkups, and Randy and Mary say they enjoy being a part of so many generations of families in the community.

## Recent SBA 504 Rates



## Recent Lending Partners

SEDC thanks the following lenders for participating in our loan programs during the past few months:

Matt Ahlers  
Primebank, Le Mars, IA

Paul Albert  
Peoples Bank, Rock Valley, IA

Robert Bock  
Security National Bank, Allen, NE

Sterling Crim  
First Federal Bank, Sioux City, IA

Derrick De Haan  
Community Bank, Orange City, IA

Jerry Paulsen  
First Dakota National Bank, Yankton, SD

Bill Rosacker  
Primebank, Le Mars, IA

Chuck Wulfsen  
Central Bank, Cherokee, IA

## SEDC Loan Programs

### SBA 504 Program

**Maximum Amount:** \$1,500,000 (\$2,000,000 in certain situations or \$4,000,000 for small manufacturing) or 40% of total project cost (the lesser)  
**Use of Proceeds:** Fixed Assets (land, building, equipment)  
**Interest Rate:** Approx. 1% above 10 yr. Treasury Note  
**Term:** 10 or 20 years based upon economic life of the assets financed.  
**Typical Structure:** 50% Bank, 40% 504 Debenture, 10% Local Injection  
**Fees:** One time fee of approx. 3-4% of the loan (capitalized as part of the loan).

### RLF (Revolving Loan Fund)

**Maximum Amount:** \$100,000 or 25% of total project cost (the lesser)  
**Use of Proceeds:** Fixed Assets or Working Capital  
**Interest Rate:** 2% fixed below primary lender's rate  
**Term:** Must match life of financed assets  
**Typical Package:** 65% Bank, 25% RLF, 10% Equity Injection  
**Fees:** One time fee of 1% of the RLF loan, an annual fee of 1/2% of declining RLF balance, and all loan closing costs.

### SBA Microloan

**Maximum Amount:** \$35,000  
**Use of Proceeds:** Working capital, inventory, fixtures, lease hold improvements, and equipment  
**Interest Rate:** Currently 10% fixed  
**Term:** Maximum maturity of 6 years  
**Typical Package:** 100% Microloan  
**Fees:** \$20.00 credit report fee and all loan closing costs



## Spotlighting Our Activity Report

October 1, 2004—December 31, 2004

Location	Business Type	Lending Partner	Total Project Costs	Private Funds	SEDC/SBA Funds	Funding Program	Jobs Created/Retained
Allen, NE	Café and Arcade	Security National Bank, Allen, NE	\$52,050	\$15,000	\$7,450	RLF	2
Alton, IA	Custom Plastic Injection Molding	Community Bank, Orange City, IA	\$324,225	\$162,725	\$84,000	SBA 504	10
Cherokee, IA	Lumber Yard and Hardware Store	Central Bank, Cherokee, IA	\$194,500	\$95,000	\$71,000	SBA 504	4.5
Inwood, IA	Oversize Truck Escort Service	N/A	\$13,500		\$13,500	MLN	1
Inwood, IA	Restaurant	Peoples Bank, Rock Valley, IA	\$346,000	\$170,000	\$125,000	SBA 504	26
Le Mars, IA	Hotel	Primebank, Le Mars, IA	\$2,641,750	\$1,307,500	\$942,000	SBA 504	1
Le Mars, IA	Upholstery Shop	Primebank, Le Mars, IA	\$80,000	\$44,000	\$16,000	RLF	0
Le Mars, IA	Bowling Alley	First Federal Bank, Sioux City, IA	\$451,500	\$220,000	\$204,000	SBA 504/ RLF	7
Ponca, NE	Auto Repair Shop	Security National Bank, Allen, NE	\$107,300		\$87,300	SBA 7a/RLF	0
Sioux City, IA	Hotel	First Dakota National Bank, Yankton, SD	\$3,425,128	\$2,010,000	\$823,000	SBA 504	28
			\$7,635,953	\$4,024,225	\$2,373,250		79.5

### SEDC Board of Directors & Officers

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 Dusty Small, Vice Chairman  
 Grant Haight, Treasurer & Servicing Committee Chair  
 Merle Long, Secretary  
 Max Spain, Past Chair  
 Bruce Kolbe, Past Chair  
 Kenneth A. Beekley, Asst. Secretary  
 Rick Aadland                      Gil Bremicker, Jr.                      Craig Broyhill  
 Paul Clousing                      George Frangedakis                      Jason Geary  
 Merrill Hale, Loan Committee Chair                      Don Klynsma  
 Randy Kramer                      Grant Mears                      Kory Menken  
 Scott Miller                      Alma Salcido                      Kiley Todd  
 Scott Utech                      Virgil Van Beek                      Ron Will  
 Bill Wilson  
*Emeritus:* Fred Davenport, Jr., James Sherman, Kay Lagan, Past Chair  
*Ex-Officio:*                      SEDC Attorneys and Auditor  
    SIMPCO Executive Director  
    City of Sioux City Econ. Dev.  
    City of SSC Administrator

### SEDC Staff

Kenneth A. Beekley, Executive Vice President  
 Ken@simpco.org  
 Glenda Castleberry, Vice President/Loan Manager  
 Glenda@simpco.org  
 Vicki Foster, Assistant Loan Manager  
 Vicki@simpco.org  
 Jackie Nohr, Assistant Loan Manager  
 Jackie@simpco.org  
 Denise Schaa, Loan Assistant  
 DSchaa@simpco.org

### **Siouxland Economic Development Corporation**

428 Insurance Centre  
 P.O. Box 447  
 Sioux City, IA 51102  
 Telephone: 712-279-6286  
 Fax: 712-279-6920  
 Web Site: www.siouxlandedc.com