



City of Ormond Beach

Department of Economic Development

July 7, 2014

Assistance Programs for Small Businesses and Entrepreneurs

City Commission Members

Mayor Ed Kelley

Zone 1 James Stowers

Zone 2 Troy Kent

Zone 3 Rick Boehm

Zone 4 Bill Partington

City Manager
Joyce Shanahan

Contact Information:

Joe Mannarino,
Director of Economic
Development

P.O. Box 277
Ormond Beach, FL
32175-0277

Phone: (386) 676-3266
Fax: (386) 676-3330

Email:
joe.mannarino@ormondbeach.org

The Florida Virtual Entrepreneur Center (FLVEC) is an initiative of the Florida High Tech Corridor Council in partnership with local economic development organizations. The FLVEC's Web portal (www.flvec.com) is a free one-stop shopping library for entrepreneurs who are looking for resources on starting, growing or relocating a business.

As an initiative of the Florida High Tech Corridor Council, flvec.com offers a free catalog of local, regional, state and global business resources organized by county, as well as a directory of businesses that offer services catering to entrepreneurs and small business owners.

Entrepreneurs can find the latest business resources on the flvec.com site specific to their county or region, including local permitting codes and forms, business plan templates, funding opportunities and articles on social media marketing.

Organizations and companies that provide entrepreneurial services can list their information on flvec.com at no charge to help entrepreneurs find the best products and services for starting and growing a business.

Log on to www.flvec.com to access a comprehensive directory of entrepreneurial resources.

For additional information, contact:
Michael A. Zaharios, Program Manager
(386) 310-8781 or
michael.zaharios@flvec.com

State of Florida Creates Financial Assistance Programs for Small Businesses: State Small Business Credit Initiative (SSBCI)

SSBCI has several financial programs to assist small businesses to provide needed access to capital. Created as part of the Small Business Jobs Act of 2010, SSBCI was designed by the federal government to help states strengthen existing loan and equity programs and/or create new programs that support financing small businesses.

The primary objective of Florida's SSBCI Program is to leverage private capital for Florida's small businesses defined as businesses with 500 employees or less.

Advantages to Florida's small businesses:

- Access to debt and venture capital financing that may not otherwise be available
- A flexible and non-bureaucratic resource for funding

Advantages to Florida's lenders and sources of private capital include:

- Ability to approve a loan that would otherwise be declined
- Provides a non-competitor participant on providing financing
- The Components of Florida's SSBCI Program

Florida Venture Capital Program: Via the Florida Venture Capital Program, the Enterprise Florida-managed Florida Opportunity Fund provides equity investments and convertible debt instruments to emerging Florida companies (or companies locating in Florida) with perceived long-term growth potential. Emphasis is on transactions within Florida's targeted industries, which include:

Assistance Programs for Small Businesses and Entrepreneurs

- Aviation & Aerospace, CleanTech, Financial & Professional Services, Homeland Security & Defense, Information Technology, Life Sciences, Advanced Manufacturing

Equity investments and convertible debt instruments ranging from \$1,000,000 – \$5,000,000 are targeted, although larger transactions are permitted in exceptional cases. Each equity investment requires, at a minimum, a matching concurrent private capital investment or other credit assistance. For applications and additional information on venture capital financing, please visit www.floridaopportunityfund.com or contact Jennifer Dunham at 407.838.1400, ext. 215.

Loan Guarantee Program & Loan Participation Program: The Loan Guarantee Program and Loan Participation Program is available to qualified businesses that demonstrate adequate historical and/or proposed cash flow coverage and other credit underwriting metrics. Enterprise Florida will work with any financial institution to use these two programs as a credit enhancement to mitigate any perceived credit weaknesses on loans. As such, the following parameters would apply to loan guarantees and loan participation:

1. The typical loan guarantee or loan participation will range between 5-20% of the total required financing. Only in exceptional circumstances will loan guarantees or loan participations up to 50% of the total required financing be permitted.
2. Loan guarantees and loan participations may range from \$250,000 – \$5,000,000.
3. The maximum loan term permitted is five (5) years.
4. Interest rates and fees are negotiable.

To apply for a loan guarantee or loan participation, please access the application at ssbci@eflorida.com.

The 504 Bridge Loan Program: The 504 Bridge Loan Program is a key sub-component to Florida's SSBCI Program. These loans will be processed by Florida First Capital Finance Corporation, working in conjunction with Enterprise Florida. With SBA 504 Loans, lenders are permitted to finance equipment and owner-occupied real estate purchases up to ninety-percent (90%) of the total project cost. The lender makes such a loan with the expectation that the portion above 50% will be "taken-out" by a SBA-guaranteed note. However, there is often a timing difference up to 180 days between initial closing and that take-out. The 504 Bridge Loan Program will address this timing difference. Therefore, by removing this interim 90% financing risk for lenders, the 504 Bridge Loan Program will ultimately make more capital available for Florida's small businesses.

This particular program is targeted for transactions ranging from \$250,000 – \$5,000,000. The maximum loan term

permitted is six (6) months. Transactions involving ground-up construction are ineligible. To apply for the 504 Bridge Loan Program, the lender may request an application by e-mailing ssbci@eflorida.com.

Export Loan Guarantee & Export Direct Loans: Export loan guarantees for Florida's exporting small businesses are available to assist in facilitating lower-cost export financing. Export loan guarantees will be underwritten by Florida Export Finance Corporation, working in conjunction with Enterprise Florida.

An average export loan guarantee or export direct loan of \$500,000 or less is permitted, with larger transactions permitted in exceptional circumstances. The maximum term permitted is 12 months and the fee (s) are negotiable. To apply for an export loan guarantee or export direct loan, please request the application by e-mailing ssbci@eflorida.com.

The Florida Microfinance Act was passed by the Legislature and signed by Governor Scott in 2014. The Legislation creates the "Florida Microfinance Act" consisting of two programs: a loan program and a guarantee program.

Under the loan program, the Department of Economic Development (DEO) will competitively award funds to up to three eligible loan administrators who will in-turn provide a 1:1 match to make short-term, microloans of up to \$50,000 to entrepreneurs and small businesses. The borrower must participate in business training and technical assistance provided by the Florida Small Business Development Network.

Under the guarantee program, Enterprise Florida, Inc., (EFI) will utilize state funds to guarantee loans made by private lenders to entrepreneurs and small businesses in Florida. Loan guarantees may only be provided on loans between \$50,000 and \$250,000, and a guarantee cannot exceed 50 percent of the total loan amount.

Under both programs, eligibility is limited to borrowers who are entrepreneurs or small businesses with 25 or fewer employees and revenue of up to \$1.5 million per year. DEO staff is in the process of establishing the guidelines and financial lender network, which is expected to be completed in the next several months.

For more information contact:
Joe Mannarino, City of Ormond Beach
Director of Economic Development
(386) 676-3266 or
joe.mannarino@ormondbeach.org