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"America needs to recognize and protect its sources of sustainable competitive advantage, and in the final analysis, the most promising source of that advantage is American ingenuity and our entrepreneurial spirit. Leveraging that ingenuity and spirit requires much thought, careful planning, and commitment; American entrepreneurs deserve nothing less than our full support."

- Bob Skandalaris with Ken Harrington
"RebuildingTheAmerican Dream"

SBDC at St. Charles County EDC

Since 1990, the Economic Development Center (EDC) has been helping grow St. Charles County one business and one community at a time. Established as a public-private initiative involving governmental and business leaders along with civic-minded residents, the EDC serves as a valuable catalyst for bringing people together to foster balanced growth and an ever-improving quality of life. As "the business growth experts," the EDC is renowned for providing competitive business financing to companies of all sizes, operating two successful small business incubator facilities, assisting with business recruitment and retention efforts, spearheading regional promotion and cooperation, and offering business counseling, training, and networking.

Working in close collaboration with the cities and county government of St. Charles County, along with the Missouri Department of Economic Development and the St. Louis Regional Chamber and Growth Association, some of the EDC's major accomplishments from 2000 to 2006 included:

- ◆ Issuing more than \$100 million in Industrial Revenue Bonds to 23



SBDC Program Specialist Ron Mueller facilitates business start-up seminar

business projects; creating and retaining more than 1,000 jobs.

- ◆ Closing on more than \$43.7 million in 504 business loans for 98 projects resulting in total new investment of nearly \$86 million; creating and retaining 2,396 jobs.

- ◆ Graduating 64 new companies into the general marketplace from the two EDC small business incubator facilities.

- ◆ Providing individual business counseling and group training to

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Micro-enterprise Training With SLATE

St. Louis SBDC on behalf of the City of St. Louis and St. Louis County Workforce Boards will work with low-income and/or dislocated workers to provide training and support to start small businesses. SBDC will cooperate with both the City of St. Louis and St. Louis Workforce Investment Boards to identify the potential candidates for the micro-enterprise training and support. Business start up training will utilize the FastTrac NewVenture™ curriculum. In addition, SBDC will help to prepare candidates for the presentation to the St. Louis City/County advisory board for the micro equity infusion (up to

\$7,500) based on the following general criteria: quality of the business plan, adequate resources in addition to the grant assistance to get their business up and running as well as adequate business acumen to manage their business venture. SBDC will engage as appropriate the Business Loan Express, the St. Louis Development Corporation and the St. Louis Economic Council to assist successful candidates to secure business loans.

The City of St. Louis Workforce Investment Board operates the St. Louis Agency on Training and Employment (SLATE) Career

Center - a comprehensive job seeker and business services center located in downtown St. Louis. Job seekers have access to career counseling, skills training opportunities, job leads and placement. Weekly workshops provide job readiness training, resume writing, interviewing and job search strategies. The Business Services Center works with companies to provide skilled/experienced employees, pre-screening and recruitment services, labor market information, tax credit information, information on labor laws, and more.

Source: St. Louis SBDC, SLATE

St. Charles County EDC continued from page 1

3,065 budding entrepreneurs from St. Charles County through the Small Business Development Center.

Based on the ever-increasing volume of 504 loans the EDC provides to growing companies throughout Missouri, the organization has been ranked the No. 1 Community Development Corporation in the St. Louis region by the U.S. Small Business Administration. "Our business loan program is second to none in metro St. Louis, and efforts are underway to expand our services even further in 2007," EDC President and CEO Greg Prestemon said. One of the crucial components of helping new businesses take root and grow are the counseling and training services provided through the EDC by Ron Mueller of the SBDC. "Ron's work and the SBDC

are without a doubt an indispensable part of what we do to help local entrepreneurs," Prestemon said. "Through one-on-one counseling sessions and the special group training classes throughout the year, the SBDC

is making an invaluable impact in St. Charles County." Overseeing all these activities and more is a 30-member volunteer board of directors comprised of seven-members from the St. Charles County Industrial Development Authority, administrators from the area's eight largest municipalities and County



SBDC Client CDK Web: Karen Tanksley, Craig Frahm and Kelli Hinze-Bemis

government, members of Partners for Progress, and a diverse group of other community and business leaders. "Our goal is to help make St. Charles County, Missouri a great place to grow your business and your life," said Greg Prestemon.

Source: St. Louis SBDC, St. Charles County EDC

Former SBDC Director To Head Minority Contractor Incubator

A first-of-its-kind effort to build a sustainable minority contracting community in St. Louis is moving forward with the selection of an executive director and an eleven-member board that has established program standards and goals. On December 1, 2006, Alan Richter assumed his duties as executive director of the Regional Union Construction Center (RUCC) incubator established by PRIDE of St. Louis, Inc., the St. Louis area's venerable construction labor-management organization. The incubator's business development program will begin accepting applications from qualified small minority-owned construction companies in January 2007. It has a goal of serving five to seven minority contracting firms in its first year.

Richter is the former regional director for the St. Louis SBDC. As executive director of the RUCC, Richter will be responsible for day-to-day operations and carrying out the directives of the incubator's board of directors. The program will have offices at the Wellston Enterprise/ Small Business Building at 6439 Plymouth Avenue in Wellston, MO.

"With the selection of Alan Richter as executive director and our eleven member board of directors in place, we are ready to hit the ground running in 2007," said Terry Nelson, RUCC president and chairman of PRIDE's diversity committee. "I've seen 100 minority contractors in this city launch businesses over the past



RUCC Executive Director Alan Richter answers questions after the "roll-out event"

20 years and I'll bet less than a dozen are still in business today. We're not interested in perpetuating that. Our program is designed to help build strong minority construction businesses that will succeed over the long term." Nelson is also executive secretary-treasurer of the Carpenters' District Council of Greater St. Louis and Vicinity.

The RUCC board mission is to help minority owners of union construction companies that have the desire to grow their businesses and are interested in a structured program to learn improved methods of operating a business. Participants will receive an assessment of their business operation, a tailored training and educational program, one-on-one counseling, and have the benefit of tapping into a three- to five-person business advisory board.

"Minority contractors face a number of challenges," said Marion Hayes, an incubator board member and a

minority contractor who owns BRK Electric. "Bonding issues, developing lines of credit and the tendency for delays in payment on projects make it enormously difficult for minority contractors to stay in business. And often the lure of large public projects can be the death knell of a contractor that takes on a significant amount of work without sufficient capital built up to meet payroll, pay health and welfare benefits, taxes and buy tools and materials."

"We will help contractors become better at managing their businesses," said Richter. "Our program will offer a variety of business specialists available to help improve the day to day operation of the construction company."

The estimated cost to run the incubator program annually is \$500,000. The Carpenters' District Council has committed \$10,000 per month to the incubator program for

Minority Contractor Incubator continued on page 4

Empowerment Zone Tax Credits Are Still Available!

Did you find that 2006 was a financially challenging year for your business? There is still time to reduce tax burdens for businesses located along the St. Louis Riverfront. Since 1999, a special set of tax credits have been available to businesses between the boundaries of Taylor on the north, Carr Street on the south, Highway I-70 to the west and the Mississippi River on the east through the Empowerment Zone federal designation.

Tax incentives include the EZ Employment Credit, the Increased 179 deduction and savings on Capital Gains. The Employment Credit allows businesses to take an annual tax credit of up to \$3,000 per employee. Employees must be EZ residents and employed 90 days to take the credit, and it is renewable each year through 2009. Past returns back three years may be amended as well.

The increased 179 deduction allows businesses to accelerate the depreciation for new equipment by \$35,000 per year. This credit is a good one to use when a business is trying to pay off new equipment and at least 35% of the employees are EZ residents.

The capital gains benefit requires that a business have at least 35% EZ residents as employees. It provides for a portion of capital gains to be excluded from taxation if property, stock, or partnership interests are sold from qualifying businesses. There are specific timing requirements for purchase, holding and sale of the assets.

In addition to these, President Bush recently signed the Tax Relief and Health Care Act of 2006 that extends, through December 2007, the periods to claim Work Opportunity Tax Credits (WOTCs) and to issue Qualified Zone Academy

Bonds (QZABs). The WOTC allows employers to take up to \$2,400 in tax credits for new employees age 18-24 and lesser credits for summer youth employees who live in the EZ. QZABs subsidize public school investments (including charter schools) in EZ and schools in which at least 35% of the students qualify for subsidized lunch.

It is important to note that the IRS will not refund cash to a business if they have more tax deductions than liability, however, the credit can be carried forward so its benefit is not lost.

Details on all of the benefits can be found at the Empowerment Zone web site www.stlouisezone.org, by calling the EZ at 314-241-0002, or from IRS publication 954 available at www.IRS.gov.

Source: Tara Buckner, Greater St. Louis Regional Empowerment Zone

Minority Contractor Incubator continued from page 3

the next three years. Others providing financial support include the St. Louis Regional Business Council, Plumbers and Pipefitters Local 562, The Pyramid Cos., McCarthy Building Cos., Inc. and McBride & Son Enterprises. The incubator will continue to seek contributions from other trade unions and stakeholders in the St. Louis construction industry.

“This has truly been a united effort by the St. Louis union construction

industry,” said Jim LaMantia, executive director of PRIDE and incubator board member. “Its hard to believe that in less that a year we have found a location for the RUCC, developed a board of directors, named an executive director and are implementing a funding plan. I want to commend Terry Nelson and his leadership team for advancing a vision that will help build a more sustainable minority contracting community and ultimately make the St. Louis construction industry more competitive.”

In addition to Nelson, LaMantia and Hayes, the incubator board of directors includes: Jack Thomas, City of St. Louis Airport Authority; Mike O’Connell, Plumbers and Pipe Fitters Local Union #562; Michael Hurst, McCarthy Building Cos.; Richard Sullivan, McBride & Son; John Steffen, The Pyramid Companies; Ronald W. Wiese, Alberici Constructors, Inc.; Kimberly Cook, Clayco Inc. and Sandra Marks, St. Louis Council of Construction Consumers.

Source: Regional Union Construction Center (RUCC)

Loan Application Checklist

It is essential that the decision to apply for a loan is based on a certain business objective. Consult business development specialists, financial advisors, accountants and others to make sure that the amount of the loan and the type of the loan will be the right ones to meet the business objective. Look for the best deal available. It is important to establish and maintain the "banking relationship" with both private and public sector lenders. Lenders are more favorable to extend credit to businesses that are well known in the local business community. Do the research on small business lending process and different loan programs.

The following are typical items for any small business loan application:

Loan application form The forms vary by lender but they all require similar information, including how the loan proceeds will be used.

Personal credit report Lenders will obtain borrowers' credit reports, but it is highly recommended to order one's own credit report from all three major consumer credit rating agencies before submitting the loan request to the lender. If there is inaccurate information on the report, work with creditors and credit reporting agencies to correct the information. If there are derogatory entries on the credit report that are accurate, submit a formal letter with your loan application explaining the blemishes on your credit report.

Business credit report (for existing businesses)

Income tax returns for three years - personal and business

Personal financial statement of owners owning 20% or more of the business

Business financial statements (for existing businesses) - complete financial statements for the past three years and current interim financial statements

Bank statements for the last 12 months - personal and business

Accounts receivable and payable aging breaking A/R and A/P into 30, 60, 90 and past 90-day old categories (the same date as interim financial statement)

Collateral - schedule (description) and cost/value of personal or business property of the owner(s) or co-signers to secure the loan (appraisals may be added)

Resumes of owners and officers (some lenders demand relevant managerial experience in the field for start-up businesses)

Business plan, including complete set of projected (pro-forma) financial statements - income statement, balance sheet and cash flow statement for at least 3 years; first year must be presented on monthly basis

SBA documentation - all SBA loans will require to submit certain SBA forms (www.sba.gov/library/forms.html)

Legal documents There is a variety of legal documents that may be requested by the lender; some of the typical examples are as follows: articles of incorporation, lease agreement, contracts, franchise agreement, etc.

Miscellaneous information - borrower may be asked to submit additional information that lender deems appropriate

All documents in the loan package must be presented in a neat and orderly fashion. Information must be accurate and complete; forms must be filled out legibly, preferably computer-generated.

Under no circumstances make misrepresentations on loan application documents. The lender can easily verify all information.

Business plan style and formatting must be according to generally accepted standards. It has to be checked and edited for accuracy and consistency - it should convey quality. The contact information (address, phone, e-mail) must be included on the cover page of the business plan.

If some documents are submitted through e-mail or fax, make sure they are received by the lender and send hard copies or originals through the postal service.



*Written by Aldis Jakubovskis
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Small Business Training



Starting a Small Business: The First Steps

This three-hour offering will provide you with an overview of the critical first steps associated with starting a business. It is designed specifically for those who are thinking about a new business venture. Participants will assess their strengths and weaknesses in terms of business ownership, learn about the importance of planning, discuss legal and regulatory requirements and identify sources of funding. *Three-hour workshop.*

St. Charles

Jan 9, Feb 13, Mar 13;
5:30 - 9 p.m.
Call: 636-928-7714

St. Louis

Jan 24, Feb 28, Mar 14;
1 - 4 p.m.
Call: 314-241-1511

Writing a Business Plan

This program is designed for current and future business owners to teach the key components of a business plan. It will also provide guidelines for style and appearance to help create a more professional look for your business plan. *Three-hour workshop.*

St. Louis

Feb 7, Mar 28;
1 - 4 p.m.
Call: 314-241-1511

FastTrac® NewVenture for Dislocated Workers

Participants will develop a feasibility plan for starting a business. *Five-day course.*

St. Louis

Feb 20, 21, 22, 27, 28;
Call: Lynette Watson 636-970-3000

Government Marketing Fundamentals

Learn about the services of the PTAC and the proper direction to turn in pursuing government contracts. *Three-hour workshop.*

St. Louis

Jan 11, Feb 1, Feb 26, Mar 19;
9 a.m. - noon
Call: 314-621-7280

SBIR Grant Writing Workshop

The workshop covers SBIR program background and qualifications, agency selection criteria, proposal preparation and evaluation, quality control, key competitive advantages, commercialization, cost proposal budgets, and electronic submission. *Eight-hour workshop.*

St. Louis

Feb 5;
Call: 314-812-8085



Call the phone number listed for registration information or register at <http://missouribusiness.net>.

Business Source, a quarterly publication, is a joint effort among the Business Specialists of the University of Missouri Extension and the Program Specialists of the Missouri Small Business Development Centers in the St. Charles County-St. Louis area. Editor: Aldis Jakubovskis

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Funded in part through a cooperative agreement with the U.S. Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA. Programs are extended to the public on a nondiscriminatory basis. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact the phone number listed with the workshop description to make arrangements.

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Small Business Assistance

For business counseling, training opportunities or more information contact a Specialist with the Small Business Development Center or University of Missouri Extension.

St. Charles County

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Internet Resources

Missouri Business Development Program combines the best of State and University business resources into one easy-to-access network at <http://missouribusiness.net>

University of Missouri Extension – St. Charles at
<http://extension.missouri.edu/stcharles/business.shtml>

University of Missouri Extension – St. Louis at
<http://extension.missouri.edu/stlouis/biz.shtml>

Small Business Development Centers at <http://missouribusiness.net/sbdc>



100 N Tucker Blvd, Suite 530
St. Louis, MO 63101



In 1980, Congress created the Small Business Development Centers (SBDC) in cooperation with the U.S. Small Business Administration to stimulate economic growth and to provide management assistance. Missouri SBDC provide assistance to clients according to SBA-defined standards for the size of small businesses. The SBDC is a part of University of Missouri Extension.

University of Missouri's Business Development Program in the St. Charles/St. Louis region includes two UM Extension Specialists and five SBDC Business Counselors. It is the local link between the resources of the four UM campuses and people throughout the state. Counselors and specialists use their expertise to help start-ups and existing businesses in business planning, management, marketing and finance. There is no fee for individual counseling.