

Retail, manufacturing, services – whatever the sector, there’s nearly always one common roadblock standing in the way of a budding entrepreneur: Money. The demand for a product, service, or retail business may be present. The idea may be perfect. A location may be available, or already owned. But without start-up cash, dreams are delayed – and thus denied. And we’re all worse off for it. Banks offer commercial loans, of course, but if the client, however great his plan is, doesn’t have the financial history to be deemed creditworthy, the financiers are going to balk, especially during this prolonged economic downturn. When we need innovation and job creation most, it’s the hardest to make it happen.

A number of great opportunities exist. Some banks are channels for Small Business Administration (SBA)-backed loans. Through the Regional Development Company, SBA 504 Loans are offered to qualifying applicants. Most important of all, we have a fantastic tool right here in Pulaski County, one that’s open to lending even when mainstream financial institutions are exceedingly cautious: our very own Revolving Loan Fund (RLF).

This fund was in the news last year when Winamac Lumber Yard, LLC, successfully obtained a \$100,000 loan (which is already being paid back ahead of schedule!) from the County. I was grateful for the opportunity to pen an explanatory letter in the *Journal* after a number of concerns were raised. This is a great option for worthy applicants, and I’m glad that I had the chance to publicize it. I want to expand on that here.

Established a number of years ago with a Community Development Block Grant, the RLF exists for one purpose: To promote the growth of the Pulaski County economy by providing needed cash to establish a new business or to help an existing business to expand or to relocate.

If, having met with a prospective borrower, the CDC executive director determines that the proposed project has merit, the application process begins. To qualify for a loan, the entrepreneur must complete an application, provide a comprehensive business plan, and pay an administrative fee (which goes into the RLF). The application and business plan are reviewed by a five-person committee, which then interviews the applicant. The CDC director, a County commissioner, a County councilor, and two local bankers constitute the committee.

The committee has three options: Ask the applicant for more information, reject the application, or recommend it to the Board of County Commissioners, which has final authority on the matter. Similarly, the commissioners have three options: Request more information, reject the request, or award the loan.

Applications are judged on a number of criteria: Quantity and quality of jobs to be created or retained by the project; need for non-traditional funding (*i.e.*, if the lack of

business history makes the applicant “pre-bankable”, lending has tightened, or some extenuating circumstance demands alternative funding); fiscal health and ability of the applicant; whether the business fills a unique niche or is the sole provider of a basic service.

The RLF is not meant to be government competition with our private-sector banks, but to provide financial assistance where local banks are not – sometimes creating future clients for the banks. As businesses repay their loans, the interest (with a 3-percent floor and a below-market-rate ceiling) further builds up the balance of the RLF, allowing for more lending in the future. Currently, even after the loan to Winamac Lumber, the County has nearly \$110,000 available – enough for one or two bigger loans, or a number of “mini” or “micro” loans, newly available options for smaller enterprises.

As we continue to hear empty sloganeering from national politicians about “creating jobs” – presumably by spending money that Washington doesn’t have –, we should remember that small-business owners, and not the government, who create jobs. It’s nice to know, though, that the Pulaski County government is here to help them to do so.

If your business finds itself in need of help, or if you have the next grand – or humble – business idea, but the banks are not an option, please contact me to learn more about the application process and expectations, and whether you may qualify. I’m happy to help you to help yourself and Pulaski County. I can be reached at [nporiger@pulaskionline.org](mailto:nporiger@pulaskionline.org) or at 574-946-3869.

Nathan P. Origer, Executive Director  
Pulaski County CDC/Economic Development