

# Utah Financing Options

SECTION 12 OF THE B&E PROFILE

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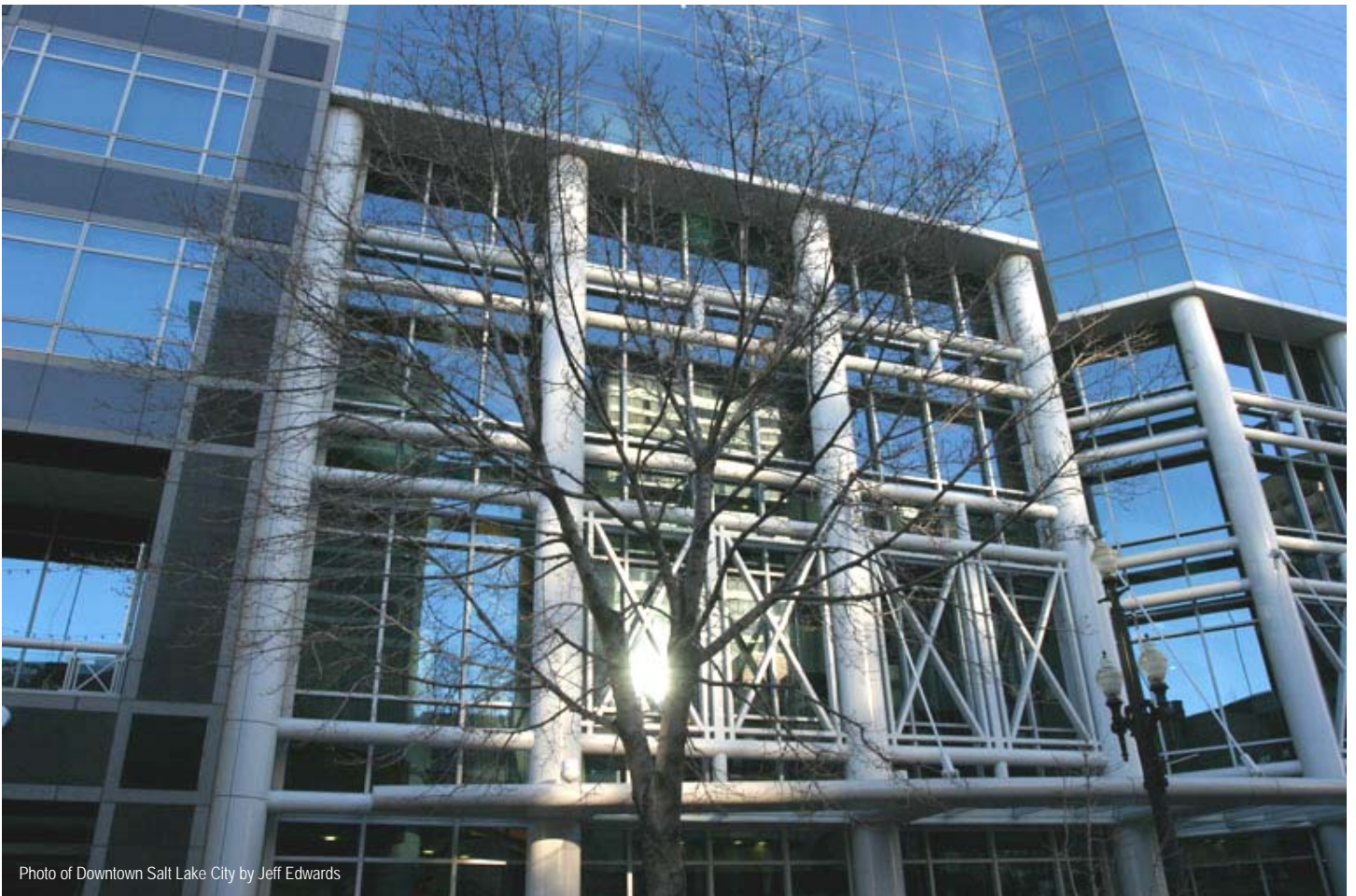


Photo of Downtown Salt Lake City by Jeff Edwards

# Business Financing Options

## BONDS / LEASES / LOANS / GRANTS

### PAB (Private Activity Bonds)

Small manufacturers looking to grow and expand their businesses are prime candidates for private activity bonds. Issued through cities and counties, these tax-free bonds provide an ideal, cost effective means for acquiring manufacturing-related real estate and equipment. The federal government allocates \$28 billion per year to states on a per capita basis, with Utah receiving \$273,270,000 in 2009. For additional information please visit the following link:

<http://housing.utah.gov/pab/index.html>

### Equipment Leasing

For companies who lack the resources to purchase equipment, or would like to improve their balance sheets and ability to borrow, equipment leasing may be an attractive option. Working through companies like CIT, GE Capital and most traditional commercial banks, equipment leasing can be done for equipment ranging in price from tens of thousands of dollars to tens of millions of dollars.

### SBA (Small Business Administration)

SBA loans are the most common and most successful means for which a small business can acquire capital. Working through banks that participate in the SBA loan program, companies can acquire funding for real estate, equipment and operating capital under terms that make the loans extremely attractive. For additional information please visit the following link: <http://www.sba.gov/localresources/district/ut/>

#### SBA 7(a) Guaranty Loan Program

The SBA 7(a) guaranty program has the largest single portfolio of any economic development tool. The BSA 7(a) is a lender-based program that provides guaranties of up to 85 percent with the primary purpose being to benefit small business by helping finance long-term loans. These funds can be used for most legitimate business needs but the business owner must meet prudent lending criteria when analyzing management, owner capitalization and ability to repay.

#### SBA 504 Loan Program

Eligible borrowers include: user businesses, for-profit, and existing companies, all of which must have a sound business purpose. Ineligible borrowers include: real estate developers, financial institutions, not-for-profits, and gambling. Funds can be used for acquisition of land or building, rehabilitation, construction, leasehold improvements, acquisition of machinery and equipment with useful life greater than 10 years, certain professional fees (architectural, engineering, etc.), and construction contingency. Maximum SBA financing in a project for regular 504 loans is \$1.5 million, \$2.0 million for loans than meet a public policy goal, and \$4.0 million for loans to small manufacturers.

### Opportunity Finance Network

The Opportunity Finance industry provides capital and financial services to bridge market gaps and help mainstream financial institutions and the public sector connect to low- and moderate-income communities and customers. The Opportunity Finance industry includes more than 1,200 mission-driven Community Development Financial Institutions (CDFI's). This industry enables lending to small- and medium-sized business in unconventional markets often overlooked by many financial institutions. Loans typically range from \$50,000 to \$5 million.

### **UMLF (Utah Microenterprise Loan Fund)**

The UMLF offers a wide array of lending options to individuals looking for small amounts of capital to open their own business. The traditional micro-loan, ranging from \$1,000 to \$25,000, is repaid over five years at an interest rate of prime plus five percent. Over the past 15 years, the UMLF has helped secure funding for more than 570 small businesses in Utah.

### **USDA Loan Guarantee**

This program encourages rural lenders to finance good, quality business opportunities that support diversified economies in rural Utah areas. Working with commercial banks, the USDA provides a default guarantee of up to 80% of the loan value to help remove some of the risk undertaken by a lender.

### **UTFC (Utah Technology Finance Corporation) Financing Solutions, LLC**

UTFC, a licensed Small Business Investment Company in Salt Lake City, invests in small companies throughout the region by providing subordinated debt to start-up and growing businesses. The UTFC assists a wide range of companies from manufacturing to services, but focuses primarily on information technology and provides up to \$750,000 to entrepreneurial companies.

## **GRANTS / VENTURE CAPITAL**

### **SBIR/STTR Assistance Program (SSAP)**

SSAP is the small business source for information and assistance for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program grants. SSAP can assist with the preparation of grant proposals. Grants are funded through the federal government and recipients may be awarded \$100,000 to \$1 million in funds.

### **Utah Angel Network**

The Utah Angel Network, one of the few organized angel investment groups in the country, is a collection of private investors backing Utah entrepreneurs. Investing \$50,000 to \$2 million as equity or convertible debt, the Utah Angel Network assists in securing next-stage financing from a venture capital firm, private sources, or an IPO.

### **Grow Utah Ventures**

Grow Utah Ventures is directly involved in assisting a number of early stage Utah businesses in obtaining financial resources and achieving their revenue goals. Through partners and private members, Grow Utah Ventures helps a wide range of businesses transition from start-up to the early stages of business growth. This company is an integral player in the Utah Angel Network.

### **WBI (Wayne Brown Institute)**

WBI offers entrepreneurial education and training programs to help promising, early-stage technology companies receive venture capital.

## **BUSINESS START-UP SERVICES**

### **GOED (Governor's Office of Economic Development) ITDO (International Trade & Diplomacy Office)**

ITDO assists companies in developing markets for their products and services in other countries.

### **Utah Procurement Technical Assistance (PTAC)**

PTAC centers help small businesses with all phases of Government contracting -federal, state, and local. Counselors provide one-on-one and group instruction that helps clients identify contracting opportunities, which can create growth of market share and revenues for them. PTAC is an important part of The Governor's Office of Economic Development, with eight offices throughout the state to assist you.

Contact: Fred Lange, Director  
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#### **Salt Lake Community College Miller Business Resource Center**

The Miller Business Resource Center is home to its Business Innovation Center, a business incubator for small and start-up companies seeking growth in Utah. The center offers 30,000-square-feet of space where entrepreneurs operate their business while receiving infrastructure and entrepreneurial resources to accelerate business growth and create long-term business success.

#### **Novell's Open Source Technology Center**

The Open Source Technology Center encourages and supports innovation in open source software technology. Novell allocates 27,000 square feet of prime office space at its Provo campus. Emerging, open source companies can move to the center and benefit from a fully equipped business infrastructure and extensive on-site resources.

#### **Salt Lake Chamber Women's Business Center (WBC)**

The WBC facilitates the entry of new women business owners into mainstream business and chamber activities. The WBC, a partnership between the Salt Lake Chamber and the Small Business Administration, offers counseling, training, networking and mentoring opportunities, business plan writing assistance, marketing and management assistance and government contracting assistance.

#### **Utah Department of Commerce**

The Utah Department of Commerce is the licensing and registration agency for Utah's professional and business community. This organization provides oversight for business registration, trademarks, Uniform Commercial Code filings, licensing, consumer protection, public utilities, real estate and mortgage lending.

#### **Utah Department of Workforce Services (DWS)**

The Utah Department of Workforce Services (DWS) provides employment and support services to help improve the economic opportunities in the state. The DWS Electronic Job Board is a qualified worker's database that allows employers to filter applicants for those that have specific abilities, trades, educational attainment and other such criteria. The Electronic Job Board is connected to the American Job Bank, which enables open positions to be posted and viewed nationwide. DWS will also set-up in-house recruitment efforts at the business location and provide office space at various locations for conducting interviews.

#### **Utah Small Business Development Center (SBDC)**

With nine regional centers throughout the state, the SBDC is dedicated to helping small businesses achieve their goals of successful start-up, growth, innovation, increased productivity, management improvement and success. The SBDC offers services ranging from one-on-one consulting in management, financing and marketing to assistance with marketing research and access to capital.

#### **Utah Supplier Development Council (USDC)**

The USDC assists and promotes small disadvantaged, Hub-Zone, Veteran and women-owned business enterprises to become suppliers to large businesses. USDC provides training opportunities and sponsors trade fairs.

#### **Utah U.S. Export Assistance Center (USEAC)**

The USEAC assists Utah businesses with exporting, market research, trade events, counseling and advocacy services.

### **Zions Bank Business Resource Center (BRC)**

The Zions BRC offers a broad range of services from basic business planning assistance to human resources, marketing and financial assistance to international trade and government resource assistance.