

# Standing the Test of Time

**-40 Years-  
Serving  
Small Businesses**



**2019 Annual  
Report**

## **Black Hawk Economic Development, Inc.**

**1001 Peoples Square  
Waterloo, Iowa 50701  
Phone: (319) 235-2960  
[bhed@bhed.org](mailto:bhed@bhed.org) [www.bhed.org](http://www.bhed.org)**

# Black Hawk Economic Development, Inc.

## TABLE OF CONTENTS

HISTORY AND INTRODUCTION	2
HISTORY AND INTRODUCTION (CONT.)	3
ORGANIZATION—MISSION STATEMENT, GOALS AND OBJECTIVES	4
AREAS OF OPERATION (IOWA)	5
THE ORGANIZATION	6
THE YEAR IN REVIEW	7
2018 – 2019 NOTEABLES	8
GENERAL LOAN PROGRAM	9
REVOLVING LOAN PROGRAM	10
REVOLVING LOAN FUND ACTIVITY SUMMARY	11
SBA 504 LOAN PROGRAM	12
SBA 504 LOAN PROGRAM ACTIVITY SUMMARY	13
INTERMEDIARY RELENDING PROGRAM	14
INTERMEDIARY RELENDING PROGRAM ACTIVITY SUMMARY	15
CEDAR VALLEY GROWTH FUND I, INC PROGRAM	16
NEW MARKET TAX CREDIT PROGRAM	17
MIDWEST RENEWABLE CAPITAL PROJECT MAP	18
MIDWEST RENEWABLE CAPITAL PROJECT MAP (CONT.)	19
BOARD OF DIRECTORS	20
BOARD OF DIRECTORS (CONT.)	21
STAFF	22
STAFF (CONT.)	23
NOTES	24

# Black Hawk Economic Development, Inc.

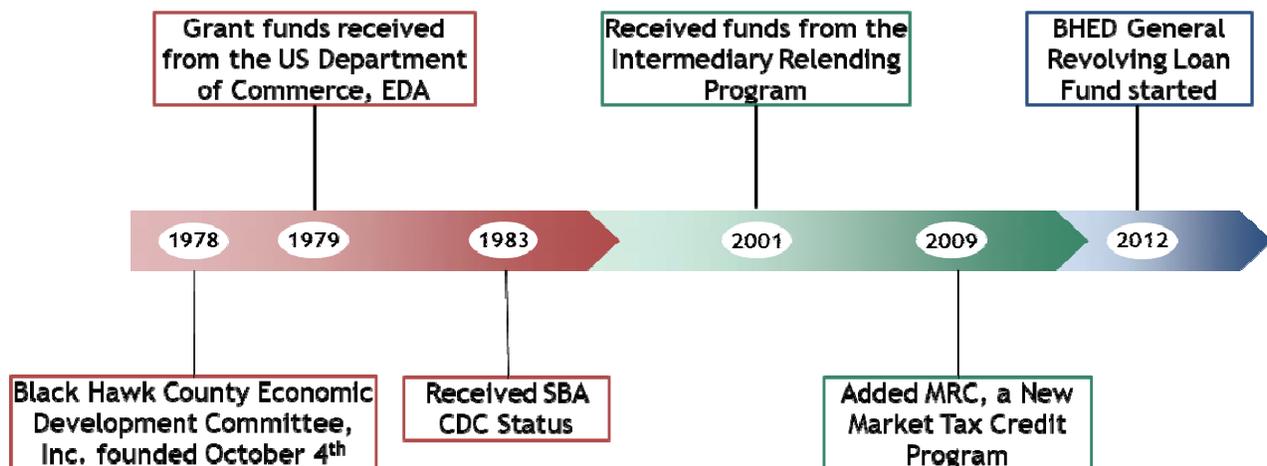
## HISTORY AND INTRODUCTION

History has proven that the ability of a community (and nation) to provide for the well-being of its people and to remain prosperous is nested in its economic base and economic development initiatives. And the ability to maintain prosperity is dependent in large part by both internal and external forces sometimes beyond the control of the community (alone). Assisting in a community challenge to overcome stagnation (if you are not moving forward you are moving backward) or adversity are the various economic development organizations present, whether it be the chamber of commerce/business council, or local, regional, state or national economic development organization. Furthermore, in the case of economic development assistance rarely is there an organization, such as Black Hawk Economic Development, that has the mission, ability, and proven track record to assist on such grand scale ranging from local to national development projects.



Cases in point, during the fiscal year ended September 30, 2019, the Organization provided a \$10,000 RLF loan to a small Waterloo, IA metal fabrication shop in order to assist in retention of the business, and on the opposite end of the spectrum, the Organization, in collaboration with its affiliate Midwest Renewable Capital, LLC, provided a \$15 million loan to a Denver, CO specialty door manufacturer. Although, at opposite ends of a financing spectrum in terms of the amount of assistance and job creation/retention opportunities, the economic impact to the family or families involved on an individual bases was essentially equal. Simply put, economic development is drilled down to an individual bases and although a small

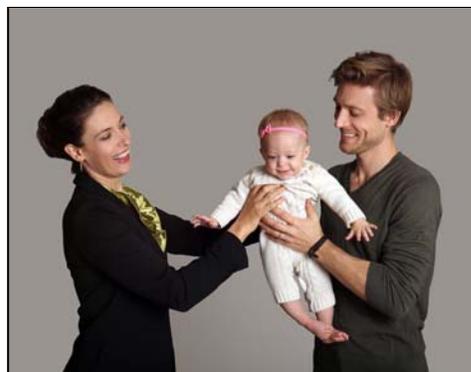
project may involve only one job and family, that one job to that family maybe the difference between providing for themselves or having to rely upon public assistance.



# Black Hawk Economic Development, Inc.

## HISTORY AND INTRODUCTION

During the 2018-2019 fiscal year, the Organization provided direct financial assistance in the form of loans to 14 businesses totaling \$1,807,000 through the Organization's EDA Revolving Loan Fund Program, SBA 504 Loan Program, USDA IRP Loan Program and BHED General Loan Fund Program. These 14 loans are expected to result in total project investments of \$7,092,423 and creation and/or retention of 162 jobs within two years of project funding.



In addition, the Organization, as controlling entity and manager of Midwest Renewable Capital, LLC, directly involved in the deployment of \$92 million of NMTC allocation to seven businesses located in Alabama, Georgia, Nebraska, Texas and Utah. These seven Midwest Renewable Capital projects are expected to result in total project investments of over \$613 million and creation and/or retention of 4,265 jobs in the qualified low income census tracts.



In summary, despite the huge successes over the course of the past forty years plus, and thousands of jobs and lives impacted, the Organization remains grounded in that the Organization, its partners, whether it be commercial lenders, economic development organizations, government agencies, business owners or burgeoning entrepreneurs, understand the importance of each and every job created, retained or enhanced. It is through this appreciation for the "one" that drives the passion and commitment for the following second, third, fourth, fifth....., hundredth....., and thousandth job created, retained or enhanced.

Did you know, since the Organization was established over forty years ago, the average loan amount has changed?

	1995	2019	Program to Date
RLF Average Loan Amount (since 1978)	\$43,075	\$72,500	\$61,000
SBA Average Loan Amount (since 1983)	\$209,095	\$206,166	\$367,204

\*Based on fiscal year end

# Black Hawk Economic Development, Inc.

## MISSION STATEMENT

**To actively engage in sustainable economic and community development activities for the benefit of all constituents.**

---

## GOALS AND OBJECTIVES

The goals and objectives of the Organization are to promote an increase in the standard of living and quality of life for all constituents through strategic, inclusive and sustainable economic and community development activities:

### Economic Activities -

- New business start-up, expansion and retention programs and activities that promote:
  - Entrepreneurship
  - Public/Private partnerships
  - Capital investment
  - Job opportunities — new, enhanced, retained
  - Diversification and expansion of economic base
  - Business recruitment
  - Minority-owned business and career opportunities
  - Exports and import substitution

### Community Activities -

- Quality of life initiatives that promote:
    - Economic opportunity
    - Healthcare — Access
    - Community wellbeing
    - Development/rebuilding of low income rural areas
    - Development/rebuilding of low income urban areas
    - Capital Investments
    - Public/Private partnerships
    - Community enhancement
- 

And further supported in large part with the various partnerships and collaborations with special recognition to:

Midwest Renewable Capital, LLC

Cedar Valley Growth Fund I, Inc.

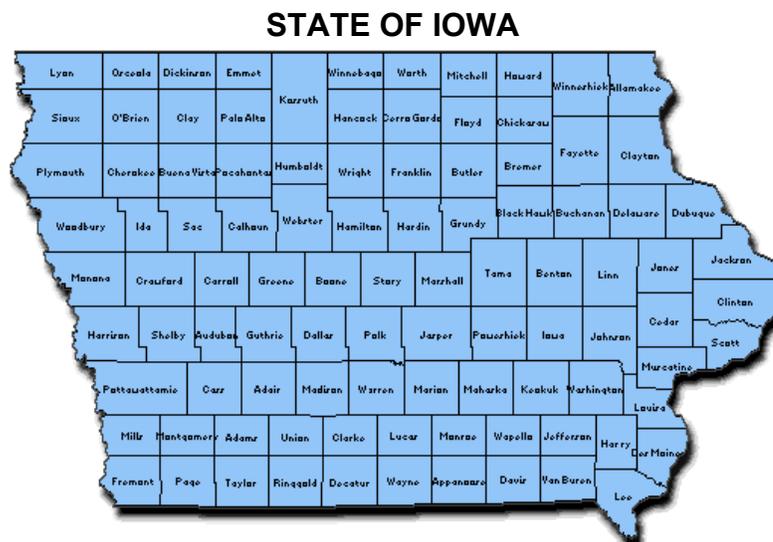
# Black Hawk Economic Development, Inc.

## IOWA OPERATIONS AND ASSISTANCE

Economic and Community development programs and initiatives designed to meet the needs of Iowa small businesses and communities since 1978:

- Revolving Loan Fund (RLF)
- SBA 504 Loan Program (SBA)
- Intermediary Relending Loan Program (IRP)
- General Loan Program (GEN)
- Technical Assistance
- Assistance with other economic development programs

- \* Local
- \* State
- \* Federal



**RLF Program** — Black Hawk, Bremer, Buchanan, Butler, Chickasaw and Grundy counties

**IRP Program** — Rural Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Floyd, Grundy and Tama counties

**SBA Program** — All of Iowa

**GEN Program** — All of Iowa

# Black Hawk Economic Development, Inc.

## THE ORGANIZATION As of September 30, 2019

### OFFICERS

Luke Lesyshen    President  
 Brian Quirk     Vice President/Asst. Secretary  
 Lorie Davis     Secretary/Treasurer

### BOARD OF DIRECTORS

Nate Clayberg    Luke Lesyshen\*  
 Lorie Davis\*     Brian Quirk\*  
 Joyce Dunlay\*    Tony Thompson\*  
 Carol Jahnke      ReShonda Young  
 Robert Krogh

*\*Denotes member of Executive Committee*



#### 2018 — 2019 Number of Meetings

Board of Directors	9
Executive Committee	7
Loan Committee	13
Nominating Committee	2
Personnel Committee	2

### MEMBERS

Nate Clayberg*	Brenda Gibson	John Mardis	Marge Schurman*
Jeff Danielson	Carol Jahnke	Adrienne Miller*	Bob Seymour*
Lorie Davis	Robert Krogh*	Jon Mixdorf*	Tony Thompson
Bill Dotzler, Jr.	George Lake	Chris Mueller	Connie Tolan
Karen Dunlap	Cindy Lantow	Brian Quirk	ReShonda Young
Joyce Dunlay*	Luke Lesyshen*	Chuck Rowe	
Amy Dutton	Steve Lindaman*	Adam Schaefer	

*\*Denotes member or alternate member of the Loan Committee*

### STAFF

Stephen Brustkern	Executive Director
Jennifer Furman	Administrative Assistant
Dee Ann Glover	Loan Officer
Stacy Hageman	Administrative Assistant
Stephanie Koenen	Compliance Manager
Kimberly Loy	Accountant
Eric Nottger	Economic Development Specialist
Meghan Schildgen	Administrative Specialist

#### Committees

Audit Committee  
 Board of Directors  
 Executive Committee  
 Loan Committee  
 Nominating Committee  
 Personnel Committee

# Black Hawk Economic Development, Inc.

## THE YEAR IN REVIEW 2018-2019



**40 Years**

*“Forty years and counting! Thank you to all for your commitment and devotion to our mission. As the saying goes “It takes a village to raise a child”.... it takes the collaborative efforts of the businesses we serve, our communities, financial, and government partners, and our staff, members and board of directors to move the Organization onward to our fiftieth year and unparalleled successes.” #*

Luke Lesyshen  
President  
September 2019

Number of Loans	
RLF Loans	6
SBA 504 Loans	6
IRP Loans	-
GEN Loans	2
<b>Total Loans</b>	<b>14</b>

### DOLLARS (\$) APPROVED

<b>Total Dollars Approved</b>		<b>\$1,807,000</b>
IRP Program Loans	\$ -	
RLF Program Loans	435,000	
SBA 504 Program Loans	1,237,000	
GEN Program Loans	135,000	

### PROJECT INVESTMENTS

<b>Total Project Investments</b>		<b>\$7,092,423</b>
IRP Program Loans	\$ -	
RLF Program Loans	1,279,500	
SBA 504 Program Loans	3,474,600	
GEN Program Loans	2,338,323	

### JOBS CREATED/RETAINED (Estimated)

<b>Total Jobs Created/Retained</b>		<b>162</b>
IRP Program Loans	-	
RLF Program Loans	76	
SBA 504 Program Loans	41	
GEN Program Loans	45	

# Black Hawk Economic Development, Inc.

## 2018-2019 NOTEABLES

### Black Hawk Economic Development



Forty Years of Progressive Development.

BHED, through its own programs and MRC, has facilitated capital investments exceeding \$2.9 billion.



### SelectUSA Summit

BHED had a successful year at the 2019 Summit.

In addition to meeting with many foreign company representatives, BHED is working with a prospective client from the UK, who has started the process to relocate its headquarters to Waterloo, Iowa.

The Waterloo site visit has been completed and a temporary office space has been secured. In addition, they are in the process of negotiating contracts with other Iowa businesses for services, FDA product approval and permanent residence status.



Tahirah Elliott and Stephanie Koenen with Seungjin Ham - ETBE Cat Food. SelectUSA Summit, Washington, D.C. International Investment Summit June 2019

### Total Loans Servicing as of September 30, 2019

SBA 504 Program:	\$ 50,223,821
RLF Program:	\$ 1,880,238
BHRLF (General) Program:	\$ 617,494
IRP Program:	\$ 56,118
MRC NMTC Program:	\$295,670,335
<b>Total:</b>	<b>\$348,448,006</b>

#### DID YOU KNOW?

Black Hawk  
Economic Development  
has serviced  
874 loans since 1979.

# Black Hawk Economic Development, Inc.

## GENERAL LOAN FUND PROGRAM SINCE 2012

The General Loan Fund Program (GEN Program) is a financial assistance program founded in 2012. As the purpose of the program is to broaden the types of businesses or organizations served and the means to serve them, the program is administered similar to the Organization's RLF and IRP Programs, albeit, fewer regulations.

Eligible businesses/organizations include both for-profit and not-for-profit, and eligible use of funds include purchase of land and buildings, building construction/improvements, purchase and installation of equipment and fixtures and working capital.

The GEN Program is administered statewide in Iowa.

Since the beginning, in 2012, the General Loan Fund Program has funded twelve loans totaling nearly \$1,884,000.

	2018-2019 Goals	2018-2019 Actual	2019-2020 Goals
Number of Loans	5	2	5
Dollars Loaned	\$200,000	\$135,000	\$750,000
Total Project Costs	\$600,000	\$2,338,323	\$1,500,000
Job Creation/Retention	80	45	80



There were two loans funded during the year, the program remained active through loan administration activities in support of the small businesses in the loan portfolio.

# Black Hawk Economic Development, Inc.

## REVOLVING LOAN FUND PROGRAM SINCE 1978

The Organization's Revolving Loan Fund Program (RLF Program) is a small business financial assistance program founded with the assistance of the U.S. Department of Commerce–Economic Development Administration. The purpose of the program is to provide “gap financing” to for-profit small businesses in North Central Iowa. Gap financing is typically defined as subordinated financing and can be thought of in terms of “filling” the short fall or “gap” between the required equity portion of a financial package and bank/credit union financing. Under the RLF Program, emphasis is placed on providing gap financing to businesses in the industrial/manufacturing sectors although all for-profit businesses may apply with specific exceptions.

Eligible project costs include purchase of real estate, building improvements, machinery and equipment purchase and installation, and working capital. RLF Program assistance is provided on a competitive basis. Eligible areas include Black Hawk, Bremer, Buchanan, Butler, Chickasaw and Grundy counties. #

	2018-2019 Goals	2018-2019 Actual	2019-2020 Goals
Number of Loans	12	6	12
Dollars Loaned	\$600,000	\$435,000	\$1,000,000
Total Project Costs	\$1,800,000	\$1,279,500	\$1,500,000
Job Creation/Retention	240	76	150



*“The people at BHED worked with us and our current bank to provide the “gap financing” needed to allow us the time to generate the working capital that was required to maintain our industrial/manufacturing jobs here in Black Hawk County. We appreciate Black Hawk Economic Development for all that they do for Iowa.”*

*Ed Jensen  
Schoitz Engineering, Inc.  
President*

# Black Hawk Economic Development, Inc.

## REVOLVING LOAN FUND PROGRAM ACTIVITY SUMMARY 1978 - 2019

### NUMBER OF LOANS AND LOAN GUARANTEES

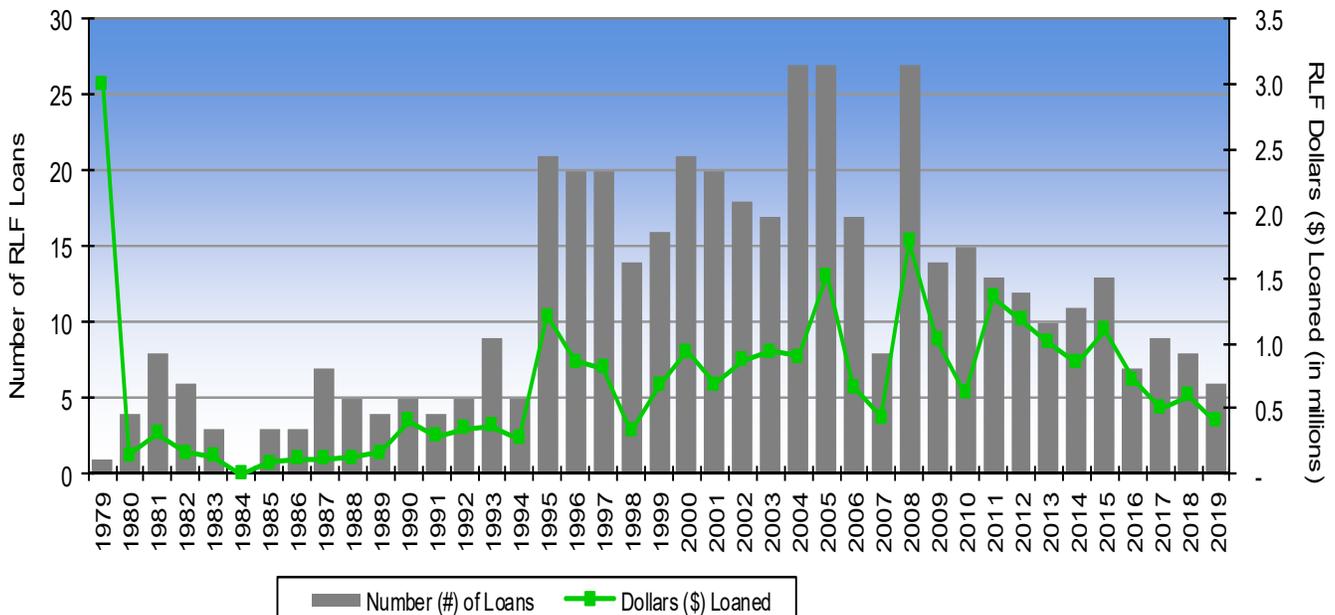
<b>Total Loans &amp; Guarantees</b>		<b>463</b>
RLF Program Loans	453	
RLF Program Loan Guarantees	10	

### DOLLARS (\$) APPROVED

<b>Total Dollars Approved</b>		<b>\$28,243,299</b>
RLF Program Loans	\$ 27,844,252	
RLF Program Loan Guarantees	399,047	

### PROJECT INVESTMENTS AND JOBS CREATED AND/OR RETAINED

<b>Total Project Investments</b>	<b>\$196,269,222</b>
<b>Total Jobs Created/Retained</b>	<b>15,408.5</b>



2018-2019 RLF Program activity constrained by highly competitive commercial lending environment.

# Black Hawk Economic Development, Inc.

## SBA 504 PROGRAM SINCE 1983

The SBA 504 Loan Program is an U.S. Small Business Administration (SBA) economic development program administered on a local level by a *Certified Development Company*, such as Black Hawk Economic Development, Inc. The SBA 504 Loan Program is designed to provide direct financing for long-term fixed assets under new business start-up, expansion and retention projects. Under the Program an eligible business may obtain up to a total of 80-90% financing for a project.

Eligible businesses must be for-profit, and manufacturing, service, professional and retail businesses are generally eligible. Eligible project costs include purchase of real estate, building construction/improvement, and purchase/installation of machinery and equipment that meet certain useful life requirements. Program assistance is provided on a statewide basis.

	2018-2019 Goals	2018-2019 Actual	2019-2020 Goals
Number of Loans	18	6	18
Dollars Loaned	\$9,000,000	1,237,000	\$7,500,000
Total Project Costs	\$22,500,000	3,474,600	\$15,000,000
Job Creation/Retention	138.5	41	200



*"Karen and I would like to thank Citizens State Bank, Monticello, IA and Black Hawk EDC for partnering together to help us purchase the building where our restaurant, La Hacienda Mexican Restaurant, is located in Monticello, IA. Citizens State Bank and the staff at Black Hawk EDC are great to work with."*

*Muchas Gracias,  
Arnulfo and Karen Arriaga  
La Hacienda Mexican Restaurant*

# Black Hawk Economic Development, Inc.

## SBA 504 LOAN PROGRAM ACTIVITY SUMMARY 1983 - 2019

### Number of Loans Approved

**Total Approvals** **399**

SBA 504 Loans, Funded & Pending Funding 343

SBA 504 Loans Withdrawn/Cancelled/Expired 56

#

### Dollars (\$) Approved

**Total Dollars Approved** **\$150,651,000**

SBA 504 Loans, Funded & Pending Funding \$125,951,000

SBA 504 Loans Withdrawn/Cancelled/Expired 24,700,000#

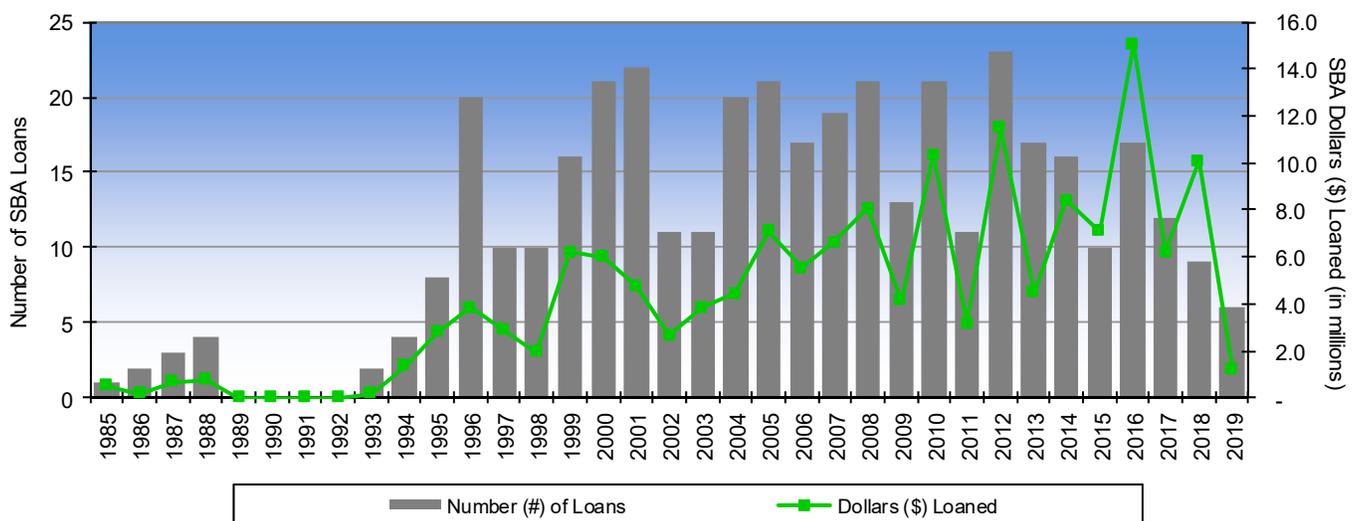
####

### Total Project Investments and Jobs Created and/or Retained

**Total Project Investments** **\$432,414,574**

**Total Project Investments Not Completed** **\$12,279,944**

**Total Jobs Created/Retained** *(Actual, Est., and Net of not completed projects)* **3,460.1**



*2018-2019 SBA 504 Program activity lower than expected due to highly competitive commercial lending market despite the Program's favorable rates.*

# Black Hawk Economic Development, Inc.

## INTERMEDIARY RELENDING PROGRAM SINCE 2001

The Intermediary Relending Program is an economic development program designed to promote rural small business development and community enhancement projects. Under the program, BHED funds were leveraged with funds from U.S. Department of Agriculture (USDA) to capitalize the Organization's Intermediary Lending Program (IRP) Fund. The IRP Program operates similar to the Revolving Loan Fund Program in terms of gap financing.

Eligible businesses must be for-profit, and manufacturing, service, professional and retail businesses are generally eligible. In addition certain community based organizations and governmental entities may be eligible. Eligible project costs include purchase of real estate, building construction/improvement, and purchase and installation of machinery and equipment. Businesses may also use the funds for working capital. In view of the limited funds available, IRP Program assistance is provided on a competitive basis.

Eligible Iowa counties include rural Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Floyd, Grundy and Tama.

	2018-2019 Goals	2018-2019 Actual	2019-2020 Goals
Number of Loans	2	-	2
Dollars Loaned	\$150,000	-	\$250,000
Total Project Costs	\$450,000	-	\$450,000
Job Creation/Retention	60	-	60



# Black Hawk Economic Development, Inc.

## IRP LOAN PROGRAM ACTIVITY SUMMARY 2003 - 2019

### Number of Loans Funded

**Total Loans Funded** **19#**  
#

### Dollars (\$) Funded

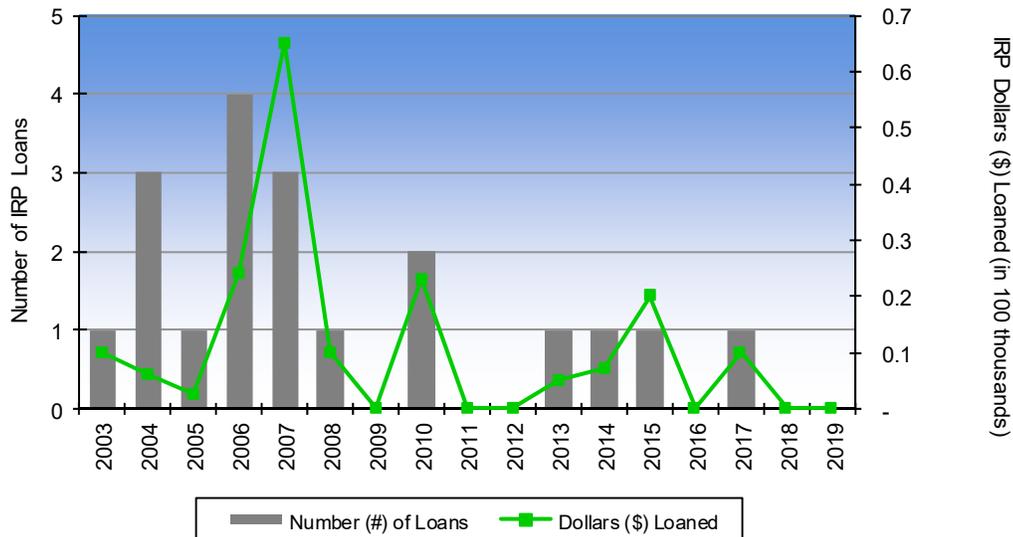
**Total Dollars (\$) Funded** **\$1,401,000#**  
#

### Total Project Investments and Jobs Created and/or Retained

**Total Project Investments** **\$6,438,814**

**Total Jobs Created/Retained  
(Actual and Estimated)** **243.5**

# # # #####



*2018-2019 IRP Program activity continues to be suppress due to portfolio size.*

# Cedar Valley Growth Fund I, Inc.

Cedar Valley Growth Fund I, Inc., established in 2009, is a 501 (c) (3) not-for-profit corporation. The corporation was sponsored by Black Hawk Economic Development, Inc. in an effort to increase the availability of capital and technical assistance to area small businesses. Cedar Valley Growth Fund I, Inc. was designed to provide near equity loans to both existing businesses and new business start-ups under a revolving loan fund program similar to BHED's Revolving Loan Fund Program, but with less regulations. Income derived from the CVGFI RLF Program is in-turn used to provide professional technical assistance to area small businesses free or at a nominal cost, to fund a micro-venture fund, to replenish the RLF fund and for direct administrative costs. During the Summer of 2015, CVGFI expanded its service area to nationwide.



The mission of Cedar Valley Growth Fund I, Inc. is to enhance the quality of life in areas of need, and on a nationwide basis, through responsible innovative economic development initiatives.



*"Cedar Valley Growth Fund had a successful 2019 providing financial stability and reliability for local businesses. It continues to help stabilize and bolster local employment opportunities which provide good wages for individuals and the related trickle-down tax revenue that comes from good jobs. We look forward to more projects and more success in 2020."*

*Steve Lindaman  
Cedar Valley Growth Fund I  
President*

# Midwest Renewable Capital, LLC

## NEW MARKET TAX CREDIT PROGRAM

In 2009, BHED joined efforts with Midwest Renewable Capital, LLC (MRC), Grimes, IA to pursue allocations of tax credits under the federal New Market Tax Credit Program (NMTC). NMTC tax credits are sold to investors who, through the purchase of tax credits, assist in capitalization of a pool of loan funds that are in turn used to make qualified equity investments in an active qualified low income community business in a qualified low income census tract. Since 2009, MRC has received a total of eight federal allocations totaling \$430 million and three state allocations of over \$12,780,493. MRC's triple bottom line selection criteria targets projects with potential for excellent growth, significant community impacts, and positive environmental returns (renewable and clean energy projects), with a focus on rural areas.

BHED functions as the Manager and Controlling Entity of Midwest Renewable Capital and performs the administrative, loan servicing, and compliance functions.

During BHED's fiscal year, seven New Market Tax Credit projects were funded totaling \$92,305,359. These seven projects are expected to result in total project investments of over \$613,778,622 and creation and/or retention of 4,265 jobs in the Nation's qualified low income census tracts.



*"Nemak is dedicated to developing innovative lightweight solutions, focusing on manufacturing high complex aluminum components for the automotive industry. The NMTC allocation to Nemak through MRC is helping us in our efforts to improve facilities, machinery and technology, and continue its commitment to its workforce. With this financing, Nemak continues to provide benefits to the community by strengthening the viability of the company, increasing production volumes, and supporting job creation in the future."*

*Nemak USA Inc.  
Sylacauga, Alabama*

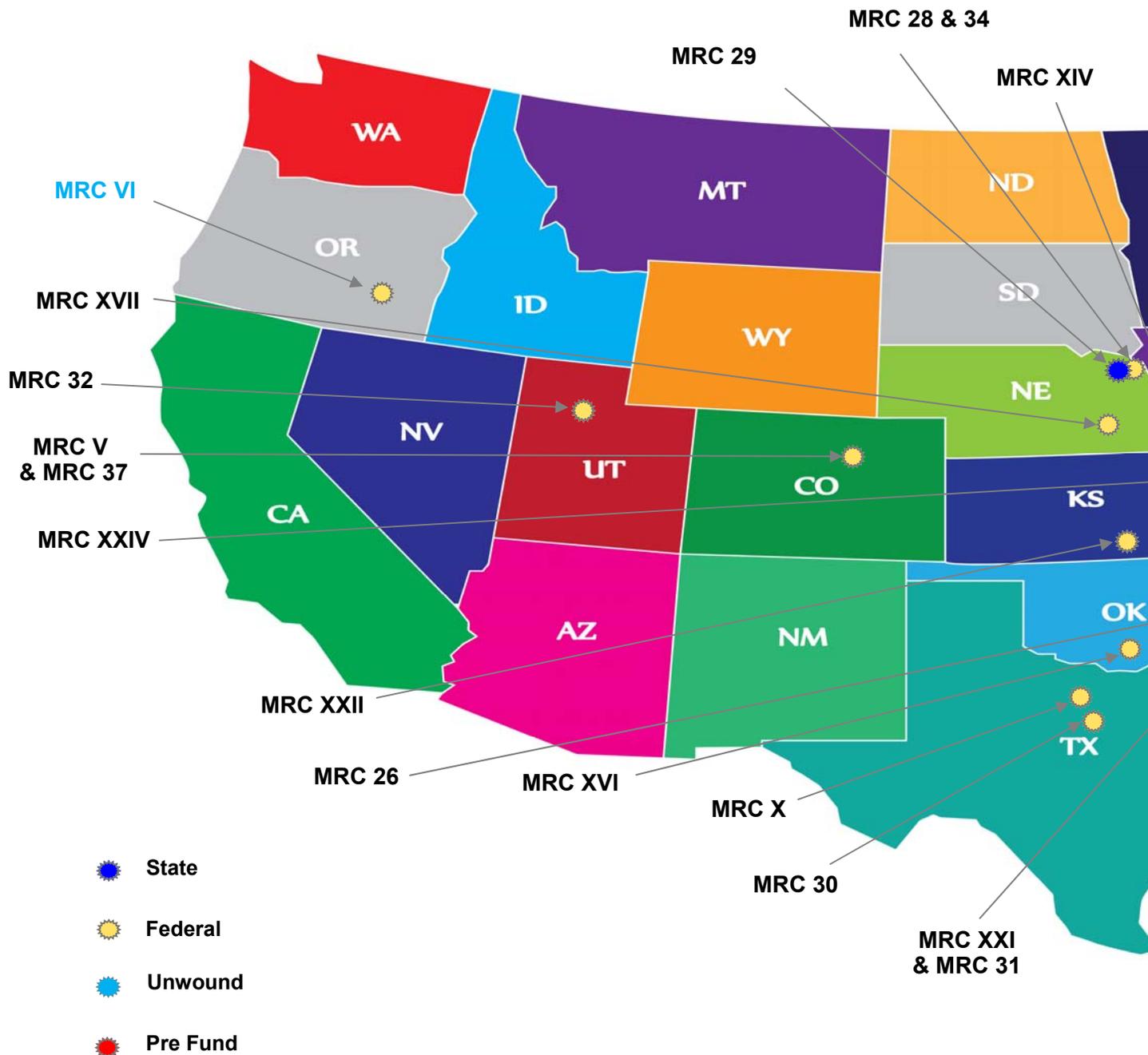


*"In the furtherance of private capital for public good..."*



# Midwest Renewable Capital, LLC

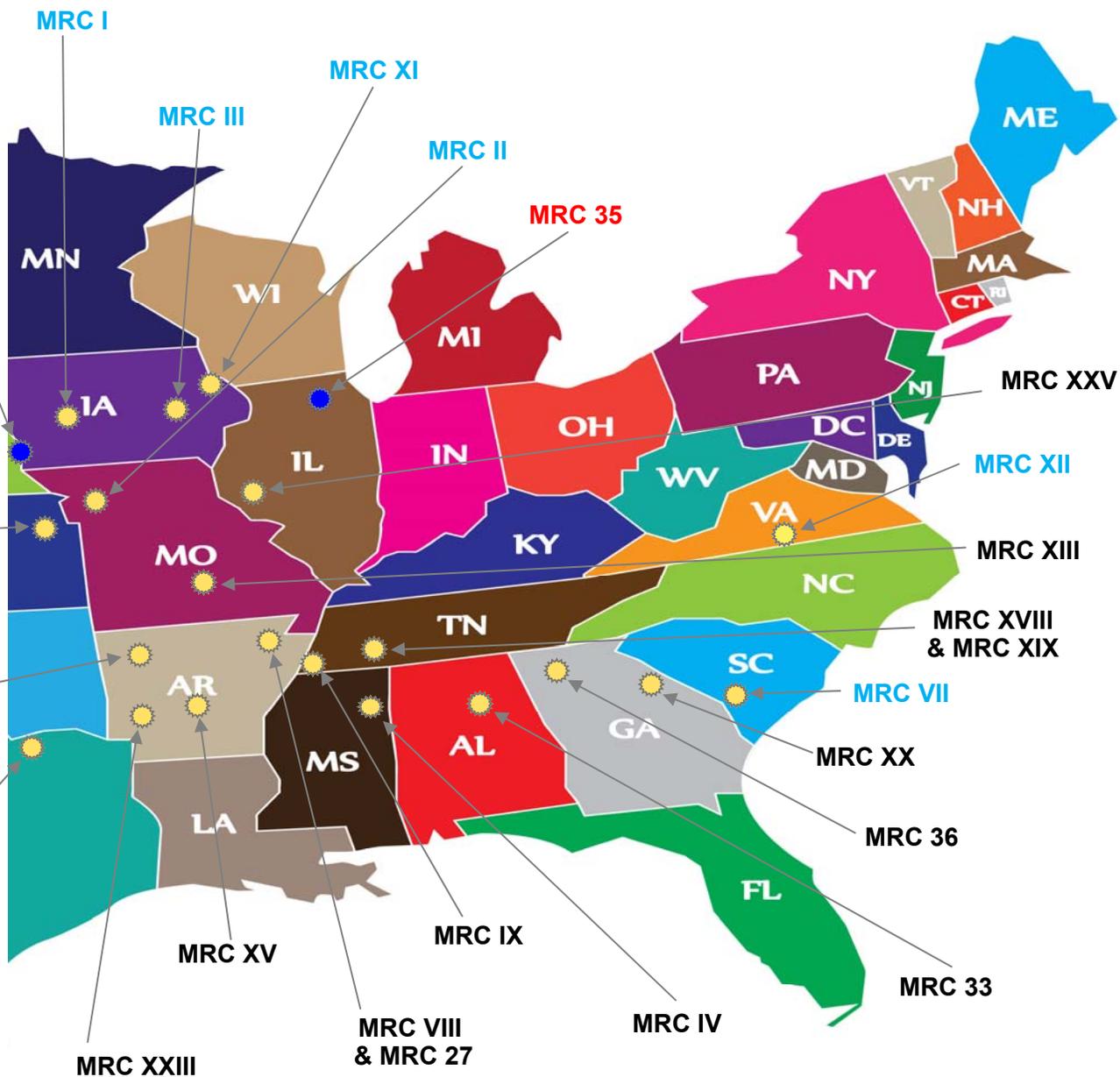
## 2010-2019 SUB-CDE



Midwest Renewable Capital's (MRC) mission is to revitalize low income communities in the U.S. by providing flexible, patient capital. MRC targets projects based upon the level of community impacts with particular focus on clean technology, energy efficiency, advanced manufacturing and renewable energy projects or businesses.

# Midwest Renewable Capital, LLC

## PROJECT LOCATIONS



### PROGRAM TO DATE (Actual and Projected)

#### MIDWEST RENEWABLE CAPITAL, LLC

Total Dollar (\$) Awards	\$ 442,781,297
Total Dollars (\$) Loaned	\$ 389,275,335
Total Dollars (\$) QEI	\$ 398,780,493
Total Project Costs (\$)	\$ 2,275,865,466
Direct Jobs Created and/or Retained in Census Tract	9,771

# Black Hawk Economic Development, Inc.

## BOARD OF DIRECTORS



**Nate Clayberg ~**  
*Board Member since 2017*  
Member of the  
Loan Committee  
Personnel Committee



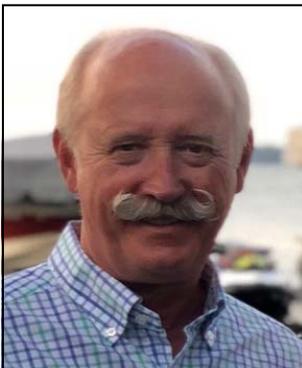
**~ Lorie Davis**  
**Secretary/Treasurer**  
*Board Member since 2009*  
Member of the  
Executive Committee



**Joyce Dunlay ~**  
*Board Member since 2011*  
Member of the  
Audit Committee  
Executive Committee  
Loan Committee



**~ Carol Jahnke**  
*Board Member since 1995*  
Member of the  
Audit Committee  
Personnel Committee



**Bob Krogh ~**  
*Board Member since 1987*  
Member of the  
Loan Committee  
Personnel Committee



# Black Hawk Economic Development, Inc.

## BOARD OF DIRECTORS

~ **Luke Lesyshen**  
**President**  
*Board Member since 2017*  
Member of the  
Audit Committee  
Executive Committee  
Loan Committee  
Nominating Committee



**Brian Quirk ~**  
**Vice-President/Asst. Sec**  
*Board Member since 1993*  
Member of the  
Executive Committee



#

~ **Tony Thompson**  
*Board Member since 2008*  
Member of the  
Executive Committee



**ReShonda Young ~**  
*Board Member since 2017*  
Member of the  
Nominating Committee

# Black Hawk Economic Development, Inc.

## STAFF



**~Steve Brustkern**  
*Since 1990*  
Executive Director

**Jennifer Furman ~**  
*Since 2013*  
Administrative Assistant#



**~Dee Ann Glover**  
*Since 2012*  
Loan Officer

**Stacy Hageman ~**  
*Since 2006*  
Administrative Assistant



**~Stephanie Koenen**  
*Since 2015*  
Compliance Manager

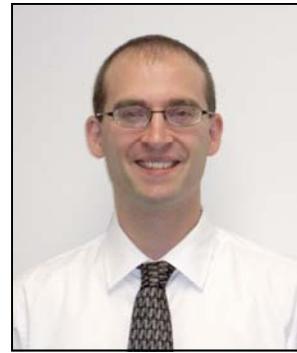
# Black Hawk Economic Development, Inc.

## STAFF



~ **Kimberly Loy**  
*Since 2018*  
Accountant#

**Eric Nottger** ~  
*Since 2009*  
Economic Development Specialist



~ **Meghan Schildgen**  
*Since 2015*  
Administrative Specialist



Ice Cream Social and Ugly Sweater Contest  
Above: Jennifer Furman & Meghan Schildgen  
Left: Stacy Hageman



