

Department of Resources, Recycling and Recovery - Recycling Market Development Zone Works Training
Session I: FOCUS ON FINANCING (December 5, 2012)

Speaker	Financing Type	Benefits
<p>California Pollution Control Financing Authority Speaker: Mark A. Holmstedt Westhoff, Cone & Holmstedt 500 Ygnacio Valley Road, Suite 380 Walnut Creek, CA 94596 Work: (925) 472-8747 Email: MAH@WCAH.com Website: http://www.wcah.com/</p>	<p>Bond. Treasurer's Office may reimburse the first \$250,000 of the cost to issue the bond.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: Business qualified for traditional bank financing, 2+ years profitable operating history, projections show ability to repay, strong contracts for product sales, good business model, strong creditworthy guarantor, Debt/Worth <5:1, Debt Service Coverage >1.25. • Terms: Bond amount is greater than \$2,500,000, lesser amounts may be considered. Interest rate is determined by bond markets based on the quality of the business financial statements. • Benefits: Great for large dollar projects, long term financing may be up to 20 years, low interest rates. • Success: eCullet (Los Angeles & San Leandro), Phoenix Energy (Merced), and Waste Recovery West (Stockton)
<p>California Capital Access Program Speaker: Nancee Trombley, Manager State Treasurer's Office 915 Capitol Mall C-15, Suite 457 Sacramento, CA 95814 Phone: (916) 651-8663 Email: ntrombley@treasurer.ca.gov Website: http://www.treasurer.ca.gov/cpcf/calcap/index.asp</p>	<p>Bank loan, supported by a Loan Loss Reserve Account funded by the Treasurer's Office and CalRecycle.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: California small businesses that do not meet the traditional bank underwriting criteria. • Terms: No minimum loan amount. Operating lines of credit up to one year, equipment loans are five years, machinery loans up to seven years, real estate loans up to ten years. • Benefits: Quick approval and funding. Over 1,591 loans approved in 2012, average amount is \$56,000. • Success: Joe's Plastics (Los Angeles), Winplast LLC (Vernon), C.K. Manufacturing & Trading (Santa Ana), Harvesting Solutions (San Benito), Tarulli Tire (Santa Ana and Spring Valley)
<p>Collateral Support Program Speaker: Nancee Trombley, Manager State Treasurer's Office Physical Address: 915 Capitol Mall C-15, Suite 457 Sacramento, CA 95814 Phone: (916) 651-8663 Email: ntrombley@treasurer.ca.gov Website: http://www.treasurer.ca.gov/cpcf/calcap/index.asp</p>	<p>Bank loan, supported by a Loan Loss Reserve Account in the amount of collateral short fall, funded by the Treasurer's Office.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: California small businesses that do not meet have sufficient business assets to fully collateralize a loan. • Terms: Bridge loans needed to obtain permanent financing; construction loans for energy savings or environmental improvement projects. • Benefits: May cover up to 40% of collateral needed for a loan or 50% in a Severely Affected Community. • Success: New program – coming in January 2013

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<p>State Loan Guarantee Program Speaker: Anthony Rucker, Senior Loan Officer California Capital Financial Development Corporation 2000 O Street, Suite 250 Sacramento, CA 95811 Work: (916) 442-1729 Email: ARucker@CaCapital.org http://www.cacapital.org/index.html</p>	<p>Bank loan, supported by a State guarantee of repayment.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: California small businesses that need a community bank willing to work with them. • Terms: Loans up to seven years. State guarantee up to 80% for term loans and lines of credit. Maximum guarantee is \$2,500,000. Loan fee is 3% of guaranteed amount. • Benefits: Banks wanting to work with small businesses in today's economy. • Success: Carpet Recyclers (La Mirada)
<p>Bank Loan Speaker: Kathleen Todd, Vice President California Bank & Trust 2399 Gateway Oaks Drive Sacramento, CA 95833 Phone (916) 561-1124 Email: kathleen.todd@calbt.com http://www.calbanktrust.com/</p>	<p>Bank loan.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: Private businesses. • Terms: <u>Federal SBA 504</u> real estate loans from \$125,000 to \$10,000,000, fixed interest rate below market, 10 years for equipment and 20 years for real estate, up to 90% financing. <u>Federal SBAA 7A</u> loans for working capital, inventory, equipment and machinery, debt refinance, etc.; amounts from \$50,000 to \$5,000,000, variable interest rates, and terms from 5 – 25 years. <u>Traditional bank loan</u> up to \$500,000 for equipment and machinery purchase, five to seven year terms, up to 100% financing; owner occupied commercial real estate acquisition, improvement and refinance, up to 75% advance, fixed interest rate, term up to 25 years. • Benefits: SBA guidelines have been relaxed to help small businesses in today's economy. • Success: Princess Paper (Vernon). California Bank and Trust participates in the CalCAP program.
<p>Community Development Block Grant Program Speaker: Patrick Talbott, Econ. Dev. Rep. Dept. of Housing and Community Development 1800 3rd Street, Suite #390 Sacramento, California 95811 Phone: (916) 552-9361 Email: Patrick.Talbott@hcd.ca.gov http://www.hcd.ca.gov/fa/cdbg/EconDevelopment.html</p>	<p>Direct loan to a small business from a rural city or county, that obtained a Federal Grant.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: Small businesses in rural cities and counties • Terms: No minimum loan amount. Must create or retain new jobs. • Benefits: Loan is issued by the local city or county revolving loan fund. May provide gap financing with other lenders. • Success: Main Street Cellars (Winters)
<p>Recycling Market Development Zone Loan Program Speaker: Jim La Tanner, Supervisor CalRecycle 1001 I St., (MS-9), Sacramento, CA 95814 Work: (916) 341-6497 Email: Loans@CalRecycle.ca.gov http://www.calrecycle.ca.gov/RMDZ/</p>	<p>Direct loan.</p>	<ul style="list-style-type: none"> • Eligible Borrowers: California manufacturers that process non-hazardous solid waste that is generated in California and destined for local landfills that make recycled content raw materials or finished products. • Terms: Up to \$2,000,000 or 75% of total project cost whichever is less. Terms up to 10 years or 15 when secured by real estate. Interest rate is fixed at 4.00%. • Benefits: Great for California manufacturers that make recycled content products. • Success: http://www.calrecycle.ca.gov/RMDZ/Reports/BusinessSearch.aspx