

# FIFTY-FORTY-TEN NEWS

A Newsletter of the Greater Syracuse Business Development Corporation

FINANCING GROWING BUSINESSES SINCE 1964

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## SBA 504 Temporary Debt Refinancing Program

The U.S. Small Business Administration (SBA) has temporarily authorized the refinance of existing business debt through Certified Development Companies such as Greater Syracuse Business Development Corp. (GSBDC) under the SBA 504 Loan Program. The refinance program is set to expire on September 27, 2012. The Program highlights are as follows:

- 1) The refinance cannot be part of a small business expansion.
- 2) The applicant must have been in business for more than two years.
- 3) Debt to be refinanced must be a commercial loan which was acquired more than two years from the date of application, not subject to a government guaranty or part of an existing 504 project, not owed to an Associate of the applicant, collateralized by 504 eligible fixed assets that at least 85% of the proceeds from the original loan were used to acquire, and current on all payments for the 12 months preceding the date of application.
- 4) Loan to Value of the fixed asset cannot exceed 90% of the current Fair Market Value.
- 5) As part of the refinance, borrower may use additional available equity in the collateralized property to finance "eligible business expenses" such as salaries, utilities, inventory, etc. Those business expenses must be incurred but not paid, or become due within 18 months after date of application.
- 6) The funding for the Refinance Project must include an amount from a Third Party Lender at least equal to the 504 financing, with at least 10% coming from the borrower's equity.

Ex) Appraised Value of Collateral				\$1,400,000 x 90% = Refinance Project of up to \$1,260,000
Existing Debt				\$1,000,000
Available Equity				400,000
Sources		Uses		
Financial Inst.	\$700,000	50%	Refinance Existing Debt	\$1,000,000
GSBDC 504	\$560,000	40%	Pay Eligible Business Exp.	\$260,000
Equity	\$140,000	10%	Building (Existing Equity)	\$140,000
Total	\$1,400,000	100%	Total	\$1,400,000

For more information call Peggy Adams, Executive Director (315-373-0273), or Kathy Campbell, Client Manager (315-373-0348) at Greater Syracuse Business Development Corp.

## GSBDC Finances New Building for Selflock Screw Products

The Greater Syracuse Business Development Corporation (GSBDC) recently provided an SBA 504 loan to Selflock Screw Products Company, Inc. (SSP) for the purchase and renovation of the former G.A. Braun manufacturing facility at 461 East Brighton Ave., Syracuse, NY.

The 60,547 sq. ft. building has given SSP the opportunity to set up efficient workflow for their processes, with space to add additional equipment and product lines in the future. Their existing machinery and equipment was moved from their previous location, recalibrated and installed at the new site after performing electrical upgrades.



*continued on reverse*

## Interest Rates

Loans funded as of October 12, 2011 would have carried the following rates:

SBA 504  
4.61% (20 yrs.)

## For further information, please contact:

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## Mailing List

If you would like further information on GSBDC or know of someone who would like to be added to our newsletter mailing list, please call GSBDC at (315) 373-0468 or e-mail to [info@gsbdc.com](mailto:info@gsbdc.com). This newsletter is published four times per year.



Established in 1920 as the Selflock Nut & Bolt Co., the company produced fasteners with a patented vibration resistant thread. The company has made a successful transition from a local to nationwide customer base. A new precision cleaning system has given SSP a tremendous competitive advantage, with a product that is advertised as "Clean Enough for the Dinner Table". Their customers can use their parts right out of the box without first cleaning them. The growth in SSP is a result of a transition from manufacturing just screws to making parts for a vast array of related equipment, promoting further diversification of their product mix and the business sectors they sell to.

The SBA 504 program provided a 20 year fixed rate second mortgage with Alliance Bank, N.A. providing financing in a first mortgage position. Robert Markowski, Vice President, Commercial Banking commented, "Alliance Bank appreciates the assistance provided by the GSBDC to allow us to put a competitive financing package together for Selflock Screw Products. They were able to purchase a much needed building, allowing a local company the opportunity to continue to grow and expand right here in Syracuse"

The company is owned by Dan Kuhns, VP of Sales and Tracey Kuhns, Secretary. David Freund, its President added "GSBDC and Alliance Bank worked so well together to make this process as easy as possible. We're very excited to be in our new facility as we begin our 92nd year in Central New York."

SSP currently has 35 full time employees. It is anticipated that they will hire eight additional employees within the next two years as they expand their production capacity.

## GSBDC Assists with New Facility

Hal Romans, 100% owner of Ianuzi & Romans Land Surveying P.C. (IR), recently built a new 5,000 sq. ft. facility at 5251 Witz Drive in North Syracuse. The new building provides 3,800 sq. ft. for an attached three bay garage to house their commercial vehicles. They formerly leased space at 636 Old Liverpool Road in Liverpool, NY.



IR was formed in 2000 by the merger of Ianuzi Land Surveying and Romans Land Surveying. Romans has owned and operated the business since 2003 offering a wide array of surveying services. They have three field crews with over 20 years of experience in surveying while using the latest equipment.

The project financing was structured using the SBA 504 program. Solvay Bank provided 59% in a first mortgage position with GSBDC providing 26% in a second mortgage position. Planning ahead, Romans purchased the lot in 2008 which represented the company's required equity contribution. According to Mark Kay, Vice President & Senior Lending Officer at Solvay Bank, "It was a great experience to work with Hal and make suggestions as to how to properly structure a construction to permanent loan. With a great general contractor in Parsons-McKenna and a very informative and helpful group of people from the GSBDC, this successful project was simply a pleasure. We wish Hal and Ianuzi & Romans much success in their new home!"

IR currently employs 10, but Romans optimistically looks forward to increasing staffing to 14 or 15 over the next several years as he continues to grow the business.

According to Romans "The realization of a building that meets our needs today and in the future has been a goal of ours for the last ten years. The building design by J.S. Hagan Architects reflects this goal and Parsons-McKenna's ability to meet or exceed a client's expectations and deadline was instrumental in keeping within budget and on time. However, it takes financing to finally realize this goal and actually construct a building. The guidance and assistance from GSBDC and Mark Kay of Solvay Bank made the SBA 504 process possible. They made it so I could focus the majority of my time and energy on our surveying business – which is critical for the continued success of any small business. As we move forward as a company, we will always remember and appreciate everyone's effort in helping us reach this goal. Thank you."