



# ANNUAL REPORT 2016-17

Small Business Development Corporation of Orange County

Small Business Development Corporation of Orange County | 271 N. Sycamore Street, Santa Ana CA 92701 | 714.571.1900 | sbfdoc.org





I've been extremely fortunate to serve 10 years as Chairman of the Board of a prolific nonprofit financial development corporation residing under the California Infrastructure and Economic Development Bank. I have a five-star board of directors who represent some of the finest financial institutions, public law groups, higher education and private industry organizations in the state. I firmly believe that our partnership is at the core of California's robust economy and has positioned Small Business Development Corporation of Orange County to become one of the leading strategic economic development corporations statewide. The corporation's ability to leverage millions in public dollars for developing small businesses and adding hundreds of jobs, particularly in vulnerable sectors of the economy, places us on track to become a nonprofit of unsurpassed effectiveness.

This past fiscal year, we delivered \$37.5 million in guarantee issuance having supported \$50.3 million in bank and non-bank lending to small business enterprises of which 59% included women and minority-owned companies. This resulted in more than 2,000 jobs retained and the creation of 562 new FTE positions with deployment of 60% of these funds among low-to-moderate income populations.

In terms of operating performance FYE 2016-2017 was another explosive year with 25.1% increase in unrestricted assets supported by strong increase in revenues over expenses and a credit portfolio now in excess of \$149 million. The latter growth has necessitated our relocation into a larger facility, an increase in staffing and pre-development of a direct micro-lending initiative to roll out in the new fiscal year.

I'm particularly thankful to my colleagues on the Board of Directors including the loan and executive committees for their support, governance and leadership in helping our staff achieve such phenomenal operating results.

Gary Dunn  
Chairman of The Board



Dear friends and supporters:

Many economists have suggested that if California were considered separately, it would rank as the sixth largest economy in the world behind the rest of the states, China, Japan, Germany and the United Kingdom. The U.S. Bureau of Economic Analysis reported that California's GDP was \$2.5 trillion in 2015, up 4.1 percent from a year earlier. The latter statistical data proves California to be a robust state and an ideal business economy with just the right climate to start or expand a small business enterprise or venture. In particular, such an environment offers the unfettered ability to locate financial resources imbedded within our communities providing access to capital opportunities albeit on a direct or indirect basis.

Small Business Development Corporation of Orange County continues to experience growth and favorable operating trends during fiscal year 2016-2017. Our growth is due in large part to our valued partnership collaborations and proven ability to leverage public funds to support California's vast network of institutional small business lenders and their lending efforts. Such endeavors are aimed at deploying mainstream capital and investment among business owners, entrepreneurs and more increasingly, not-for-profit public benefit organizations. This activity has resulted in a strong production year with \$37.4 million leveraged in state and federal trust funds which have supported \$50.2 million in bank and non-bank loans to small business owners ultimately resulting in the creation of thousands of jobs statewide.

Going forward, we continue to explore new initiatives and absorb organizational growth including the addition of new staff resulting from a recent portfolio merger with that of the former Hancock Financial Development Corporation. Located in downtown Los Angeles, the corporation possessed long-time historical roots among the Korea Town and Asian banking communities, the latter of which has contributed to our expansion of resources, namely the successful deployment of credit capital among communities of greater need. These program successes are the primer and catalyst contributing to our Board of Directors inaugural initiative providing grant investments to local non-profit institutions in our local sphere of influence. This particular initiative is unprecedented in the corporation's 15-year history.

We sincerely thank our Board of Directors for their guidance and leadership as well as our many invaluable resource partners and regional collaborations. All have contributed significantly to another successful year for the Small Business Development Corporation of Orange County.

Looking forward to our program expansion and additional services in the coming New Year.

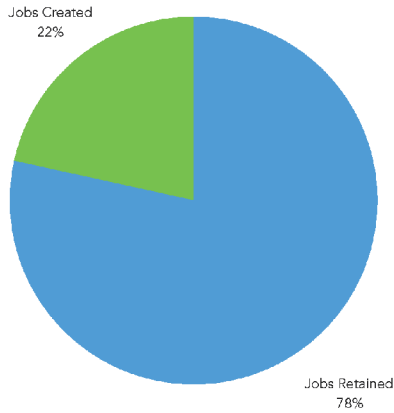
Michael A. Ocasio  
President and CEO



## Board of Directors

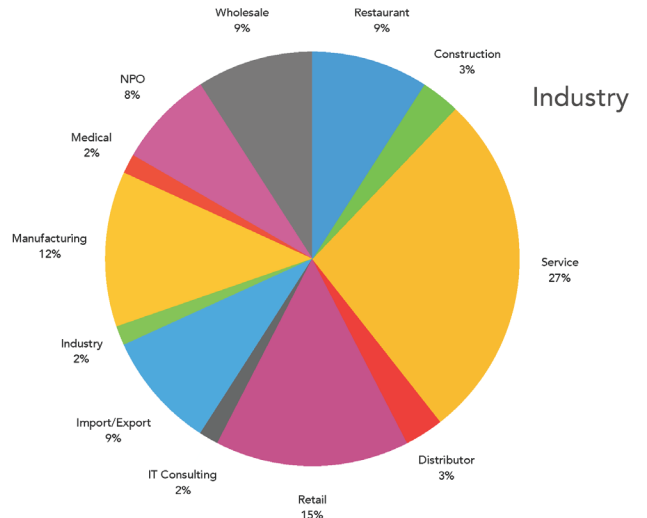
- Gary Dunn, *Chairman*
- Abdi Ahmed, *Vice Chairman*
- Terrin Enssle, *Secretary*
- Michael Karr, *Treasurer*
- Michael A. Ocasio, *President/CEO*
- Cecil Adams
- Alex B. Arjonilla
- Keith Drake
- Jason Hamilton
- Johnny Thomas
- Pablo Ocasio
- Nancy Trujillo

# Demonstration of Impact

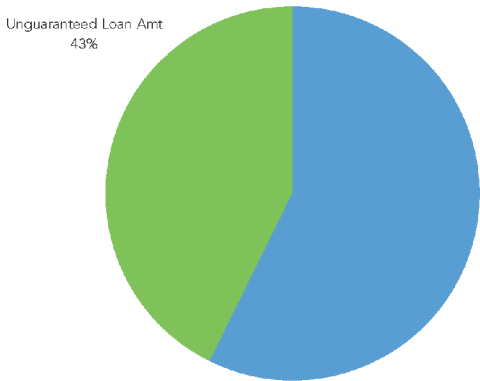


## Economic Impact

Jobs Retained 2046  
Jobs Created 562

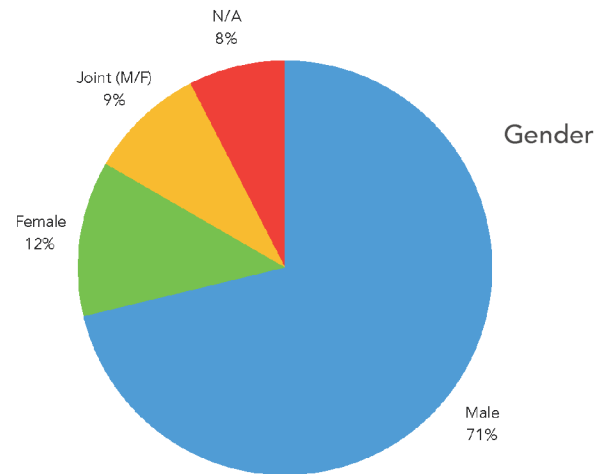


## Industry

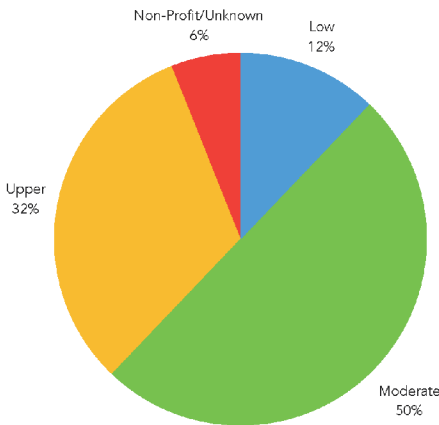


## Loans

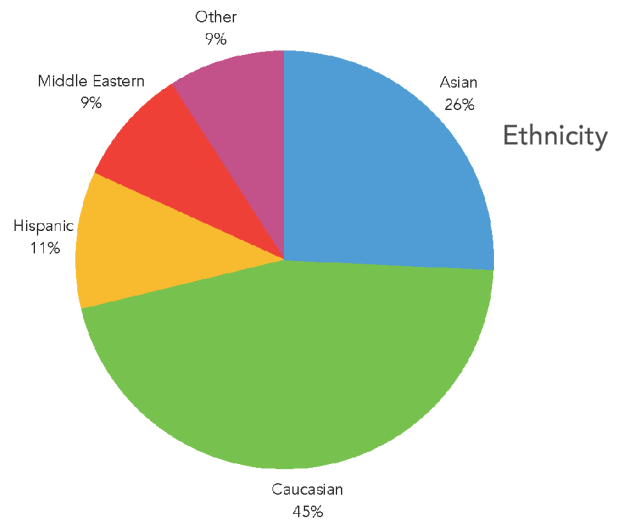
Total Loan Amt \$50,253,323  
Guaranteed Loan Amt \$37,455,911



## Gender



## Income Level



## Ethnicity

# Our Partners



# Success Stories

It is our mission to assist small businesses throughout the California region to access capital to grow their companies and create jobs through its administration of capital access programs in collaboration with the California Infrastructure and Economic Development Bank.



## Brewcaipa Brewing Company, Inc

**Lender:** SCE Federal Credit Union  
**Loan Amount:** \$230,000  
**Employees:** Startup  
**Assembly District:** 42 / **Senate District:** 23

Brewcaipa Brewing Co. is a craft beer brewery located in the Historic Uptown District of Yucaipa. The owners, retired Loma Linda Fire Captain Scott Daniels and his wife, Katie Daniels, turned their hobby of crafting beer into a thriving business. SBDC-OC is proud to assist with the financing of this start-up company owned by two local entrepreneurs whose venture will aid in the revitalization of their hometown community of Yucaipa. Brewcaipa's business loan was provided by SCE Federal Credit Union (SCE FCU), a member-owned financial cooperative based in Inwindale, Calif.

## Soledad Enrichment Action, Inc

**Lender:** City National Bank  
**Loan Amount:** \$780,000  
**Employees:** 183 **Jobs Created:** 10  
**Assembly District:** 64 / **Senate District:** 35

Soledad Enrichment Action, Inc. (SEA) is a nonprofit charter school and provider of gang intervention services based in Compton, Calif. It was established in 1972 under the support of the Catholic Archdiocese of Los Angeles by mothers who lost their sons to gang violence. Since then, SEA has become the leading provider of services to high-risk individuals, families and gang-affected communities within Southern California. Their assistance includes substance abuse treatment, support groups, and job placement. With the help of SBDC-OC and City National Bank, the nonprofit is purchasing the building it has been leasing as well as refinancing loans on its other properties at lower interest rates.



## OWB Packers, LLC & One World Cattle Co, LLC

**Lender:** Bank of Southern California  
**Loan Amount:** \$3,000,000  
**Employees:** 230 **Jobs Created:** 60  
**Assembly District:** 56 / **Senate District:** 40

OWB Packers, LLC and One World Cattle Co., LLC are the latest ventures of the Brandt family-owned cattle and organic beef enterprise controlled by Eric Brandt. The Brandt family has built their business on a reputation for producing "craft" beef by raising cattle on a corn-based diet free of hormones and anti-biotics. One World Cattle purchased and extensively renovated a processing facility in 2016 in the Imperial Valley to be operated by OWB Packers. The facility hired 230 people in 2016. Its retail partnerships include a relationship with Costco which alone requires the addition of 60 jobs. Bank of Southern California provided the line of credit needed to cover expenses during the ramp-up phase of the acquired processing facility.



## Evoun Group, LLC & Shamaah, Inc

**Lender:** California Business Bank  
**Loan Amount:** \$1,989,000  
**Employees:** 8 **Jobs Created:** 2  
**Assembly District:** 61 / **Senate District:** 31

Evoun Group, LLC, a holding company established by long-time gas station operator Claude Shamaah of operating firm Shamaah Inc., sought funding to purchase an Arco AM/PM gas station and convenience store in Moreno Valley, Calif. Shamaah was approached by Arco to turnaround this poor-performing store after he succeeded in transforming another Arco station in Escondido from a substandard operation to its current status as one of the top 20 Arco stations in gallons pumped in the United States.



## Mission Viejo Ornamental Iron, Inc

**Lender:** City National Bank  
**Loan Amount:** \$1,000,000  
**Employees:** 60 **Jobs Created:** 5  
**Assembly District:** 73 / **Senate District:** 36

Mission Viejo Ornamental Iron, Inc. in Rancho Santa Margarita was founded in 1992 by Reza Honarvar. Approximately 15 years ago, his son Neema Honarvar took over the business. The company manufactures and installs balcony railings, staircases, and other ornamental iron products for both residential and commercial projects. However, much of its business is reliant on its work for Western National Builders, one of the largest contractors for the Irvine Company. Mission Viejo Ornamental sought a line of credit to facilitate work on other contracts and diversify its client base. SBDC-OC was able to provide such assistance through a state guarantee backing a loan from City National Bank.

