Virginia Lending Programs and Business Incentives

Virginia Small Business Financing Authority

Economic Development Loan Fund
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Microenterprise loan program

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Enterprise Zone

Natural Capital Investments Fund

Various Financial Products

Economic Development Loan Fund

The Virginia Small Business Financing Authority's Economic Development Loan Fund is designed to fill the financing gap between private debt financing and private equity. Funds are provided to create economic benefit through increased revenues and the creation of new jobs and the retention of "at risk" jobs in Virginia. Businesses should meet one of the following criteria within the Commonwealth of Virginia: have $10 million or less in annual revenues over each of the last three years; or a net worth of $2 million or less; or have fewer than 250 employees; or be a 501 (c) 3 entity.

Eligible Borrowers:

- Industrial or Economic Development Authorities empowered by the Code of Virginia to make loans for economic development purposes and other Virginia economic development entities.
- Businesses engaged in technology, biotechnology, tourism, basic industry, manufacturing, and those businesses or entities that provide for a locality's economic and "quality of life" development.
- Businesses which derived 15% or more of their revenues from defense-dependent activities and can demonstrate economic hardship related to defense downsizing.

Amount:

Direct Loans: maximum loan available from the Fund for each project is 40% or $1,000,000, whichever is less. Minimum loan amount is $50,000.

Term:

Generally the loan will be amortized over the life of the assets or the borrower's ability to repay, with a note maturity of not more than 10 years.

Interest Rate and Fee:

Direct Loans: Fixed base rate is tied to "like-treasuries" with a spread based on the credit risk as determined by VSBFA. $500 non-refundable application fee.

To qualify for assistance under the *Economic Development Loan Fund*, the applicant business must:

- Create or save permanent full-time jobs which pay a minimum of $10.00 per hour;
- Generate a majority of its sales from outside of Virginia;
- Be able to inject new cash equity into the project; and
- Provide a first lien on the assets purchased with the loan proceeds; however, a subordinate lien position will be considered, if required by the primary lender.

Loan funds can be used for:

1. Acquiring land and buildings
2. Leasehold improvements or expansions
3. Purchase and installation of machinery
4. Equipment purchases
5. Technology infrastructure
6. Permanent working capital (some restrictions)

Loan funds *cannot* be used to:

1. Subsidize a business that is able to obtain financing for the project at reasonable terms from conventional sources
2. Refinance or restructure a bank's existing debt
3. Relocate a business activity from one geographical area to another
4. Compensate for a fundamental business weakness
5. Provide short-term working capital

Completed applications will be reviewed by the VSBFA staff and recommendations will be made to VSBFA's Board of Directors at their next monthly meeting. Credit decisions will be based on the company's creditworthiness, ability to repay the loan, collateral offered to secure the loan, and the economic benefit to the Commonwealth.

For additional information and application materials, visit our website, www.vdba.virginia.gov or call 1-866-248-8814.

VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE
Connecting Businesses with Resources

P.A.C.E. Program

(Providing Access to Capital for Entrepreneurs)

Purpose:

The P.A.C.E. Program provides access to capital for new and existing Virginia businesses by encouraging banks to make loans that they would otherwise not make due to a borrower's risk profile. The program is administered by the Virginia Small Business Financing Authority (VSBFA) for the Department of Minority Business Enterprise (DMBE). The P.A.C.E. program provides two financing mechanisms as described below.

- Eligible Loan Uses: Funds are available for working capital, expansion, equipment, agri-business and most other business needs. Loans to refinance a bank's existing loans to a borrower or loans for non-owner occupied real estate or residential housing are not eligible for enrollment.
- Eligible Loan Types: Term loans and lines of credit are eligible.
- Eligible Borrowers: Any corporation, partnership, limited liability corporation, limited liability partnership, joint venture, sole proprietorship which is authorized to conduct business in the Commonwealth of Virginia

Capital Access Fund for Disadvantaged Businesses

To apply for financing through this Fund, a new or existing business makes application to a VSBFA participating bank. If the participating bank determines that the proposed financing request does not meet the bank's normal underwriting guidelines, the bank will then determine whether the proposed loan transaction would be acceptable if the loan were enrolled in *P.A.C.E.* Neither DMBE nor the VSBFA participates in the bank's underwriting decision or the bank's decision to utilize the Capital Access Fund to provide financing.

Once the bank has approved the financing for enrollment in *P.A.C.E.*, the bank determines the fee amount to be paid by the borrower based on the bank's perceived level of risk. Enrollment fees paid by the borrower typically range between 3% and 7% of the loan amount and are non-refundable. DMBE, through the VSBFA, contributes a matching fee that will be no less than twice that of the borrower's fee. Both the borrower's and DMBE/VSBFA's fees are contributed to a loan loss reserve fund established for the benefit of the bank. In the event of a default on an enrolled loan, the bank can utilize funds in this reserve to offset its loss. The maximum outstanding loan amount(s) which may be enrolled for any single borrower, or any common enterprise in which the borrower has an ownership interest, is $250,000.

Loan Guaranty Fund for Disadvantaged Businesses

Businesses should go directly to their bank for financial assistance. The bank determines if a government guaranty is needed. The *Loan Guaranty Program* for Disadvantaged Businesses is simple to use. The bank and the applicant company fill out very brief applications. The bank submits the applications with copies of their credit write-ups, commitment letter (if available), the applicant company's financial statements and business plan, if applicable. Loan closings for approved requests are scheduled by the bank and the bank uses its own documentation procedures and forms. The interest rate is set by the Bank.

VSBFA staff underwrites requests for guaranties. In considering whether to extend a guaranty under the program, the VSBFA assesses the company's ability to repay the loan, the experience of the company's management and the adequacy of the collateral available to secure the loan. Although there is no specific job creation requirement under the program, VSBFA also considers the economic impact and job creation resulting from the financing.

Deficiency guarantees of lines of credit are provided on an annual basis, with up to four subsequent renewals of the guaranty (5 year maximum). Deficiency guarantees for up to 5 years are available for term loans. ***Amount:*** The maximum guaranty under the program is $50,000 or 90% of the loan amount, whichever is less. ***Application Fee:*** $30 ***Guaranty Fee:*** The guaranty fee is 1% of the guaranteed amount due at closing of the line or term loan.

New Markets Tax Credits Program

The Virginia Small Business Financing Authority's New Markets Tax Credits Program is designed to help existing businesses fund the purchase of real estate occupied by their companies and/or capital equipment used in their operation. The Virginia Small Business Financing Authority serves as the conduit though which the Community Reinvestment Fund (CRF) makes New Markets Tax Credits (NMTC) loans available. **CRF commitments will be issued subject to the availability of NMTC capacity and are conditional.**

Eligible Borrowers:

- All borrowers must comply with the Community Reinvestment Fund's guidelines for the use of loan proceeds. Certain geographic and other restrictions apply.
- All borrowers must meet the 3 criteria of a "qualified active low-income community business."
    1. minimum 50% of borrower's tangible property must be located in a low-income community
    2. minimum 50% of services performed for the borrower by its employees must be in a low-income community
    3. collectibles not for resale and nonqualified financial property must each represent less than 5% of borrower's assets
- All borrowers must have a history of positive cash flow, operating ratios consistent with industry norms, sufficient working capital to meet current obligations, and cash equity in the project.
- Borrowers may be for profit or non-profit organizations.

Amount:

Per project maximum of $1,500,000 and minimum of $500,000.

Term:

Real estate: 25 years

Capital equipment: shorter of 10 years or remaining useful life of equipment

Interest Rate (includes servicing fee 0.25%)

Real estate: initial 7 years: 7 year Treasury rate + **minimum** 4.15%, reset rate: 10 year Treasury rate + **minimum** 6.1%

Equipment: initial 7 year Treasury rate + **minimum** 4.65%

Fees:

1% commitment fee with $500 due upon application.

Closing fees-maximum $750 document preparation fees plus customary legal, appraisal, etc. costs.

Prepayment Penalty:

Declining scale penalty during first 7 years of the loan term. No partial prepayments allowed.

The applicant business must occupy a minimum 51% of the real estate and use 100% of the equipment financed by this program, provide a first lien on assets financed by this program (unless there is another Primary Lender), provide the guaranty of all persons or companies that own 20% or more of the applicant business, and agree to remain in compliance with New Markets requirements for 7 years.

Loan funds ***can*** be used to:

1. Acquire owner occupied commercial real estate (maximum 85% financing).
2. Purchase and install machinery and/or equipment (maximum 80% of new equipment, 50% used).
3. Repay short term construction or rehabilitation/expansion financing on owner occupied commercial real estate (maximum 85% financing).

Loan funds ***cannot*** be used to:

1. Compensate for a fundamental business weakness or poor credit history.
2. Provide working capital.
3. Finance business start up.
4. Fund construction advances, project must be completed.
5. Refinance or restructure existing debt.

The VSBFA reviews and recommends applications to the Community Reinvestment Fund which has final approval authority. Credit underwriting criteria include borrower's historic ability to repay the loan, past credit performance, demonstrated cash flow, collateral value, guarantor support, management strength, and the economic benefit to the Commonwealth.
For additional information and application materials, contact the VSBFA at the Virginia Department of Business Assistance. (Website; www.vdba.virginia.gov/financingabusiness or call 1-866-248-8814)

Virginia Small Business Financing Authority
707 East Main Street, Suite 300
Richmond, VA 23219

Child Care Financing Program

The Virginia Small Business Financing Authority's *Child Care Financing Program* (CCFP) is designed to assist Virginia child care providers in obtaining financing for fixed asset needs. The Virginia Small Business Financing Authority offers direct low-interest rate loans to regulated child care providers for quality enhancement projects or to meet or maintain childcare standards.

Eligible Borrowers:

Child Care Centers

- Regulated providers as defined in the Code of Virginia 63.1-195. "Regulated may be 1) licensed by the Virginia Department of Social Services (DSS), or 2) filed as "religious-exempt" with the Virginia DSS.

Family Home Provider

- "Regulated" provider may be 1) licensed by the Virginia DSS, 2) registered through the Voluntary Registration Program, 3) part of a Licensed Family Day Care System, or 4) participating in the USDA Food Program.

Amounts:

Child Care Centers: Up to $150,000

Family Home Providers: Up to $10,000

***Maximum Term*:**

Child Care Centers: Up to 7 years

Family Home Providers: Up to 7 years

Fees:

Non-refundable application fee:

Child Care Centers: $100

Family Home Providers: $15

Interest Rate:

WSJ Prime minus 3% fixed, however the rate would not be lower than 4%.

GENERAL ELIGIBILITY REQUIREMENTS:

Loan proceeds cannot be used for the purchase or improvement of land, building construction, permanent mortgages, working capital or to refinance existing debt. Loan proceeds are used to make payments directly to vendor(s) or to reimburse borrowers for costs, supported by paid receipts, incurred after the date of written loan approval from the VSBFA.

To be eligible to **apply** for assistance under the *Child Care Financing Program*, the applicant **must**:

- Be in "good standing" with the Division of Licensing Programs of the Department of Social Services.
- Demonstrate a reasonable assurance of repayment.
- Maintain business operations in Virginia.

Under the *Child Care Financing Program*, the loan proceeds can be used:

- For fixed asset purchases directly related to the health, safety and welfare of the children, such as playground equipment, resilient surfacing for playground areas, lockable cabinets for cleaning supplies and other poisonous substances, cots, cubbies, books, blankets, educational materials, and equipment for infant care, etc.
- For minor building maintenance, renovations, or repairs necessary to comply with health and safety standards required by the Department of Social Services, or to meet necessary requirements for children with special needs, etc.
- To purchase buses (centers only).
- To purchase learning aids, tools or programs to aide in the development of the children, etc.

For additional information and application materials, call us at 1-866-248-8814 or visit us on our website, www.vdba.virginia.gov.

Loan Guaranty Program

The Virginia Small Business Financing Authority's (VSBFA) *Loan Guaranty Program* is designed to help Virginia's small businesses obtain the funds to start, enhance, or expand their operations and thereby creates new jobs for citizens of the Commonwealth. The VSBFA guaranty reduces the bank's credit risk and helps the business qualify for financing that would not otherwise be available. Both new loans and restructured existing debt are eligible for guaranties. *This program can also be used to provide a supplemental guaranty to an SBA guaranteed loan. The aggregate co-guaranteed amount for any one loan will not exceed 85% of the gross loan amount of that loan. Restructured debt is ineligible for SBA supplemental guaranty.*

Eligible Borrowers:

Businesses operating in Virginia must meet at least one of the following criteria to be an eligible borrower:

- Have $10 million or less in annual revenues over each of the last three years; or
- Have a net worth of $2 million or less; or
- Have fewer than 250 employees; or
- Be a 501(c) 3 non-profit entity (not eligible for supplemental guaranty)

Guaranty Term:

- Deficiency guarantees of lines of credit are provided on an annual basis, with up to four subsequent renewals of the guaranty (5 year maximum).
- Deficiency guarantees for up to 5 years are available for term loans.

Amount:

The maximum guaranty under the program is $500,000 or 75% of the loan amount, whichever is less, with a maximum relationship guaranty between the borrower and the VSBFA of $500,000.

Supplemental Guaranty: VSBFA guaranty is limited to $500,000 or 35%, whichever is less. The combined VSBFA and SBA co-guarantees are limited to 85% of the gross loan amount.

Application Fee:

$200

Interest Rate:

The interest rate is set by the Bank.

Guaranty Fee:

The guaranty fee is 1½% of the guaranteed amount due at closing of the line or term loan.

General Instructions

Businesses should directly contact their bank. The bank determines if a government guaranty is needed for their approval. The lender is encouraged to call the VSBFA to discuss the transaction. Guaranty applications are available on line (www.vdba.virginia.gov/financing) or will be mailed upon request. VSBFA approves or declines the guaranty within a week of receiving all required application information. Loan closings for approved requests are scheduled by the bank and documented using their normal procedures and forms.

VSBFA underwrites requests for guaranties. In considering whether to extend a guaranty under the program, the VSBFA assesses the company's ability to repay the loan, the experience of the company's management and the adequacy of the collateral available to secure the loan. Although there is no specific job creation requirement under the program, VSBFA also considers the economic impact and job creation and/or retention resulting from the financing.

The following types of loans are eligible under the *Loan Guaranty Program:*

- Lines of credit to finance inventory and accounts receivable;
- Loans to finance permanent working capital or fixed asset purchases such as office equipment.
- Restructured debt benefitting the borrower with additional funding, a lower interest rate, and/or longer repayment period.

The *Loan Guaranty Program* cannot be used to:

- Eliminate the bank's requirement for collateral or the principal's personal guaranty;
- Compensate for a fundamental business weakness.
- Restructure debt if the borrower does NOT have a prior history of profitable operations and of paying credit as agreed.

Industrial Development Bond Programs

Creditworthy companies seeking to finance industrial and commercial facilities can obtain long-term financing at favorable interest rates and terms through the Virginia Small Business Financing Authority's (VSBFA) Industrial Development Bond Programs.

Tax-Exempt Industrial Development Bonds (IDBs): Available for the acquisition, construction or expansion of manufacturing facilities statewide. Also available for "exempt" projects, such as solid waste disposal facilities.

Taxable Industrial Development Bonds: Available for non-manufacturing projects and other projects ineligible for tax-exempt financing.

Eligible Borrowers:

Tax-Exempt Bonds: Restricted to manufacturing facilities and qualifying "exempt" facilities only and must meet federal code requirements for eligibility.

Taxable Bonds: Not restricted by federal regulations. Projects financed should be owner occupied and create new employment opportunities.

Amount:

Tax-Exempt Bonds: Maximum bond amount is $10 million and the availability of bonds is subject to state bond volume caps. The capital expenditures for the project, when added to the company's capital expenditures in the same jurisdiction as the project for the three years immediately preceding and three years following the closing of the financing of the project, cannot exceed $20,000,000.

Taxable Bonds: Minimum project size is $750,000 and there is no maximum project size.

BENEFITS OF THE BOND PROGRAMS:

Tax-Exempt Industrial Development Bond Program

- Sub-prime pricing: Since interest earned on the bonds is exempt from federal and state income taxes, interest rates are lower than those available through conventional financing.
- Long-term financing: Average maturity of up to 120% of the economic life of the assets being financed.
- Up to 100% project financing: Able to finance many of the ancillary costs of the project, including site preparation, capitalized interest during construction and some issuance costs.

Taxable Industrial Development Bond Program

- Favorable interest rates since interest earned is exempt from state income taxes.
- Long-term financing with maturities based on the economic life of the assets financed.
- Fixed and floating rate options are available through the placement agent of the borrower's choice.

For additional information and application materials, contact the Financial Services area of the Virginia Department of Business Assistance via the website: www.vdba.virginia.gov or call 1-866-248-8814.

Virginia Small Business Financing Authority
1220 Bank Street, 3rd Floor
Richmond, VA 23219

Virginia Capital Access Program

Purpose:

The Virginia Small Business Financing Authority's (VSBFA) *Virginia Capital Access Program (VCAP)* provides access to capital for Virginia businesses by encouraging banks in Virginia to make loans that they would otherwise not make due to a borrower's riskier profile. Unlike typical government guaranty programs, which provide a guaranty of a specific loan, *VCAP* utilizes an insurance concept on a portfolio of loans. VCAP establishes a loan loss reserve at each participating bank, which is funded by enrollment fees paid by the Borrower/Bank and matching fees paid by the VSBFA. Because the participating bank determines what loans to enroll without VSBFA's involvement, VCAP is a flexible, non-bureaucratic tool to assist banks in meeting the financing needs of Virginia's businesses.

Accessing the Program:

To apply for financing through *VCAP*, a business makes application to a bank participating in the *Virginia Capital Access Program*. A current list of the banks participating in *VCAP* is available from VSBFA.

If the participating bank determines that the proposed financing request does not meet the bank's normal underwriting guidelines, the bank will then determine whether the proposed loan transaction would be acceptable if the loan were enrolled in *VCAP*. The VSBFA does not participate in the bank's underwriting decision or the bank's decision to utilize VCAP to provide financing.

Once the bank has approved the loan for enrollment in *VCAP*, the bank determines the enrollment fee based on the bank's perceived level of risk. The non-refundable enrollment fees can range between 3% and 7% of the enrolled loan amount. Generally this enrollment fee is passed on in whole to the borrower by the participating bank. VSBFA contributes a matching fee equal to 100% of the enrollment fee. However, in order to encourage new participating banks, the VSBFA provides a double match on the enrollment fees for the first $1 million in enrolled loans. Both the enrollment fees and VSBFA's matching fees are contributed to a loan loss reserve fund established for the benefit of the bank. In the event of a default on an enrolled loan, the bank can utilize funds in this reserve to offset its loss.

Program Features:

- <u>Eligible Loan Uses:</u> Funds are available for working capital, expansion, equipment and most other business needs. Loans for residential real estate or for passive real estate investment are not eligible for enrollment.
- <u>Eligible Loan Types:</u> Loans or revolving lines of credit are eligible.
- <u>Eligible Borrowers:</u> 501c3s and any for-profit corporation, partnership, limited liability corporation, limited liability partnership, joint venture, sole proprietorship, cooperative or other entity which is authorized to conduct business in the Commonwealth of Virginia and meets the VSBFA's definition of "small business."
- <u>Maximum Enrolled Loan Amount:</u> The maximum, aggregate outstanding loan amount(s) which may be enrolled for any single borrower, or any common enterprise in which the borrower has an ownership interest, is $250,000.
- <u>Maximum Enrolled Loan Term:</u> Although the Bank may have a longer note maturity and amortization period, the maximum term the loan is enrolled under VCAP is 10 years from the date of enrollment.
- <u>Enrollment Fee:</u> Enrollment fees are typically between 3% and 7% of the enrolled loan amount and are typically paid by the borrower.

TOBACCO REGION OPPORTUNITY FUND

Background

The Tobacco Indemnification and Community Revitalization Commission (the "Commission") was created to (i) provide payments to tobacco farmers as compensation for the adverse economic effects associated with a decline in quota and (ii) revitalize the economies of tobacco dependent regions and communities.

Purpose of the Fund

The Tobacco Region Opportunity Fund (TROF) provides monetary grants to localities in Virginia's tobacco producing regions (as defined by the Commission) to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion. These grants are at the Commission's discretion and are targeted for projects that have a definitive impact upon employment and capital investment.

Requirements

- A minimum private capital investment of $1 million is required within 36 months, and there is no minimum number of jobs required.
- Amounts spent to acquire real estate will not be counted as a capital investment.
- Grants are limited to three per county per fiscal year. Applications from incorporated towns count against the County limit, but independent cities do not.
- Matching funds are not required; however application to the Governor's Opportunity Fund is required.
- A performance agreement will be required, a draft of which can be found by **clicking here**.
- The Commission will evaluate eligibility based on local unemployment rates, prevailing wage rates, capital investment levels, industry type, and other factors chosen by the Commission.
- Grants of less than $50,000 will not be offered, except for motorsports grants, which will not be offered at less than $10,000.

Applications

- Applications will only be accepted from governing bodies or political subdivisions from within the tobacco producing localities of Southside and Southwest Virginia.
- Applications must be submitted in writing on the form found on our website, **www.tic.virginia.gov**.
- Inquiries regarding the application process should be addressed to Ned Stephenson, Deputy Director, at (804) 786-7690 or **ned.stephenson@tic.virginia.gov**.

- Applications must be submitted to: Ned Stephenson, Deputy Director, Tobacco Indemnification and Community Revitalization Commission, 7th & Franklin Building, 701 E. Franklin Street, Suite 501, Richmond, VA 23219.
- Applications will be accepted at any time.

Application Processing

- The Commission will respond to each written applications with a written letter of approval or denial. Four persons are specifically empowered by the Commission to vote on TROF requests. They are the Commission Chairman, the Chairs of the two Economic Development Committees, and the Executive Director. Approval will be granted only when three or more votes are cast, **and** the vote is unanimous in the affirmative (a single nay vote will govern).
- If approved, the applicant(s) must execute a performance agreement within 90 days, or lose the approval.
- Upon execution of the performance agreement, the public applicant is entitled to receive the funds upon written request, however disbursement will be withheld from any grantee (or related party) which has not fulfilled its obligations under previous TROF awards.

Acknowledgements

An acknowledgement of the Commission must appear in any publication or any significant event related to the project.

Audit and Reports

The terms of the performance agreement are subject to audit and verification by the Commission, and recipients should expect periodic inquiries for this purpose.

GOVERNOR'S DEVELOPMENT OPPORTUNITY FUND GUIDELINES

Purpose:

The Governor's Development Opportunity Fund (GOF) provides either grants or loans to localities to assist in the creation of new jobs and capital investment in accordance with criteria established by legislation. The statutory provisions for the GOF can be found at Section 2.2-115 of the Code of Virginia of 1950, as amended (the GOF Act).

Guiding Principles and Statutory Conditions:

GOF grants are made at the discretion of the Governor with the expectation that grants awarded to a locality or authority will result in a favorable decision for Virginia. Grants will only be awarded for basic projects—i.e. projects that would bring additional income into the Commonwealth. Grants will not be made for projects which have been publicly announced prior to the Governor's approval and public announcement of a grant award.

Beginning with the five fiscal years from fiscal year 2006-2007 through fiscal year 2010-2011, and for every five fiscal years' period thereafter, in general, no less than one-third of the moneys appropriated to the GOF in every such five-year period may be awarded to counties and cities having an annual average unemployment rate that is greater than the final statewide average unemployment rate for the calendar year that immediately precedes the calendar year of the award. If, however, the one-third requirement will not be met because economic development prospects in such counties and cities are unable to fulfill the applicable statutory minimum private investment and new jobs requirements, then any funds remaining in the GOF at the end of the five-year period that would have otherwise been awarded to such counties and cities shall be made available for awards in the next five fiscal years' period.

The Appropriations Act directs the Virginia Economic Development Partnership (VEDP) to give consideration to projects that (1) are in areas of high unemployment; (2) link commercial development along existing transportation/transit corridors within regions; and (3) are located near existing public infrastructure.

It is the policy of the Commonwealth that GOF proceeds will not be used for any economic development project in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality. The Secretary of Commerce and Trade will enforce this policy. Exceptions to this policy may be made, but will require that the Secretary provide written notice to the Chairmen of the Senate Finance and House Appropriations Committees, which notice will include a justification for any such exception.

Although the GOF may be used to make loans, the practice has been to use the GOF to make grants.

In assessing the amount of a GOF grant, the measure for Fiscal Stress published by the Commission on Local Government for the applicable locality will be one determining factor. Geographic diversity will be another determining factor.

Statutory Eligibility:

The GOF has several levels of qualification based on such measures as a locality's population and unemployment rate.

- General Eligibility Thresholds:
  - Population 100,000 or more: 100 new jobs / $10 million capital investment
  - Population 50,001-99,999: 50 new jobs / $5 million capital investment
  - Central cities or urban cores: 50 new jobs / $5 million capital investment
  - Population 50,000 or less: 25 new jobs / $2.5 million capital investment
  - The average wage for the new jobs must be at least equal to the prevailing average wage in the locality, excluding fringe benefits

- If the average wage is twice the prevailing average wage, the Governor may reduce the new jobs threshold to as low as one-half of the numbers shown above
- A locality's designation of its urban core or central city will be reviewed on a case-by-case basis. Criteria such as vacancy and unemployment rates in the immediate area of the proposed site will be considered in the review.

- Eligibility Thresholds in Localities with Above-Average Unemployment:
  - For localities with unemployment rates above the average statewide unemployment rate (see below for different capital investment and new job creation thresholds in localities with unemployment rates equal to or greater than 150% of the average statewide unemployment rate)
  - Capital investment and new job creation thresholds remain the same as provided above
  - Jobs may pay below the prevailing average wage in the locality, but must pay at least 85% of the prevailing average wage
  - If the average wage of the new jobs is less than 85% of the prevailing average wage, the Governor may still award a grant or loan, but the Secretary of Commerce and Trade must furnish a written explanation to the Chairmen of the Senate Finance and House Appropriations Committees setting forth the urgent need to provide a grant or loan to that project

- Eligibility Thresholds in Localities with Well Above-Average Unemployment:
  - For localities with unemployment rates equal to or greater than 150% of the average statewide unemployment rate
  - Population 100,000 or more: 75 new jobs / $7.5 million capital investment
  - Population 50,001-99,999: 35 jobs / $3.5 million investment
  - Population 50,000 or less: 15 jobs / $1.5 million investment
  - The average wage for the new jobs must be at least equal to the prevailing average wage in the locality, excluding fringe benefits
  - Qualifying localities that have created a Regional Industrial Facilities Authority will be eligible at the lowest capital

investment and new jobs creation threshold of any locality participating in that Authority

Provisions Regarding New Jobs:

VEDP expects to use a definition of *"new job"* that substantially reads as follows:

> "New job" means new permanent full-time employment of an indefinite duration at the company's facility in the locality, for which the standard fringe benefits are paid by the company for the employee, and for which the company pays an average annual wage of at least $[insert the company's projected average annual wage]. Each new job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as new jobs. New jobs for contractors or employees of contractors who are located in the Commonwealth and provide dedicated full-time service to the Company may count as New Jobs, even though the Company is not directly paying the wages or providing the fringe benefits, if the other conditions set forth in this paragraph (except the requirement that the new jobs be located at the company's facility) have been satisfied.

If there are existing jobs at the company's facility (or at a contractor's facility, if applicable), it is expected that the GOF grant performance agreement will state the number of existing jobs and will require that the new jobs be in addition to the existing jobs.

Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with contractors, suppliers and similar multiplier or spin-off jobs will generally not qualify as new jobs.

In projects that involve job preservation, the number of "jobs saved" will be used to help determine the amount of the grant; however, the project must still meet the appropriate minimum new job *creation* threshold listed above.

If a company is relocating or expanding its operations, but is simultaneously closing or substantially reducing its operations in another Virginia locality, the jobs at the new or expanding location will count as "new jobs" only if the Secretary of Commerce and Trade agrees to this exception to the general policy and provides written notice to the Chairmen of the Senate Finance and House Appropriations Committees justifying such exception.

If the company wishes to count the new jobs created by contractors in meeting its new jobs target, as described in the last sentence of the definition of "new job," the company will be responsible for gathering and disseminating to the locality and VEDP information regarding those jobs, including whether such jobs are net "new jobs" in the Commonwealth.

Provisions Regarding Capital Investment:

"Capital investment" is used in these Guidelines to mean "private investment" under the GOF Act.

VEDP expects to use a definition of *"capital investment"* that substantially reads as follows:

> "Capital investment" means a private capital expenditure by the company in taxable real property, taxable tangible personal property, or both, at the company's facility in the locality. The capital investment must be in addition to the amount of grant proceeds (GOF or otherwise) and other incentives applied to the costs of capital assets.

VEDP is likely to determine that expenditures for maintenance or repair of existing machinery, tools and real property will not constitute a capital investment for purposes of this definition, unless the expenditures for the replacement of property result in a measurable increase in productivity.

VEDP may, in its discretion, determine that the value of machinery and equipment leased under an operating lease will qualify as a capital investment.

VEDP may, in its discretion, determine that the value of the construction or improvement of real property leased under an operating lease will qualify as a capital investment, but is likely to do so only in circumstances in which (1) the operating lease is for at least the longer of five years or twice the period of time until VEDP has estimated that the Commonwealth will "break-even" on the project, taking into account all incentives offered to the company by the Commonwealth, (2) the real property would not be constructed or improved "but for" the company's interest in leasing some or all of the facility, and (3) if for an improvement project, the improvements will significantly increase the taxable value of the property. Only that portion of the construction or improvement costs related to the portion of the facility to be leased to the company may qualify.

Capital investment generally will not include operating expenses, except operating leases to the limited extent noted above.

Capital investment may include the value of real or personal property leased under a capital lease.

The cost of the acquisition of land and existing buildings will not count toward the required capital investment thresholds, unless the land and existing buildings are being purchased from a governmental entity.

Determination of Grant Amount and Conditions:

In determining grant amounts, the following criteria will be considered: new jobs, wage levels, overall employment, capital investment, area and regional unemployment and fiscal stress, the locality's interest in the project, and industry or company growth potential.

The maximum amount of a GOF grant through June 30, 2010 is $1,500,000. In very unique circumstances, the Governor may waive this limit and offer a maximum $3 million grant for projects that the Governor has determined are of state or regional interest.

Localities may receive more than one GOF grant during a fiscal year.

Grants may be made for more than one project for a single company, but the projects must clearly represent separate investments for separate projects.

If the company has existing operations in Virginia and has closed, downsized, consolidated, or laid off employees within the past 30 months prior to the application date, there will be a strong bias toward not approving a GOF application. The company will, however, be offered an opportunity to explain such actions and to provide assurances regarding the expected new jobs and capital investment.

Grants may only be made from current appropriations and available funds and may not be committed from anticipated future appropriations.

Local Matches:

Localities must at least match dollar-for-dollar with local funds the amount requested from the GOF. Previously invested local funds, grants of moneys from other government sources, and contributions from private interests which benefit from the project's location may not be counted as part of the local match.

Local matches generally must be made within 36 months of receipt of the GOF grant proceeds and may not be spread out over more than five years.

Local Enterprise Zone incentives may be counted towards the local match where the locality makes actual expenditures after the project is announced to benefit the project.

Grants to the locality from the Tobacco Region Opportunity Fund may be used as up to one-half of the matching funds by localities experiencing fiscal stress.

Use of GOF Proceeds:

Moneys may be used for public and private utility extension or capacity development on and off site; public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction of publicly owned buildings or build-out of publicly owned buildings; training; or grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision for purposes directly relating to any of the foregoing. In no case may GOF proceeds be used, directly or indirectly, to pay or guarantee the payment for any rental, lease, license, or other contractual right to the use of any property. The GOF proceeds may not be used for the construction or build-out of privately owned buildings.

Application Process:

Applications should consist of two documents: (1) a letter sent by the chief appointed official of any county, city, town or other applicable political subdivision to the Executive Director of VEDP and (2) a letter sent by the company to the Executive Director of VEDP.

It is expected that the letter from the community will use the following format and include the following information:

- A summary statement presenting the importance of the project to the community and why support from the GOF is being sought;

- Amount requested and the use of the funds;

- Description of the project, including:
    - Company name and information (website, stock exchange ticker)
    - Type of operation (i.e. manufacturing, distribution, etc.)
    - Headquarters location
    - Virginia operations (if any exist)

  - Sales and revenues and the timeframe in which they occurred/were generated
  - What the company is planning to do in Virginia
  - Employment impact on current operations in Virginia

- Location of the project including the community, and its population, current unemployment rate and prevailing average wage;

- Details of private capital investment, including but not limited to the value of property to be leased under a capital lease, or other private investments of capital that add to the local tax revenues;

- Jobs created (within 36 months of a locality receiving a grant payment), information on "jobs saved," average salary level and total yearly payroll of jobs created;

- Local and state financial participation, specifying new monies to be allocated to the project and how those funds will be used. Description of other public funds that have been or will be expended for the project such as training or past public expenditures for road, utility extension or site development;

- If the project for which a GOF grant is being requested involves the relocation of a business from one Virginia locality to another, the community applying for the grant must officially notify the community from which the business is moving. For such projects, a statement must be included in the GOF application that this notification has taken place, and must also provide the reasons for the move and the out-of-state competition; and

- Any other current or background information pertinent to the project that might assist the Governor in making an informed decision based on complete knowledge. Communities are obliged to disclose any information that could reflect negatively on the project.

It is expected that the letter from the company will use the following format and include the following information:

- An indication from the company that without support from the GOF, there is a possibility that the project could be located outside of Virginia and that only one site in Virginia is under consideration for the project;

- An indication from the company of the number of existing jobs to be retained and new jobs to be created (and saved, if any), payroll and salary levels and a statement of whether the company offers its employees a standard package of fringe benefits;

- An indication of the private capital investment to be made by the company at the facility in the community within 36 months of the expected receipt of the grant by the community;

- An affirmation that the proposed project will not result in a closing, loss of jobs, consolidation, or change to any existing operations in Virginia for the next 12 months;

- An affirmation that if the company has not closed, downsized, consolidated, or laid off employees at existing operations in Virginia within the past 12 months prior to the application date, or, if it has, additional assurances regarding the stability of the new jobs and capital investment.

VEDP's Executive Director may request company financial information for the past three years. Additionally, financial information and satisfactory evidence of a company's financial stability may be requested before a GOF grant or loan is approved. It is likely that such information will be requested and reviewed prior to a decision on whether to recommend a GOF grant for a start-up company or for a new division or operation for an existing company.

Contractual Arrangements

Since a GOF grant is awarded to a community, the community is required to enter into a performance agreement with the company before it may receive the GOF grant. This is to ensure that the company will meet the new job and capital investment levels as stated in its application and as agreed to. Neither VEDP nor the Commonwealth will be a party to the performance agreement.

The performance agreement will likely contain a date by which the community must request the GOF check, which date is likely to be 3 or 4 months after the Governor has announced that the project will be coming to Virginia. The performance agreement will likely provide that the performance agreement will be terminated if the check is not requested by that date. The community and the company would be welcome to reapply for another GOF grant, using any new criteria in place at that time and subject to the availability of funds at that time. The form to be used by the community for requesting the check is available from VEDP.

The performance agreement must include a statement that the company will achieve and maintain through a "Performance Date" the specified new job creation and capital investment targets. Generally, the Performance Date will be the date 36 months after the date by which the community needs to request the GOF check. Further, if the date by which the Commonwealth is expected to reach its "break-even point" as determined by a return-on-investment analysis prepared by VEDP, is later than the Performance Date, there will be another obligation of the company to maintain its new jobs through the break-even date. The community will be held responsible for requesting any repayments as calculated by VEDP, and for returning the GOF grant moneys repaid by the company to the Commonwealth if the performance agreement criteria are not met.

Generally, GOF grants are broken into 50% for job creation and 50% for capital investment. **The company must meet the statutory minimums for both jobs and investment detailed in the "Statutory Eligibility" section or be subject to a 100% clawback.** If the minimum statutory thresholds are met, but the jobs and/or investment targets are not met up to 90% of their goal, then there will be a clawback in proportion to the underperformance for each respective component. If the Company meets at least 90% of its new jobs and capital investment targets, there will be no clawback.

The performance agreement will likely contain a provision that will require a 100% clawback if at any time the community and VEDP conclude that the company will be unable to meet its new jobs and capital investment targets by the Performance Date. Such a conclusion may be based on factors such as the bankruptcy of the company, the sale or liquidation of the company, or the cessation or substantial reduction of operations by the company in the community.

The Company may not assign its rights or obligations under a GOF performance agreement without the express written approval from VEDP and the community. VEDP will consider a reassignment of rights and obligations in the event that there is a transfer to a parent company, subsidiary or sister entity, there is no net effect on new job creation and capital investment, and the benefits accruing to the locality and the Commonwealth will remain substantially the same.

Once VEDP, the locality and the company are comfortable with the language of the performance agreement, the performance agreement must be presented to the Office of the Attorney General for review as to proper legal form. The OAG will have up to seven days to provide written comments regarding the performance agreement.

If the company has not achieved at least 90% of its new jobs and capital investment targets by the Performance Date set forth in the performance agreement, the locality, in consultation with VEDP, may grant the company an extension of up to 15 months. The locality will notify VEDP of any such extension.

Upon approval of a GOF grant or loan, neither the locality nor the company shall announce or confirm the proposed project without coordination with VEDP. The new jobs and capital investment targets in the performance agreement will be used in the press release when the public announcement is made. If the targets are not used for the public announcement of the project, or if the public announcement is made by anyone other than the Governor, the grant award is subject to being reduced or withdrawn.

The basic form of a performance agreement is attached to these Guidelines.

MISCELLANEOUS

If legislation from the Virginia General Assembly directs that moneys from the GOF fund be directed to other uses, VEDP may cause the withdrawal of such moneys from the GOF fund for those uses, regardless of whether such those uses may conflict with these Guidelines.

If the Virginia General Assembly deposits federal funds into the GOF fund, and if the expenditure of those federal funds would require compliance by the locality and/or the company with various federal legal requirements, those federal legal requirements will be deemed to be read into the performance agreement.

BUSINESSTART

BUSINESS START

Business Start is committed to promoting the economic self-sufficiency and a better quality of life for the region's citizens through small business ownership, job creation, and asset development. BusinesStart provides business and financial training, one-on-one counseling, and access to credit through a microenterprise loan fund. Business Start microenterprise loans provide up to $35,000 to start-up and existing businesses. Loan proceeds can be used for working capital, inventory, equipment, and property improvements.

Service Area
Buchanan, Dickenson, Russell, Washington, Bland, Carroll, Floyd, Grayson, Lee, Scott, Smyth, Tazewell, Wise, and Wythe counties and the cities of Bristol, Galax and Norton, Virginia.

Eligibility/Income Guidelines
Customers interested in applying for a loan may contact office for instructions. Must be a low to moderate income borrower, or must create jobs for low to moderate income people. Training and technical assistance available.

Contact
Deborah Wagner, Director of Community Economic Development
(276) 619-2239
dwagner@peopleinc.net

SMALL BUSINESS LOAN PROGRAM

In 2003, People Incorporated Financial Services received a $1,000,000 grant from the Virginia Tobacco Indemnification and Community Revitalization Commission to establish a revolving loan fund for new and expanding businesses in Southwest Virginia. Capitalization of this fund enabled People Incorporated Financial Services to expand its lending capacity to $100,000 per loan, substantially raising the organization's visibility and impact on community development efforts. Small business loans are often targeted to emerging businesses that wish to expand or stabilize operations.

Service Area
Buchanan, Dickenson, Russell, Washington, Bland, Carroll, Floyd, Grayson, Lee, Scott, Smyth, Tazewell, Wise, and Wythe counties and the cities of Bristol, Galax and Norton, Virginia.

Eligibility/Income Guidelines
Customers interested in applying for a loan may contact office for instructions. Must be a low to moderate income borrower, or must create jobs for low to moderate income people. Training and technical assistance available.

Contact
Deborah Wagner, Director of Community Economic Development
(276) 619-2239
dwagner@peopleinc.net

NINTH DISTRICT DEVELOPMENT FINANCING, INC.

FUNDING TOURISM THROUGHOUT THE NINTH CONGRESSIONAL DISTRICT

WHAT IS NINTH DISTRICT DEVELOPMENT FINANCING, INCORPORATED?

WHAT IS THE PURPOSE OF THE LOAN FUND?

NINTH DISTRICT DEVELOPMENT FINANCING, INC, (NDDF) OVERSEES A REVOLVING LOAN FUND THAT WAS ESTABLISHED BY CONGRESSMAN RICK BOUCHER FOR USE IN THE NINTH CONGRESSIONAL DISTRICT. NDDF IS A TAX-EXEMPT CORPORATION THAT WAS FOUNDED TO MAKE LOANS TO NEW OR EXPANDING NON-PROFIT ORGANIZATIONS AND SMALL BUSINESSES THAT ARE TOURISM RELATED. THE NDDF LOAN FUND PROVIDES WORKING CAPITAL AND FIXED ASSET FINANCING FOR PROJECTS THAT ENHANCE TOURISM, CREATE JOBS AND EXPAND ECONOMIC DEVELOPMENT IN THE NINTH CONGRESSIONAL DISTRICT.

WHO IS ELIGIBLE FOR THE LOAN FUND?

PROFIT AND NON-PROFIT TOURISM RELATED ENTITIES LOCATED IN THE NINTH CONGRESSIONAL DISTRICT ARE ELIGIBLE FOR CONSIDERATION.

WHAT ARE THE ADVANTAGES OF THIS LOAN FUND?

THE NDDF LOAN FUND OFFERS A LOW INTEREST RATE AND CAN BE UTILIZED TO FINANCE PROJECTS THAT CONVENTIONAL LENDERS ARE UNWILLING TO COMPLETELY UNDERWRITE.

WHAT IS THE INTEREST RATE?

THE INTEREST RATE CHARGED BY NDDF IS SET AT PRIME RATE WITH A MINIMUM CHARGE OF 3%. THE RATE IS SET FOR EACH LOAN FIVE DAYS BEFORE THE LOAN CLOSING. THE RATE IS REVIEWED FOR ADJUSTMENT EVERY THREE YEARS

WHAT OTHER EXPENSES ARE INVOLVED?

NDDF CHARGES A $250.00 NON-REFUNDABLE APPLICATION FEE. CLOSING COST IS 1% OF THE LOAN AND MUST BE PAID BY THE APPLICANT AT CLOSING.

ARE THERE ANY RESTRICTIONS ON THE LOAN FUND?

10-YEAR MAXIMUM TERM ON REAL PROPERTY (LAND AND BUILDINGS)

5-YEAR TERM ON EQUIPMENT OR MACHINERY

EXISTING LOANS WILL NOT BE REFINANCED

LOANS MUST BE COLLATERALIZED

PERSONAL CREDIT HISTORY WILL BE EVALUATED ON ALL APPLICANTS DETERMINING CAPACITY TO REPAY A LOAN.

**OTHER RESTRICTIONS MAY APPLY*

HOW DO I QUALIFY?

A PRE-APPLICATION MUST BE COMPLETED AND IS AVAILABLE BY CALLING 276-623-9000. THE APPLICATION IS ALSO AVAILABLE AT THE WEBSITE WWW.NDDF.ORG. AFTER NDDF STAFF HAS ESTABLISHED THAT YOUR PROJECT IS TOURISM RELATED, YOU WILL BE REQUIRED TO PROVIDE A COMPLETED APPLICATION, A DETAILED BUSINESS PLAN, AND FINANCIAL AND LEGAL DOCUMENTATION.

HOW LONG WILL IT TAKE BEFORE I WILL KNOW IF I QUALIFY FOR FUNDING?

AFTER ALL ITEMS HAVE BEEN PROVIDED TO NDDF STAFF, PLEASE ALLOW 60 TO 90 DAYS. A STAFF MEMBER WILL KEEP YOU APPRISED OF THE DETAILS AND ENSURE THAT YOUR REQUEST IS PROCESSED AS QUICKLY AS POSSIBLE.

FOR INFORMATION CONTACT DEBORAH WAGNER AT (276)619-2239 OR E-MAIL DWAGNER@PEOPLEINC.NET

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Economic Development Products

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Small Business Credit Solutions

To increase economic activity, we extend short- and long-term loans to small businesses for working capital, equipment and real estate (acquisition, construction, bridge or permanent mortgage, refinance). This includes short-term and permanent loans to new or expanding businesses that create living wage jobs.

Requirement for Community Needs Tracking

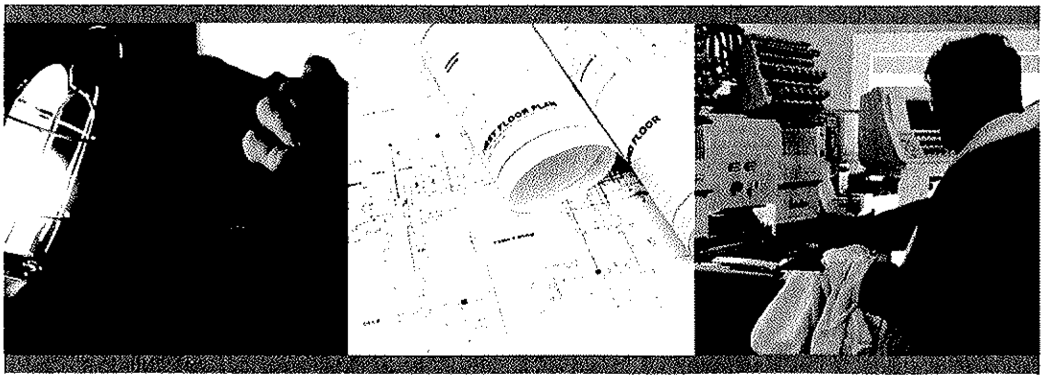
- Demonstrated need for job creation.
- Periodic reporting is required.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting existing or expanded operations and be experienced in, or have support for workforce development.

Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months interest/principal debt service reserve.
- Projects in communities with substantial unemployment are highly desired.
- Business plan must demonstrate current or elevated market demand supporting expansion need, from existing market data or current market study. Projections must demonstrate significant living wage job creation and existing or very near-term positive cash flow.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from State or Local Grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.
- Generally, the operating company must occupy at least 51% of any real estate being financed.



Loan Amounts
Minimum: $50,000
Maximum: $10,000,000

Rate Structure
Based on current market conditions and risk analysis

Maturity Terms
Loans may be extended as short as 12 months on interest only basis (lines of credit) and monthly amortization schedules (term loans) up to 20 years, with a 5 year call provision

Collateral
1st or 2nd deed of trust and/or the assets being financed

Origination Fees
1 to 2% depending on transaction size and complexity

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
Depends on transaction size and funding source

Loan-to-Value Guidelines
Based on assets financed; up to 100% loan-to-value based on risk analysis, guarantor strength and overall collateral availability

Guarantees
Property owners, principals, partners or majority stockholders generally required; parent organization required, if applicable

Environmental Assessments
Phase 1 study required for real estate secured transactions; Phase 2 study may be required based on Phase 1 findings; remediation required

Acceptable Equity
Existing equity or enhanced real estate equity appreciation based on preliminary appraisal

Economic Development Products

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Building Development / Expansion Loans

To increase economic activity, we extend permanent mortgage loans to new and expanding businesses that create living wage jobs. These projects are generally for new facilities; capital improvements for expansion of existing facilities or refinance.

Requirement for Community Needs Tracking

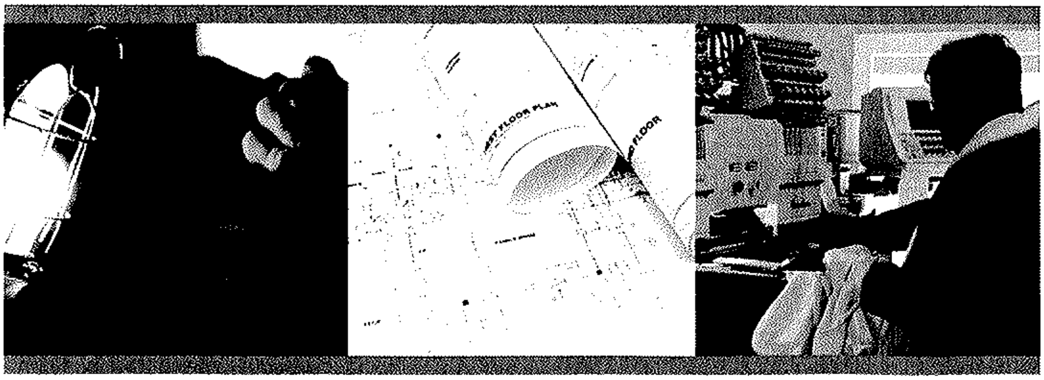
- Demonstrated need for job creation and substantial state or local government support is required.
- Periodic reporting is required.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting existing or expanded operations and be experienced in, or have support for workforce development.

Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of 2 months interest debt service reserve.
- Projects in communities with substantial unemployment are highly desired.
- Business plan must demonstrate elevated market demand supporting equipment need, from existing market data or current market study. Projections must demonstrate living wage job creation and demonstrate very near-term positive cash flow.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from state or local grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.



Loan Amounts
Minimum: $50,000
Maximum: $10,00,000

Rate Structure
Based on current market conditions and risk analysis

Maturity Terms
Loans up to 12 months interest only basis during construction/ rehabilitation period, conversion to monthly amortization upon completion; payments based on amortization term up to 20 years, with a 5 year call provision

Collateral
1st or 2nd deed of trust on the site developed or other real estate

Origination Fees
1 to 2% depending on transaction size and complexity

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
Depends on transaction size and funding source

Loan-to-Value Guidelines
Generally 10% equity or down-payment required; up to 100% loan-to-value based on risk analysis

Guarantees
Property owners, principals, partners or majority stockholders generally required; parent organization, if applicable

Environmental Assessments
Phase 1 study required; Phase 2 may be required based on Phase 1 findings; remediation required

Acceptable Equity
Existing balance sheet equity or enhanced equity appreciation based on preliminary appraisal

Economic Development Products

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CDFI Micro-Lending Program

To increase economic activity, we extend revolving credit lines and term loans to new and expanding financial entities to support micro-relending programs. These projects are generally for experienced non-profit lenders extending loans under $25,000 to very small businesses.

Requirement for Community Needs Tracking

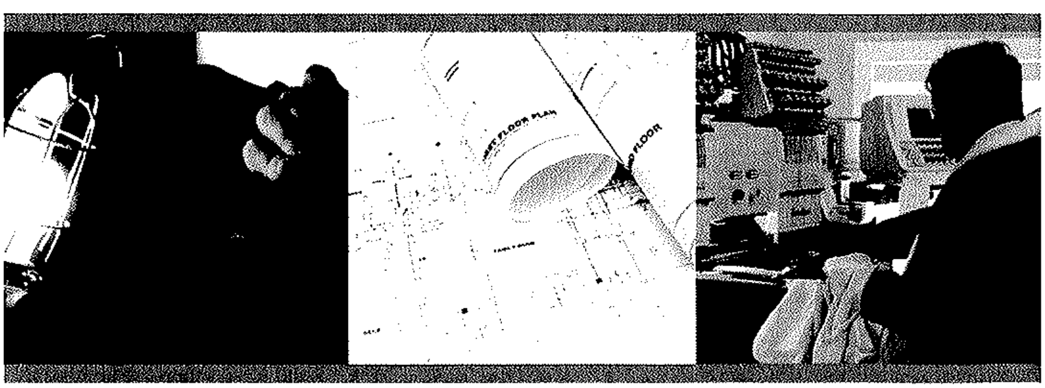
- Demonstrated need for job creation and substantial state or local government support is required.
- Periodic reporting is required.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting expanded operations and be experienced in, or have support for managing the origination and collection of a small business loan portfolio.

Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit.
- Projects in communities with substantial unemployment are highly desired.
- Business plan must demonstrate elevated market demand supporting loan demand, from existing market data or current market study. Projections must demonstrate significant living wage job creation.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from state or local grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.



Loan Amounts
Minimum: $25,000
Maximum: $500,000

Rate Structure
Based on current market conditions and risk analysis

Maturity Terms
Advances under the revolving line of credit are extended to match the maturity of the underlying loan(s) being extended

Collateral
A blanket lien on all loans funded and a loan loss reserve commensurate with the organization's historical loan portfolio performance

Origination Fees
1 to 2% depending on transaction size and complexity

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
None

Guarantees
Parent organization, if applicable

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Economic Development Products

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Intermediary Relending Program

To assist in economic development efforts and to create and retain jobs in underserved areas of Virginia, we extend business loans for fixed asset acquisition (such as real estate or equipment) and working capital loans are also available. Borrowers generally benefit from lower interest rates, longer repayment terms and higher loan amounts.

Requirement for Community Needs Tracking

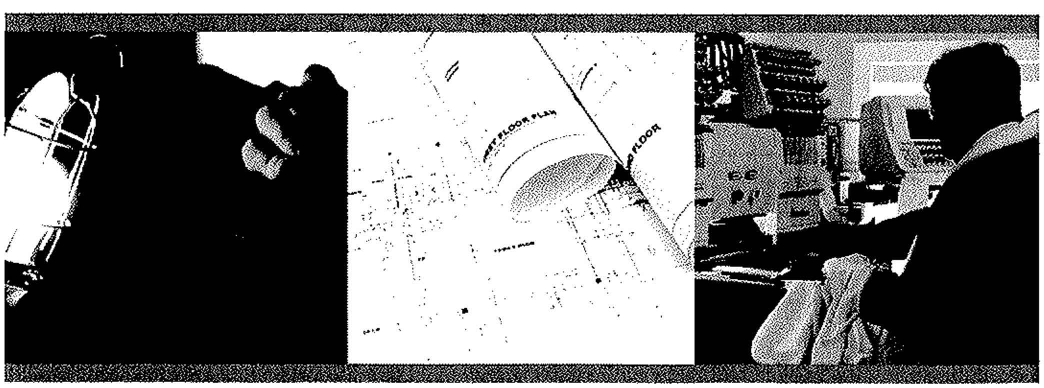
- Demonstrated need for job creation and substantial state or local government support is required. Periodic reporting is required.
- Applicant agrees to hire at least 20% of its workforce from families with incomes below the poverty line.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting expanded operations and be experienced in, or have support for, workforce development.

Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months debt service reserve.
- Business plan must demonstrate current or elevated market demand supporting expansion need, from existing market data or current market study. Projections must demonstrate significant living wage job creation and demonstrate very near-term positive cash flow.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from state or local grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.
- Borrowing entity must be in a service area where the median household income falls below 80% of the statewide non-metropolitan household income.
- Eligible projects must be in a service area where the median household income equals at least 150% but less than 175% of the poverty line for a family of four.
- Eligible projects must be in a service area in Virginia where the unemployment rate equals 125% but less than 150% of the national unemployment rate. Call for eligibility details.



Loan Amounts
Minimum: $25,000
Maximum IRP: lesser of 40% of total eligible project costs or $75,000; financing combined with other VCC loan funds to achieve higher loan amounts

Rate Structure
Floor of 5% and rate ceiling of prime + 2.75%

Maturity Terms
Working capital loans up to 7 years; machinery & equipment up to 15 years (or useful life) and real estate loans up to 30 years; all loans are repriced every 5 years

Collateral
1st or 2nd deed of trust; business assets, and/or assets financed

Origination Fees
2% as percentage of the amount borrowed, can be financed as part of loan proceeds; deposit of $1,000 or 1.5% of loan amount requested, whichever is less

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
None

Loan-to-Value Guidelines
Based on the assets financed; up to 90% loan-to-value based on risk analysis, guarantor strength, overall collateral availability and type of project

Guarantees
Personal and corporate guarantees required; property owners, principals, partners or majority stockholders generally required; parent organization, if applicable

Environmental Assessments
Phase 1 study required for real estate transactions; Phase 2 study may be required based on Phase 1 findings; remediation required

Acceptable Equity
Tangible balance sheet equity as determined by GAAP, borrower must provide a minimum of 10% cash equity for the project

Economic Development Products

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New Markets Tax Credit Equipment Loans

To increase economic activity, we extend intermediate-term loans to purchase major equipment for new and expanding businesses (and non-profit businesses) that create living wage jobs.

Requirement for Community Needs Tracking

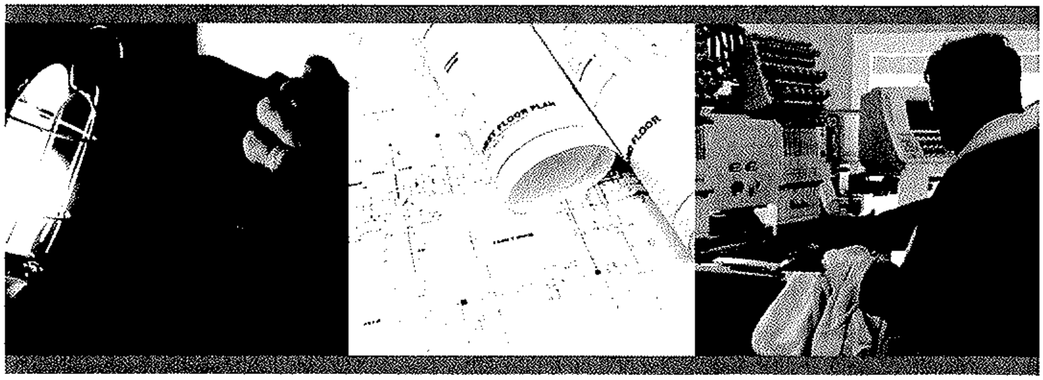
- Demonstrated need for job creation and substantial state or local government support is required.
- Periodic reporting is required.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting existing or expanded operations and be experienced in, or have support for workforce development.

Other Conditions

- Borrower must be a legally organized entity.
- Business must be located in a qualified New Markets Tax Credit area. Call for information about qualified areas.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months interest debt service reserve.
- Projects in communities with substantial unemployment are highly desired.
- Business plan must demonstrate elevated market demand supporting equipment need, from existing market data or current market study. Projections must demonstrate living wage job creation and demonstrate very near-term positive cash flow.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- All borrowers must agree to remit loan payments by automated debit payment.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from state or local grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.



Loan Amounts
Minimum: $50,000
Maximum: $2,500,000

Rate Structure
Based on current market conditions and risk analysis; interest rates established at loan closing, generally 2% above 7 year treasuries plus a 25 basis point servicing fee

Maturity Terms
Loans are extended for up to 7 years; if equipment being financed has a useful life of less than 5 years, the loan will amortize within the equipment's useful life

Collateral
1st or 2nd lien on the equipment being financed

Origination Fees
1 to 2% depending on transaction size and complexity

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
No partial prepayments allowed; substantial penalties due to negative tax consequences to funding investors

Loan-to-Value Guidelines
50% for used equipment, 70% for new equipment

Guarantees
Property owners, principals, partners or majority stockholders generally required; parent organization required, if applicable

Acceptable Equity
Existing equity or enhanced real estate equity appreciation based on preliminary appraisal

Economic Development Products

VCC
Virginia Community Capital

let's do more, together

New Markets Tax Credit Real Estate Loans

To increase economic activity, we extend intermediate-term mortgage loans to new and expanding businesses (and non-profit businesses) that create living wage jobs. These are generally for new facilities or capital improvements for expansion of existing facilities for owner occupancy.

Requirement for Community Needs Tracking

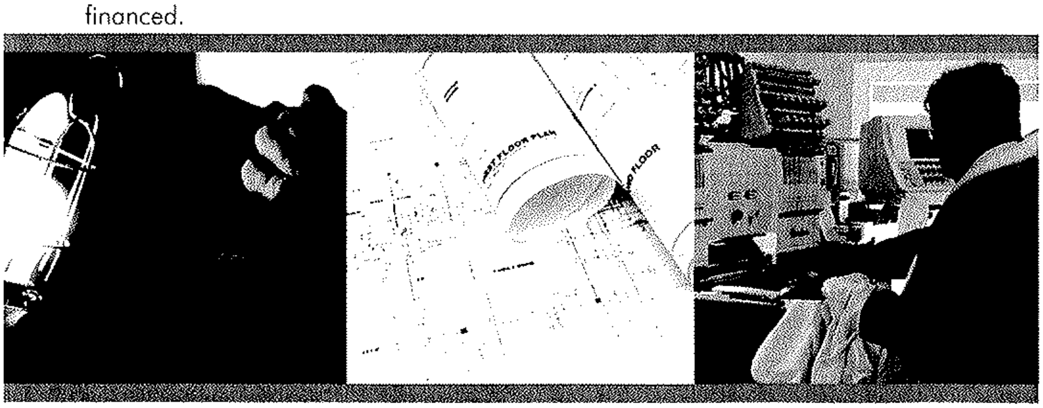
- Need for job creation and substantial state or local government support is required.
- Periodic reporting is required.

Project/Borrower Characteristics

- Borrower must be financially stable, capable of financially supporting expanded operations and be experienced in, or have support for, workforce development.

Other Conditions

- Borrower must be a legally organized entity.
- Facility must be located in a qualified New Markets Tax Credit area. Call for information about qualified areas. Communities with substantial unemployment are highly desired.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months interest debt service reserve.
- Business plan must demonstrate elevated market demand supporting expansion need, from existing market data or current market study. Projections must demonstrate living wage job creation and demonstrate very near-term positive cash flow.
- Debt coverage ratio must be adequate to service the debt being extended and any other existing and potential sources of financing.
- All borrowers must agree to remit loan payments by automated debit payment.
- Underwriting based on borrower's historical and projected financial condition and operations; alternate cash flow sources; potential for equity appreciation; industry experience; and the potential for equity contributions from state or local grant sources. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.
- Generally, the operating company must occupy at least 51% of any real estate being financed.



Loan Amounts
Minimum: $100,000
Maximum: $2,500,000

Rate Structure
Based on current market conditions and risk analysis; interest rates established at loan closing, generally 2% above 7 year treasuries plus a 25 basis point servicing fee

Maturity Terms
Loans extended for up to 25 years, with a 7 year call provision

Collateral
1st or 2nd deed of trust on the site developed or other real estate

Origination Fees
1 to 2% depending on transaction size and complexity

Late Payment Fees
5% to a maximum of $250 after the 10th day

Prepayment Penalty
No partial prepayments allowed; substantial penalties due to negative tax consequences to funding investors

Loan-to-Value Guidelines
Up to 90% loan-to-value

Guarantees
Property owners, principals, partners or majority stockholders generally required; parent organization required, if applicable

Environmental Assessments
Phase 1 study required; Phase 2 may be required based on Phase 1 findings; remediation required

Acceptable Equity
Existing equity or enhanced equity appreciation based on preliminary appraisal

RURAL DEVELOPMENT
BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM

Purpose:	Provide loan guarantees to eligible lenders for loans for rural businesses
Type of Loans:	Construction, business acquisition or expansion, working capital and equipment
Rural Areas:	Areas other than cities of more than 50,000 people and their immediately adjacent or urbanizing areas
Interest Rates:	Established between lender and borrower
Equity Requirements:	Tangible balance sheet equity as determined by GAAP at least 10% for existing businesses and 20% for new businesses
Collateral and Other Security:	Appraisal on property required. Minimum 1:1 LTV. Personal and corporate guarantees required.
Loan Guarantee Limits:	80% for loans up to $5 million 70% for loans > $5 mil. & <= $10 mil. 60% for loans > $10 mil. & <= $25 mil.
Maximum Loan Amount:	$10 million to any one borrower although RBS Administrator can approve up to $25 million
Maximum Repayment Period:	Working Capital - 7 years Machinery & Equipment - 15 years (or useful life) Real Estate - 30 years
Fees and Costs:	Guarantee fee of 2% of guaranteed loan amount Annual servicing fee of .25% of outstanding principal plus typical lender costs
For Additional Information:	Rural Development Rural Business-Cooperative Programs 1606 Santa Rosa Rd., Suite 238 Richmond, VA 23229 Phone: (804) 287-1557 http://www.rurdev.usda.gov/va/programs/RBS.htm

Financial Products

NCIF's financial products provide critical, timely capital that drives business growth, increases profitability, creates employment opportunities, and expands the state's urban and rural tax base. Loans may be used for a variety of purposes, including:

- Funds for start-up companies, especially for new or low-income entreprenuers with little credit history or poor credit
- Equity and equity-like financing that leverages traditional debt from banks
- Working capital for established companies so owners can grow sales more rapidly through increased inventory, marketing campaigns, or broker contracts
- Fixed asset investments in technology, plant, and equipment

Loan Products

Business Expansion Loans

NCIF offers term loans to businesses with at least five years of operating history. Loan proceeds can be used for inventory, machinery and equipment, real estate acquisition, or other working capital purposes. Loan amounts range from $15,000 to $150,000; terms are 10 to 15 years.

Subordinated Loans

NCIF extends term loans to start-up companies or businesses with fewer than five years of operating history. Loan proceeds can be used for inventory, machinery and equipment, real estate acquisition, and other working capital purposes. Loan amounts range from $15,000 to $250,000; loan terms are 3 to 7 years.

Small Business Energy Loan Program

NCIF's Small Business Energy Loan Program provides affordable, flexible business loans to qualified West Virginia-based businesses in the areas of green building, energy efficiency and renewable energy. Read More >>

Equity Products

NCIF invests in companies that meet our underwriting criteria and that fit our "E3" underwriting social and environmental objectives. NCIF's equity investments are customized to the particular transaction and may include features such as convertible preferred stock, stock warrants, convertible debt, or royalty payments. Investment amounts range from $50,000 to $250,000; all other terms are negotiable.

New Market Tax Credit-based Loan Products

NCIF established a formal working partnership with Coastal Enterprises, Inc. to provide access to New Markets Tax Credit-based loan funds in targeted distressed communities in West Virginia, North Carolina, southwest Virginia and northeast Tennessee. Select projects in the $3 to $20 million range with major economic, social and environmental benefits – the triple bottom-line - will be considered. Read more>>

NCIF encourages bank participation. All NCIF loans can be, and often are, used in partnership with other lenders for larger loans. For example, a local bank may be willing to lend your business funds to purchase real estate or equipment. NCIF can provide your business with critical working capital to help you succeed.

NCIF provides $250,000 in financing for First Fruits Beverage Company in Marion, VA

With the help of financing from NCIF and New Peoples Bank, First Fruits Beverage Company, LLC will build a new $4 million bottling line at its 102,000 sq. ft. facility in Smyth County, Virginia. The new bottling line will create 40 new jobs in a county that has the 10th highest unemployment rate in the State.

The updated facility will soon become LEED certified by the United States Green Building Council (USGBC). Roger Catarino, President and CEO of First Fruits, says, "Our facility will have one of the lowest carbon footprints of any beverage manufacturing facility in the world. First Fruits has partnered with McQuay International and is installing a Hybrid Cooling system that recaptures up to 70% of energy that otherwise would have been lost. This plant will be a model in the beverage industry, and we are proud to be located in Marion, VA."

The new bottling line will be Organic and Kosher certified and will allow First Fruits to bottle "hot fill" and "cold fill" products. The ability to bottle "hot fill" products – products that are heated before bottling to remove impurities – will give First Fruits a unique marketing niche. Catrino says, "Our product line will consist of "functional" beverages. These products include organic teas, vitamin enhanced and flavored waters and sports drinks. All will have low or no sugar content and will promote a healthy lifestyle." Some of the customers that First Fruits will serve include: Honest Tea, Skinny Water, and Gold Coast.

NCIF's $250,000 investment will enable the company to purchase a "spin labeler," a powerful marketing tool that prints an additional label that rotates to reveal information contained on the label below.

The project will create 40 new jobs for a community that really needs them. First Fruits' Chairman, Ernie Sullins, says, "We want to create a family-type atmosphere at First Fruits. We want our employees to enjoy coming to work. It's not going to be a chore to work for First Fruits, but it will be a privilege."

According to Joe Brouse, NCIF Business Lender, "The First Fruits project is the perfect example of hitting the 'Triple-Bottom-Line' – an investment that promotes sustainable business, organic bottling, LEED certification, and job creation in Appalachia."

The Virginia Jobs Investment Program

An Economic Development Incentive for Building Virginia's Workforce

Time and again, businesses in Virginia say how pleased they are with the Commonwealth's hard-working labor force. Virginia facilities consistently earn productivity awards within their organizations. Combining advanced training and education with a vast diversity of skill sets, Virginia's workforce is one of our greatest assets, and one of your business's greatest advantages.

Virginia offers customized recruiting and training services to meet your immediate and future workforce needs. You will have a single point-of-contact to coordinate a comprehensive array of resources to improve your recruitment and training efforts.

The key program offering workforce development assistance to businesses in Virginia is the Jobs Investment Program (VJIP). VJIP is an economic development incentive supporting the creation of new jobs throughout the Commonwealth. The program offsets your company's recruitment and training costs, and connects you with all available resources to help with your workforce development efforts.

How VJIP Helps You Tap Into Virginia's Talent Pool

> We make it ***EASY...***
by providing a single point-of-contact for workforce development resources for economic development projects.

> We focus on ***RESULTS...***
by assessing, planning and delivering solutions for your unique recruitment and training needs.

> We commit to your long-term ***SUCCESS...***
by providing ongoing support and assistance.

VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE
Connecting Businesses with Resources

"100% of our clients say they would recommend our program to other businesses."

Recruiting & Screening Assistance

- Communication strategies to raise awareness and boost your recruiting ROI
- Strategic partnerships with local education, industry, and community organizations
- Applicant screening and management of applicant flow
- Office facilities and equipment for conducting job fairs, orientation, and applicant interviews
- Pre-employment assessment of candidates' skills

Tailored Training Assistance

- Customized technical and soft skills training
- Planning and delivery of on-the-job process skills training and organizational development training
- Flexibility to use training provider of your choice, including company subject-matter experts
- Digital communications support
- Funding for each new job created
- Support of future retraining initiatives

Program Eligibility:

> Company must be for-profit

> Company must operate in the following business sectors:

- > manufacturing
- > distribution center
- > corporate HQ (for companies with multiple facilities)
- > inbound call center
- > IT services (exclusively for businesses)
- > research and development

New Jobs Program - Expansions of existing businesses or new facilities.

To Qualify:

> Virginia must be in competition with another state or country for the expansion.

> Company must generate over 50% of its revenue from outside Virginia.

> Company must create at least 25 net new jobs in Virginia within the first 12 months of the first hire date.

> Company must make a new capital investment of at least $1,000,000.

> Company must pay a minimum wage rate of $10.00/hr.

Small Business New Jobs Program

Expansions of existing businesses or new facilities.

To Qualify:

> Company must have fewer than 250 employees company-wide.

> Company must create at least 5 net new jobs in Virginia within the first 12 months of the first hire date

> Company must make a new capital investment of at least $100,000.

> Company must pay a minimum wage rate of $10.00/hr.

Retraining Program

Upgrading the skills of existing employees.

To Qualify:

> Company must be a manufacturer or distribution center.

> Company must retrain at least 10 full-time employees in Virginia.

> Company must make a new capital investment of at least $500,000 associated with the retraining project.

> Company must pay a minimum wage rate of $10.00/hr.

> Company may not utilize this program more than once every three years.

Wage minimum may be waived if jobs created are in area where unemployment rate exceeds two times the state average. Only full-time positions are eligible for funding.

The Bottom Line:

> Streamlined and Centrally Coordinated

> Customized and Flexible

> Results-oriented with a Long-term Commitment

For more information, please contact the Virginia Jobs Investment Program at:
804.371.8120, via email at wfsmail@vdba.virginia.gov, or online at www.vdba.virginia.gov.

VIRGINIA JOBS INVESTMENT PROGRAM

Building Virginia's Economy through Workforce Development

PROGRAM CRITERIA

The Virginia Jobs Investment Program offers three programs to both new and existing businesses:

- New Jobs Program
- Small Business New Jobs Program

• Retraining Program

Companies meeting the criteria can contact the Virginia Jobs Investment Program team at wfsmail@vdba.virginia.gov or (804) 371-8120 to request a presentation from our staff on the program. A Virginia Jobs Investment Program staff member must meet with a company before its application can be processed.

Eligibility for assistance in the New Jobs and Small Business New Jobs Programs is limited to projects for-profit companies in the following business sectors:

• Manufacturing Operations
• Distribution Centers
• Corporate HQ's for Companies with Multiple Facilities (only HQ support positions will be funded)
• Inbound Call Centers
• Information Technology Services Exclusively for Businesses
• Research and Development Facilities

New Jobs Program

The New Jobs Program is a vital part of the Commonwealth of Virginia's economic development efforts. The program targets expansions of existing companies or new facility locations. In order to qualify for assistance under the New Jobs Program, a company must be:

• Considering another state or country for the new location or expansion.
• Generating over 50% of its revenue from outside Virginia.
• Creating at least 25 net new jobs within 12 months from the date of the first hire.
• Making a new capital investment of at least $1,000,000 associated with the location or expansion.
• Paying a minimum entry-level wage rate of $10.00 per hour. In areas that have unemployment of two times or more the state level, this wage minimum may be waived. Only full-time jobs are eligible for funding.

Small Business New Jobs Program

The Small Business New Jobs Program supports existing Virginia companies which have 250 employees or less companywide. In order to qualify for assistance under the Small Business New Jobs Program, a company must be:

• Creating at least 5 net new jobs within 12 months from the date of the first hire.
• Making a new capital investment of at least $100,000 associated with the start up or expansion.
• Paying a minimum entry-level wage rate of $10.00 per hour. In areas that have unemployment of two times or more the state level, this wage minimum may be waived. Only full-time jobs are eligible for funding.

Retraining Program

Eligibility for assistance in the Retraining Program is limited to projects for-profit companies in the following business sectors:

• Manufacturing Operations
• Distribution Centers

The Retraining Program provides services and funding to manufacturing companies and distribution centers to assist in training their existing work force. For the purpose of this program, retraining is defined as upgrading the skills of existing employees identified as essential to the production or distribution of a product. Companies participating in the program are typically those which are undergoing an integration of new technology into its production processes, changing product lines in keeping with marketplace demands, or substantially changing service delivery processes requiring an assimilation of new skills and technological capabilities. Companies may utilize the Retraining Program not more than once every three years. In order to qualify for assistance under the Retraining Program, a company must be:

• Retraining at least 10 full-time employees
• Making a new capital investment of at least $500,000 associated with the retraining project.
• Paying a minimum entry-level wage rate of $10.00 per hour. In areas that have unemployment of two times or more the state level, this wage minimum may be waived. Only full-time jobs are eligible for funding.

Virginia Department of Business Assistance
1220 Bank Street
Richmond, VA 23219
(804) 371-8200
(804) 371-8111 (FAX)
Web Policy | AdobeAcrobat Reader
WAI Level A Compliant Privacy Policy

Virginia.gov

ORGANIZATIONAL DEVELOPMENT TRAINING

Virginia Jobs Investment Program

Managing Generations

Organizational development efforts are critical components to establishing a successful operation. In order to be competitive, businesses need the full utilization of their human resources. To meet your employee personal development needs, Virginia Jobs Investment Program offers the following programs to your staff at no charge:

Train-the-Trainer

Train-the-Trainer is an exciting and interactive session that examines communications, human relations and training techniques. Participants will identify key issues involved in training using the *Four-Step Method of Instruction*. This method incorporates the steps of preparing, presenting, having the learner perform, and following up. Each trainee is trained to teach from the work instructions and this prepares each employee to be able to explain their job to a quality auditor. Adult learning principles and differences in learning styles/values are explored during the session. Participants will prepare job breakdowns or Standard Operating Procedures to develop training objectives and lesson plans, culminating in a short practice instruction.

Recruitment and Selection

The Recruitment and Selection training module helps companies establish a team of recruiters. The session focuses on identifying hiring goals, creating job profiles, developing job descriptions, preparing interview questions and practicing evaluation techniques. Participants will apply this knowledge by conducting simulated interviews.

What Makes You Tick

What Makes You Tick incorporates the Myers-Briggs Type Indicator, which is a self-administering questionnaire based on the work of Carl Jung. The MBTI indicates a person's preference for different ways of gathering information, making decisions, energizing and orienting to the outer world. Type preferences offer insight into people's strengths and weaknesses as well as how they relate with the people around them. This discovery also leads participants to examine their own values system and how those beliefs play an important role in their personal and professional development. With their type identified, participants will gain a better understanding of their impact on a team and their role in leadership development.

The FISH! Philosophy of Customer Service

$700. video fee

The FISH! Philosophy of Customer Service Program is designed to illustrate how exceptional customer service can be achieved using the simple principles of the FISH! Philosophy: Play, Be There, Make Their Day and Choose Your Attitude. Emphasis is placed on identifying customers, both internal and external, and the essentials of customer communication. Through group exercises, role plays and videos, participants will discover how to bring more energy, fun, focus and accountability to their work.

Supervisory Skills

The Supervisory Skills training module focuses on the five key skills that a supervisor should possess in order to balance the goals of the organization with the needs of the work group: Guiding the Work, Organizing the Work, Developing Your Staff, Managing Performance, and Managing Relations. Participants will have the opportunity to discuss real-world supervising challenges and learn how to apply the five skills to find solutions.

Teams and Team Building

This module is designed to help participants understand teams, the stages that teams go through in development and how teams reach decisions. The end product is the experience of what it's like to be a part of a functioning team and to become comfortable in the role "team player."

Effective Meetings

This program introduces a formalized process that includes preparing an agenda, facilitating the meeting itself and documenting the outcome(s). The team will conduct a mock meeting to develop the skills discussed.

Problem Solving

This program uses a 6-step approach to identify a problem, analyze the cause and effect of the problem, and solve the issue. Documentation and follow-up are key components of a successfully solved problem. Experience will be gained from active participation in solving the problems.

Customer Service

This module provides the basic concepts of understanding customer service and its importance within any organization. Emphasis is placed on identifying customers and the essentials of customer communication. Course exercises include a self-assessment, The Four Dimensions of Customer Service, and developing an organizational customer service mission statement.

To learn more about these training programs, please call (804) 371-8120 or visit our website at www.vdba.virginia.gov/workforce.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

OUR MISSION

To promote Virginia businesses by increasing access to capital through the creative application of public and private financing, thereby maximizing employment opportunities and investments throughout the Commonwealth.

VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE
Connecting Businesses with Resources

www.vdba.virginia.gov
Phone: 866-248-8814
Fax: 804-225-3384

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

LET OUR MONEY WORK FOR YOU!

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
V·S·B·F·A

OUR GOALS

- $ Assist in the creation of higher wage, higher skilled jobs throughout the Commonwealth.
- $ Provide financial and technical assistance to better enable businesses to compete in the global marketplace.
- $ Strengthen Virginia's economy and enhance the economic base of its localities.
- $ Provide the financing necessary to improve the infrastructure and quality of life of Virginia's most distressed regions.
- $ Assist manufacturers and 501c3 non-profits in obtaining tax-exempt financing.

Economic Development

Economic Development Loan Fund

Loan from the VSBFA to fill the financing gap between private debt financing and private equity. Term loan of up to 40% of project or $1,000,000, whichever is less. Projects must demonstrate the ability to create positive economic benefit to the community through job creation and tax revenues. Eligibility: Local and regional economic development authorities and businesses that meet the VSBFA's definition of a small business.

Private Activity Bonds

Statewide conduit bond issuer of qualifying Virginia manufacturers and 501c3s seeking long term financing at favorable rates for the acquisition of real estate, construction of a manufacturing facility and for machinery and equipment purchases. Manufacturers must meet the VSBFA's definition of small business.

Small Business & Entrepreneurs

Loan Guaranty Program

Deficiency guaranty provided to banks on lines or loans to eligible Virginia businesses. Financing can be used for working capital and fixed asset financing.

Capital Access Programs

Participating banks have a loan loss reserve fund that can be used to offset loan losses on the portfolio of loans enrolled in this program. Monies in the reserve fund are provided by enrollment fees paid into the fund by the borrowers and matched by the VSBFA.

Child Care Financing Program

Direct loan from the VSBFA to provide financing assistance to Virginia child care providers for quality enhancement projects or to meet or maintain childcare standards. Financing available to child care centers and family home providers.

Financing Assistance for Minority-owned Businesses

The P.A.C.E. Program provides loan guaranties and loan loss reserves for minority-owned businesses.