



Bay Area
Development
Company

**2019 Annual
Impact Report**



There's Nothing Small About Our Clients' Impact



To Our Partners

This report highlights the impact of our collaboration with our partners in every project we finance. We are very proud of our work together, and we are continually amazed by the creativity and hard work that our partners put into everything they do. This is what enables us to accomplish so much and impact the lives of so many small businesses, their owners, employees, and communities. Our essential partners include:



The Small Businesses that we are so fortunate to work with. These entrepreneurs are the most hard-working, committed and creative people we know. They are ingenious in developing their own strategies, products, services and market niches in order to not only survive but to thrive through both good and challenging times.

The Lenders who work with us to get their clients the best possible fixed asset financing. The impact our CDC makes, and the vitality of 504 financing, depend on private sector lenders actively participating with us through thick and thin. We owe them a huge debt of gratitude. In spite of the challenges of the times, they have stayed the course and are doing even more every year to help their clients and communities.

The Small Business Administration, whose employees are the epitome of hard work and commitment to the success of small businesses everywhere. Their work has enabled our CDC to actively provide increased growth capital every year to small businesses throughout California.

A tremendous thank you goes out to all of our partners who continue to work with us throughout these unprecedented times. By working together we accomplish so much more.

Sincerely,

James R. Baird,
CEO

Maximizing the Impact of 504 Financing

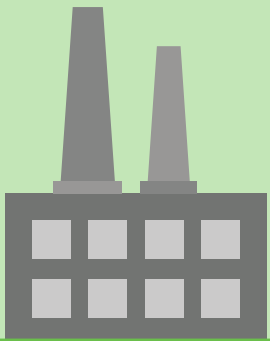
504 financing helps small and mid-sized companies buy, build or refinance the fixed assets they need to grow their businesses with the best possible terms, and allows them to preserve maximum working capital for their growth.

The 504 mission and its relevance has not wavered in spite of the changing times or challenging circumstances our small business clients face. 504 financing works best for so many entrepreneurs because it:

- Specializes only in small and mid-sized business, owner-user fixed assets;
- Leverages the SBA guaranty with significant private lender financing and expertise;
- Provides small and mid-sized businesses with their own **‘Window to Wall Street’** where they can get long term, fixed rate, below market rate capital on the best terms possible;
- Offers a new 25-year fixed rate loan option, the ability to refinance existing commercial real estate debt, and even help clients obtain ‘cash-out’ for needed working capital, giving them more choices than ever.

While 2019 has been a year of significant small business progress and continued job creation, 2020 will be a year of unparalleled challenge for the nation’s small and mid-sized companies. In these tough times our CDC is actively involved in helping companies grow and create much-needed new jobs, obtain refinancing of their commercial real estate, and secure critically needed working capital. We are also doing everything we can to help our existing clients who have experienced significant setbacks and need loan modifications or other workout plans to help them recover from the current crisis.

Impact on Main Street



MANUFACTURING

\$253,500,000

504 FUNDING

329

PROJECTS

4200

JOBS



RETAIL & SERVICES/ WHOLESALE TRADE

\$382,000,000

504 FUNDING

613

PROJECTS

6310

JOBS



PROFESSIONAL & MEDICAL SERVICES

\$277,000,000

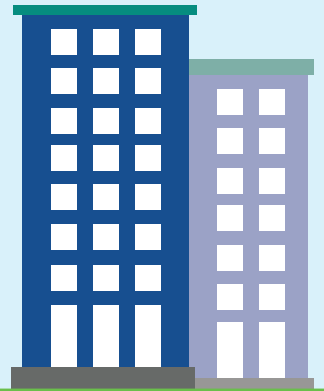
504 FUNDING

492

PROJECTS

4585

JOBS



FINANCING, INFO & REAL ESTATE

\$56,700,000

504 FUNDING

96

PROJECTS

940

JOBS

Being able to provide 504 expansion financing to almost every type of small business is a major strength of 504 and enables us to meet the financing needs of small businesses in virtually every community we serve.



**HOSPITALITY
& LEISURE**

\$185,400,000

504 FUNDING

235

PROJECTS

3000

JOBS

**TRANSPORTATION
& AUTO RELATED**

\$167,050,000

504 FUNDING

268

PROJECTS

2760

JOBS

CONSTRUCTION

\$137,200,000

504 FUNDING

260

PROJECTS

2280

JOBS

AGRICULTURE

\$13,424,000

504 FUNDING

20

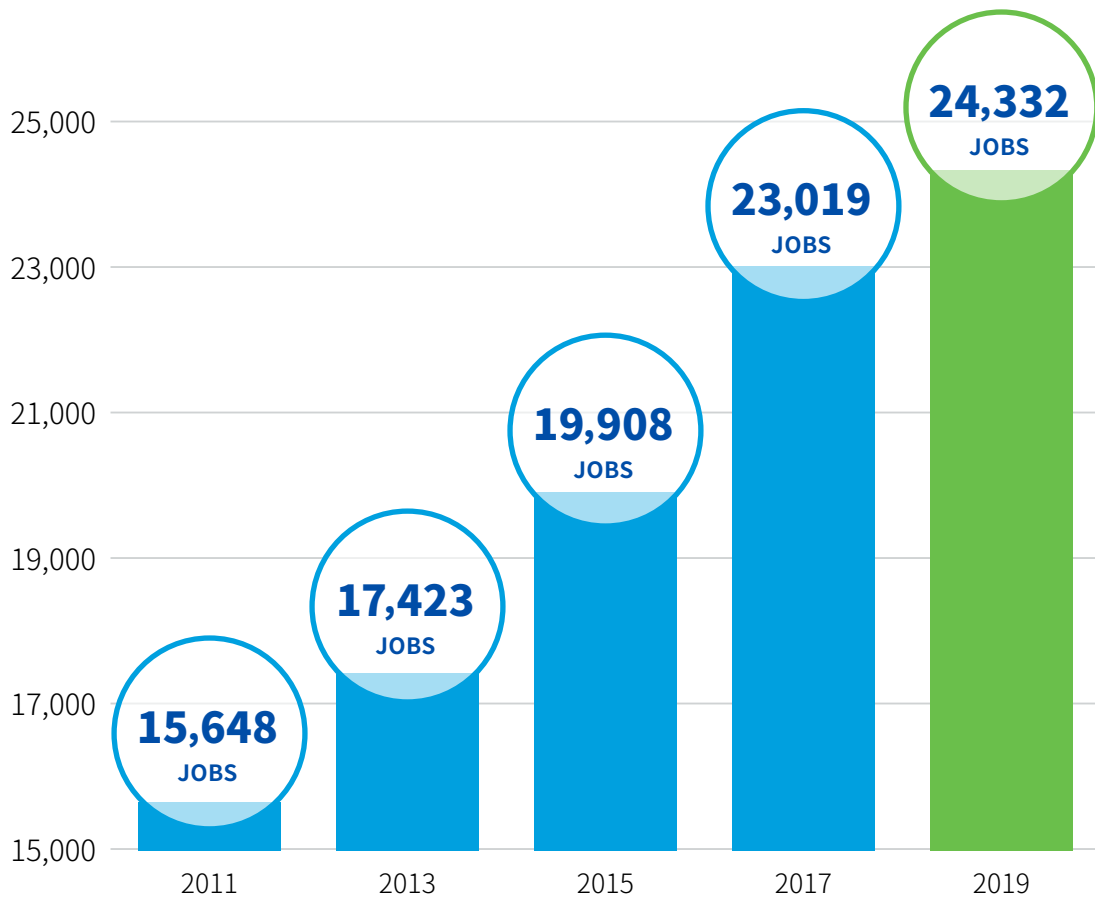
PROJECTS

220

JOBS

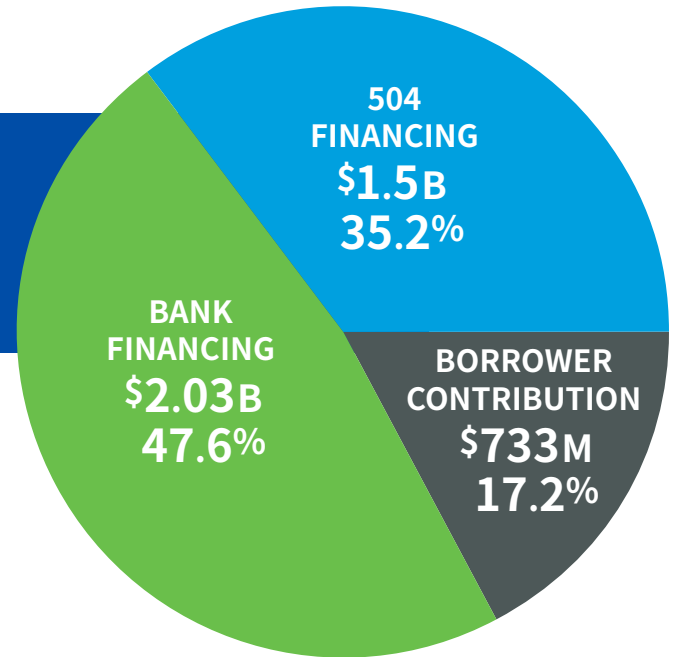
Jobs Created & Retained with 504 Projects

504 loans provide our clients with access to expansion capital at optimal fixed rates and terms. As a result, since Bay Area Development's inception, 504 financing has helped our clients create and retain over 24,300 jobs.



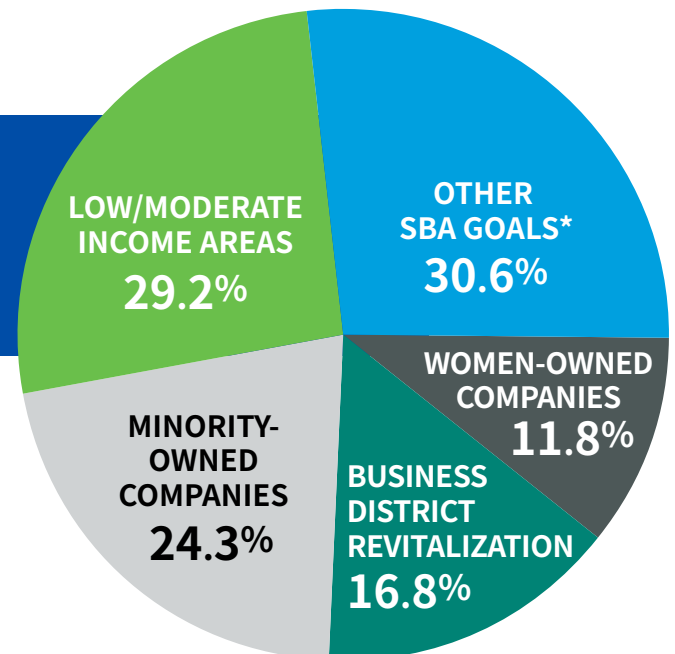
Maximizing Private Capital with 504 Loans

All 504 projects include a conventional first mortgage, which makes up approximately 50% of the total financing. As a result, our 504 activity to date has leveraged total direct capital investments of more than \$4.26 billion.



Building Communities with 504 Financing

Our CDC works hard to deliver 504 financing to diverse small business owners and project types in our market. In addition to helping companies create jobs, 504 works to revitalize neighborhoods and build stronger communities.



*Manufacturing, Veteran-Owned Companies, Renewable Energy, Product Exports or Rural Businesses.



Happy Hound Play & Daycare

When Suzanne Golter moved to the Bay Area almost 25 years ago, she searched for a high-end dog day care facility like those in Southern California. What she found instead was a void in the marketplace. So, she set out to fill it. She studied every aspect of the industry, then opened Happy Hound Play & Daycare, which saw great success for twelve years — until she was forced out of her lease and had to close.

Suzanne leveraged 504 funding to custom-build a welcoming, high-end dog boarding and day care center. Her business increased by 40% and more than 5,000 Happy Hound customers have created 25 new jobs for this woman-owned business. Every creature comfort has been thought of, which brings dog owners invaluable peace of mind. Suzanne has that same peace of mind, knowing she owns her building so she and the hounds in her care can happily call it home.



Company Name:

Happy Hound Play & Daycare

City:

Oakland

Project Size:

10,800 sf

Loan Officer:

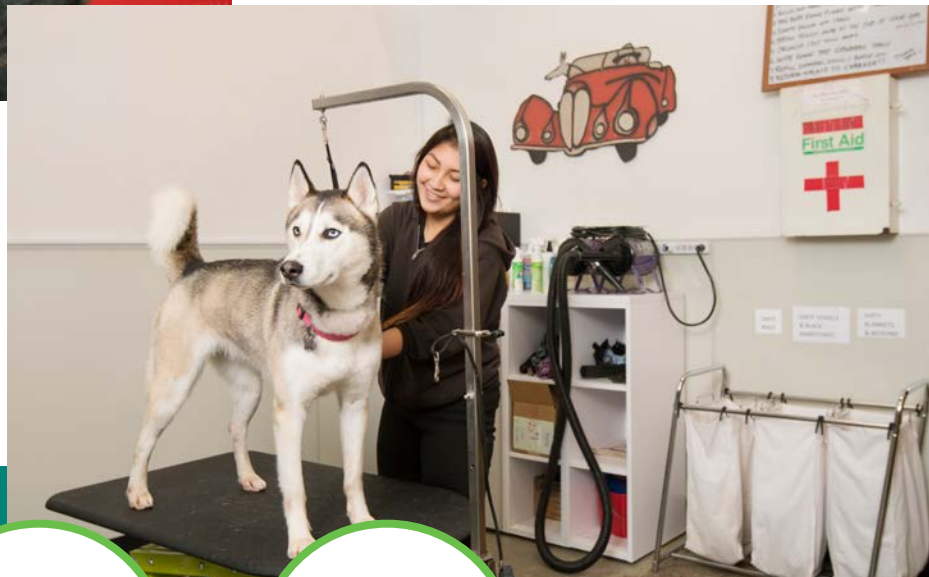
Joe Lampe

Bank Partner:

BBVA Compass Bank

**“I feel like this is my
calling. I’m not working,
I’m doing what I like.”**

— SUZANNE GOLTER



40%

**BUSINESS
INCREASE**

25

NEW JOBS

5,000

CUSTOMERS



Heretic Brewing Company

Jamil Zainasheff's story starts as many do; in a garage, as a hobby. In 1999, a neighbor gave Jamil a home brewed beer that he had made. Jamil's wife got him his own home brewing kit and that was the start of his enterprise. He honed his skills but maintained his engineering job until 2011, when fans of his craft brews convinced him to open the doors of Heretic Brewing Company.

Jamil knew creating great beer was equal parts science and intuition. He sourced local ingredients, utilized state of the art equipment, and maintained an on-site lab to ensure consistent quality and taste. This attention to detail paid off and in 2013 he relocated to Fairfield and opened a taproom. In 2015, Jamil used 504 funding to expand his existing location and create 35 new jobs. Today, Heretic beer is in 13 states and six countries — proof that commitment to the craft can turn a hobby into a thriving enterprise.

35
NEW JOBS



Company Name:
Heretic Brewing Company

City:
Fairfield

Project Size:
24,069 sf

Loan Officer:
Bob Thompson

Bank Partner:
Union Bank

“Being able to preserve cash flow while gaining ownership of our building was key. We couldn’t have done it without the 504 program.” — JAMIL ZAINASHEFF





United Mechanical & Metal Fabricators, Inc.

When Gina Wang was working as an accountant for UMEC in the 1980s, owning a business was far from her mind. UMEC was founded by her father-in-law, who evolved it to its current specialties — sheet metal fabrication and high precision parts manufacturing. By 2003, Gina had acquired majority equity in the company. As a minority woman entrepreneur, she secured federal DBE (Disadvantaged Business Enterprise) certification, allowing her to serve many major corporations. UMEC's other certifications comply with the Buy America requirements, leading to government funded contracts.

Gina knew automation and state of the art technology would position UMEC for long term sustainability. With an SBA loan she purchased a significantly larger building in Union City, next to the company's first facility for cost savings and operational efficiency. For Gina, the new building is proof that standing by your vision can result in tremendous success.



Company Name:

United Mechanical & Metal Fabricators, Inc.

City:

Union City

Project Size:

18,000 sf

Loan Officer:

Rich Grant

Bank Partner:

City National Bank

36

**NEW JOBS
CREATED**



“504 helped us get an affordable small business loan rate. You can get loans from a lot of places but not all of them know small business.” — GINA WANG



Yandell Truckaway, Inc.

Alicia Yandell Hamilton's grandfather started Yandell Truckaway in 1945 after returning from World War II. Initially, Yandell Truckaway served the wine industry, then expanded to haul beer and food items. The company's ownership also evolved, with Alicia's father, John Jr., taking the helm in the 1970s. Being based near one of the world's leading technology centers and accessing the latest innovations is a key competitive advantage, making Yandell Truckaway the first trucking company West of the Mississippi to utilize barcoding technology in its warehouses.

Customer care was a key consideration that motivated the Yandells to relocate to Stockton in 2018. They purchased property with 504 funding and the much larger location provides them with central access to their clients and created ten new jobs in the community. As Alicia works shoulder to shoulder with her father and brother, she says it's exactly as her grandparents would have wanted it.



3

GENERATIONS
OF FAMILY

10

NEW JOBS



Company Name:

Yandell Truckaway, Inc.

City:

Stockton

Project Size:

6,200 sf/124,582 sf yard

Loan Officer:

Joe Lampe

Bank Partner:

Heritage Bank of Commerce

“[In this area] all you see is real estate prices rising. It was nice to buy our own place and know we have a permanent spot.”

— ALICIA HAMILTON



Greenwood Assisted Living

Mark Bello's mother was the first physical therapist for a hospice company over 40 years ago. With elder care a typical topic of conversation at the dinner table, young Mark listened carefully and, as an adult, developed a passion for caring for others by rehabilitating care facilities. He purchased his first facility in 2009 and in 2018 he used a 504 loan to purchase Greenwood Assisted Living in San Rafael.

The elder care industry has come under extensive scrutiny and Mark's goal is to remove the stigma by focusing on the people he serves. By making capital improvements and thoughtful staffing choices he's created a vibrant place where people now enjoy living and working. Greenwood Assisted Living is bright, welcoming and filled with music and friends. With all the new amenities, the company has been able to create 22 local jobs and Mark hopes that combining excellent care and beautiful spaces will create a welcomed level of dignity for those in need.

“Bay Area Development knows exactly what they’re doing. They checked everything, did their due diligence, and made it quick, easy and painless.”

— MARK BELLO

Company Name:

Greenwood Assisted Living

City:

San Rafael

Project Size:

14,583 sf

Loan Officer:

Rich Grant

Bank Partner:

Redwood Credit Union



22

LOCAL JOBS
CREATED



Famous Faces and Frequent Fliers

To us, there is no higher compliment than a customer who comes back for financing on another project. Bay Area Development is honored to have financed multiple 504 projects for more than 150 different entrepreneurs. In addition, since inception we have had the privilege of working with many companies that have become household names, either by assisting them when they first started out or through financing that moved them to the next level. Here are just some of our clients that have succeeded in a very big way:



Gourmet Mushrooms



Community Affiliations

Creating local jobs and achieving other economic development initiatives through SBA 504 financing activities is our main mission, but it is not our whole story. Bay Area Development is committed to the communities we serve and we demonstrate that by providing significant assistance to a number of excellent programs and organizations, including:



centrocommunity.org Centro is a 501c3 non-profit organization whose mission is to build thriving communities by providing underserved, low-income entrepreneurs with entrepreneurship education, one-on-one business advising, mentorship, and access to capital.



acsbd.org The Alameda County SBDC provides classes, technical assistance and personalized training to budding entrepreneurs and to existing business owners interested in accelerating the success of their ventures. We are pleased to sponsor numerous classes and workshops for the SBDC.



smallbusinesscalifornia.org Small Business California is a proactive, nonpartisan small business advocate whose only agenda is the well-being of California's 3.2 million small businesses. Bay Area Development is a member of Small Business California and sponsors many of their important business outreach and advocacy activities.



sfsmallbusinessweek.com San Francisco Small Business Week is a multi-faceted annual small business event in Northern California. It includes training, conferences, networking opportunities and awards presentations honoring outstanding, local small businesses.



Great customer service is what we live by. Since 1981, we've offered common sense explanations and creative solutions for the most complex small business projects. And while we're proud to be among the top twenty of over 160 SBA 504 lenders nationwide, **every small business we finance is a very big deal to us.**

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