

BC BROADCAST

A QUARTERLY PUBLICATION OF THE BEDFORD COUNTY DEVELOPMENT ASSOCIATION

FINANCING IS THE FUTURE

The Bedford County Development Association is dedicated to the economic health and vitality of Bedford County and the surrounding region.

As the lead economic development organization in Bedford County, BCDA's mission is the creation and retention of family-supporting, high-quality jobs while working to sustain and enhance the quality of life so cherished by Bedford County citizens.

In meeting the various challenges of economic development, capitalization is of critical importance. Financing a business enterprise is crucial to its success – in some cases, its very existence. That's why BCDA is an ally in the efforts to secure the funds needed for Bedford County businesses.

"BCDA's philosophy toward financing is to provide the best, most economical options for companies," explained Travis Collins, BCDA Board President. "Our belief is that they will use the cost savings to grow, become more competitive, and provide more jobs for Bedford County stakeholders."

Whether it's an entrepreneur with a great idea, an existing

business seeking to purchase new equipment or an individual who dreams of establishing a farm, BCDA will provide the kind of advice and guidance that can often help secure the financing needed that turns an idea into reality.

BCDA has long-established relationships with many funding programs and can help make the kind of introductions and connections that often result in successful applications for funds.

In meeting the various challenges of economic development, capitalization is of critical importance.

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MDL MANUFACTURING IS POISED FOR STRONG GROWTH

MELF Loan greatly expands company's capacity

BCDA staff offers invaluable advice and assistance to secure funding



Doug Lingsch beside a Cosen Band Saw

The Pennsylvania Machinery and Equipment Loan Fund, known as MELF, offers low-interest loans to eligible companies seeking to acquire and install new or used equipment or to upgrade existing machinery and equipment.

Completing an online application is the beginning of the process. But as Doug Lingsch, president and CEO of MDL Manufacturing, knows, it takes careful shepherding of the loan to ensure successful completion of the process.

"It is a long process," he began. "But the cost savings to any company is worth the extra effort it takes to get this loan processed."

Lingsch credits the staff at the Bedford County Development Association for their dogged efforts in dealing with the MELF program.

"I was very satisfied with the assistance I received from BCDA," he stated. "The staff there was instrumental in getting the MELF loan application submitted and processed."

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"Many of the funding programs available to Bedford County businesses allow newer or riskier companies to obtain funding that wouldn't be available through conventional loan programs," said Collins. "Some programs require matching private funds and BCDA can help companies think through their business position and help them find the expertise they need to improve that position."

Collins notes that BCDA's professional staff is focused on staying in the know. "BCDA can be a one-stop-shop for locating and negotiating the red tape typically associated with government programs," Collins stated. "BCDA also puts skin in the game with a few of these financing programs where we become financially liable should a loan go bad."

"BCDA can be a one-stop-shop for locating and negotiating the red tape typically associated with government programs."

– Travis Collins, Board Chair, BCDA

THE PROGRESS FUND A TOP DEVELOPMENT ORGANIZATION

David Kahley, co-founder and longtime President and CEO of The Progress Fund, is a positive force in economic development in Bedford County and a large region stretching from rural southwestern Pennsylvania, West Virginia, and western Maryland to Appalachian Ohio.

Kahley is upbeat about the role his organization plays in helping businesses and entrepreneurs reach their goals. He understands the role that industries like tourism play in the overall economic development picture.

"We are basically a lending organization," Kahley began. "We differ from a bank in that we are a non-profit. We focus on helping entrepreneurs who want to start a business."

Kahley explains that some 39 different organizations have helped The Progress Fund build its capital base. "We have a real nice mix of funding -- everything from foundation grants to financial institutions. We deal with projects that may be unbankable. We focus on tourism – Pennsylvania's second largest industry – and we do some work in agriculture."

The Progress Fund is able – and willing – to take risks on projects that might not find funding from more traditional sources.

"People are used to going to state agencies or banks. But we are completely different. If you have a good idea, come and talk to us. There's no box here that we put people into," said Kahley.



Sara and Nick Letzo, owners of 10/09 Kitchen and new borrowers, with Karen Post and David Kahley of The Progress Fund.

According to Kahley, The Progress Fund understands the unique opportunities offered by Downtown Bedford.

"We think Downtown Bedford is great. Any activity there is going to get our attention. Tourism is written large there. We will help a local bed and breakfast or an entire town."

The largest loans that The Progress Fund has made are close to a million dollars. Some are as small as \$5,000. "We work with banks on participation loans," said Kahley.

The Progress Fund wants to see small and large enterprises alike succeed. "Small businesses do much for their communities," Kahley noted.

As far as Kahley is concerned, making loans to businesses is critical to economic success and job creation and retention. "Financing is, indeed, the future," he began. "There is a huge opportunity around the tourist industry even though traditional funders didn't trust it. We saw that there were businesses that couldn't get out of the gate. So we decided to help them. In Bedford County, for example, we worked with the Jean Bonnet Tavern. I think most people will see that as a worthwhile investment."

KENNETH D. STANTON

Kenneth Stanton needed the capital to further his career in farming. A 2009 Penn State graduate in Animal Science and Agricultural Business, Stanton is now pursuing his dream with help from SAPDC.



MDL MANUFACTURING from page 1

The application was successful and MDL was able to use MELF funding to meet the demands of its expanding market.

The MELF funds are proving to be a great boon to Bedford County's economic development. Lingsch explains: "MDL has added manufacturing capabilities with the equipment purchased with MELF funds. The company is more self-reliant. The new equipment is larger and allows us to better control our manufacturing processes."

In some cases, work that was sub-contracted out is now done by MDL. "MDL gained greater machining, forming and cutting capacities," said Lingsch. "We can now machine products up to 44,000 pounds and form parts that are 26 feet long and cut parts up to 40 feet long."

The important aspects of this project are the additions to the MDL workforce and the increased revenue to the company.

"We have already realized, in the first quarter of 2014, \$600,000 in new business and expect an additional \$3 million in sales this year. Much of this work will be processed on our new equipment. We are hiring additional associates to operate and maintain this equipment. This year we have hired three team members and expect to hire three more in the coming weeks."

Organizations like BCDA and the Southern Alleghenies Planning and Development Commission can help open doors to a variety of federal, state, local and private programs and finding opportunities.

"They have been invaluable to MDL and many other businesses in Bedford County," Lingsch said. "They facilitate local business development by keeping us informed and prepared to take advantage of the programs that are available."

SOUTHERN ALLEGHENIES PLANNING AND DEVELOPMENT COMMISSION

2013 Bedford County Approved Loans

Kenneth D. Stanton	\$100,000
Everett RR Co & Hollidaysburg & Roaring Spring RR	\$ 75,000
Matthew Garman	\$200,000
M&C Distribution LLC/Queen City	\$200,000
Pitt Street Innkeepers, LLC/ Golden Eagle	\$120,000
Heritage Cove, Inc.	\$175,000
Edwin & Delrae Sensenig	\$145,000
Bad Boyz Bistro, LLC	\$170,175
Fabin Brothers Farms	\$200,000
Bedford Farm Bureau Co-Op Association	\$200,000
Bedford Reinforced Plastics, Inc.	\$ 80,000
Spence R. & Angela C. Barkman	\$200,000



Members of the Bedford Farm Bureau Co-Op Board of Directors are joined with local dignitaries to celebrate the ribbon cutting.

BEDFORD FARM BUREAU CO-OPERATIVE ASSOCIATION

Founded in 1942, the Bedford Farm Bureau exists to buy and sell agricultural products and offer lower costs to farmers in Bedford County. It also serves as an information source to help members with soil and crop issues.

Jim Shade, General Manager of the Co-Op, stated that the new warehouse and retail store will allow the organization to provide more needed services and agricultural products to Bedford farmers and homeowners.

"We were able to obtain some funding help from SAPDC. The lower interest rate will help maintain lower production costs and allow us to pass these savings on to our customers," Shade explained. "The process seemed easy to us. I would recommend it to anyone needing the help. The biggest benefit to us is having an additional financial partner, lowering the bank's risk on the project and lowering the cost of our money."

The process seemed easy to us. I would recommend it to anyone needing the help.

— Jim Shade, General Manager,
Bedford Farm Bureau Co-Op



2014 BCDA BOARD MEMBERS AND OFFICERS

Front Row (l-r): **Secretary**, Allen Sell, *Bedford Area School District*; **Assistant Secretary**, Sean Bardell, *Howard Hanna Johnston Realty, Inc.*; **Chair**, Travis Collins, *B.C. Stone, Inc.*; **Vice Chair**, Bo Pratt, *Rockland Manufacturing Company*; **Assistant Treasurer**, Bob Octavio, *Cycling Sports Group*; **Immediate Past Chair**, Marcia O'Rear, *StelTek Graphics, Inc.*

Back Row (l-r): **Vice President**, Terri Brumbaugh, *BCDA*; Linda Bullington, *Bullington Financial Services*; David DiPasquale, *Bedford County Technical Center*; **President**, Bette Slayton, *BCDA*; Paul Crooks, *Bedford County Commissioner*; Steve Howsare,

NEW MEMBERS

Left to right: Linda Bullington, *Bullington Financial Services*; Doug Gerber, *Rex Heat Treat*; David DiPasquale, *Bedford County Technical Center*; Ted Chwatek, *Hometown Bank of PA*; and Sara Letzo, *10/09 Kitchen*





Bedford County Commissioner; Doug Gerber, Rex Heat Treat; John Carlin, Quality Inn Breeze Manor; Alan Frederick, Frederick Farms, Inc.; Lee Bowden, Bedford Springs Resort & Spa; Ted Chwatek, Hometown Bank of PA; J.P. Tambourine, First Energy; Kirt Morris, Bedford County Commissioner; Greg Krug, Lampire Biological Laboratories; Sara Letzo, 10/09 Kitchen; Trudy Mitchell, Southern Alleghenies Planning & Development; Office Manager, Melanie Miller, BCDA

Missing from the picture is: **Treasurer, Scott Jones, REI**

HERITAGE COVE, INC.

Heritage Cove Resort is a lovely vacation facility tucked away in Saxton, at the base of the Raystown Lake. The current resort has five rental cabins, full service campsites, a log cabin registration building, bath houses, an in-ground swimming pool, a picnic pavilion that accommodates 80-100 people, and a boat launch with slips for docking.

The Project, partially funded through SAPDC, included improving the capabilities of the resort with a boat storage facility, paved parking lot and boat launch areas, and the construction of a small cottage.



“We are grateful for the assistance from BCDA and SAPDC that has allowed us to provide two new amenities for our guests to enjoy. The paving of the entry driveway and parking lot has made a tremendous impression on our guests. The boat storage building was filled with boats as soon as it was completed.”

FINANCING THE FUTURE

Capital is the fuel of Bedford County's economic engine

Economic development organizations like BCDA work to secure financial assistance for existing businesses, startups and entrepreneurs.

When it comes to economic development and job creation, nothing is more vital to success than capital – the financial resources that allow an entrepreneur to create a company or an existing businesses to expand.

Organizations like the Southern Alleghenies Planning and Development Commission and the Bedford County Development Association – among a variety of others -- understand that it is part of their mission to help companies access local, state, and federal programs that can help leverage private financing.

For Trudy Mitchell and Steve Howsare at SAPDC, assisting business growth and job creation is a very important part of their mission.

“What attracted me to this organization is its hands-on approach to economic development,” said Howsare. He is currently the executive director of SAPDC and is a former Bedford County Commissioner.

“Our goal is to generate jobs in the region we serve,” he stated. Mitchell oversees the loan programs for SAPDC. “We provide low interest financing in the six counties we serve,” she explained. “We can only be a participant in the financing of a venture by providing up to 50 percent of the total project cost, or a maximum of \$200,000. We don't wish to compete with private sector lenders by financing 100 percent of any project.”

The expectation is that the company or entrepreneur can use the SAPDC financing to leverage a loan with a bank. “We can



really help a bank do a deal that otherwise it could not do,” said Mitchell. “We are patient capital, we typically accept a subordinate collateral position, and we affect people's lives in a positive way.”

SAPDC's loan programs are operated much the same as a bank. Candidates for loans make an application for financing and provide financial information.

The process can begin in a variety of ways, Mitchell noted. “We have a network of bankers who refer projects to us. We also receive referrals from the Small Business Development Center, Industrial Development Corporations and

“We can really help a bank do a deal that otherwise it could not do.”

– Trudy Mitchell

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QUEEN CITY FRUIT AND PRODUCE



For more than 60 years, Queen City Fruit and Produce has provided beverages, fruit and fresh produce to taverns, restaurants and clubs in Bedford County.

“Our vision is to increase sales and the workforce,” said Mark Way. Together with his wife Connie, he plans to build upon the established business.

“We are excited to take over a well established business right here in our home community,” said Way.

The Ways believe that the assistance of SAPDC made it possible for them to move forward. “We would encourage others who seek funding to investigate the opportunities for low interest loans. We did.”

groups like BCDA.”

However the process begins, it requires a well-conceived business plan. Mitchell said, “We encourage potential borrowers to take advantage of the free assistance offered by the Small Business Development Centers. Borrowers must be able to demonstrate to any lender that they will be able to service both existing and new debt. A well developed business plan will reveal that and any other potential barriers to success.”

In the past, SAPDC focused primarily on manufacturing businesses. Today, it provides financing opportunities for tourism-related companies, restaurants, and agricultural businesses – including farms – as well as manufacturing firms. “We try to be as flexible as possible while remaining within the guidelines established by our funding sources and at the same time remain true to our mission to create and retain jobs.”

Howsare explained that it is important for the region to encourage the creation of new businesses. “It is also important to welcome businesses to the area and thank the current companies that already call the region home.”

BAD BOYZ BISTRO, LLC



Founded in 2009 by Brian and Michelle Speck, Bad Boyz Bistro provides award-winning casual dining. The Speck's have a similar restaurant in Somerset.

“We help the Bedford County economy by the creation of 27 part- and full-time jobs,” said Brian Speck.

He noted that organizations like SAPDC and BCDA have “opened the doors to a world of funding that one cannot find on the conventional lending side. The process is somewhat involved, but if you have a clear business plan it is not that difficult to secure the funding you require.”

Whenever the Speck's needed answers, staff from BCDA and SAPDC were there to help point the way. “I've always had a great relationship with funding sources. And it's important to maintain these relationships.”

LOAN PROGRAMS & RESOURCES

AVAILABLE TO BEDFORD COUNTY COMPANIES:

Pennsylvania Industrial Development Authority (PIDA)

Low-interest loan financing for land and building acquisition, construction and renovation, resulting in the creation or retention of jobs.

Eligibility: Manufacturing; Industrial; Research and Development; Agricultural processors; Firms establishing a national or regional headquarters; Computer/ clerical operation centers

Machinery and Equipment Loan Fund (MELF)

Low-interest loans to acquire and install new or used machinery and equipment or to upgrade existing machinery and equipment.

Eligibility: Manufacturing, industrial, agricultural processors, direct mining operations, information technology, biotechnology and medical facilities.

Small Business Administration 504 Loan Program (SBA 504)

Funding available for expanding business needs; provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as acquisition, construction, renovation, land and site improvements, acquisition and installation of machinery/equipment.

Catalyst Connection - Manufacturing Technology Loan Fund (MTLF)

The MTLF is a private fund available only through Catalyst Connection. This program assists companies in the purchase of capital equipment such as: computer hardware and software, computer-aided design and computer-aided manufacturing, and numerically controlled and computer numerically controlled equipment.

Small Business Development Center (SBDC) St. Francis University

A great resource for business plan development.

Contact BCDA for more information regarding these programs at info@bcda.org or 814-623-4816.

BEDFORD COUNTY

DEVELOPMENT ASSOCIATION

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for underwriting this newsletter

PITT STREET INNKEEPERS, LLC



The Golden Eagle Inn has been serving tourists and residents alike since 1794. This landmark restaurant and inn continues to be a popular destination in downtown Bedford. SAPDC, BCDA, and the SBDC worked together to make this project happen. The property provides spacious guest rooms and seating for 40 diners in its elegant setting.

This project is an example of BCDA, SAPDC, and SBDC working cooperatively.

Local dignitaries join the owners and chefs of the Golden Eagle inn to celebrate The Pub (Front Row L-R) Joel Black, Aid to Rep. Jesse Topper; Trudy Mitchell, SAPDC; Bette Slayton, BCDA; Jeff Boldizar, St. Francis SBDC; (Back Row, L-R) Executive Chef Zach Ford, owners Byron Helsel, Tom Salmon, Mary Jane Helsel, Connie Clark and Martha Helsel, and Chef Drew Ford.