

From the Chairman



SEDC saw improvements in the economic climate in 2011 that was sustained throughout 2012. Loan volume continues to increase from year to year and month to month. Some of the increase in loan volume was a direct result of the Small Business Jobs Act of 2010 allowing SBA to implement a temporary SBA 504 refinance program. Never before in the history of the SBA 504 program had loan refinances been eligible for SBA 504 financing. That all changed with the passage of the Small Business Jobs Act of 2010. This program expired on September 27, 2012.

The SBA 504 program is enjoying historically low interest rates that make the long term, fixed rate financing even more popular. Please contact any staff member at SEDC for your next SBA 504 project.

This past summer, SEDC honored Bruce Klenken from Northwest Bank in Spencer, IA as the SEDC 2011 Lender of the Year at a reception in Spencer on June 11th. In 2011, Bruce Klenken worked cooperatively with SEDC on SBA 504 projects totaling \$4.7 million that created or retained 140 jobs in the greater Siouxland area.

SBA 504 Interest Rates

	<u>10 Yr.</u>	<u>20 Yr.</u>
August 2012		4.451%
September 2012	3.487%	4.279%
October 2012		4.262%
November 2012	3.520%	4.171%

We are experiencing record lows for long term fixed interest rates. Borrowers want to be aware of their options so pass this opportunity on to your borrowers.

Results for 2012 FYE for SEDC

We would like to thank all our partners for a great year. Highlights of the year are as follows:

- ◆ Loan volume ranked 46 out of 256 Certified Development Companies.
- ◆ Number of approvals was 50, an increase of 117% over the previous year.
- ◆ SEDC's loan volume exceeded \$35mm, an increase of 95% over the previous year.
- ◆ Over \$17mm was done under the temporary SBA 504 refinance program.

SEDC is Moving Soon

We are under construction for our new office space. We are not sure what the moving date will be but in the near future you can expect to see an address change for SEDC.

Bruce Klenken is SEDC's 2011 Lender of the Year!!



The SEDC Lender of the Year Award is given annually to a commercial lender who has demonstrated a high regard for customer service and who has successfully used the SBA 504 Program. In fiscal year 2011, SBA approved 23 of SEDC's loan applications which had a combined project value of \$48mm and SBA 504 financing of \$18mm. These are expected to lead to the job creation of hundreds of jobs for area residents.



SEDC's Executive Vice President, Ken Beekley, and Loan Manager, Jackie Nohr presented Bruce Klenken with the SEDC Lender of the Year Award.

In reviewing SEDC's 2011 activity, it became clear that one lender was deserving of special recognition. His lending impact on the area economy using the SBA 504 Program is extraordinary in terms of leveraging private investment and creating jobs. That lender is Bruce Klenken, an Assistant Vice President and Commercial Loan Officer at Northwest Bank in Spencer, Iowa.

In fiscal year 2011, Bruce worked cooperatively with SEDC, using the SBA 504 program, in completing projects totaling **\$4.7** million that created or retained **140** jobs in the greater Siouxland area. Since SEDC started in 1979, we have worked cooperatively with the Northwest/First National Bank System on 32 SBA 504 projects with total project costs of \$30.3 million and SBA 504 loan proceeds of \$11 million.



Bruce and Susan Klenken

Bruce Klenken has been employed at Northwest Bank for more than 15 years and has worked in the banking industry for 31 years. Bruce is a native of Spirit Lake, IA. He received his Associates Degree from Iowa Lakes Community College and his Bachelors of Science in Business and History from South Dakota State University (SDSU). Bruce has also successfully completed the Dale Carnegie Course and the Iowa Banker's Association Commercial and Consumer Lending Schools. Bruce and his wife, Susan, reside in Spencer, IA with their two daughters, Allison, 17, and Jenny, 15.



Siouxland Economic Development Corporation:
“Your Partner In Small Business Development Finance”
Serving Siouxland since 1979.

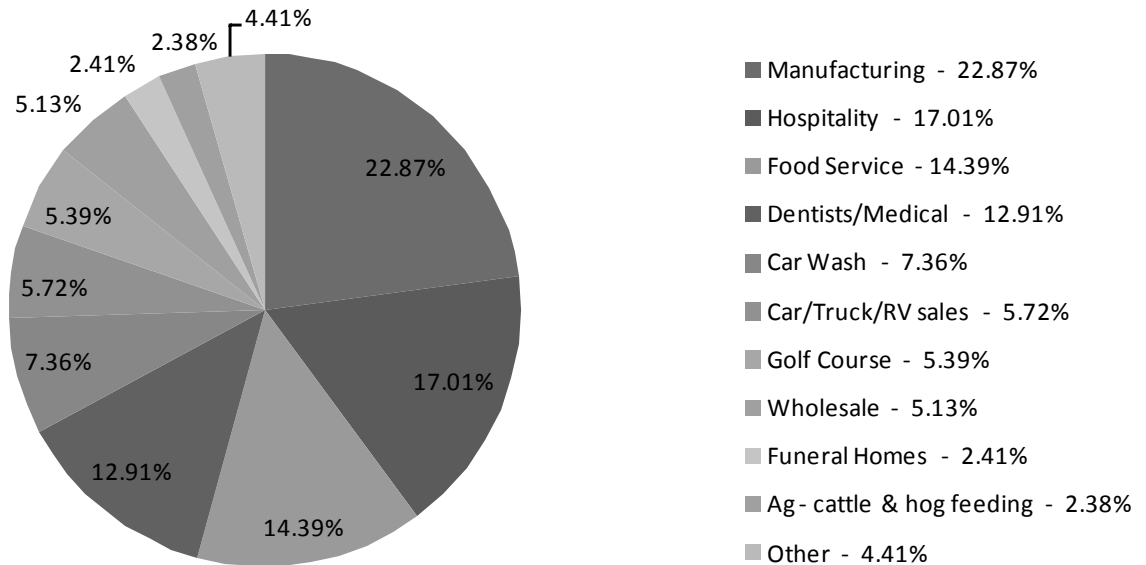
Spotlighting Our Activity Report
 October 1, 2011—September 30, 2012

SBA 504 Loan Closings

Bank	Business Location	Industry	Total Project Costs	SBA Funds
Primebank - Sioux City	Sioux City	Irish Pub & Wine Bar	\$1,323,000	\$ 463,050
Primebank - Sioux City	Sioux City	Irish Pub & Wine Bar	\$ 306,790	\$ 107,376
Pinnacle Bank - Omaha	Council Bluffs	Car Wash	\$1,049,999	\$ 350,415
Security National Bank - Sioux City	Sioux City	Asphalt Paving Co.	\$1,400,000	\$ 560,000
Community State Bank - Spencer	Spencer	Hotel	\$1,600,000	\$ 480,000
Crawford County Trust & Svgs - Denison	Denison	Dental Clinic	\$1,520,173	\$ 550,466
Security National Bank - Sioux City	Sioux City	Benefits Broker	\$ 425,000	\$ 170,000
Clear Lake Bank & Trust - Mason City	Clear Lake	Auto Dealership	\$1,975,000	\$ 740,000
Bankers Trust & Co. - Cedar Rapids	Cedar Rapids	Fast Food Restaurant	\$2,582,000	\$1,032,800
Bankers Trust & Co. - Cedar Rapids	Waterloo	Fast Food Restaurant	\$1,301,123	\$ 520,449
Premier Bank - Rock Valley	Inwood	Farm Equipment Sales	\$ 208,334	\$ 83,333
Savings Bank - Primghar	LeMars	Dental Clinic	\$ 797,000	\$ 318,800
Bank Iowa - Humboldt	Humboldt	Trailer Mfg.	\$2,908,400	\$1,163,360
American State Bank - Sioux Center	LeMars	Fast Food Restaurant	\$ 787,590	\$ 315,036
Central Bank - Storm Lake	Storm Lake	Convenience Store	\$1,098,000	\$ 384,300
First State Bank - Clarion	Clarion	Mfg. Custom Safety Padding	\$ 344,444	\$ 137,776
Premier Bank - Dubuque	Dubuque	Storage Units	\$ 700,000	\$ 210,000
First Citizens National Bank - Mason City	Clive	Hotel	\$2,383,000	\$ 813,050
American State Bank - Alvord	Alvord	Metal & Plastic Machining	\$ 209,000	\$ 83,600
Success Bank - Bloomfield	Bloomfield	Sawmill	\$1,620,000	\$ 648,000
Peoples Bank - Hawarden	Sioux City	Dental Clinic	\$1,813,556	\$ 720,800
First National Bank - Sioux City	Sioux City	Truck & Trl. Sales & Service	\$ 785,000	\$ 314,000
Primebank - Sioux City	Sioux City	Vet Clinic	\$ 404,300	\$ 161,720
Premier Bank - Rock Rapids	Rock Rapids	Dental Clinic	\$ 708,940	\$ 283,576
Northwest Bank - Fort Dodge	Fort Dodge	Wholesale Food Distributor	\$1,006,300	\$ 402,520
Farmers Trust & Svgs. - Harlan	Harlan	Metal Fabrication	\$ 847,500	\$ 339,000
Peoples Bank - Rock Valley	Omaha	Restaurant	\$ 812,000	\$ 324,800
Primebank - Sioux City	Sioux City	Vet Clinic	\$ 750,000	\$ 300,000
Iowa State Bank - Sheldon	LeMars	Restaurant	\$ 352,000	\$ 140,800
Northwest Bank - Spencer	Whiting	Nursing Home/Asst. Living	\$4,233,325	\$1,481,662

SBA 504 Loan Closings

Bank	Business Location	Industry	Total Project Costs	SBA Funds
Bank Iowa - Lawler	New Hampton	Cattle Feedlot	\$1,739,000	\$ 630,372
First National Bank - LeMars	LeMars	Fitness Center	\$ 169,462	\$ 62,000
Farmers Trust & Svgs. Bank - Woodbine	Woodbine	Nursing Home /Asst. Living	\$4,750,000	\$1,150,000
Farmers State Bank - Jesup	Sioux City	Grocery Store	\$1,772,850	\$ 640,000
American Bank - LeMars	LeMars	Hotel	\$5,934,000	\$2,077,250
Great Western Bank - Des Moines	Des Moines	Convenience Store	\$1,370,000	\$ 479,500
Peoples Bank - Sioux Center	Orange City	Fast Food Restaurant	\$ 974,000	\$ 380,000
Access Bank - Omaha	Council Bluffs	Funeral Home	\$4,385,555	\$1,315,666



2012 SBA 504 Loans by Industry

Revolving Loan Fund (RLF) Closings

Bank	Business Location	Industry	Total Project Costs	SEDC Funds
Crawford County Bank - Denison	Vail	Liquid Manure Mgmt. Co.	\$100,000	\$25,000
Great Southern Bank - Sioux City	Sioux City	Restaurant	\$300,000	\$120,000
Prime Bank - Sioux City	Hinton	Alloy Wheel Repair	\$75,000	\$18,000
American State Bank - Boyden	Boyden	Concrete Contractor	\$210,850	\$40,000
Peoples Bank - Rock Valley	Rock Valley	Dental Clinic	\$440,000	\$40,000
Farmers Trust & Savings - Woodbine	Denison	Construction Contractor	\$150,000	\$37,500

Microloan Closings

Business Location	Industry	Total Project Costs	SEDC Funds
Spencer	Bookkeeping Services	\$9,500	\$7,500
Elk Point, SD	DJ & Karaoke	\$11,500	\$11,500
Sioux City	Used Computer Export Co.	\$50,000	\$50,000

SBA 504 Program

Maximum Amount: \$5,000,000 (\$5,500,000 in certain situations)
Use of Proceeds: Fixed Assets (land, building, equipment)
Interest Rate: Fixed for the life of the loan
Term: 10 or 20 years based upon economic life of the assets financed
Typical Structure: 50% Bank, 40% SBA 504 Debenture, 10% Local Equity Injection (15% or 20% equity injection is required in certain circumstances)
Fees: One time fee of approx. 3% of the loan (capitalized as part of the loan).
Area of Operation: State of Iowa, South Dakota Counties (Union & Clay) and Nebraska Counties (Dakota, Dixon, Cedar and Knox)

RLF (Revolving Loan Fund)

Maximum Amount: The lesser of \$100,000 or 25% of the total project cost (term loan for the borrower)
Use of Proceeds: Fixed Assets or Working Capital
Interest Rate: 2% fixed below primary lender's rate
Term: Must match life of financed assets
Typical Structure: 65% Bank, 25% RLF, 10% Equity Injection
Fees: One time fee of 1% of the RLF loan, an annual fee of 1/2% of declining RLF balance, and all loan closing costs.
Area of Operation: 10 counties around Sioux City (see website for more specific counties)

SBA Microloan

Maximum Amount: \$35,000
Use of Proceeds: Working capital, inventory, fixtures, leasehold improvements, and equipment
Interest Rate: Currently 10% fixed
Term: Maximum maturity of 6 years
Typical Package: 100% Microloan
Fees: \$20.00 credit report fee and all loan closing costs
Area of Operation: Same as Revolving Loan Fund



From L to R: Jackie, Dean, Denise, Ken, Becky and Adam

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