

Belknap County Revolving Loan Fund Annual Report 2007

In late 1994, with a \$500,000 loan from Rural Development, a division of the United States Department of Agriculture (USDA), the Belknap County Economic Development Council established its county-wide revolving loan fund (RLF). With this loan, the BCEDC became New Hampshire's first "Intermediary Relender" and began offering loans to assist businesses and entrepreneurs operating in Belknap County.

The initial fund has been further capitalized over the years. Grants, donations, and the recommitment of program revenues, as well as a second loan for \$750,000 in late 2004, have helped us continue to grow and meet the financing needs of local businesses. Today, the RLF is capitalized at nearly \$3 million.

The RLF has a variety of lending programs, offering loans up to \$500,000 tailored to the needs of local businesses, whether sole proprietors or publicly traded companies. Our priority, since launching the fund, has been to assist businesses in accessing conventional financing or creative alternatives. The RLF is designed to supplement, not replace, conventional lending.

Since inception, the RLF has made 36 loans totaling \$6,443,242, leveraged in excess of \$50 million in other financing, and helped either create or save nearly 1,450 jobs. This year, we responded to 35 inquiries from businesses seeking approximately \$5 million directly from the RLF. On the recommendation of the Loan Review Committee, the Board approved five (5) loans totaling \$570,000, which leveraged approximately \$2.9 million in other financing. Three (3) loans totaling \$420,000 closed during the year; they included a loan to a local retail establishment to assist with expansion needs, a loan to a local health club to facilitate the restructure of their existing obligations, and a loan to an optical service provider to assist with expansion and relocation. Two previous loans, one to a medical practice and one to a local non-profit, were paid in full.

In September, the Council hired Maria Del Rio as the Loan Fund Manager. Maria took over active management of the Revolving Loan Fund under the guidance of new Executive Director, Jennifer Boulanger. Prior to joining the BCEDC, Del Rio was the principal of Real Solutions, a real estate portfolio management firm in Concord. She has an extensive asset management background with more than 10 years in financing in both the non-profit and private sectors.



During the year several new members of the community were added to the Loan Review Committee, and the group revisited the policies and procedures of the fund. I would like to recognize the substantial contribution of my fellow members on the Loan Review Committee. They have been generous in donating both their time and expertise in reviewing loans and assisting in drafting of applicable policies. The Committee includes Andre Bonte, Franklin Savings Bank; Greg Goddard, Gunstock Mountain Resort; Lou Guevin, Laconia Savings Bank; David Haley, Munsey and Brazil Insurance Agency; Sam Laverack, Meredith Village Savings Bank; Don Nicolletta, Northway Bank; Michael Persson, Esq., Lawson and Persson, P.C.; and Sean Sullivan, Nathan Wechsler & Company.

We thank all who have supported our efforts through the years.

Respectfully submitted,

Andy Patterson
Committee Chair

Investors 2007 — *Together We Make a Difference*

3M Tilton/IPT
All Metals Industries, Inc.
All Staff Contract
Applied Economic Research
AutoServe of Tilton
B. Mae's Resort Inn & Suites
Bloom's Variety
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Briarcrest Estates, LLC
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Byse Agency, Inc.
Chinburg Builders, Inc.
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Citizens Bank
City of Laconia
Coldwell Banker Commercial Weeks Associates
Conneston Construction, Inc.
Dana S. Beane & Company, P.C.
Decorative Interiors
Engraving, Awards & Gifts
Eptam Plastics, Ltd.
Fay's Boat Yard, Inc.
Foundry Financial Group
Franklin Savings Bank
Thomas & Gail Garfield
Granite Media Center
Great American Dining, Inc.
Greater Franklin-Tilton Chamber
Greater Laconia-Weirs Chamber
GRS Commercial Group, LLC
Hampshire Hospitality Holdings, Inc.
Hart's Turkey Farm Restaurant
Home Beautiful, Inc.
Ippolito's Furniture, Inc.
Laconia Airport Authority
Laconia Clinic
Laconia Daily Sun
Laconia Electric Supply, Inc.
Laconia Gilford Economic Advisory Com.
Laconia Savings Bank
Lake Opechee Inn, Spa & Conference Center
Lakes Region Association
Lakes Region Linen, Inc.
Lakes Region Manufacturing, LLC
Lakes Region Planning Commission
Lakeside Restaurant
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Leadership Development Services
Ledy Group
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MacDurgin Business Systems, Inc.
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Major Brands TV & Appliances, Inc.
Malone, Dirubbo & Company, P.C.
Mame's Restaurant
Margate Resort
McLean Realty Services
Meadowbrook Musical Arts Center
Melcher & Prescott Insurance Agency
Meredith Area Chamber of Commerce
Meredith Village Savings Bank
MetroCast Cablevision
Munsey and Brazil Insurance Agency
Nash Realty
Nathan, Wechsler & Company, PA, CPA
NH Business Sales, Inc.

NH Community Technical College, Laconia
NH International Speedway
Normandin, Cheney & O'Neil, PLLC
Northern Design Precast, Inc.
Northway Bank
Opechee Construction Corporation
Orthopedic Professional Association
Patrick Wood Law Office, PLLC
Patrick's Pub & Eatery
Pike Industries, Inc.
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Town of New Hampton
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Town of Tilton
Tylergraphics, Inc.
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THE DIRECTORS WISH TO ACKNOWLEDGE:

2006 CONTRIBUTORS

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Belknap County
Maxwell Brown, Photographer
Mr. & Mrs. James Dirubbo
Franklin Savings Bank
Laconia Savings Bank
Lakes Region Linen
Meredith Village Savings Bank
Munsey and Brazil Insurance Agency
NAI Norwood Group
NH Alliance of Regional Development Organizations
Southern NH University – Laconia Center
Mr. Bill Seed

2006 GRANTS

Citizens Bank
NH Community Development Finance Authority
USDA – Rural Development

2006 TAX CREDITS

Fay's Boat Yard, Inc.
Franklin Savings Bank
Laconia Savings Bank
Laconia Women's Health Center
Lakes Region Linen
Marbo Kasen
Northern Design & Precast
Northway Bank

BCEDC
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Maria Del Rio, *Loan Fund Manager*
Lyn O'Callaghan, *Program Manager*

2007 ANNUAL REPORT

Change & Progress



BELKNAP COUNTY ECONOMIC DEVELOPMENT COUNCIL

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LRGHealthcare (1)

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* TO BE DETERMINED

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Board of Directors

Annual Report 2007

Change and Progress

The year 2007 has been one of significant change for your Council, as well as one of progress. Eliza Leadbeater, under whose leadership the council grew from its infancy in 1992 to an award-winning economic development resource for Belknap County, retired in April. We were fortunate to have Finance Manager Jennifer Boulanger already positioned to move into the leadership role. As you may have read in our November 2007 newsletter, the Council also hired a new Program Coordinator in January 2007 and a Revolving Loan Fund Manager in September. Program Coordinator, Lyn O'Callaghan, has brought her graphic design and marketing skills to the Council and has undertaken to redesign our communications and expand our outreach. Revolving Loan Fund Manager, Maria Del Rio, was off to a running start, closing on two new loans in the fall of 2007.



Eliza Leadbeater with Sean O'Kane and Governor John Lynch

As a regional development organization, we strive to foster a climate that understands what sustainable economic development is and how it works, as well as the importance of planning and maintaining the economic infrastructure and wellbeing of the community and region. In our regional capacity, we have endeavored to unify the efforts of the region while remaining ever mindful of the need to conserve the distinct character, heritage, and natural environment of each of the county's eleven municipalities.

Regional Expectations and Strategic Priorities

In 2002, the BCEDC embarked on an ambitious goal of compiling economic data for a profile of Belknap County. In 2004, the Council hired the services of Brian Gottlob of PolEcon Research to publish what is now known as the Economic Profile. This piece, which highlighted the area's strengths and weaknesses at that time, was a basis for the region's undertaking of a Comprehensive Economic Development Strategy. The Belknap County Economic Development Council partnered with the Lakes Region Planning Commission to apply for a U.S. Economic Development Administration grant to fund the process of creating and identifying a Comprehensive Economic Development Strategy for the Lakes Region. In 2006, the Lakes Region Planning Commission was awarded the EDA grant, which provided the requisite funding to research and write the plan. In January 2007, the CEDS Committee was officially formed and a group of more than 30 local business leaders began to meet monthly to plan the activities necessary to bring this opportunity to fruition. BCEDC Board Members Beyer, Edelstein, Frawley Drake, Koulet, Lipman, and Executive Director Boulanger joined the CEDS Committee to enhance development of a CEDS report and the region's eligibility for EDA funding of projects.

During 2007, the CEDS committee prepared an Economic Climate Analysis, compiled both an Industry Cluster Analysis and a Strengths, Weaknesses, Opportunities and Threats

(SWOT) analysis with consultant assistance, developed an online regional business survey, created overall goals and a vision statement, and finally organized a series of subcommittees to move the Lakes Region CEDS effort forward.

Work on the CEDS will culminate this year in a plan of action to address regional expectations and strategic priorities. The BCEDC and the CEDS Collaboration and Communication Sub-Committee have been developing a communication plan for the CEDS Committee. View their progress at www.lakesrpc.org/ceds and look for an initial CEDS newsletter in the mail.

Economic Strength in the Top 97th Percentile

All indicators point to the fact that the Lakes Region is well positioned for sustainable economic activity. Belknap County is the second fastest growing county in New Hampshire (as measured from 1996 - 2006) and was again featured as a great place to retire by *Where to Retire* Magazine (May/June 2007). Laconia/Belknap County is designated as a Micropolitan Statistical Area, as recognized by the U.S. Census Bureau. A Micropolitan region is quasi-rural and includes an urbanized area (city) with a population of at least 10,000 but fewer than 50,000, and it must include at least one county. At the start of the year, Policom Corporation, a Florida-based economic study group (www.policom.com), released a report evaluating the economic strength of these micropolitan areas. In 2007, out of 576 defined areas, Laconia/Belknap County was ranked 17th for economic strength, maintaining its status in the top 90th percentile. Economic strength is "the long-term tendency for an area to consistently grow in both size and quality." These are fine accolades, but the Council recognizes there are persistent challenges — such as, quality of education, workforce development, and healthcare costs — that, as a region, we must continue to address.

Area Assistance

This year the Executive Director worked diligently to identify and strengthen public and private partnerships, capitalizing on the previous accomplishments of the Council. Jointly with the local chambers of commerce, the County, city and town governments, and local business leaders through Rotary, the Council has increased awareness of opportunities, events and issues within the County. With the Lakes Region Chamber of Commerce and Citizen Publishing Company, the Council contributed substantially to the creation of a 2007 Lakes Region Relocation Guide. The BCEDC website, www.bcedc.org, continued to provide a wealth of information of use to area businesses, including comprehensive BCEDC services, commercial lending options, topical published reports, direct links to registering a business, employment and labor market resources, traffic counts, commercial property, as well as local, county, state, and federal government and international business resource partners. In 2007, the site averaged more than 1,250 Unique Visitors per month with in excess of 270,000 hits over the course of the year. The website www.liveworkandplaynh.com, which promotes the region's lifestyle and employment opportunities, also saw significant growth in visits with an average of more than 550 Unique Visitors per month and 10,850 hits over the course of the year.



Life is sweet on Main Street thanks to new business, A. Little Confection

Business Assistance

The Revolving Loan Fund Lending Capacity grew by approximately \$300,000 to nearly \$3,000,000 in cash and notes receivable. More than 180 businesses, organizations, or aspiring entrepreneurs received extended assistance from SCORE counselors and BCEDC professional staff.

Our partnership with the Lakes Region SCORE chapter has seen growth with the group nearly doubling their member counselor roster, which now stands at twelve. Those twelve SCORE volunteers have provided free and confidential business advice to more than 200 clients since its reestablishment in 2004.



The BCEDC continues its partnership with the Prescott Conservancy and N.H. Audubon Society in sponsoring programs and workshops led by acknowledged experts in the field of Smart Growth, designed to raise awareness and understanding of many issues facing communities regarding how and where they can best accommodate growth and implement thoughtful use of “green” techniques.

Growth has also been reflected in the Business Information Center; in 2007 more than \$1,000 in new books were added, focusing on non-profit management, revitalization and smart growth, and community economic development. Through our continued partnership with Southern New Hampshire University – Laconia Center, the BIC is open to the public for extended hours. The BCEDC has also partnered with SCORE Lakes Region and MicroCredit-NH to provide small business counseling and workshops.

Marketing

Working with the BCEDC Marketing Committee, Program Coordinator Lyn O’Callaghan has helped to create a new look for the Council, redesigned business cards and promotional print materials, freshened our two websites, and revived our newsletter. The newsletter, *Belknap Matters*, will be published twice a year; periodic e-mail “e-relay” communications will be sent as breaking news or events develop. We look forward to hearing from you regarding these changes.

Projects

Laconia Millworks - Beacon Street West

In 2002, the BCEDC firmly committed to finding a developer to take on the adaptive reuse of the former Allen-Rogers manufacturing facility in downtown Laconia. This was a formidable task given the potential environmental concerns and engineering obstacles. The challenge was met in 2003 when Eric Chinburg, of Chinburg Builders, completed months of due diligence and ultimately purchased the property under the name Laconia Millworks. The BCEDC Revolving Loan Fund participated in the acquisition, and the company quickly began the work of clearing the site and addressing the environmental issues. Laconia Millworks and the Council have continued to work



together on this project, and we are proud to recognize the accomplishments to date. Phase I, which consists of 48 residential units, was completed in early 2007 and all 48 units were sold or were under contract by summer’s end. Mr. Chinburg then began work on Phase II, 16 townhouse-style residential units and the construction of a restaurant at river’s edge (part of Phase III). Currently, construction is underway on the 16 residential townhouse units with several under agreement, and Laconia Millworks is aggressively seeking the right fit for the restaurant design and management. We commend Chinburg Builders for foresight and determination in helping the Council and the City of Laconia revitalize Downtown Laconia.

Granite Media Center

Granite Media Center is a one-stop shopping campus for amenities and services required for the development and production of various forms of media, particularly sound and film. In partnership with the Council, this year local developer Bob Callahan has brought to fruition the innovative project, conceived more than a decade ago by former BCEDC executive director, Eliza Leadbeater. The renovation of this property, a former 25,000 square foot manufacturing warehouse and a barn on 86 acres in rural Tilton, offers industry professionals 21 leased office suites and rehearsal studios, adjacent to a common reception area, commissary, Big Box soundstage, screening room, green screen room, conference area, and a production shop. The Council secured a Rural Business Enterprise Grant from USDA Rural Development to purchase common area furniture, fixtures, and equipment to assist the developer. The Granite Media Center hosted a welcoming reception in the fall of 2007 and has many tenants. Congratulations to Bob Callahan and colleagues for embracing the vision and bringing fresh ideas to the redevelopment of property in the Town of Tilton and a new industry to the Lakes Region economy.



Together We Make a Difference

The economic vitality of the region requires the commitment of many, and it is this support of the BCEDC through 16 years that is responsible for our achievements. We extend our sincere appreciation to the Belknap County Commissioners and Delegation. The quality of assistance the Council offers to Belknap County communities, businesses and organizations could not be realized without your continued support. From the first dollar you granted us in 1991 and the additional \$1.3 million in contributions through 2007, we have built more than \$3 million in assets; these funds are used to enhance economic opportunities for Belknap County residents. We are indeed indebted to you for this trust. Likewise, your collaborative vision has helped us orchestrate more than \$5 million in grants for the council and other organizations.

An organization is only as dynamic as its people; we thank both our staff and volunteers for their commitment. Special thanks to the staff in the County’s Financial Office; we appreciate Nancy Cook, Marie Mora, and Angela Bovill for the extra distance they go in assisting us. We owe a continued debt to Southern New Hampshire University and Laconia Center Director Adrienne Stevens for providing us with our offices and meeting space, which has greatly enhanced our delivery of services and programs.

We truly make a difference because of the generous support of our member-investors; these businesses and individuals recognize that working together to enhance economic opportunities benefits everyone.

As we celebrate 16 years of service to Belknap County, we envision the possibilities and opportunities that our future holds.

Respectfully submitted,

Board of Directors