



# Portfolio News®

A quarterly update from Cambridge Capital Management Corp.™  
professional manager of non-traditional financing sources

Cambridge Capital  
Management Corp.

Second Quarter 2023

## Ways to become a value added, trusted advisor to your borrowers

This might be a good time to assure your borrowers that you can give them a shield against the full impact of these high rates.

As you review your borrower's annual financial statements, do you see any fixed asset debt that might be at a floating rate? In other words, their loan payments go up-and-up, like helium balloons on a sunny day. How high will they go?

You could be a value added, trusted advisor by offering advice and some solid footing with a fixed-rate SBA 504 loan.

To qualify for a 504 refinance loan, your customer's existing loan must have been predominately (at least 85 percent) used for fixed assets and have been current (no payments more than 30 days past due) for the last 12 months.

Refinancing opportunities always must start with appraised value. Your borrower's company may also be able to get some cash out to help fund working capital...up to 20 percent of appraised value.

Here are other things to look for:

- Is it evident that the borrower is leasing? Perhaps you can determine when the lease is up for renewal and present an option to buy their own facility. It is easy to structure the loan using the loan calculator on our website. This can help you determine debt service for a new loan for a new facility and com-

pare it to their current lease rates.

- Is there evidence that the borrower's paying high rates to some fintech lenders? Often these are at very high rates. We have seen situations where the borrower is paying a payment daily and having to re-advance the *next day*, incurring wire fees each day as well as heavy transaction costs. This could be an opportunity to partner with our Indiana Community Business Credit Corporation (ICBCC) to package permanent working capital to help the company improve their cash flow and profitability.
- Do to the recent instability in the financial institution space we are starting to see some banks tighten their credit box. Perhaps you can continue to serve your customer's needs by bringing one of the Cambridge Capital products in to help share the risk and exposure and still meet the customer's needs

Here's a quick list of Cambridge Capital's products that may help you.

**Indiana Statewide CDC** works with local banks on SBA 504 loans, most of you know this program.

**Indiana Community Business Credit Corp.** manages a pool of mezzanine risk capital. Nearly 30 Indiana banks fill the pool that funds loans — totaling \$75 million so far — to provide growth and working capital to small firms in addition to conventional financing.

**Lynx Capital Corporation** provides growth capital and advice to minority-owned firms. Since its start in 1991 Lynx had provided more than \$25 million to Indiana minority owned companies.

**Cambridge Ventures L.P.** provides growth capital and advice. The partners of Cambridge Ventures work with management to build value and to help the company maximize its opportunities.

**Community Investment Fund of Indiana (CIFI)** is a non-profit Community Development Financial Institution (CDFI) certified by the U.S Department of Treasury. CIFI offers loans and development services in underserved communities throughout the state of Indiana.

Find out more about Cambridge Capital's programs at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com) or [www.capitalizingindiana.org](http://www.capitalizingindiana.org).

**Ways to become a value added, trusted advisor.** Let's work together to help your customers keep their feet firmly on the ground.

### Effective Interest Rate

<u>2022</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
April	—	5.956	5.884
May	6.054	6.079	6.026
June	—	6.338	6.334

The "effective" interest rates on SBA 504 loans include the monthly amortization of the notes and the monthly payment of servicing fees.

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# Indiana Statewide Certified Development Corp.

2nd Quarter 2023



During his years as a residential real estate agent, Jason O'Neil says he noticed that customers — buyers and sellers — seek smaller, more local services.

He decided to change his business to tighten focus on local and personal aspects of home sales, creating Circle Real Estate. First, O'Neil purchased and renovated a former art gallery in the heart of downtown Carmel. And he hired agents with intensive experience in personalized home sales.

**CIRCLE**

The National Bank of Indianapolis and Indiana Statewide CDC provided SBA 504 financing for Circle Real Estate to buy and remodel the building. David Niehoff of National Bank of Indianapolis says, "The pandemic and material delays pushed everything back. The SBA 504 loan's flexibility allowed the bank to roll in an earlier short-term loan Jason had to meet a purchase deadline, and make it part of the 504 purchase package."

Niehoff says, "The result is an incredible, beautiful showcase for Jason's team. Jason's always given his clients personalized services. He's using this new location as a base to expand on his successful business model. O'Neil says, "We're getting good response. One reason is that our company is an independent brokerage that does not operate under any franchise agreement."

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**Circle Real Estate**  
Carmel, IN

In participation with  
**The National Bank of Indianapolis**  
Indianapolis, IN



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**Cambridge Capital Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate financing for

**Sorting Solutions**  
Berne, IN

In participation with  
**First Merchants Bank**  
Muncie, IN



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## SORTING SOLUTIONS, INC

A Quality Control company who can help you ship quality products to your customer.

As its name implies, Sorting Solutions solves a big problem for its clients. The company provides quality control for various companies within a 50 mile radius of their location in Berne Indiana. Sorting Solutions sort parts that are manufactured by their client to predetermined specs provided by their customer. The good parts are then returned to the client for final shipment to the end customer. Sorting Solutions also does custom bagging of various parts where they group several parts and quantities into a common bag. Sorting Solutions is a one stop provider for all their customers' sorting and bagging needs.

First Merchants Bank's Mark Tillman and Indiana Statewide CDC combined for SBA 504 financing to help Sorting Solutions buy the land and two buildings the company has been leasing for years. The loan also pays for remodeling the buildings and constructing a 42-foot breezeway to connect the buildings. This loan allowed Sorting Solutions a convenient way to purchase the property and make improvements by not depleting the company liquidity and interrupting cash flow.

Berne is the county seat of Adams County, 35 miles south of Fort Wayne in northeast Indiana.

Significant demand exists for rental self-storage units in Central Indiana, and the new Square Box Storage is rising to meet the need.

Keith Dedrick and John Kirby own Square Box, and they worked with Elliott Somers of Citizens State Bank for a SBA 504 loan to buy nearly 10 acres of land just off I-69 in Pendleton, IN. They built a



large self-storage facility; 791 units 438 of which are climate-controlled, 257 non climate-controlled and 96 units are large enough for RV's and boats.

Square Box has more climate-controlled units than any of the other several self-storage companies in the area.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate financing for

**Square Box Storage**  
Pendleton, IN

In participation with  
**Citizens State Bank**  
Fishers, IN



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# Indiana Statewide Certified Development Corp.

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As customer orders increased and grew larger (at least five industrial customers order \$100,000 per month) steel parts manufacturer IGH Fabrication ran out of room.

IGH's Scott Nirider obtained SBA 504 financing from The Farmers Bank and Indiana Statewide CDC to buy an existing building next door to the company's plant in Lebanon. The proximity allowed IGH to move a laser cutter next door and begin production immediately...plus added employee parking came in handy.

Kendra Chastain of The Farmers Bank says, "IGH Steel has grown tremendously since the Nirider family started it in 2009. Their 504 loan offered them a long term fixed rate to hedge a portion of their debt in a rising rate environment. In addition they were able to make a couple of extended life machinery purchases, which will aid the company's efficiency for years to come."

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**IGH Steel**  
Lebanon, IN

In participation with  
**The Farmers Bank**  
Frankfort, IN



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**Hyatt Place Hotel**  
Evansville, IN

In participation with  
**German American Bank**  
Jasper, IN



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After the Ford Center, a sports and entertainment arena, opened in downtown Evansville a few years ago, a marketing study confirmed what most people already knew...that the city needed more spaces for visitors to stay.

And since it opened two years ago, the 139-room Hyatt Place Hotel has met the need. After several construction delays — due to slow material shipments and the pandemic — the Hyatt Place is a place from where families and business travelers can step out — usually on foot — for the Ford Center, the Koch Family Children's Museum, Evansville Museum of Art, History and Science and the Bally Evansville Casino.

Owner Hemang Shah worked with German American Bank to receive SBA 504 financing that funded the hotel's construction.

Dan Collignon of German American says, "There were many delays in completing this project but the SBA 504 loan worked out very well and the hotel is successful."

About 35 people are employed at the Evansville Hyatt Place. German American Bank provided SBA 504 financing several years ago to Shah for a hotel in Anderson.



The Primrose School of Bargersville is located in a growing residential, shopping and work area that is home to families with young children. Primrose Schools is a national movement that built its reputation by day care based on education activities for more than 30 years.

The principal owner and operator of the Bargersville Primrose, Jessica Schmollinger, brings several years of early childhood education experience to her new school. Her parents, Dave and Rhonda Tutton are also involved. Dave owns Empower Learning, an education technology company. Rhonda ran a successful small business for 12 years and will help with bookkeeping at Primrose.

Schmollinger obtained SBA 504 financing to buy two acres of land and build her new, 11,617 square-foot school. Katie Smardo of National Bank of Indianapolis brought the project to Indiana Statewide CDC for the SBA 504 loan.

Primrose Bargersville enrolls nearly 200 students and has about 50 employees.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**Primrose Schools**  
Bargersville, IN

In participation with  
**The National Bank of Indianapolis**  
Indianapolis, IN



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# Indiana Statewide Certified Development Corp.

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Since Frank Green and Brett Hodges started Awning Innovations in 1999, the company has grown to dominate the wholesale awning and channel lettering sign business.

Green and Hodges used the SBA 504 financing to expand the company. This SBA 504 loan from Lake City Bank and Indiana Statewide CDC is to buy and expand their manufacturing building near McCordsville, northeast of Indianapolis. Awning Innovations (AI) currently employs 140 people at its McCordsville location and plans to hire 45 more when renovations are complete.

Greg Lentz of Lake City Bank says, "Awning Innovations is taking advantage of their SBA 504's low down payment and fixed interest rate to plow more cash into this renovation project. They are doing what they've always done, and that's lead their industry by thinking ahead and taking action."

Green says, "The SBA 504 has been a good building tool for us. We can do more with the 504 than with other business financing."

Awning Innovations' plants in McCordsville, Fishers and Greenville, North Carolina employ about 190 people.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Awning Innovations**  
McCordsville, IN

In participation with  
**Lake City Bank**  
Indianapolis, IN



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**Midas**  
Frankfort, IN

In participation with  
**Centier Bank**  
Indianapolis, IN



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**Cambridge Capital Management Corp.**



Jeff Wishek recently opened his Midas shop in Frankfort. He also owns the Midas in Crawfordsville and seven others. Wishek obtained SBA 504 loans from Centier Bank and Indiana Statewide CDC for his Frankfort and Crawfordsville Midas stores. He says, "We appreciate the support of

**Brad Duncan at Centier and the CDC in helping us grow. It is a great partnership and we look forward to our next projects together."**

Midas has charged batteries, sold tires, put on brakes and changed oil since 1956, serving millions of customers who drive all kinds of vehicles. Still, Midas prides itself on its thousands of local owners such as Wishek.

Wishek says, "We have 50 employees at our shops (Five in Frankfort), and they know many of their local customers. They see them at the grocery, a movie or ball game. So, we're local all the way. The Midas brand is a winner for us. Midas offers lifetime pads, shoes, mufflers, struts and shocks. We also now have digital vehicle inspections to send photos and videos to customers." This makes the process quick and efficient.

Centier's Brad Duncan says, "These projects allow Jeff and his holding company to grow their footprint and control their own real estate. From the bank's point of view, we are glad to help facilitate the transaction and give him the best opportunity to buy the real estate with the least amount of up front capital."



The chatter of play at Shine Pediatric Therapy in Northwest Indianapolis is really the serious work of learning for children ages birth-to-seven years.

The children at play have been diagnosed with autism or other developmental disorders. The attentive staff helps each child with therapy specific to his or her needs: ABA, occupations, physical and speech therapy.

Shine Pediatric Therapy was founded in 2022 by Courtney Dubai and Miles Hodge.

They worked with Tom Kriebel of First Merchants Bank on a SBA 504 loan for buying property and building the facility.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Shine Pediatric Therapy**  
Indianapolis, IN

In participation with  
**First Merchants Bank**  
Lafayette, IN



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# Indiana Statewide Certified Development Corp.

2nd Quarter 2023



Many Indiana banks use SBA 504 loans from Indiana Statewide CDC to help small-business owners convert their leased buildings into owned assets.

SBA financing from GBC Bank and Indiana Statewide CDC recently helped a downtown Indianapolis dentist buy and expand the practice's office it had leased for a decade.

Laura Nance of GBC Bank says, "Buying their building is a good way for business owners to tell their customers that they are committed to their community for the long run. The SBA 504's fixed, long-term rate and low equity requirement help the business owners establish solid footing in their markets."

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Dental Practice**  
Indianapolis, IN

In participation with  
**GBC Bank**  
Greenfield, IN



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**Cambridge Capital Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

**W Athletics**  
Pendleton, IN

In participation with  
**First Merchants Bank**  
Anderson, IN



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**Cambridge Capital Management Corp.**

A lot of kids grow up wanting to be baseball players. Cal Wilson's dream included owning a baseball diamond.

His dream came true this year when Cal and his wife, Jody, opened W Athletics. It's an indoor baseball, softball and golf training center in Pendleton's Falls Park Sports Complex. W Athletics is 9,600 square feet under roof, and the staff includes Cal's brother, Ethan, a baseball instructor, and cousin Damon, a golf teacher.

The Wilsons partnered with First Merchants Bank to bring a financing solution to buy the land and construct the building, bringing the capable staff of Indiana Statewide CDC into the equation with a SBA 504 loan.

Christy Smith of First Merchant Bank says, "The SBA 504 loan program is a great way for W Athletics to capitalize on historically low interest rates for the entirety of their 20-year loan term. At the outset, W Athletics conserved cash with a 15-percent equity injection. We look forward to watching Cal and his company serve the youth of our community for years to come." Cal told the *Pendleton Times-Post*, "This is kind of always what I wanted when I was a kid, so that's how it kind of took shape."



It's a new look and more services for the Plymouth Veterinary Clinic. Jama Souder DVM, owner of the 60-year-old Clinic since 2018, says the remodeled Plymouth Vet Clinic includes more exam rooms, more efficient lab and pharmacy, a "much quieter" kennel area, and a "comfort room" for patients and clients in a non-clinical setting.

Dr. Souder's SBA 504 loan from Centier Bank and Indiana Statewide CDC funded the remodeling and helped her buy the building from the previous veterinarian.

Delays in construction pushed the project behind schedule. Dr. Souder says, "Because the project has taken so much longer than expected, the 504 loan certainly helps me in regard to interest rates. I wouldn't have been able to complete my vision for our remodeling with just a regular business loan."

Centier Bank's Bryan Olund says, "Centier recommended the 504 loan because the ten-percent equity requirement meant the purchase and renovation could happen at the same time. Otherwise, Dr. Souder may have had to wait several years for the renovation. The long-term low fixed rate on the 504 portion is an added bonus." Plymouth Veterinary Clinic's five veterinarians and 37 employees are the best friends of dogs and cats in and around Marshall County.



## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Plymouth Veterinary Clinic**  
Plymouth, IN

In participation with  
**Centier Bank**  
Mishawaka, IN



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Check out our website at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com)

# LYNX Capital Corp.

2nd Quarter 2023



## Brandi Davis-Handy elected to Board of minority business lender Lynx Capital Corporation

**Brandi Davis-Handy** of AES Indiana & Ohio is joining the Lynx Capital Corporation Board of Directors.

Davis-Handy is chief customer officer for US Utilities at The AES Corporation. Her office is in Indianapolis.

This is Davis-Handy's second time on the 14-member Lynx board.



Lynx Capital was formed in 1991 to provide growth capital and advice to minority-owned businesses in Indiana.

To qualify for Lynx financing, a firm must have been in business at least three years and possess the potential to grow and become a strong business and a good entrepreneurial role model in its community.

## LYNX Annual Board Meeting and Reception

The LYNX Annual Board Meeting and Reception is a great event giving Shareholders, Investors and Board Members of Lynx Capital the opportunity to meet and hear from the small businesses LYNX funding provides.

*Joselyn Kelley,  
J's Breakfast  
Club, Gary, IN  
Chareice White,  
CIFI,  
Hammond, IN*



*Cynthia, Larry (not Pictured) and Lauren Bates  
Hosted the LYNX meeting and reception at  
their Jewel Event Center  
Indianapolis, IN*

*Denise Herd,  
Herd Strategies,  
Indianapolis, IN  
Mike Staton  
Blue and Co.  
Indianapolis, IN*



*Cynthia & Frank  
Gardner, Ashley  
Collins,  
HG Metals,  
Indianapolis, IN*



*Hudson Hilton, HPC International,  
Crown Point, IN  
Matt Murphy. LYNX Board*



Located a few blocks east of Washington Square Mall, Education Depot of Washington Pointe serves families and children in and near Marion County's Warren Township. Founder Glenn Farmer chose the location when Education Depot opened six years ago because it's in the heart of the market he wants to serve. "We are bringing a new mix of products and services to families in the low-and-middle-income neighborhoods around us," he says,

Lynx Capital Corporation helped Education Depot purchase and remodel its building, and Lynx is stepping in now with new funding for growth capital. Lynx is also continuing its guidance relationship with Education Depot. Lynx's mission is to assist minority-owned small businesses in Indiana.

Farmer makes one point clear; "Education Depot doesn't do baby-sitting," he says. "We provide academic and cultural experiences," says Farmer. This includes mentoring programs, special community projects and character education. And every child, even the youngest, learns how to use computers. Teachers are all-important. "The most important thing our teachers possess is the passion to help kids move forward," he says.

Check out our website at

## LYNX Capital Corp

Provided Growth Capital for

**Education Depot**  
Indianapolis, IN



LYNX Capital Corp.  
is managed by:  
**Cambridge Capital  
Management Corp.**



## **Eric Harvey named to board of small-business lender Indiana Community Business Credit Corp.**

Eric Harvey of Fifth Third Bank is a new board member of the Indiana Community Business Credit Corporation (ICBCC), a lender to Indiana small-business owners.

Harvey is senior vice president and manager of commercial lending at Fifth Third Bank. He is based in Indianapolis.

ICBCC manages a pool of risk capital contributed by nearly 30 member banks from across Indiana.



Loans from the pool provide growth and working capital to small firms in addition to conventional financing. The so-called “mezzanine” funding helps small firms step up to qualify for more traditional funding.

Harvey joins the 13-member ICBCC Board that includes bankers from around the state and two representatives of the offices of State Treasurer and the State Department of Financial Institutions.

## **Mezzanine Financing—How a “mezzanine” step is a big one**

A mezzanine is a partial-story between two floors of a building. It’s another floor that helps you step up to the next level. In finance, it is the capital that sits between the equity provided by the owners and the senior debt provided by the bank. More than 190 Indiana companies have taken that step up with the Indiana Community Business Credit Corp. and its pool of mezzanine capital. The pool is funded by Indiana banks. Using this source of capital, the Credit Corp. has provided more than \$75 million to growing Indiana companies.

There’s no one way to describe the varied companies that receive the Credit Corp’s mezzanine loans. But here are a few:

A Northern Indiana architectural firm got working capital and equipment funding. It designed and built a major renovation of South Bend Regional Airport and the Indiana Toll Road, among other projects.

A local Indianapolis coffee roaster received equipment funding that helped expand production and increase its market reach to supermarkets and restaurants in the Midwest.

Working capital from the Credit Corp. assisted a Central Indiana home health care provider while it used other funds including SBA 504 financing for construction.

You get the synergy (the interaction of two or more forces to create an outcome greater than the sum of their individual efforts). The Credit Corp and partner banks work together — and sometimes in tandem with other funders — to assure that Indiana’s small companies have the best chance to prosper.

**“ICBCC has been a successful partner in driving business growth for Indiana entrepreneurs for a number of years. The team at ICBCC does tremendous work collaborating with ownership to strategically implement capital structures that facilitate revenue generation & profitability. As a long time member of the Credit Committee I have seen first hand how impactful this capital allocation is for these entrepreneurs and their companies. I look forward to witnessing more successful outcomes as a result of ICBCC’s efforts in the marketplace.”**

Greg O’Connor— SVP & Director, Diversified Industries Group, BMO Commercial Bank

Who: The Indiana Community Business Credit Corp.

What: A pool of small-business capital from Indiana member banks.

Why: To meet the need for medium and long-term growth financing for promising firms which could not qualify for conventional loans.

How it works: The Credit Corp takes a subordinate collateral position, participating in projects that need at least \$200,000 in total new financing. The Credit Corp can provide \$100,000 - \$750,000 but not more than 50% of the project financing.

How to start: Bank members, call the Credit Corp at (317) 843-9704 (Ext. 124) or visit [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com). Business owners, reach the Credit Corp. through one of our bank members that are listed on the website.



## **Harvest Square Plaza Brings First Area Laundromat in Decades Thanks to Their Community and CIFI**

Back around 2018, Rev. Maurice White looked out at the neighborhood surrounding his Beyond 4 Walls Christian Ministry. He saw a food desert and few jobs. “There was a need for job creation and new alternatives for food.”

Then, he says the Lord gave him a vision; a shopping strip called Harvest Square.



Rev. White asked businesses to have faith in a project that only he could see at that time.

Now, Harvest Square is a reality, rising on property owned by Beyond 4 Walls, Pastor White’s church. It brings a restaurant, pizza eatery, and other services. One of them is Blast Laundry, which is the first laundromat in the neighborhood in decades.

### Cambridge Capital Management Corp.

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504 Loan Calculator

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Cont’d—

A loan from Community Investment Fund of Indiana (CIFI) and other financing from the local branch of Horizon Bank were key building blocks for Harvest Square. And, here’s the thing, the local community stepped up to support their new local retail strip. Rev. White emphasizes that all of the money for a down payment to buy land adjacent to his church—about \$320,000—was given by his church’s 300 members. “I’m excited,” Rev. White says, with some justification. He had asked the local community to have faith in Harvest Square, and so far it has been given.

