

## FEATURE 504:

### Building Blocks Childcare and Learning Center, Brandon, SD



Building Blocks Childcare and Learning Center, located in Brandon, South Dakota, is one of First District Development Company's most recent clients to take advantage of a low, fixed interest rate with an SBA 504 loan. The 504 loan, in conjunction with a conventional loan offered by First Premier Bank in Sioux Falls, provided Building Blocks an attractive financing package featuring low, manageable debt repayment requirements, which in turn put an ease on their cash flow. Loan proceeds from the 504 and First Premier Bank loan were used to purchase an existing building and to improve the playground turf on the property.

Beth Hanna had a lifetime goal of owning her own childcare center. After working in all capacities in various childcare centers, her dream became a reality. In June 2011, Dan and Beth Hanna opened the doors to Building Blocks Childcare and Learning Center in Brandon, which Beth operates.

Building Blocks is a licensed childcare center for 150 children ranging in age from four weeks up to twelve years. When Beth opened Building Blocks in June of 2011, she had 50 children attending the center. By December 2011, the center was at capacity (150 children). Since reaching capacity in December 2011, Building Blocks has had a "waiting list" for every age group. Building Blocks is a preschool with extended care hours, and they are

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FDDC is an Equal Opportunity Lender,  
Provider, and Employer.

# Building Blocks Childcare and Learning Center

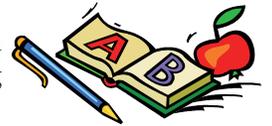
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open five days a week, 6 a.m. to 6 p.m. They have three certified education teachers on staff and currently have three teachers on staff going through CDA (Child Development Associates), with two more starting in January. It is the goal of Building Blocks to have certified teachers in each of their classrooms. It is also a long term goal of the center management to have their center become NAEYC (National Association for the Education of Young Children) accredited, which takes several years to accomplish. The center puts a very strong emphasis on their older preschool room in preparing the children to be ready for Kindergarten.

Building Blocks has year round daily activities for children of all ages. Beth and three other members on staff have their CDLs and the center owns two 65 passenger buses. The buses take the grade school children to and from school daily. Also the buses are used for all kinds of fun field trips throughout the year. Some examples of the field trips include the following locations: tours of stores, tours of fire stations, trips to parks, the children’s museum, baseball games, the pool and many other locations.

First District Development Company was happy to assist the Hanna’s and First Premier Bank with an SBA 504 loan on their childcare center. FDDC wishes Building Blocks Childcare and Learning Center continued success in their business adventures.



YOU ARE CORDIALLY INVITED TO JOIN  
**FIRST DISTRICT DEVELOPMENT COMPANY**  
 TO CELEBRATE THEIR ANNUAL MEETING AND

# 30<sup>YEAR</sup> ANNIVERSARY

1983-2013

WEDNESDAY, NOVEMBER 13TH @ 11 AM  
 LUNCHEON

BEGINNING WITH A TOUR OF OUR CLIENTS,

**MONTGOMERY’S FURNITURE AT 11:00 AM**

1000 9TH AVENUE SE (HWY 212), WATERTOWN

**HOME TOWN BUILDING CENTER AT 11:30 AM**

620 10TH STREET SW, WATERTOWN

**RESUMING WITH LUNCHEON & MEETING  
 AT WATERTOWN EVENT CENTER AT 12:15 PM**

1901 9TH AVENUE SW, WATERTOWN

**RSVP VIA EMAIL OR PHONE:**

AMY@1STDISTRICT.ORG OR KATIE@1STDISTRICT.ORG

AMY OR KATIE 605.882.5115

PLEASE INDICATE NUMBER ATTENDING

MEMBERS & NON-MEMBERS ARE INVITED



## FDDC FY 2013 Loan Activity

First District Development Company's fiscal year 2013, October 1st to September 30th, ended strong for both number of loans and dollar amount of loan funds distributed in one year for our Certified Development Company. In addition to providing SBA 504 financing to small businesses, FDDC currently retains or manages ten (10) revolving loan funds that businesses can access for financing.

### FDDC's Financing Totals for FY 2013

Total Dollar of Loans	\$13,970,250
Total Number of Loans	21
Total Jobs Created	146.5
Total Project Impact	\$31,989,537

All of these funds are used in conjunction with local lender financing and other regional funds to assist businesses that create or retain employment opportunities (or enhance rural development) as a result of their projects. In 2013, our projects impacted a large geographic area in South Dakota and a wide range of businesses including storage units, a campground, a daycare and an ag chemical applicator.

*The FDDC team would like to thank all of their lending partners and clients for assisting us with another successful year!*

## Fund Available for Businesses

First District Development Company/First District Association of Local Governments currently manage or retain ten (10) revolving loan funds that businesses can access to fund new business construction projects, existing business purchases, or expansion projects. **In total, we currently have approximately \$2 million available to lend out.** Each fund has specific geographic areas that it serves.

All of these revolving funds are used in conjunction with local bank financing to assist businesses that create or retain employment opportunities as a result of their projects. Some of these funds can also be used to finance community projects that will ultimately assist a small business. Generally used for smaller projects, the maximum available to one borrower is \$250,000. For more information on these programs, contact FDDC.



- 1. Contact FDDC** – to discuss eligibility to receive SBA 504 financing and the best possible loan structure.
- 2. Submit an Application** – the application form is available on our website: [www.1stdistrict.org/fddc/](http://www.1stdistrict.org/fddc/). A checklist of items that need to be attached are listed on the application.
- 3. Loan Approvals** – once FDDC has a completed application, the FDDC Board of Directors will review it. Our Board meets as needed and reviews applications as soon as possible. After the FDDC Board approves, the application is sent on for SBA credit approval. Estimated time frame is 2-3 weeks for both FDDC's and SBA's credit approvals. If applicable, SBA must also review any franchise agreements, appraisals, and environmental reports.
- 4. SBA Loan Authorization** – upon approval the authorization is issued and assures the lender and borrower that SBA will provide take-out financing.
- 5. Interim Financing** – whether the project involves construction, remodeling, or just a purchase, there is always an interim period between the time of SBA's approval and funding – a minimum 45-60 day process.
- 6. SBA Closing** – FDDC prepares the SBA documents, obtains signatures, and requests all other documents necessary for closing. The documents are then reviewed by FDDC's and SBA's attorneys.
- 7. Bond Sale** – all SBA 504 projects are pooled together nationwide and bonds are sold to fund the projects once each month. At this time, the rate is set for the 504 projects funding during the month and the interim lender receives a wire to fund the 504 portion.
- 8. Servicing** – FDDC services the SBA 504 loan until it is paid in full. Any questions or servicing actions will continue to be handled by the FDDC team.

FDDC prides themselves on being very organized with continual communication with the lender and the borrower throughout the process.

**Give us a call to get started on your next daunting project!**



# 504 Funding Summary

October 2012 - October 2013

Sep	2012	3.49
Nov	2012	3.52
Jan	2013	3.63
Mar	2013	3.71
May	2013	3.61
Jul	2013	4.42
Sep	2013	4.86

For October 2013, a total of \$359,451,000 twenty-year debentures (or 564 loans) were funded through the sale of certificates guaranteed by SBA.

Rates shown are full term effective rates, which include all monthly service fees. 10-Year Debentures are sold every other month and generally the proceeds are used for equipment purchases. 20-Year Debentures are sold monthly and the proceeds are used for real estate acquisition and/or construction.

Oct	2012	4.26
Nov	2012	4.17
Dec	2012	4.01
Jan	2013	4.21
Feb	2013	4.29
Mar	2013	4.30
Apr	2013	4.16
May	2013	4.15
Jun	2013	4.53
Jul	2013	5.23
Aug	2013	5.24
Sep	2013	5.70
Oct	2013	5.45

***Be FIRST to get it FIXED!***

