



Portfolio News®

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

Cambridge Capital
Management Corp.

First Quarter 2023

504 financing for new fixed asset projects or to refi existing debt

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Here's a question for bankers: who in your business loan portfolio can you help with a fixed-rate 504 loan?

Your business borrowers with floating rate debt may be thinking, "I've watched the Fed raise rates — and raise it again and again. This drives up my loan payments and hurts my budget. How can I get off this escalator?"

We expect interest rates will increase three more times in 2023, by .25 percent each time. Some of your borrowers (or someone else you can help) may be prime candidates for a SBA 504 loan that will fix their rate.

If their current debt is at a floating rate (this describes many 7(a) loans), and if 85 percent of the proceeds were originally used for land, building or equipment, we can likely refinance it with a 504 loan.

If you scan your portfolio for these type of opportu-

nities, you might be able to bring additional value to your lender/borrower relationship by doing what is best for the borrower.

The 504 rates continue to be below prime. What if the rates fall in the future, as some think they may, beginning in 2024? We can work with you to refinance the 504 with another SBA 504, fixed at a lower rate.

The 504 continues to be an excellent way to help your clients maintain control of their budgets by protecting themselves from higher loan rates.

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Please call our office at
317-844-9810 ext.
129 and Jenny can answer
any questions
you have regarding
financing .

Effective Interest Rate

<u>2022</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
January	6.166	6.282	6.313
February	—	5.988	6.015
March	6.784	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.

Indiana Statewide CDC

*SBA's Average Turnaround Time
as of 3/13/23*

Standard 504	2.2 Bus. Days
Debt Refi 504	3 Bus. Days
Environmental	2 Bus. Days
Servicing	2.6 Bus. Days

For all your 504 financing needs .

Indiana Statewide Certified Development Corp.

1st Quarter 2023



In 2021, Maximus Logistics launched its manufacturing facility in Lafayette.

At the time, CEO and President Sam Bazzi said, “This is a ground-up project to support manufacturing for the commercial trailer industry.”

The promise is better service for customers, including companies who have been buying Maximus parts for 16 years.



Financing for the project came from Centier Bank and five Cambridge Capital entities. The loan package helped Bazzi install a robotic equipment line, and provided short-term and permanent working capital for Maximus. With Centier in the lead, the package was assembled

by Lynx Capital, Indiana Community Business Credit Corp., the Community Investment Fund of Indiana, Cambridge Ventures L.P. and Indiana Statewide CDC.

Bazzi says, “**This is very good financing. This helps us reach our goals.**”

In 2023, Indiana Statewide CDC and Centier Bank provided two SBA 504 loans for new equipment and an expanded manufacturing line for its Flexible Automated Cell project. The addition improves productivity and capacity of the automation line.

Kevin Broadstreet of Centier says, “**These SBA 504 loans from Indiana Statewide CDC were the deal-maker. It was critical for the success of getting together all the other elements of Maximus’ expansion packages.**”



Private process serving companies locate and deliver legal documents to sometimes unwilling recipients. Evolution Process Service Co-Owner Jillian Newkirk says, “We deliver legal

documents for attorneys, collection agencies, government entities and individuals in many types of cases, such as subpoenas, summons and complaints, demand letters, or petitions.” Evolution Process bills a flat fee to clients, with no extra charge for mileage, affidavits or return attempts.

Evolution Process Service is based in Indianapolis and reaches all 50 states, unlike public process serving agencies, such as local sheriff’s offices, that may be geographically limited.

Evolution Process and its Co-Owners Newkirk and Christina Gregory bought and remodeled a small, existing commercial building along Keystone Avenue in Indianapolis to serve as Evolution Process’ new national headquarters. The project was financed by a SBA 504 loan from American Bank of Missouri and Indiana Statewide CDC

Indianapolis’ central location aided in Evolution Process’ decision. The 20-year-old company has six full time employees, 26 Process Server contractors in Indiana, and hundreds of third party contractors throughout the U.S.

“**The SBA 504 loan’s low down payment helped Evolution Process spend more for its building than it might have with a conventional loan.**” Newkirk says.

David Will of American Bank says, “**We liked the loan opportunity because Jillian has a track record of success, and the purchase of a commercial property is the natural “evolution” (pun intended) of a business that is successful.**”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

Maximus Logistics
Lafayette, IN

In participation with
Centier Bank
Lafayette, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

Evolution Processing
Indianapolis, IN

In participation with
American Bank
St. Louis, MO



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Indiana Statewide Certified Development Corp.

1st Quarter 2023



Construction/remodeling activity on Anderson's west side is converting a former manufacturing building into the U.S. headquarters of Luxxeen Canada. From the 1800 block of West 18th Street in Anderson, Luxxeen America will manufacture and distribute facial tissues, their boxes, and other cleaning and hygiene products.

Creating Luxxeen America is a strategic move by Luxxeen Canada. Since opening in 2014, Luxxeen has built relationships with customers, retail stores, suppliers and distributors — mostly in the U.S.

Products may carry the Luxxeen name, or a store brand. Nearly ten new jobs will be created in Anderson when the plant opens.

The SBA 504 project for Luxxeen America has two loans from Stockyards Bank & Trust and Indiana Statewide CDC to finance buying and remodeling two buildings at the site and buying new equipment, says Luxxeen America's U.S. president, Hamid Dalir.

Stock Yards Bank's Isabel Hawkins says, "The SBA 504 is a great program. Our deal had many components and the 504 was great for each piece. And, we appreciate Indiana Statewide for working with us."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

Luxxeen
Anderson, IN

In participation with
Stock Yards Bank & Trust
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

Foppers Pet Treat Bakery
Logansport, IN

In participation with
CIBM
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.

A phone call from Bentonville, Arkansas in 2021 opened major markets for the home-based Logansport company, Foppers Pet Treat Bakery, started in 2004. The caller was Michelle Leffert, Foppers' founder and co-owner. She told her husband Clark (also co-owner) that Walmart had just agreed to carry Foppers' plain and iced biscuits, chewies and other treats.

Even before Walmart, Foppers grew by selling to mom & pops and larger shops. Clark's 30+ years of manufacturing experience are key to Foppers' ability to handle more production and sales. Now, Walmart, PetSmart, Dollar Tree, General Dollar and more than 20 other mass stores stock and sell Foppers pet goodies. Foppers' 35 employees run three shifts a day. They mix, bake, inspect and ship in two buildings totaling 75,000 square feet.

The Lefferts are planning their next expansion. They secured two SBA 504 loans from CIBM Bank and Indiana Statewide CDC to refinance the buildings and equipment, and help buy new equipment.

CIBM's Dawn DeRidder says, "Financing Foppers' project with 504 loans makes sense. The company's long-term fixed rate allows them to maintain consistent debt service in a rapidly changing interest rate environment. They can more effectively plan for growth and utilize their cash as they grow. The new equipment will facilitate the growth and will provide for additional capacity to increase revenues in the future."



Credence Planning Group is a financial advisory firm focused on long-term relationships with people in or near retirement. Co-owner Todd McClure says, "We create a plan for clients and then manage their investments and insurance to help accomplish their financial objectives." McClure and co-owner Jeremy Cook head a nine-person team. McClure and Cook are also advisors for Northwestern Mutual, the insurance provider for Credence Planning.

Cook and McClure obtained SBA 504 financing from First Farmers Bank & Trust and Indiana Statewide CDC to construct Credence Planning's new home. It's a 6,000 square-foot, two story, columned brick office building in Zionsville. McClure says the company started in 1999 and its new HQ is, "The first quality working space our team has had."

McClure adds, "We are thankful for the SBA 504's long-term fixed rate. That will be very beneficial to us."

Alec Downing of First Farmers Bank says, "The interest rate volatility over the past few years proves the SBA 504 loan's efficacy at helping our customers secure their futures. We're proud to partner with Credence Planning Group in this project as they continue to grow and serve Boone County and beyond. This project is a perfect example of why the SBA 504 program is a great opportunity for any customers who are looking to grow their business by purchasing new fixed assets."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate and equipment financing for

Credence Planning Group
Zionsville, IN

In participation with
First Farmers Bank
Converse, IN



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Indiana Statewide Certified Development Corp.

1st Quarter 2023



MITCH CRAIG HEATING & COOLING

Mitch Craig overcame a tech school teacher's discouraging words to establish a successful heating and cooling company in Southern Indiana. Craig adds, "I was discouraged and did not finish that program."

That was twenty years, odd jobs and a layoff ago. In 2010, he says, "I started out on my own and got a van lettered up to make it official. By word of mouth, I gained more and more customers, which was a blessing." Craig hired people as work increased. They outgrew several rented buildings.

Today, Craig and his wife, Jennifer, own Mitch Craig Heating and Cooling, an established, respected HVAC service and installation company that employs 22 people. The company sells, installs and services residential and commercial customers in Southern Indiana and the Louisville Metro.

Craig says, "We purchased our first building with the help of the SBA 504 loan and took possession January 1, 2023." The building is in Sellersburg. First Savings Bank and Indiana Statewide CDC provided the loan.

Michael Elles of First Savings Bank says, "Mitch and Jenni are thoughtful people with a clear vision of what they want to accomplish."

Craig says, "The SBA 504 process seemed very daunting to me. But Mike Elles and his assistant at First Savings Bank and the Indiana Statewide CDC made the process go smoothly. I was actually surprised at how much easier it was than I was originally thinking."

Craig adds, "We like the flexibility of the SBA 504 loan. We were able to put down 10 percent, versus 20 percent for a conventional loan. We also get a lower interest rate and fees. This building has endless opportunities for growth, and we plan to make this our home for good. We are so thankful for our employees and their hard work. None of this would be possible without them."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate financing for

Mitch Craig Heating & Cooling
Sellersburg, IN

In participation with
First Savings
Jeffersonville, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate financing for

People's Brewing Co.
Lafayette, IN

In participation with
Centier Bank
Lafayette, IN



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Cambridge Capital Management Corp.

Christopher Johnson (and 17 silent partners) opened Peoples Brewing Company in downtown Lafayette in 2009.

Starting with a few beer recipes and big dreams, Johnson converted a warehouse into a production microbrewery and taproom. Peoples contracted with six distributors to supply restaurants and stores throughout most of northern and western Indiana. Peoples Brewing supports this growth with a variety of beers, including two that highlight Peoples' ties with Purdue University: proceeds from selling Boiler Black Ale and Boiler Gold Ale go to the Purdue School of Agriculture Food Science program.

Then came the Pandemic. Now, SBA 504 financing from Centier Bank and Indiana Statewide CDC is boosting Peoples' recovery.

Centier Bank's Kevin Broadstreet says, "The 504 program provides a tool that Centier Bank is using to help mitigate the difficulty of the past two years while also providing a strong financing package for the future of Peoples Brewing."

Johnson says, "The SBA 504 is helping our company refinance buildings and equipment to continue growing our distribution and production. We are also expanding our retail through a new taproom/restaurant location in Lafayette, called Krug Corner Pub."

Johnson adds, "Indiana Statewide Development Corporation and Centier Bank are great to work with. The loan is giving us an opportunity to get back on track (from the Pandemic) with where we were and continue to grow."

Johnson expects Peoples Brewing's 22-employee roster will grow by 6-8 people in 2023.



Indiana Statewide Certified Development Corp.

1st Quarter 2023



“Functional and aesthetic medicine” seeks to restore health by addressing root causes of each person’s disease.

Owners of a functional and aesthetic medicine practice in Hamilton County obtained a SBA 504 loan from Community First Bank of Indiana and Indiana Statewide Certified Development Corporation to finance a new building in Noblesville’s Washington Industrial Park. At 6,500 square feet, it will be four times larger than the practice’s leased building in downtown Noblesville.

Community First Bank’s Duane Kamminga says, “**Locking in a long-term, fixed rate is a big boost for this project. The SBA 504 process is always better when you have a good borrower who knows what they are doing.**”

The practice’s 25 employees work at two locations: Noblesville and Center Grove.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Health and Wellness Company
Noblesville, IN

In participation with
Community First Bank
Westfield, IN



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Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Extra Transportation & Logistics
Indianapolis, IN

In participation with
First Merchants Bank
Greenwood, IN



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Cambridge Capital Management Corp.

Indianapolis touts itself as “Crossroads of America.” Extra Transportation & Logistics puts meaning into that identifier. From its departure point on Indy’s Southside, Johnny “Rusty” and Deborah Russell’s 27-truck fleet carries freight to customers located mostly in the Midwest.

The Russells founded Extra Transportation in 1994 with 3 trucks. Now, they are using a SBA 504 loan to build a new 10,000 square-foot office, warehouse and truck repair station. The new building will also house two related subsidiary companies. Additionally, the SBA 504 loan is helping the Russells refinance the purchase of the ten-acre property for the new building; it’s also where their current office and truck lot are located. First Merchants Bank and Indiana Statewide CDC are providing the SBA 504 loan. Extra Transportation has 29 employees and expects to add more when it is fully operating in its new building.

William Boyd of First Merchants Bank says, “**Rusty and Debbie are exceptional business owners and even better people. This loan is helping a great customer of First Merchants Bank achieve a long-term goal that would have been possible only through using the SBA 504 program.**”



A yellow-and-red Midas sign is one of the most familiar commercial signs you are likely to see along the road. What you may not know is that someone who lives close to you might own your local Midas.

Yes, 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. Because of their Nationwide Lifetime Warranty on brake pads, struts, shocks & mufflers, Midas has begun to take even more market share within the automotive repair industry.

Jeff Wishek is a good example. Last year, Wishek took over the Midas store on the South side of Crawfordsville. He invested in a new roof, HVAC, shop heaters, rewiring, painting, new doors and outside signs. This year, Wishek closed on a SBA 504 loan from Centier Bank and Indiana Statewide CDC to buy the property. He now owns six Midas locations.

Brad Duncan of Centier Bank says, “**This project has allowed Jeff and his holding company, Touch of Gold, 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.**”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Midas
Crawfordsville, IN

In participation with
Centier Bank
Indianapolis, IN



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LODESTAR SUCCESS STORY



Helping manufacturers of engineered products gain a competitive edge; that's the service Lodestar Quality Engineering brings to its clients around the world.

Lodestar is based in West Lafayette and has an office in Pune, India. It employs 22 engineers, designers and quality control experts.

Back in 2017, Owner and President Prasenjit Roy knew that Lodestar was poised for growth and needed a capital injection to service a large contract for manufacturing collapsible storage boxes the company had designed. Lynx Capital Corporation and the Community Investment Fund of Indiana (CIFI) assisted.

Roy says, "With the funds made available by Lynx and CIFI, Lodestar was able to purchase raw materials in bulk to start the manufacturing of storage boxes. We finished production of 96 storage boxes of an order value to over \$350,000 on time. The funding not only allowed us to get the project off the ground, but also enabled the company to start the process of growing the business."

More recent projects include redesigning vacuum pumps and a customizable light trailer. Both of these projects created successful, marketable products for their manufacturers.

In early 2023, Lodestar completed its repayment schedule with Lynx and CIFI.

LYNX Capital Corp
Provided Growth Capital for

Lodestar
Lafayette, IN

In participation with
First Merchants Bank
Indianapolis, IN



ICBCC managed by:
Cambridge Capital Management Corp.



Grow Indianapolis Fund

1st Quarter 2023



New Market Tax Credits fuel banks' outreach to distressed areas

Many people may have heard of New Market Tax Credits. This program of the US Treasury is used to entice investors to do projects located in underserved markets. Often, they are used for very large projects due to their cost and complexity.

Cambridge Capital Management Corp. has partnered with the City of Indianapolis to create effective small loan pools utilizing some of the city's New Market Tax Credit allocation.

The first, the *Grow Indianapolis Fund*, was established several years ago for companies located in census tracts that meet the criteria of distressed or severely distressed areas. Cambridge identified companies meeting the criteria and has now fully de-

ployed these funds by providing over \$12 million to nine companies.

Then came the *Grow Indianapolis Fund II*, which is also a Cambridge and City partnership. Similar to the first fund, Fund II has fully deployed over \$10 million to eight companies.

These companies have included, among others: a manufacturer employing local residents to produce currency changers for coin-op businesses and walk-in coolers for food distributors and restaurants; a processor that bought and renovated a Catholic school to house its company and allow them to employ people from the neighborhood; and a strip center anchored by a grocery store in a food desert.



Cambridge is now embarking on a third small loan pool that reaches state-wide. This fund — *Grow Indiana Fund* — has approximately \$6.8 million available for companies located in distressed or severely distressed census tracts. This fund provides capital to companies that are employing people identified as under-employed as a result of having less than a college education.

Jean Wojtowicz president of Cambridge Capital Management Corp. says, “These funds have assisted many companies in distressed communi-

ties to continue to grow and employ individuals from those same communities. We always try to partner with our banks to find solutions for companies the banks are trying to serve. We hope that our banks will not say ‘no’ to companies, but instead, say, ‘no, but we might be able to find another solution.’

“Every one of us at Cambridge Capital Management looks for a creative solution to meeting a company’s capital needs.”

Cambridge Ventures L.P.



Heightened security concerns are spurring growth for Oak Security Group. The company's mission is to protect employees, customers and visitors to schools, universities, hospitals, large corporations and government installations. Oak Security Group's more than 2,000 customers include 250 universities and 300 schools.

News events bring their challenges into sharp focus. Oak Security's development engineers are working to live up to the company's reputation for marketing new products.

A recent result: a lighted security handle on the inside of a classroom door. The red light flashes during a lockdown situation, providing visible assurance to persons inside the classroom.

New product sales are driving record revenues for Oak Security. December 2022 was the best December in the company's history. This was followed by a record January 2023.

Cambridge Ventures L.P. provided working capital and other essential funding for Oak Security in 2014. Upon the loan's maturation in March 2023, CVLP is providing additional funding to assist further development and help Oak Security fund its growth.

Oak Security was formed in 2004 by the senior management of the former Best Lock Company, two years after Best was purchased by Stanley Tools.

Cambridge Ventures L.P.
Provided Growth Capital for

Oak Security Group
Indianapolis, IN



CVLP managed by:
Cambridge Capital-
Management Corp.

Cambridge Capital Management Corp.

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Community Investment Fund of Indiana



The Long Run LLC

Though it's only a year old, The Long Run aims to be in business for the long haul.

The Long Run is woman and minority-owned trucking and delivery service licensed in all 50 states and based in northeast Indianapolis. The company is designated as an A-graded company through the Amazon Relay Carrier program.

The Community Investment Fund of Indiana (CIFI) is funding The Long Run's purchase of two new trucks and related equipment upping her fleet count to five.

President and Managing Member Lisa Day says her company has six full-time and two part-time employees, and plans to add about six more people this year.

