



DOT Biz Journal

The official publication of the U.S. Department of Transportation's Office of Small and Disadvantaged Business Utilization

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National Economic Council Report Documents Impact of the Administration's Efforts to Support Small Business

In May of this year, the President's National Economic Council released a report, titled "Moving America's Small Business & Entrepreneurs Forward," which documents the many different initiatives and programs targeted to support small businesses that the Obama Administration has put in place or proposed since taking office in 2009. These include implementing a number of tax cuts, improving access to small business loans and capital, cutting red tape, and supporting entrepreneurship. This report documents the contribution these efforts have made to improve the American economy.

Since taking office, President Obama and his team have worked around the clock to move the economy forward and invest in small businesses and entrepreneurs so

they can do what they do best—take risks, develop new ideas, grow businesses, and create new jobs. Just a few of the Administration's accomplishments cited in the report include:

- **Signed in to law 18 tax cuts that directly help small businesses.** This includes new tax credits for hiring unemployed workers and veterans, and allowing small businesses to write off the full cost of new investments in things like new machines and computers against last year's taxes. In September 2010, he signed the Small Business Jobs Act, which included eight new small business tax cuts that, among other forms of tax relief, extended accelerated bonus depreciation for two million businesses, making investment and growth more affordable; made investments

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Bonding Education Program Passes \$120 million in Bonding Capacity

Since the July 2010 inception of the Bonding Education Program (BEP), a joint effort of the U.S. Department of Transportation (DOT) and The Surety & Fidelity Association of America (SFAA)—hundreds of small, women, and minority contractors have completed BEP workshops and many have obtained bonding or are set to receive bonds totaling over \$123 million. The program helps small and disadvantaged businesses qualify for surety bonding so they can participate in transportation-related contracts.

During the summer of 2010, DOT kicked off the program in three locations. Fifty contractors completed the workshops in Chicago, Atlanta, and Dallas. Total bonding in Dallas alone is over \$37 million to date. In 2011, over two hundred contractors completed the BEP in 10 cities throughout the country, resulting in \$69.4 million in total bonding. Nine of the 14 programs planned for 2012 have been completed with impressive results—138 participating contractors and \$17 million in bonding to date.

One of the highlights of the BEP has been the successful outcome for participating Denver contractors, with bond amounts totaling \$21 million in 2011 and \$14 million in 2012. The program participants are benefiting from the area's job boom. The Association of General Contractors reported that from February 2011 to February 2012, the Denver-Aurora-Bloomfield metropolitan area had the most construction job gains out of 171 metro areas in the US that added jobs during that time.

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Update on Participating Lenders in the Short Term Lending Program

OSDBU is pleased to issue this update on our Participating Lenders for the Short Term Lending Program (STLP). The STLP offers small businesses an opportunity to secure the capital they need to participate in transportation-related contracts. The STLP is a federal government guarantee program that provides accounts receivable financing up to a \$750,000 maximum loan amount.

EAST WEST BANK

OSDBU is in the process of further expanding regional East West Bank locations that provide STLP lending assistance. The current goal is to initiate loans with East West Bank through establishing a liaison in the Southwest region.

Forbes Magazine ranked East West Bank as the 6th best bank in the country in 2011 and East West Bank continues to be one of the largest independent banks headquartered in California. It is among the 30 largest banks in the country with over 300,000 customers.

PEOPLEFUND

PeopleFund is a registered 501(c)(3) nonprofit, founded in 1994 and is a certified Community Development Financial Institution (CDFI). PeopleFund's mission is to create economic opportunity by helping people build healthy small businesses and achieve financial security and independence. The target market includes minority-owned businesses, women-owned businesses, and low to moderate income communities.

PeopleFund has also participated in the Community Development Block Grant (CDBG) program provided by the US Department of Housing and Urban Development since 2004 and has been participating in the SBA lending program since March, 2011. In addition to lending, PeopleFund provides wide-ranging business education and counseling services to small business clients.

This June, PeopleFund is running the JET program, which allows junior entrepreneurs an opportunity to learn hands-on skills in designing a business plan, creating a marketing strategy, using Quickbooks software as well as managing their own business. The program reaches out to local high school students surrounding the Austin, Texas area.

UMPQUA BANK

Umpqua Bank, one of the newer OSDBU banks, has been a valuable member in our Short Term Lending Program. Umpqua is a state chartered bank, originally started in Oregon, in 1953, by a group of community businessmen in the timber industry. Umpqua Bank is the Pacific Northwest's largest community bank and is a full service commercial bank and lender offering conventional commercial loans, SBA loans, liens of credit, and construction loans.

Currently, Umpqua Bank has a total of 78 offices in Oregon, 74 offices in Northern California, 29 offices in Washington State, and 5 offices in Nevada. Total asset size is \$11.8 Billion, making it the third largest bank to join the Short Term Lending Program.

In January 2011, Umpqua Bank announced that it was launching a new Business Banking Division to increase their lending to small and mid-sized companies, recognizing that small businesses are critical to our national economy. Specialized small business banking teams are located in Eugene Portland; Seattle, WA; San Francisco, CA; and Sacramento, CA.

The *Portland Business Journal* has ranked Umpqua Bank as the Most Admired Financial Services Company in Oregon for six years in a row.

ACCION

Since 1991, Accion has specialized in working with small business owners who are not able to borrow from larger banks due to business type, a short length of time in business, or an insufficient credit history.

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Iowa DOT Releases Draft 2013-2017 Transportation Improvement Program

In May 2012, the Iowa Department of Transportation (IDOT) released the draft 2013-2017 Iowa Transportation Improvement Program Plan. The Iowa Transportation Commission and Iowa Department of Transportation (Iowa DOT) develop Iowa's Five Year Transportation Improvement Program (Five-Year Program) to inform Iowans of planned investments in the state's multi-modal transportation system. The Five-Year Program is typically updated and approved each year in June.

The Five-Year Program includes investments in aviation, transit, railroads, trails, and highways. The process of making the critical decisions about what investments will be made to preserve and expand the state-managed highway network is complex. It involves input from a wide range of individuals and organizations, and is based on an expansive programming process. The major steps in that process include:

- Identifying projects.
- Establishing programmatic objectives.
- Evaluating potential projects.
- Developing the final program.

Some of the planned funding in the different modes of transportation in the state includes:

Highway Program Objectives - For FY2013-2017, approximately \$2.6 billion is forecast to be available for highway right of way and construction. The highway section was developed to achieve several objectives. The primary investment objective is the modernization of Iowa's existing highway system, and its operational and safety features. More than half of the total funds for this period is planned for modernizing and maintaining Iowa's existing highway system and for enhanced highway safety features.

Iowa Statewide Transportation Enhancement projects are intended to go beyond the normal range of a transportation improvement project and include such projects as

- Facilities for pedestrians and bicycles
- Safety and educational activities for pedestrians and bicyclists
- Acquisition of scenic easements and scenic or historic sites, including historic battlefields
- Scenic or historic highway programs, including tourist and welcome centers
- Landscaping and other scenic beautification
- Historic preservation
- Environmental mitigation

\$5.3 million was awarded for projects in this category for Federal Fiscal Year 2013.

Traffic Safety Improvement Program funds can be used for traffic safety improvements or studies on public roads under county, city or state jurisdiction. Projects can be initiated by any incorporated city or county, or the Iowa DOT. Iowa DOT has approved 43 projects for FY 2013 totaling \$5.9 million.

Highway-Railroad Crossing Surface Repair Program promotes public safety at highway-rail crossings throughout the state. The program participates in the cost of surface replacement at public highway-railroad grade crossings. The annual allocation of funding is \$900,000.

Annually, \$1 million in federal-aid safety funding is used to rebuild public highway-railroad crossings with higher train and vehicle traffic. Federal funds pay for 60 percent of the project cost, with the

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U.S. Transportation Secretary LaHood Announces \$745.2 Million to Build Portland-Milwaukie Light Rail Line in Oregon

On May 22nd, U.S. Transportation Secretary Ray LaHood announced an agreement for the Federal Transit Administration (FTA) to provide \$745.2 million to the Tri-County Metropolitan Transportation District of Oregon (TriMet) for the Portland-Milwaukie light rail project, which will significantly expand transit options and create easier commutes between downtown Portland and the Milwaukie suburbs.

“Portland’s commitment to public transportation and its visionary light rail and streetcar services have made it one of the most livable, sustainable and economically vibrant cities in America,” said Secretary LaHood. “The Portland-Milwaukie light rail project will bring more great transportation options to people in the region, create thousands of jobs during construction and boost economic development along the new line for years to come.”

The FTA grant clears the way for TriMet to begin construction of the light rail extension and covers half of the total cost of the \$1.49 billion project.

“The Portland-Milwaukie Light Rail Project will make a huge difference in the quality of life of thousands of people in the greater Portland area, connect residents in north Clackamas County to jobs downtown and breathe new life into older neighborhoods like Brooklyn,” said Administrator Rogoff. “This project demonstrates the power of public transportation to help transform a major American city for the 21st century.”

Federal Transit Administrator Rogoff was joined by Congresswoman Suzanne Bonamici, Portland Mayor Sam Adams, TriMet General Manager Neil McFarlane and other local officials.

According to TriMet, more than 14,500 jobs are expected to be created during construction of the Portland-Milwaukie Light Rail Project, which includes construction of 10 new stations and a new transit bridge over the Willamette River to facilitate the 7.3-mile expansion of light rail service from Portland State University, across the river and into Milwaukie and north Clackamas County. TriMet’s MAX light rail service is scheduled to begin in 2015.

IOWA DOT RELEASES DRAFT 2013-2017 TRANSPORTATION IMPROVEMENT PROGRAM...continued from page 3

roadway jurisdiction and railroad each paying 20 percent. Projects are selected from the applicants for the state-funded surface repair program.

Aviation Program - The Iowa DOT’s Office of Aviation promotes, maintains, and develops Iowa’s air transportation system through advocacy, planning, technical assistance, and the administration of state and federal funds. The office also enhances the safety and security of the air transportation system through routine airport inspections, administration of the annual aircraft registration process, educational programs, and safety related programs. Funding in Fiscal Year 2012 was \$5.2 million.

Even though the 2013-2017 Iowa Transportation Improvement Program is a projection of planned projects and initiatives, with no guarantee that all the projects listed will move forward, it is an excellent resource for small businesses to gauge where Iowa DOT is planning to focus its priorities and funds in the coming years.

For more information, you can download the draft document at:
www.iowadot.gov/program_management/five_year/Draft_2013-2017_5YrProg.pdf

calendar

AUGUST 1-2

National Small Business Federal Contracting Summit - Summer Conference
Washington, DC

www.uswcc.org/meetings/viewevent.aspx?eventId=81

AUGUST 28-30

FAA National Civil Rights Training Conference for Airports
Arlington, VA 22202

http://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/training_conf/

SEPTEMBER 26-28

FHWA Civil Rights Symposium
Washington DC

DOT Mentor-Protégé Pilot Program Welcomes First Participants

On June 13, 2012, DOT announced the first participants in the DOT Mentor-Protégé Pilot Program: INDUS Corporation and Miracle Systems Incorporated. INDUS Corporation is a DOT prime contractor based out of Vienna, VA, that specializes in Information Technology (IT) solutions to Federal Civilian, Homeland Security, Defense and Intelligence organizations. Miracle Systems Inc. is an 8(a) certified small disadvantaged business based out of Arlington, VA, that provides IT systems, software applications, and databases services to the Federal Government. Both companies are excited to join the program and look forward to a mutually beneficial relationship that includes increased developmental assistance, access to DOT procurement programs and subcontracting opportunities.

Shiv Krishnan, President and CEO of INDUS Corp., and Sandesh Sharda, President, Miracle Systems, Inc.; joined Brandon Neal, Director OSDBU; to sign the Mentor-Protégé Agreement.

For more information about the DOT Mentor-Protégé Pilot Program, visit the DOT OSDBU web site at: <http://www.osdbu.dot.gov/Procurement/mentor-protege.cfm>.

NATIONAL ECONOMIC COUNCIL REPORT DOCUMENTS...continued from page 1

in one million small firms eligible for zero capital gains taxes; and allowed two million self-employed Americans to deduct their health insurance costs when calculating their self-employment taxes.

- **Investing over \$4 billion in 332 banks and community development loan funds through the new Small Business Lending Fund** helping small, main street banks provide more loans to help small businesses grow their local community. In addition, the President created the State Small Business Credit Initiative to strengthen new and existing state programs that support lending to small businesses by making nearly \$1.4 billion funds available to over 150 state-run programs in 54 states and territories. This initiative is expected to spur up to \$15 billion in new lending to small businesses. Finally, the President initiated a series of measures that enhanced Small Business Administration lending.
- **Supporting nearly \$80 billion in loans to more than 150,000 small businesses** since January 2009. FY 2011 was a record year with \$30 billion in lending supported through the 7(a) and 504 programs.
- **Ensuring that every small business can compete for and win federal contracts by awarding nearly \$300 billion in federal prime contracts to small businesses**, including \$120 billion in federal prime contracts to minority-owned small businesses since 2009. In April 2010, President Obama signed a Presidential Memorandum highlighting the need to provide small businesses with opportunities in Federal contracting.

As a result of these and other efforts, small businesses are at the leading edge of America's economic recovery. In the last two years, over 4.25 million private sector jobs have been created – many of them at small and new businesses – and triple the number of jobs added during the last economic recovery in 2002-2004. There is still a great deal of work to be done, but the actions the Administration has taken – and the partnerships that have been built – are creating a more inclusive economy, a more resilient economy, and an economy that is driven by a strong and growing middle class.

To read the full report, click on the link to download: http://www.sba.gov/sites/default/files/files/small_business_report_final.pdf

UPDATE ON PARTICIPATING LENDERS IN THE SHORT TERM LENDING PROGRAM...continued from page 2

Accion offers business loans ranging from \$500 to \$50,000 and financial education for low-to-moderate income business owners.

UNIBANK

From its beginning in 2006, UniBank has emphasized lending to small community businesses by offering SBA loans, lines of credit, construction loans and conventional commercial real estate loans, and Commercial & Industrial (C&I) loans. The bank operates three branches, all in Washington State.

On July 6, 2011 UniBank received \$5.5 million from the Small Business Lending Fund (SBLF). The SBLF was enacted into law as part of the Small Business Jobs Act of 2010 as a dedicated investment fund that encourages lending to small businesses by providing capital to qualified community banks and community development loan funds with assets of less than \$10 billion.

SEEDCO

OSDBU is pleased to announce Seedco Financial has expanded the coverage of the Short Term Lending Program to include the New York Metropolitan area and the State of Louisiana.

Seedco Financial is a national not-for-profit Community Development Financial Institution (CDFI). Their mission is to provide loans to stimulate economic development in distressed communities where businesses and organizations may have difficulty accessing loans from traditional sources. Additionally, Seedco seeks to support businesses owned by underrepresented or disadvantaged groups such as women and minorities.

Seedco Financial has approximately \$200 million in assets under management with lending operations, in New York, Alabama, and Louisiana. The Alabama branch recently approved a Short Term Lending Program loan for \$250,000 to a General Contractor Disadvantaged Business Enterprise (DBE) in Alabama that specializes in paving and retaining walls.

BONDING EDUCATION PROGRAM PASSES \$120 MILLION IN BONDING CAPACITY...continued from page 1

The BEP features a series of educational workshops in which participants learn how surety bonding relates to all aspects of their business operations and specific approaches and techniques that result in a successful bond application. The program also employs a bond readiness component consisting of one-on-one interactions with surety bond producers, underwriters, and other professionals who help participants assemble the materials and information necessary for the bond application. The BEP has benefitted from ample help from the National Association of Surety Bond Producers whose members make up the vast majority of volunteers for this part of the program.

Preparing small and emerging contractors for surety bonding or increased bonding capacity is necessary for these contractors to play a significant role in government contracting. For many small companies, bonding signals an important step toward greater independence and opens the door to new opportunities for growth and expansion.

Visit <http://www.surety.org/?page=MCDP> and http://www.osdbu.dot.gov/bap/bep_main.cfm to learn more about the MCDP® and Bonding Education Program.