

GUEST ARTICLE

New Springfield Econo Lodge Breaks Ground Thanks to Collaboration with a Community Bank, a Certified Development Company and SBDC

By Joanne Scharer, Capital Access Team Advisor, Oregon Small Business Development Center Network, an OBA Associate Member

Saajan Patel grew up in the hospitality industry, working in his parents' hotels and motels in Eugene and Junction City. Recently, the family embarked on an Econo Lodge development project in Springfield, a project that required substantial capital and the collaboration of multiple funders and the Econo Lodge franchise, as well as a business technical assistance provider.

"My family currently owns and has self-managed multiple small and medium sized independent motels, however, this is our first new construction project," Patel explained. "Early on we faced

challenges identifying the requirements for each of the stakeholders."

With a referral from **Gary Parker** at Evergreen Business Capital, which specializes in SBA 504 financing, Patel contacted the Oregon Small Business Development Center (SBDC) Network for assistance. **Noah Brockman**, Oregon SBDC Network Capital Access Team Lead, saw the potential for a successful outcome and steered Patel in the right direction.

Continued on next page...

▼ Pictured from left to right: Paarth, Jayesh and Bela Patel of Econo Lodge, April Hodgson of Citizens Bank, Contractor John Moody, Gary Parker of Evergreen Business Capital and Saajan Patel of Econo Lodge.



"I have found the SBDC Capital Access Team Advisors to have a wide variety of experience," Parker said. "Their involvement was vital to making sure the deal met the SBA requirements and to gaining approval."

Based on Brockman's recommendation, over the course of several months, Patel and his family worked with **Gary Richards**, an Oregon SBDC Network Capital Access Team advisor, to create a loan proposal.

“When Citizens Bank can partner with entities like Evergreen Business Capital and the Oregon SBDC Network Capital Access Team, it creates opportunities for our clients that may not happen through traditional financing routes.”

"Gary shared great examples and templates to help us develop our loan proposal," Patel said. "His experience and knowledge of the loan approval guidelines helped us identify gaps we needed to fill in our business plan and financial projections."

In particular, Richards helped the Patels create a clear set of financial projections, along with a statement of underlying assumptions. They also worked together on making the case, supported by market data, that there was unmet need for mid-range motel rooms in the Eugene-Springfield area.

According to Richards, Patel had all of the skills necessary to develop a first-class loan package, but he did not have the experience or tools to present the various exhibits required to demonstrate viability. As his SBDC Capital Access Team advisor, Richards was able to provide him with templates and line-by-line analysis to make sure that the audience (lending officers and underwriters) would find the story convincing and compelling.

"The Oregon SBDC Network is a huge resource for us and the client," Parker noted. "They help do the heavy lifting and, without those resources, there is often a lot of frustration for the lender and the client. From our experience, the client needs to work with a Capital Access Team advisor not only to help with the loan process, but also so they can figure out for themselves whether the project is going to work."

With the help of the Chemeketa SBDC front office staff, Richards and Patel communicated via Zoom video and Google Drive, making efficient use of technology to move the project forward. They also kept in close contact with Evergreen Capital and Citizens Bank to help facilitate the process.

"We worked together on a weekly basis to fine-tune all required documents before submitting the loan request," Patel said. "As a result, we were able to get our funding approved with no changes to our original proposal."

Patel also had positive experiences working with Parker from Evergreen Capital and **April Hodgson** from Citizens Bank. "Both worked to help us be successful," Patel noted. "Gary Parker shared prior experiences and had us reach out to the SBDC, while April Hodgson at Citizens had everything laid out and helped us figure out the process."

When there are multiple players in a funding process, it is important for things to go smoothly, but it also fosters collaboration and partnership.

"When Citizens Bank can partner with entities like Evergreen Business Capital and the Oregon SBDC Network Capital Access Team it creates opportunities for our clients that may not happen through traditional financing routes," Hodgson said. "As with the Econo Lodge project, we worked together on a common goal. We each had a set of requirements that needed to be met to make the project successful and financeable. As a team, the client had the guidance, the advice of experts, and the necessary assistance to make that possible."

Because all parties worked together, and because Patel received guidance and expertise and put in the time and effort to follow that guidance, Evergreen Capital and Citizens Bank funded the project with loans totaling more than \$1.5 million. ■

Visit www.BizCenterCAT.org for information about the Oregon SBDC Network's Capital Access Team.

Job Opportunity for a Retired Banker

Oregon SBDC Network is seeking a retired banker or experienced business finance professional with banking expertise for a part-time position to assist with North Coast regional SBDC clients with access capital. Position provides 1:1 business advising to business clients from Newport to Astoria and works closely with regional banks, credit unions, angel groups, business technical service providers, economic and community development agencies. For more information contact Arlene Soto, Tillamook SBDC Center Director at (503) 842-8222 Ext. 1410.

503.364.2281

www.shermlaw.com
reception@shermlaw.com



Sherman Sherman Johnnie & Hoyt, LLP

Attorneys at Law

693 Chemeketa Street NE
Salem OR 97301

Solving Problems · Expanding Opportunities · Managing Risks

**Our team has the ability to lend expertise to almost any legal situation,
whether your needs are personal or professional.**