

to turn business dreams into reality

ness. It will provide milestones to gauge that success."

Steffen said his office has resource partners that help assist new and existing businesses, including the Small Business Development Center at Fort Hays State University; Pioneer Country Development, the development company for northwest Kansas; and the Northwest Kansas Planning and Development Commission. Utility companies are another resource through their economic development divisions, he said.

The U.S. Department of Agriculture's Rural Development office is a resource, he said, and of course, the other divisions of the state Department of Commerce, including Trade Development, Ag Marketing, Community Development, Workforce Development, Travel and Tourism and the Business Development Division, of which the Hays office is the regional center.

"In northwest Kansas, I consider my primary customers to be the local county economic development directors," Steffen said. "They are the eyes and ears for me in the region. In a lot of cases, I am their resource for information on incentives, programs and information to assist businesses in their communities. In other cases, I work directly with the businesses, whether they are start-up, existing, expanding, or a recruit prospect for the region.

"We do this in cooperation with the managed relationships with resource partners and Commerce Department program directors. If it is a business starting up, I work with them through a business plan through the Small Business Development Center, to determine feasibility and to provide a tool for financing, whether conventional, SBA or Department of Agriculture.

"If there is a gap in the money needed ... I work with the business to meet that gap financing. Continual follow-up and assistance is offered for any business I deal with....

"I guess my position is best summed up that I am the lead contact for economic development efforts for the state Department of Commerce in my region. I am the liaison between Topeka and the region, in terms of business development, both for local economic development directors, Chamber of Commerce offices, city and county officials and private enterprise."

Pioneer Country Development in Hill City is one of the regional resources for economic and business development Steffen mentioned, and Randall Hrabe is the executive director of the development company and the Northwest Kansas Planning and Development Commission.

Hrabe said Pioneer Country covers the 18 counties of northwest Kansas, and can package, close and service SBA loans. He said the government-guaranteed loans are one of several fi-

ancing options for startup or expanding businesses. Hrabe has been with the organization for 14 years, plus four years of banking experience and private business experience.

"In the past 20 years, well over \$100 million in business loans have been packaged and approved," Hrabe said. "These loans have ranged from \$3,500 for a beauty shop, up to a multi-million dollar manufacturing plant."

"In addition to packaging the SBA loans, we work with the Kansas Department of Commerce to help businesses get Kansas Industrial Training and Retraining grants to help train employees.

He said startup and expanding businesses are encouraged to utilize the Enterprise Zone tax credits where available. These include sales tax exemptions on construction material and job tax credits depending on the number of job created. He said the tax credits are applied against the Kansas income tax.

Steffen mentioned the Small Business Development Center, which is located at Fort Hays State and works with the northwest region. The center is a service of the College of Business and Leadership at Fort Hays State University, and provides management assistance to small businesses. The center provides individual, confidential assistance and seminars on small business topics.

"It is the center's goal to help you run the most profitable business possible," said Sheryl Davis, acting director from Quinter.

The center has a branch at the Colby Community College.

Steffen of the Kansas Business Development Center can be reached by phone in Hays at (785) 625-4732 or by e-mail at dsteffen@kansascommerce.com.

The Kansas Department of Commerce, First Stop Clearinghouse, Business Development Division is located in the Curtis State Office Building at 1000 S.W. Jackson Street, Suite 100, Topeka, Kan. 66612-1354. Phone: (785) 296-5298; fax: (785) 296-3490; TTY (Hearing Impaired) (785) 296-3487; e-mail: busdev@kansascommerce.com; and web site www.kansascommerce.com.

Pioneer Country Development in Hill City can be reached by phone at (785) 421-2151 or by e-mail at nwkpdc@ruraltel.net.

The Small Business Development Center at Fort Hays State University is at 600 Park St., Custer Hall, Room 105, Hays, Kan. 67601-4099. Call (785) 628-5615 or fax (785) 628-4163. The e-mail is ksbdc@fhsu.edu, and the center's web site is www.fhsu.edu/sbdc. Ms. Davis can be reached by phone in Quinter at (785) 754-2469 or by fax to (785) 754-2469. Her e-mail is sbdc@ruraltel.net.

build northwest Kansas businesses, communities

a hypothetical situation.

"Let's say someone has a project that will cost \$100,000," he said. "In this scenario, a bank might loan up to \$70,000 with the business owner putting up \$10,000."

The remaining \$20,000, could be a loan through Pioneer Country, he said, or if it's a "really good project," the bank might loan \$50,000 on that same \$100,000 venture, the business puts up \$10,000 and the agency could provide \$40,000.

The second type of loan, known as the 504 loan, works somewhat different, but using the same \$100,000 hypothetical project, Pioneer Country can finance up to 40 percent of the total.

"This loan is similar to a bond," Mr. Hanson said, "financing fixed assets, equipment, and land renovations."

When Pioneer finances 40 percent, he said it must be for an existing business. For a new business, Mr. Hanson said, the limit is 35 percent.

The idea is, he said, if someone has a good business plan and money to put in it, Pioneer will find a way to finance it.

Mr. Hanson said examples of how the 504 loan has helped business people and economic development can be seen throughout northwest Kansas.

In Colby, Truck Town, which caters to the needs of truck drivers and their rigs, was financed with industrial revenue bonds and the 504 program, he said.

Another big project using the 7A loan and the 504 is the Morrison, Wahlmeier and Slavens medical building in Colby. This business will

house two optometrists with state-of-the-art equipment and a family doctor.

In St. Francis, Kriens Drug Store used the 7A guaranteed loan and in Oberlin, Crossroads Express, a convenience store, was funded with the 504 loan.

"We have done projects all over northwest Kansas and those mentioned are only a few," Mr. Hanson said, adding that Pioneer does charge a fee for the loan service.

Some board members from this area are Chris Cameron and Mr. Fulwider, representing Thomas County; Tom Keller of St. Francis; Marilyn Noone of Oberlin; and Ms. Wessel of Oakley.

NORTHWEST KANSAS HOUSING

Northwest Kansas Housing, the third agency, is available to help with housing needs.

"We can go into communities and do a housing study to determine needs for low to moderate income families," Mr. Hanson said.

Northwest Kansas Housing owns houses, which are rented to low to moderate income families. At the end of 15 years, the families have the option to buy the house for \$65,000.

Four have been built in Phillipsburg and Plainville, and three in Stockton.

"Counties talk to us if they are interested in this program," Mr. Hanson said. "If they want us to build homes, we will do a housing study and if there is a need, say, in Colby or anywhere else, we would look at the feasibility of making it happen."

Another program offered by the housing organization, which Goodland, Oakley and Norton have used so far, involves building duplexes.

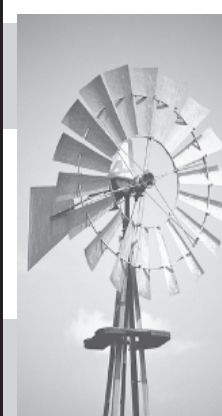
"When building duplexes," Mr. Hanson said, "we are helping communities by allowing the older residents a nice place to move to when the time comes for selling their homes. In turn those larger homes become available to younger people."

In Goodland, Northwest Kansas Housing built 18 one- and two-bedroom duplexes; in Oakley, four two-bedroom duplexes were put up; and in Norton, 16 one- and two-bedroom units were constructed. Other housing developments can be seen in Phillipsburg, Ellis and Russell as the organization continues to expand, he said.

"Together, these three nonprofit organizations, using grants, loans and housing development, bring in millions of dollars to northwest

Kansas through the various projects we work on," Mr. Hanson said. "It's a tremendous impact on local economies and we have been doing this since the 1960s."

Seven of the nine employees at the Hill City office live in Hill City. Of the other two, one in Hays and one in Norton. They include Randall Hrabe, executive director; Mr. Hanson, business finance officer; Ruth Diennes, secretary; Kris Pommerehn, finance officer; Teresa Bretz, housing administrative assistant; Loyce Schamberger, housing executive director; Corina Cox, economic development coordinator; Michelle Kippes of Hays; business finance officer and economic development coordinator; and Amy Griffey of Norton, economic development coordinator.



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