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MEACO HELPS ALBA CONTRACTORS MOVE TO MENTOR

Construction Firm “Loves” its New Home

Mentor, OH – October 31, 2006 – MEACO, the Mentor Economic Assistance Corporation, was instrumental in bringing the full-service concrete and construction firm Alba Contractors to Mentor with the help of an SBA 504 Loan.

Designed to stimulate business expansion, the SBA 504 Loan Program is available to for-profit small businesses with a net worth of up to seven million dollars. It provides fixed rate financing that is typically below market value. Real estate loans are 20-year term. Loans for heavy equipment are 10 and 20-year terms.

“We were outgrowing our location in Wickliffe,” said Albert Sluga, owner of the firm. “We needed a place big enough for our trucks, equipment and offices.” Sluga said he had found the right location in Mentor, but needed to work out the funding. The company had been to two banks and not found much interest before they started working with MEACO.

“Everything went smoothly once we got involved with MEACO,” Sluga said. “They were on top of everything, and really pushed it through.” He said working with MEACO also gave him more credibility with the commercial bank he used for the first half of the \$455,000 funding package he needed for his project.

Frequently used for new construction or expansion loans, the SBA 504 Loan requires the borrower to get initial approval for 50% of the project cost from a private lender. The SBA then guarantees an additional 40%. The borrower’s down payment is as little as 10%, a significant advantage over bank financing, which generally requires 20% from the borrower. The SBA will guarantee loans of up to \$1.5 million under this program, making it an ideal funding source for projects as high as \$3.8 million. The financing is available for land, buildings, whether new construction or renovations, and/or equipment.

“We needed to start construction in early spring – and with the help of MEACO, we were on time,” Sluga said. “They helped fund the building and followed through with everything they said they would do. We were good to go. They definitely saved us money as well. The interest rate is considerably lower than if we had gotten the entire amount from a bank. We recommend it.”

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“We love it in Mentor,” said Sluga. He noted they work on projects throughout Lake, Geauga and Cuyahoga counties, and the centralized location is perfect. The company has grown, adding several employees since moving to their new building at 8670 Twinbrook Road in 2005.

For more than 23 years, MEACO has helped new and existing local businesses obtain long-term, low-interest loans for building construction, expansion or new equipment purchases. Working directly with small businesses and their banks to get prompt financing, MEACO also provides valuable assistance to applicants throughout the paperwork process. MEACO has helped finance projects for small and medium-sized businesses throughout Mentor, and has resulted in the creation or retention of more than 1,300 jobs throughout the city. Visit the MEACO website at www.meacoweb.com or contact Tom Thielman at 440-974-5739 or meaco@cityofmentor.com for more information.

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Editor Note: Thomas Thielman, MEACO Executive Director, is available for commentary. Please contact Tom Mitchell, Marshfield Group, 440-974-8448 or 216-219-5645 (cell) to schedule an interview.