Coastal Grower

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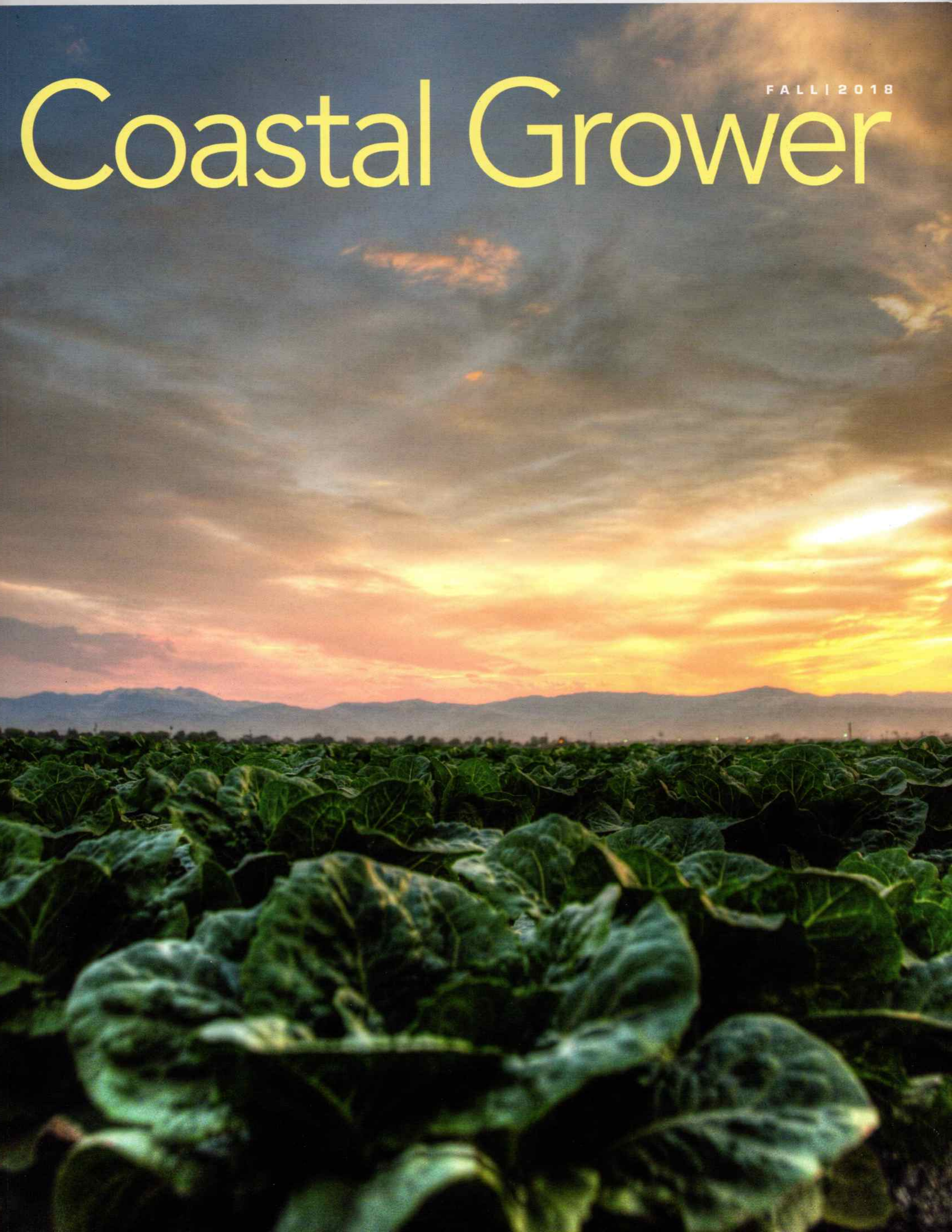

Gonzales Small Business Loans Boost Big Goals

By Irwin Speizer

When you step into the local, independent drug store in the rural city of Gonzales, not only can you get your prescription filled, you can consult a medical practitioner about your ailment and, if you need one, get a sonogram.

The ultrasound machine inside the drug store is the brainchild of medical practitioner Luz Garcia, but it was made possible by a small business loan from the city. Garcia got $52,000 at 3 percent interest from the city to buy the machine, enabling her to offer affordably-priced sonograms as part of her medical practice to a population that had to travel miles to get one, and then often at steep markups.

"I am blessed to have been funded and I am sure the community is grateful as well," Garcia says.

Garcia is one of 10 small business owners who have benefitted from the city's small business loan program, intended to provide affordable financing to small businesses that might not be able to otherwise obtain capital, particularly in a small, rural city like Gonzales, with a population of about 9,000. By extending loans to these small businesses, the city hopes to stimulate growth and provide jobs. The city strives to use the loans strategically to advance broader goals. In Garcia's case, the city has been working for years to expand health care access to its citizens, and the ultrasound machine brought another improvement in that effort.

The Gonzales Business Assistance Loan Program started with a $400,000 Community Development Block Grant. The money came from a federal program aimed at providing small business loans to help create and retain jobs and reduce poverty. Gonzales used the initial grant to seed a revolving loan fund in which new loans are made available as old loans are paid off.

Gonzales not only uses its own small business loan program, but also partners with other agencies and sources to aid small business and help create jobs while remaining focused on strategic goals.

To qualify, businesses need to be located in the city, must use the money in one of a number of specific ways, like buying equipment or expanding, and must show that they are either creating new jobs or retaining existing ones. The maximum loan amount is $299,000, although most loans are far less.

The first loan was made in 2010. To date, the city has made 10 loans with a total value of more than $1 million ranging in size from $52,000 (the loan to Garcia) to $270,000. As of mid-2018 the loan fund held about $300,000.

Of the 10 loans made so far, only one loan has fallen into default. While the program is still fairly young, that default rate stacks up well. By comparison, a recent review of Small Business Administration loans from 2006 to 2015 by the online news site NerdWallet found one in six ended in default.

"Our goal with this program was to provide a source of financing for local small businesses that could provide jobs to our community," says Gonzales City Manager Rene Mendez. "At the same time, we saw the opportunity to use these loans in a strategic way to help enhance the quality of life in Gonzales. But equally important was to manage the program responsibly so that money would still be available for local small businesses in the future."

One example of how the city uses it small business loan program strategically is HealthySoil, which received one of the loans for an expansion. The company provides sustainable soil enrichment products and services. That business is in line with some of the city's economic development goals, which revolve around agriculture-related businesses and sustainable practices.

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A few years ago, the city determined that a fine dining restaurant would enhance its downtown and encourage other development. But the city was having trouble attracting one. So, Gonzales partnered with

Monterey County to use its small business loan grant program to help launch one. The restaurant not only served as an anchor for downtown Gonzales but also provided jobs to 20 local high school students.

Garcia's loan serves as an example of how the entire small business lending process works. A physician's assistant, Garcia had worked in a rural health clinic for 10 years when she came up with the idea of starting her own walk-up clinic in Gonzales to give locals an affordable option for basic health care. She partnered with a family practice doctor and in 2016, Gonzales Primary Care opened inside Gonzales Pharmacy.

Garcia soon determined that one of the hardships faced by her patients, many of whom were low income and lacked health insurance, was difficulty accessing and affording sonograms. The closest place with an ultrasound machine that offered lower-cost fees was more than 50 miles away. If only she could get one, she thought. "I had the idea and the drive, but I didn't have the funding," Garcia says.

For the city, that is the kind of result it hopes to engender with the program: helping a small business succeed and thrive while also making the community a better place to live.

Then she heard about the city's small business loan program. She applied, and her proposal fit right in with the city's health access expansion goals. She passed the thorough loan review process and used the loan proceeds to buy the machine.

She now offers sonograms for $200-$300, a fraction of the cost patients might pay at a hospital. Since receiving the loan in 2017, Garcia has hired two part-time sonographers who now perform about 10 sonograms a week. And she continues to expand, recently adding the services of a psychologist three days a week.

"I think we are unique," Garcia says. "I don't think these services are being offered in other retail-based clinics." This is a great example of what the residents of Gonzales call, "The Gonzales Way".

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For more information about the Gonzales Business Assistance Loan Program contact the City of Gonzales at 831-675-5000 or email Hortencia Vargas at hvargas@ci.gonzales.ca.us.

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Small Business Loan Program Recipients

- Carlito's Steakhouse & Bar
- Gonzales Dental Care
- Gonzales Imaging Medical
- Healthy Soil & Water
- Jalisco Market
- Latte Café
- Pacheco Water Store

*As of April 18, 2018

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understanding of your existing sources for indoor heat exposure and create a plan for minimizing that risk.

Many employers have identified indoor heat as an issue and as such, there are two commonplace engineered solutions that will be critical elements in this new standard:

- The use of heating, cooling and ventilation systems (HVAC) is the most common mechanism to mitigate indoor heat.
- The other recognized engineered solution is commonly referred to as shielding. This involves the identification of specific sources of indoor heat, such as from a pasteurizer, and building a physical shield that creates a barrier from the source of heat.
- Additional breaks to allow for adequate cooling.

Remember, Cal/OSHA currently has the authority to site you under the Injury and Illness Prevention Program standard for failing to address this hazard. There is a well-documented history of the division successfully enforcing §3203 around this issue, so don't fool yourself into thinking this isn't a problem yet. Use your knowledge of how this new standard may come to fruition as leverage in ensuring you are that much further ahead of the curve when the time actually comes.

For more information about indoor heat, or any worker safety, health, human resources, labor relations, or food safety issues, please visit www.agsafe.org, call us at (209) 526-4400 or via email at safeinfo@agsafe.org. AgSafe is a 501c3 nonprofit providing training, education, outreach and tools in the areas of safety, labor relations, food safety and human resources for the food and farming industries. Since 1991, AgSafe has educated nearly 75,000 employers, supervisors, and workers about these critical issues. CG