

Meeting Notes
SBLT January Meeting
Thursday, January 22, 2015, 1:00-2:30 p.m.

Please send corrections, edits, or additional information to Joseph.Ringold@gov.wa.gov

Location Sunrise Room, Department of Commerce Building

Purpose Introduction of Community Sourced Capital / Full discussion of 2015 proposed Work Plan / WABOS update

Attendees Linda Alongi • Servando Patlan • Grant Pfiefer • Joseph Ringold • Brittany Wilson • Debbie Robinson • Sharon Wong • Celia Nightingale • Ni McMullin • Jeff Baughman • Kim Johnson • Michael Itti • Peter Beaton • Janet Shimabukuro • Alex Mondan • Scott Hitchcock • Edmon Lee • Doug Cheney • Tricia Kovacs • Rachael Lindstedt • Patrick Reed •

Agenda Highlights

- **Community Sourced Capital:** Presentation by Alex Mondau
- **Full discussion on 2015 proposed Work Plan:** Agenda Items and Work Group Assignments
- **WABOS:** Testing related to Small Business Guide

Community Sourced Capital

Alex Mondal community Sourced Capital, helps customers secure 5-50k loans

Crowdfunding Loans (Kickstarter, Indigogo) on rise. Benefits include:

- Faster/ able to move more flexibly
- Engages community/ customers
- Marketing tool

Problems w/ current economy

- Difficulty accessing loans

CSC based on \$50 units called "square" no interest to loan.

Lenders are often community members hoping to improve their neighborhood. Longbeach, WA is one such example.

- Cranberry farm, 12k loan
- A&R Solar, 25k loan
- Adrift 18k loan

Campaigns for funding:

- 4 weeks to raise between 5-50k for loans
- 90% of campaigns get funded
 - Company sets minimum and maximum goal to have loan achieve goals

Eligible Businesses:

- Can use 5k-50k in loans
- Proven Revenue
- Can pay back in 1-3 years
- Can connect to community (funders)

CSC is considered part of capital continuum, filling niche for small businesses.

Additional features:

- 42 loans
- 3,333 "Squareholders"
- All loans in good standing
- \$225,000 repaid
- Focused in Pacific Northwest
- Social purpose organization, certified B-Corp
- Funded by 400k in investments

Celia: How are you not regulated by OFI?

A: Squareholders are not promised a benefit, so it is not an investment

Alex: In order to remain solvent, we will need to grow past the Pacific Northwest

SBLT 2015 Proposed Work Plan

Look at projects and introduce things that might be omitted

Item 1: Webinar meetings:

Sharon suggested that members learn to do webinars by coming to DOR studio in Tumwater.

Servando asked if this was for a tour and Sharon advised that she envisioned conducting joint interviews among SBLT members.

Janet advised that webinars are more immediate than recorded presentation and require less updating and maintenance. Celia pointed out that this could not be done after hours.

Peter suggested that small business members could call in with questions. Grant said that this could demonstrate coordination of agencies.

Item 2: WABOS Guide

Celia would lead updating SBLT on the Small Business guide testing with WABOS and development of Application Program Interface API.

Celia reiterated that WABOS project is focused on businesses under 2 years old.

Item 3: Develop and Share Calendar of Events with Biz calendar

Referred to calendar located on L&I website

Sharon suggested listing outreach events, and using L&I as the model.

Celia envisioned it as part of the Biz Guide

Item 4: Research ways to create visibility and Item 5: Develop SBLT Annual Outreach Program

Edmond may not have time to be in lead, but this aligns well with LCB mission

Peter asked if this was too broad. Servando: Different audiences would require different outreach packages. Michael agreed and advised that there is already a minority business roundtable that the 3 ethnic commissions take part in, convened quarterly.

Sharon: The purpose?

Michael: Supporting business community.

Sharon recommended that we table this section to evaluate the success of other agencies conducting this work.

Servando cautioned on tabling: legislature active on defining what a small business is and ORIA has mission in line with this work.

Janet asked what item 4 and 5 had as a goal for outreach.

Servando: Visibility is important; if ORIA has capacity to organize.

Edmond: Lets report on current state.

Peter: Calendar could be opportunity for what's going on.

Trish suggested tackling item 3 first then item 5; calendar will drive outreach.

Sharon said that we could table items 4 and 5 and prioritize item 3 (calendar).

Item 6: Department of Ecology Shares what process improvements work with the businesses they assist.

Grant in charge, would have possible April conflict, but would recruit a partner. Patrick suggested that ecology export training Sharon said that ORIA will recap conversation.

WABOS Testing

Celia presented on progress of WABOS testing.

Scott explained Application Programming Interface (API) is a feature that is under Development. This offers content through other sites without owning the content.

Celia expressed concerns that if different people have responsibility for content that the content can get diffuse.

Trish recommended adding agency specific components.

Project is focused on small business and millennial businesses.

Final Notes

Sharon: In mean time we need to update the Small Business Guide. Asked if someone out of state moving WA would find information needed in SBG.

Patrick announced last year there were 101,359 UBIs issued; 63% were legal entities and 82% LLC. Legislation includes rewrite of LLC laws.

Edmond asked about progress on House Bill 2192. Scott briefly spoke about House Bill 2192; stating there is meeting in February to discuss the upcoming deadlines. Indicated Rachael will be following up with each agency (1-2 per month) for updates to the Regulatory Handbook.