

Finance Fridays Webinar Series – Episode 8

SomerCor Small Business Financing Products

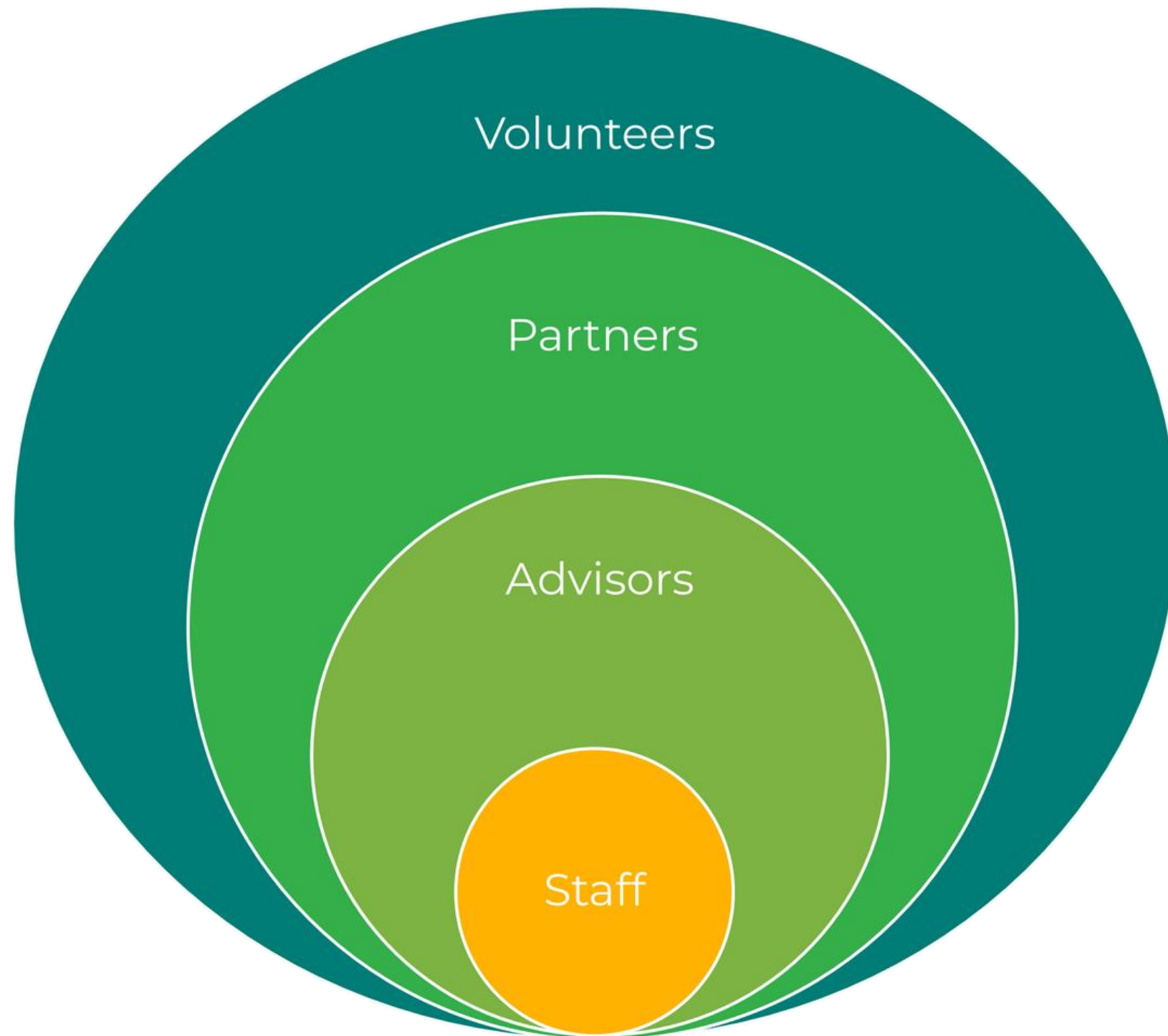


October 10, 2025



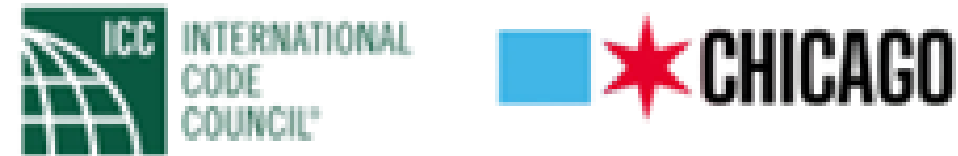
*The Building Energy Hub is a project of
Illinois Green Alliance*

Who is the Hub?



Hub Partners

Program Partners



Education, Technical, and Resource Development Partners



Funding Partners



The Goals of the Hub are to:

- Educate & train building professionals
- Support diverse contractors
- Connect contractors to a project pipeline
- Build capacity for advanced codes and policies
- Streamline access to financial resources

The Hub is growing capacity for commercial & multi-family building retrofits.



Today's Presenter



Kimberly Brisky

AVP, Communications & Engagement
SomerCor



BUSINESS FINANCING FOR ENERGY EFFICIENCY



Kim Brisky

AVP, Communications & Engagement

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- SomerCor is a non-profit lender certified by the Small Business Administration to originate and service SBA 504 loans.
- Administers the Small Business Improvement Fund (SBIF) and Neighborhood Opportunity Fund (NOF) grants for the city of Chicago.
- Mission is to grow businesses, create jobs, and increase impactful investment in every community through access to capital.

Find us at [**www.somercor.com**](http://www.somercor.com)

SOMERCOR ADVANTAGE

- Founded in 1992, SomerCor serves Illinois, Kenosha and Rock counties in Wisconsin, and Jasper, Lake, Newton, and Porter counties in Indiana.
- Awarded Accredited Lender Program Status by the SBA – a prestigious designation reserved for high performing certified development companies.
- Ranked in the top 15 among CDC's nationally for 504 origination volume - since our founding, SomerCor has deployed \$1.86 billion in SBA loans to 3,930 businesses in 1,827 communities, leading to the creation of 47,900 jobs.
- SomerCor has administered the Small Business Improvement Fund since 1999 - helping the City of Chicago disburse more than \$153MM for 2204 improvement projects.
- In 2017, SomerCor was selected to administer the Neighborhood Opportunity Fund – helping the City of Chicago disburse over \$21.6 million to 116 projects since the program launched.



Ready to buy, build, renovate, or refinance commercial real estate or heavy equipment? This webinar provides an overview of the SBA 504 loan program, and the City of Chicago SBIF and NOF grants administered by SomerCor. You will learn program rules and terms, how to apply, and how program funds can support energy efficiency upgrades in your building.

SBA 504 Program

- Program Mission
- Program Rules & Terms
- Borrower Benefits
- Green Loan Program
- Sample Projects
- Application Process

City of Chicago Grants



SBA 504 PROGRAM MISSION



The name of the program comes from Section 504 of the Small Business Investment Act of 1958. The current structure of the 504 program has been in place since 1986.

The program was created as a response to concerns that small businesses might be prevented from accessing sufficient capital to enable them to create and retain jobs.

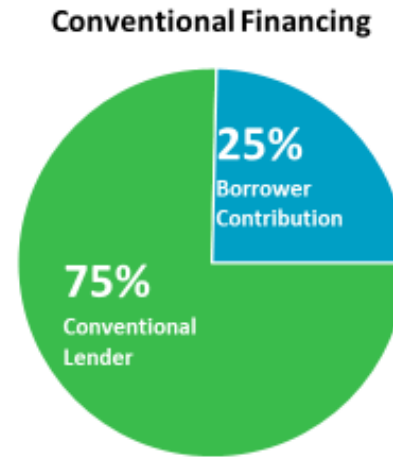
The 504 program is the SBA's premier economic development program and has public policy requirements that support:

- Job Creation/Retention
- Community Development
- MBE, WBE and Veteran-Owned Businesses
- Energy Efficiency

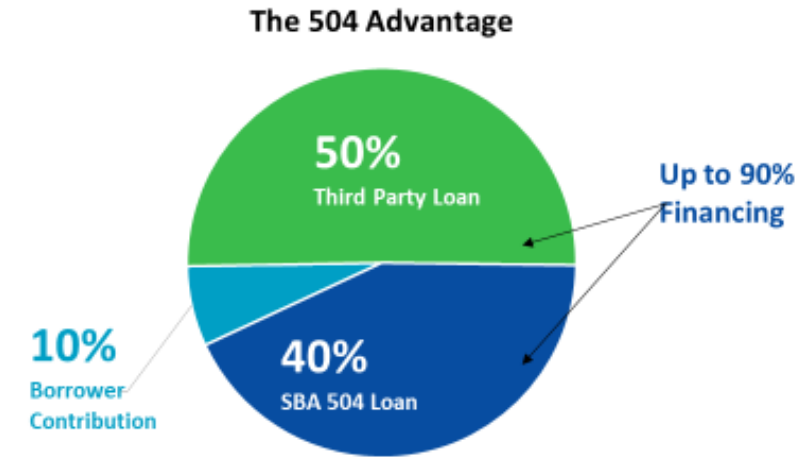
What is the SBA 504 loan program?

- A lending solution for small business owners to **buy, renovate, or refinance major fixed assets** – like land, owner-occupied commercial real estate, heavy equipment, and machinery. Funds cannot be used for working capital, inventory, rolling stock, or operational expenses.
- Functions as a public-private partnership with three key players – a small business borrower, a Certified Development Company like SomerCor, and a third-party lender.

Typical \$2 Million Project:



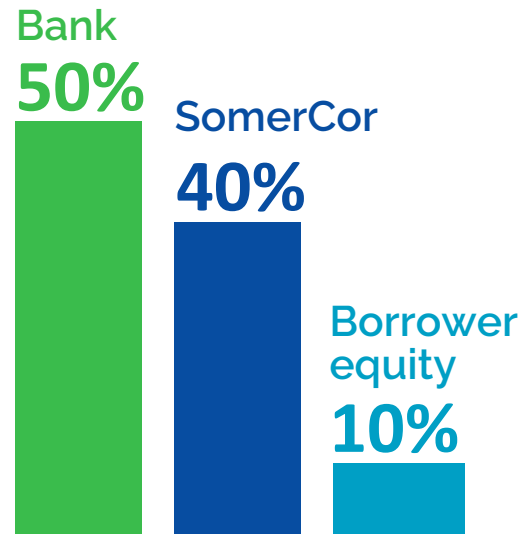
Bank Only:
\$1,500,000 Bank Loan
\$ 500,000 Equity



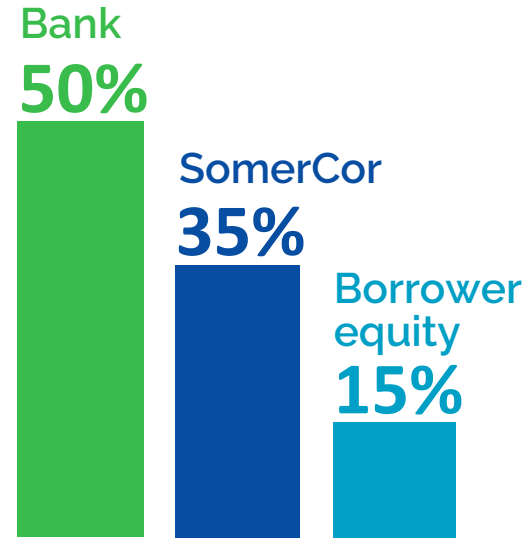
SBA 504 Project:
\$1,000,000 Bank Loan
\$ 800,000 SBA 504
\$ 200,000 Equity

SBA 504 PROGRAM RULES & TERMS

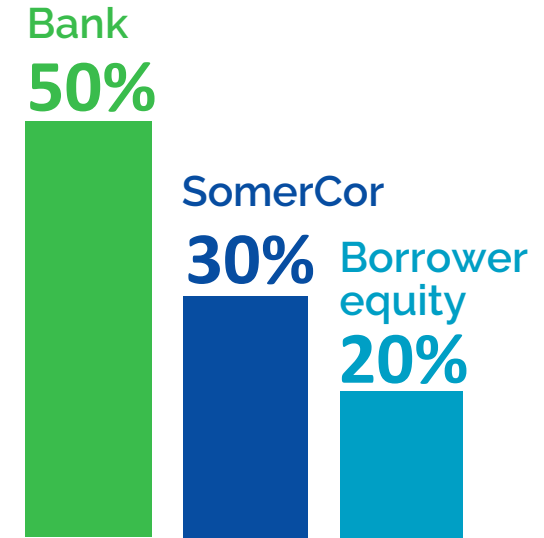
Existing business, multi-use building



New business or single use building



Both new business and single use building



For companies conserving and needing to shore up capital, the SBA 504 refinance is a trusted, strategic debt restructuring solution.

Small businesses can use the refi to **leverage built-up equity and take money out for eligible working capital expenses.**

Eligible Operating Expenses for Cash-Out Funds:

- Salaries (non-owners)
- Rent
- Utilities
- Inventory
- Business line of credit and business credit card debt

Ineligible Uses of Cash-Out Funds:

- Capital expenditures
- Personal expenses
- Acquiring a new business or business partnership buyout

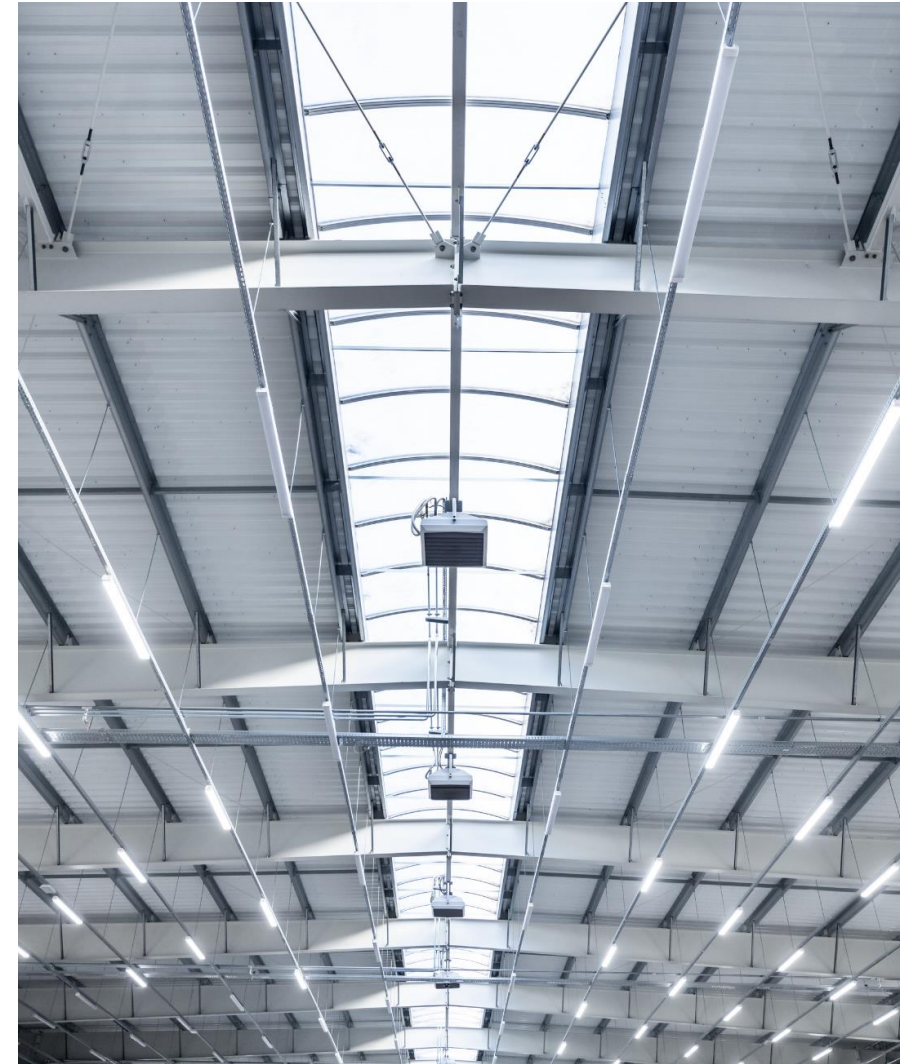
- **Below-Market Interest Rates** - Even in a high-interest rate environment, the 504 effective interest rate is below-market.
- **Less Money Down** - Up to 90% financing for established businesses - freeing up capital that would normally be designated for paying off loans, to instead be reinvested back into growing the business.
- **Payment predictability** - Secure fixed rate financing for up to 25 years with the 504 program.
- **Ownership** - Stop paying rent and start building equity; every payment contributes to borrower's personal wealth, not someone else's.
- **Property Control** - Customize the business property, expand as needed, and create a lasting asset for the business's future growth.
- **Unlock Valuable Tax Advantages** - Mortgage interest deductions and depreciation benefits.

SBA 504 GREEN LOAN PROGRAM

The SBA 504 Green Loan Program is a great opportunity for borrowers to incorporate energy efficient elements or renewable energy technologies into their commercial real estate projects.

In addition to the borrower-friendly terms of a regular SBA 504 loan, Green Loan projects are eligible for additional benefits:

- **Larger SBA/CDC Loan Amount** – SBA maximum contribution increases to a \$5.5 million cap (from \$5 million) with no maximum total project limit.
- **Higher Option for Aggregated Lending** – Borrowers can have multiple SBA 504 Green Loans with the aggregate cap limit on capital of \$16.5 million. (up to the maximum SBA/CDC contribution of \$5.5 million per project).



To be eligible for an SBA 504 Green Loan, borrowers must meet one of these metrics:

- **Reduce energy consumption by at least 10 percent** (compared to historical consumption) through building upgrades.
- **Generate at least 15% renewable energy** (solar, wind, geothermal, hydropower, and biomass) through property upgrades.
- **Increase the use of sustainable design**, including design that reduces the use of greenhouse gas emitting fossil fuels or low-impact design that reduce the use of non-renewable resources and minimize environmental impact.

*** Note that an Energy Audit and estimates from a vendor providing the renewable energy equipment are required at the time the loan is submitted to the SBA.

Ground-Up Construction of a Car Dealership Libertyville, IL

- Fulfilled policy goal of reducing existing energy consumption by at least 10%;
- Business owner's existing location was built in the 1980's and he chose to meet the Green Loan requirement by replacing his existing facility with a new one that uses at least 10% less energy;
- The new location used LED/motion sensor lights and installed an HVAC system that shut off when the garage doors opened.

Opted for the Green Loan program to increase his max available SBA debenture amount to \$5.5 million. He plans on future SBA 504 loans for other dealership brands.



Alpha Tekniko

Ground-Up Construction of DME Manufacturer

Lake Zurich, IL

- SBA 504 loan that helped cover the purchase of land and construction of a 78,000 square foot building to house the company's management offices, R & D lab, manufacturing, assembly, warehousing and fulfillment areas – total project size, \$13,025,000.
- Fulfilled manufacturing related public policy goal, but business owner utilized SBA 504 funds for construction materials that supported his environmentally-friendly goals; including high R-value insulated precast concrete walls that help reduce the use of interior HVAC and VOC-free paints used throughout the interior.
- The building also has more than an acre of rooftop solar panels 444 installed on a specially-reinforced roof and is now able to operate fully solar powered.
- As a direct result of the green focus of the building, as well as its modern design, the Alpha Tekniko headquarters was awarded top prize by the Illinois Real Estate Journal for an Industrial/Manufacturing project.

SBA 504 SAMPLE PROJECT



Ready to apply? Be prepared with the following items to start the application process. Applicants can contact SomerCor directly or reach out to their business lender.

Company Information

- Last three years corporate tax returns for business
- Last three years corporate tax returns for all affiliates (if any)
- Interim financial statements (within 90 days)
- Schedule of existing company debt (creditor, balance, monthly payment)
- Most recent aging of accounts receivable and payable
- Two-year income and expense projections

Owner Information (for each 20% or more owner of the business or real estate)

- Personal financial statement (lender form is acceptable)
- Personal Data Sheet
- Last three years federal income tax returns

Project Information

- Detailed breakdown of project costs (include copies of all purchase agreements, construction estimates, equipment quotes, etc.)
- Real estate appraisal and environmental reports



Celebrating 25 years of investing in Chicago



- Grants run through the City of Chicago Department of Planning and Development and administered by SomerCor. Learn more and apply at www.somercor.com/sbif and www.somercor.com/nof.
- Promotes economic development by providing grants for small business permanent building improvement costs - residential projects are not eligible.
- All applicants must fulfill a financial requirement – showing proof of financing/contributing a portion of the total project cost – **SBIF and NOF are reimbursement grants.**
- Eligible work items include roofing, façade/storefront, interior buildouts, HVAC, plumbing, electrical and other mechanical system upgrades.
- Maximum grant ranges from \$75,000 to \$250,000 – dependent on program and property type (industrial vs commercial and single-occupant vs multi-tenant).

Energy Efficiency and Environmental SBIF & NOF Eligible Project Costs

- Solar panels;
- LED Lighting;
- Windows and doors;
- Energy-efficient systems (HVAC, electrical, plumbing upgrades);
- Approved energy-efficient building materials.

This list is not comprehensive. SBIF and NOF applicants can consult SomerCor with specific questions on eligibility.

SBIF-Eligible costs also include:

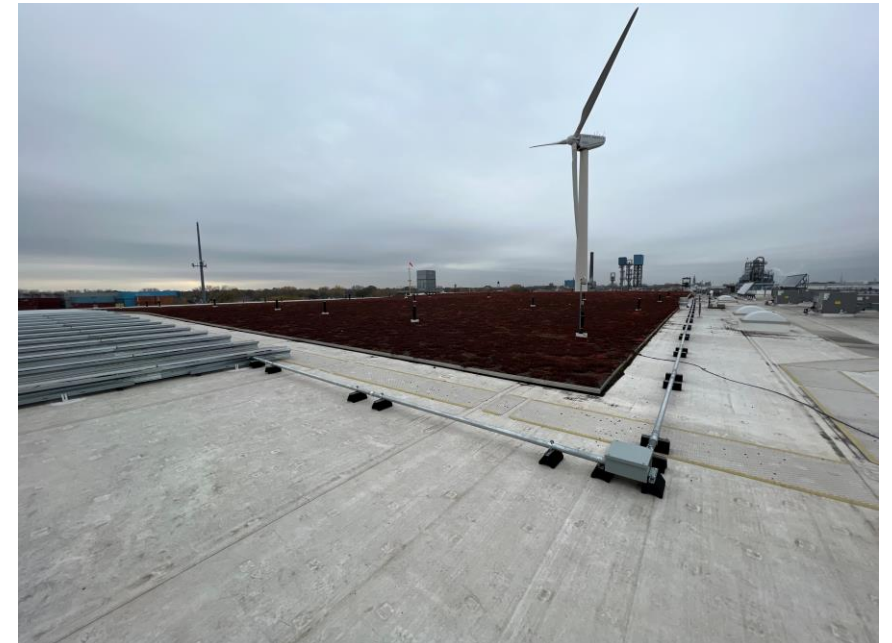
- Environmental remediation inside, under, or directly adjacent to a building undergoing a grant-funded renovation project if the remediation is related to the renovation project;
- The cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:
 - the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances, installation of energy efficient lighting systems); and
 - The cost of the energy audit does not exceed 10% of the project budget.

SAMPLE SBIF PROJECT

Produce Wholesaler Industrial Property Permanent Improvements Stockyards SEQ TIF (Back of the Yards)

SBIF Grant Eligible work included:

- Environmental remediation;
- Solar panels - exterior renovations including roof solar installation to procure and install 160 photovoltaic modules;
- Solar-powered water heater.

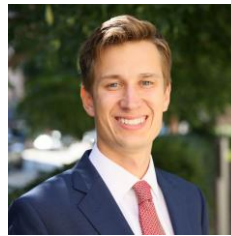




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Engage with the Hub

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Thank you for joining us!