



Connecticut Community Investment Corporation



2007  
Annual Report

This year's Annual Report contains a mix of information about the economic impact of our loan programs together with a selection of features about some of our small business borrowers. I am pleased to report that for the sixth consecutive year CTCIC earned the distinction of being the #1 Certified Development Corporation 504 Lender in Connecticut based on loan production. It is also the sixth consecutive year our 504 loan portfolio has increased by 20% or more.

The staff once again stepped up to meet the challenges inherent with that kind of growth. They work hard to keep CTCIC's commitment to provide quality service to our lending partners and borrowers.

Our 504 success is not the only story in 2007. We closed our first New Markets Tax Credit Loan and our first 504 Look Alike Loan in partnership with the Community Reinvestment Fund (CRF) this year. We were also recognized as the #1 SBA Microloan Intermediary Lender in Connecticut as the total dollars lent under the program approached \$7 Million. But the best Microloan news came from Washington, DC. Thanks in part to the efforts of the entire Connecticut legislative delegation, the program was funded for another year. With Microloan resources in place, we will continue to provide economic opportunity to businesses like Cuddles & Kisses Childcare, Inc. and Comfort and Care of Wallingford, LLC featured in this year's report.

Finally I'd like to thank long time Board Member Frank Iamele for his years of service to CTCIC. Frank resigned from the Board shortly after the close of our 2007 fiscal year. He was the official voice of the small business owner on the Board and he provided an insightful counterbalance to discussions on financial analysis. I wish him well in his endeavors to fill the 8:00am time slot in his schedule every first Tuesday and third Thursday of the month.

Sincerely,



**Mark S. Cousineau**  
President

## 2 0 0 7 BOARD OF DIRECTORS

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## 504 Impact Study: THE RESULTS ARE IN(credible)

The National Association of Development Companies (NADCO) commissioned a study on the economic impact of the SBA 504 Program. Prior to the publication of the study, discussions on the economic benefits of the program were limited to job creation and retention and anecdotal information on the impact of 504 loans on individual businesses.

For taxpayers, the most striking analysis from the study is the cost benefit of the program. SBA spent an estimated \$46.6 million operating the 504 Program during the 2003-2005 study period. The increased federal revenue from the program represented a return of \$37.50 for every \$1.00 spent on program costs. State and local revenues add another \$57.00, **increasing the return on investment to approximately \$94.00 per dollar of program cost. Incredible.** No other program can demonstrate such returns. The complete NADCO Impact Study is available on our website at [www.ctcic.org](http://www.ctcic.org).

## CRF Loans: Flexibility and Opportunity

Thanks to our ongoing partnership with Community Reinvestment Fund, USA (CRF)\*, we have been able to provide more flexible financing in Connecticut and Rhode Island through our 504 Look Alike and New Market Tax Credit loan programs. Utilizing these CRF funded programs in conjunction with our lending partners CTCIC has:

- Financed projects that were ineligible for SBA 504 financing, including financing to non-profits acquiring real estate
- Refinanced an equipment loan as part of an SBA 504 financing package

There will be much more to come as we continue to look at the many options available through our CRF funded programs.



\*CRF is a nonprofit organization, headquartered in Minneapolis, MN. It is supported primarily by its own revenue-generating activities, including loan purchasing, loan servicing and training and technical assistance. CRF gets further support from foundations, corporations and individuals that want to use their social-purpose investments in a way that maximizes their effectiveness.

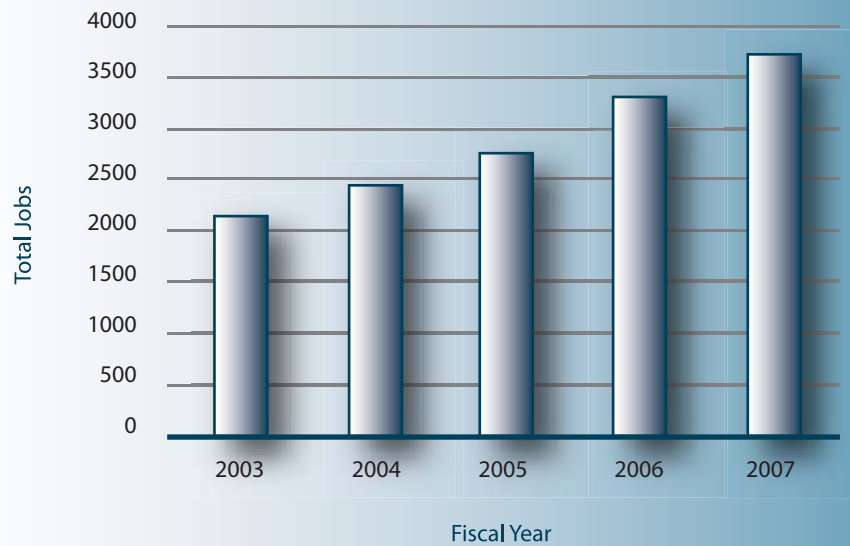
## Microloans: An Economic Driver

The September, 2007 issue of Connecticut Economic Digest revealed that between 1997 and 2005 job growth from "Lone Wolves" (defined as businesses with no employees) was equal to the job growth of all employer-based businesses in Connecticut (compare 45,692 Lone Wolf positions to 46,775 employee positions). Remarkably, during that time period Lone Wolves realized a gain in employment each year. Employer-based businesses on the other hand, had their up years and down years. Despite the Lone Wolves' steady positive impact, financing for start-up businesses is a higher risk proposition and difficult to obtain.

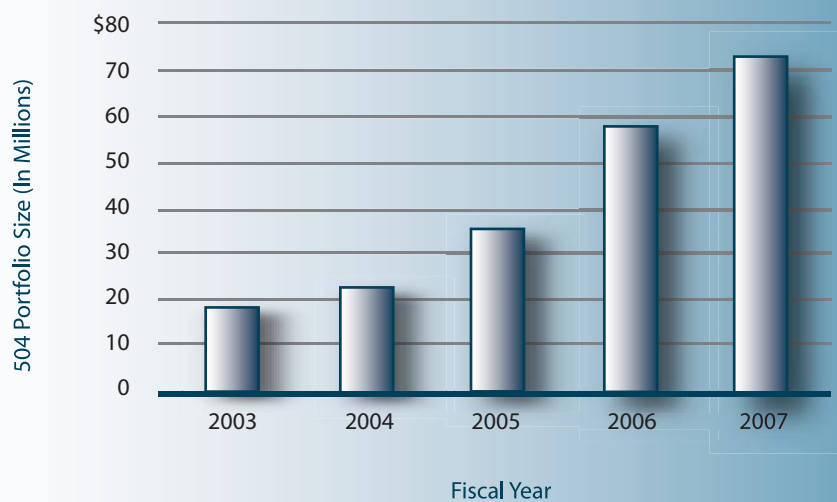
Our Microloan Program is one of the few options available to meet this financing need. Recognizing their importance to the state's economy, we continue to support the Lone Wolves' entrepreneurial spirit with both dollars and technical assistance. They will continue to make up a substantial percentage of our Microloan loan portfolio.

## 2007 Accomplishments

*Total 504 Jobs Created and/or Retained at the End of Each Fiscal Year*

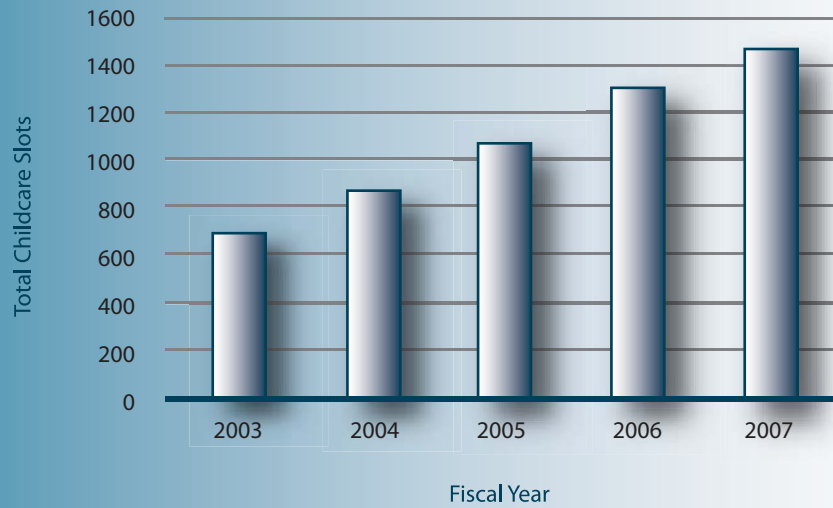


*Total 504 Portfolio Size at the End of Each Fiscal Year*

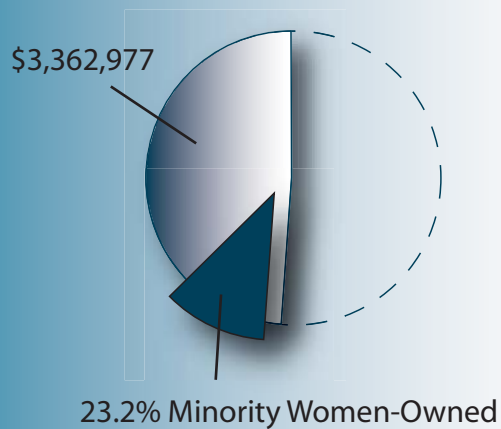


# 2007 Accomplishments

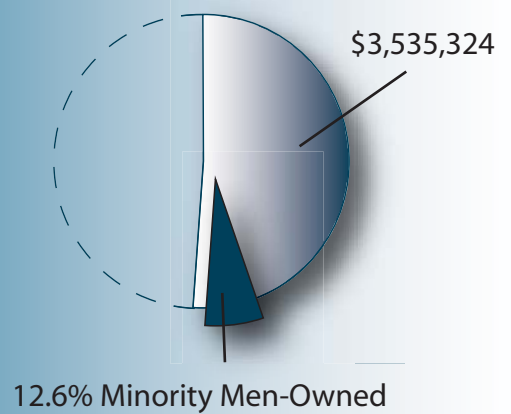
*Total Childcare Slots Created at the End of Each Fiscal Year*



*Breakdown of Microloan Portfolio for Women-Owned Businesses*



*Breakdown of Microloan Portfolio for Men-Owned Businesses*



## SBA 504 Loan



### Saugatuck Kitchens

*Bridgeport, CT*

**Saugatuck Kitchens was founded in 1998 by David and Sonia Wells. They started their business with the idea of creating frozen hors d'oeuvres that they could use on their catering jobs.** David and Sonia are both graduates of the Culinary Institute of America (CIA) where they met and began their life partnership.

After graduating from CIA, David and Sonia both began their careers with very prestigious restaurants. David apprenticed at the Balsalms in New Hampshire and Sonia apprenticed at Café Artist in New York City. They both worked at Le Benardin, a four star restaurant in New York City.

Together, David and Sonia have 46 years experience in the food service business.

When David and Sonia approached CTCIC in March, 2004 they wanted to take their business to the next level. They had started Saugatuck Kitchens in an old pizza kitchen in Stratford, Connecticut with a single commercial mixer. In their first full year of business they grossed \$103,000.00. At the time they had only three part time employees on staff.

Saugatuck requested financing to purchase and renovate a piece of real estate located in Bridgeport, Connecticut and to purchase capital kitchen equipment. Their total project cost was \$220,000, with the SBA 504 portion set at \$93,000.00. CTCIC closed the SBA 504 loan in September, 2004. At year end gross revenues were up to \$354,000.00.

Since the expansion, David and Sonia have added a full time chef and have a seasonal high of 15 employees during busy times. Saugatuck Kitchens work exclusively through a network of 14 different distributors who market their products to country clubs, caterers, conference centers and hotels.

***“David and Sonia have become advocates of the SBA 504 Loan Program. David has accompanied me to marketing events helping to bring the 504 Program process and benefits to life. We thank you for the endorsement!”***

**Gary Toole**  
Vice President

As a result of David and Sonia's vision and hard work, business continues to trend upward as gross revenues approach \$1 million for 2007.

### **The Riverhouse at Goodspeed Station Banquet & Conference Center** *Haddam, Connecticut*

**The partners of Riverhouse Properties had the perfect site and a dream for a perfect catering venue, overlooking the Connecticut River across from the beautiful and historic Goodspeed Opera House in scenic Haddam.** Each

partner brought their special talents to the team. Steve Rocco, an architect, had the design vision. Mark Poole and Jim Bucko brought a combined fifty years in banquet and hospitality experience. Trevor Furrer brought financial expertise from his background in banking. The dream became reality in the new, state-of-the-art Riverhouse in Haddam, with some 20,000 square feet of space and a grand ballroom which can comfortably seat almost 400 for dinner. They lured Executive Chef John Thompson away from a longtime position, and filled out their "dream team".



When the partners approached CTCIC in September, 2005 they were marketing their vision for this beautiful complex. It was a huge project with costs topping out over \$4,000,000. However, this was true "start up" with no financial history on which to base a credit decision. The project needed someone who could sell this vision with a strong positive entrepreneurial spirit. They produced a "virtual" tour of the new finished facility so that their lenders could envision the finished project and get a feel for the character of the facility.

The virtual tour was the final piece that sold the loan. A \$1,235,000 SBA 504 loan was used to fund construction costs and to outfit a generous kitchen sized to accommodate both on and off-property catering. CTCIC anticipated a slow and steady ramp up of business and a creation of 15 new jobs. Today, with over 60 full and part time employees, the Riverhouse is busy hosting social and corporate functions, weekdays and weekends, year- round. They will reach their \$2.5 million sales goal in their first full year in 2008 and they expect to exceed \$3 million in sales in 2009.

General Manager Jim Bucko said, "Working with Gary and CTCIC was a pleasure. We hope we can work together again soon. Our business plan is working well and we plan to expand to other locations."

***"As soon as I met Mark, Steve, Trevor and Jim, I knew that I was dealing with professionals who didn't know the meaning of the word 'failure'. The facility exceeded all expectations and is complimented by a beautiful view of the Connecticut River. They have created a new destination location for hosting memorable events."***

**Gary Toole**  
Vice President

## 504 Look Alike Loan



### Hope Academy

Orange, CT

**Laura Carroll, parent and businesswoman, founded the Hope Academy in 2000 to help address the unmet needs of her child and other students with developmental challenges.** The school's name is derived from its motto, "Because every child deserves a little hope...".

The school's individualized instruction enhances the educational opportunity for these students by tailoring instruction to the students' abilities and strengths (not disabilities and weaknesses). Between 2000 and 2003 the non-profit school grew from 2 to 20 students as it expanded its offering of individualized programs to cover grades 1 thru 12.

Laura's long term plan to expand Hope Academy called for a significant enhancement to the technical/vocational curriculum to better address the needs of her students. The planned enhancements require significantly more space than was available at the current facility so Laura began searching for alternative space. The search ended at the 1.5 acre site of the former Sikorsky Aircraft building on Marsh Hill Road in Orange, Connecticut. The clear span 28,000 square foot building was ideal for reuse as a school.

Laura financed the building purchase and extensive renovations in part with a \$910,000 504 Look Alike Loan funded through CRF. It is CTCIC's first loan to a not-for-profit business under a CRF funded program.

In its first year in the new building, Hope Academy's enrollment reached 30, attracting students from as far away as East Lyme, Danbury and South Windsor, Connecticut. Staffing was increased to 21 to meet the needs of the increased enrollment.

But Hope Academy hasn't stopped growing. The new facility can accommodate up to 52 students. Under Laura's leadership and plan for controlled growth, we expect to see those numbers increase in the coming years.

***"CRF was very enthusiastic about participating in the Hope Academy project. They were impressed with Laura's management and with the programs offered at the school. We look forward to working with CRF to fund other projects like Hope Academy that provide outstanding benefits to the community at large."***

**Mark Cousineau**  
President

### Cuddles & Kisses Childcare, Inc.

Tolland, CT

**Eileen Gay started an in-home childcare service 30 years ago.** Daughter, Michelle Tyler followed suit 24 years later, opening up her own in-home childcare next door to her mother. The mother daughter team together provided full time care for 12 children and after school care for another 6 children. In 2004 the women leased a new 3,500 square foot building less than a mile from their homes and used it to combine their two small businesses into one. With financing and assistance from CTCIC's Childcare Microloan Program, the business fit up the new location and opened with state approval for 52 full time slots and 14 part time slots.



In July, 2007 Cuddles & Kisses Childcare, Inc. expanded again and once more CTCIC lent additional funds to cover moving and fit up expenses. Today, Cuddles & Kisses Childcare, Inc. has 88 fulltime children (of which 56 are infants) and approximately 60 part time children. And because of the business' emphasis on labor intensive infant care, employment has grown to 35.

***"These two Microloans are the exception and not the rule but they each highlight the importance of this grass roots program. CTCIC lent start-up and expansion dollars when others said no. Now thanks to these successful businesswomen there are over 160 new jobs in Connecticut."***

**John Torello**  
Vice President

### Comfort & Care of Wallingford, LLC

Wallingford, CT

**Linda Durning opened Comfort & Care of Wallingford, LLC in June 2003.** Comfort & Care provides non-medical in-home services to elderly individuals and couples who have some difficulty managing the daily routines of life but who prefer independent living in their own home.



When Linda applied for Microloan financing in the summer of 2003 she submitted a business plan detailing the opportunity and the demand for elderly services. Her projections showed employment increases to 10 after one year; an aggressive goal from Linda's perspective. Five years later the business is thriving in part because of Linda's ability to handle growth. Last reported, Comfort & Care's employee count exceeded 125. And as a result, the business outgrew its leased space and purchased larger quarters at 273 North Main Street in Wallingford (directly across from the library).

What starts as a micro-enterprise doesn't always stay that way.....

## Our Lending Partners

**CREW:** *"A group of people associated together in a common activity or by common traits or interests"*  
Merriam Webster Dictionary

We are fortunate to have an outstanding crew of lenders who share our enthusiasm for small business and recognize the important role economic development finance plays in the marketplace. As members of our crew, these lenders have experience working with our specialized programs and are dedicated to providing growth opportunities to our shared clients. Each lending institution listed below has participated with us in a 504 or CRF deal in Connecticut or Rhode Island within the past two fiscal years (2006, 2007). We sincerely thank them for their dedication and loyalty and look forward to partnering with them in the future.

***Together we will build business for tomorrow.***

Webster Bank, N.A.

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Citizens Bank of Connecticut  
Connecticut River Community Bank  
National Cooperative Bank  
Liberty Bank  
Naugatuck Savings Bank  
Bank of Southern Connecticut  
Peoples United Bank  
New Alliance Bank  
Coastway Credit Union

CIT Lending Services Corporation  
Union Savings Bank  
Bank of America  
Naugatuck Valley Savings and Loan, S.B.  
Essex Savings Bank  
JP Morgan Chase Bank, NA  
Thomaston Savings Bank  
UPS Capital Business Credit  
Fairfield County Bank Corporation

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North Fork Bank  
Sterling Bank  
Citibank  
CT Community Bank, NA  
BLX Capital, LLC  
TD BankNorth, N.A.

Temecula Valley Bank  
Zions Bank  
Savings Institute Bank & Trust  
Washington Trust Company  
Collinsville Savings Society



***CTCIC lost a long time Board Member and friend when Bob Dow passed away suddenly while skiing in Vermont on February 9, 2008.***

Bob was a graduate of Duke University where he played varsity football and earned a degree in Civil Engineering. Bob later graduated from the United States Army Engineer Officer Candidate Program with honors and served a tour of duty in Vietnam.

He was a life long resident of Branford and a successful commercial realtor. He started his real estate career with the H. Pearce Company and later formed Dow Realty. Over the years Dow Realty grew into a full service commercial / industrial investment real estate brokerage firm.

In addition to managing his business, Bob was also active in a variety of community organizations. He served on the boards of New Haven Rotary Club (Past President and Paul Harris Fellow), Quinnipiac Council of Boy Scouts of America, the Greater New Haven Goodwill Easter Seal Rehabilitation Center Executive Board, the Branford Economic Development Commission and The Pine Orchard Yacht & Country Club as well as others.

Bob brought his real estate expertise (as well as his long list of contacts) to the CTCIC Board. He will always be remembered as one of the key people who helped transform CTCIC into a high volume SBA lender. He advocated for a CTCIC Board member to attend the Annual Meeting of the National Association of Development Companies. That proved to be a catalyst for growth.

Reflecting on his association with Bob, CTCIC Board Chairman Mark Candido said, "Bob was a wonderful guy. He will be missed tremendously. He was a huge asset to the corporation; always willing to help in any way he could."



**ROBERT E. DOW**  
**1943 - 2008**

MEMBER - CTCIC BOARD OF DIRECTORS

*Our expertise. Your future.  
Building Business For Tomorrow.*



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