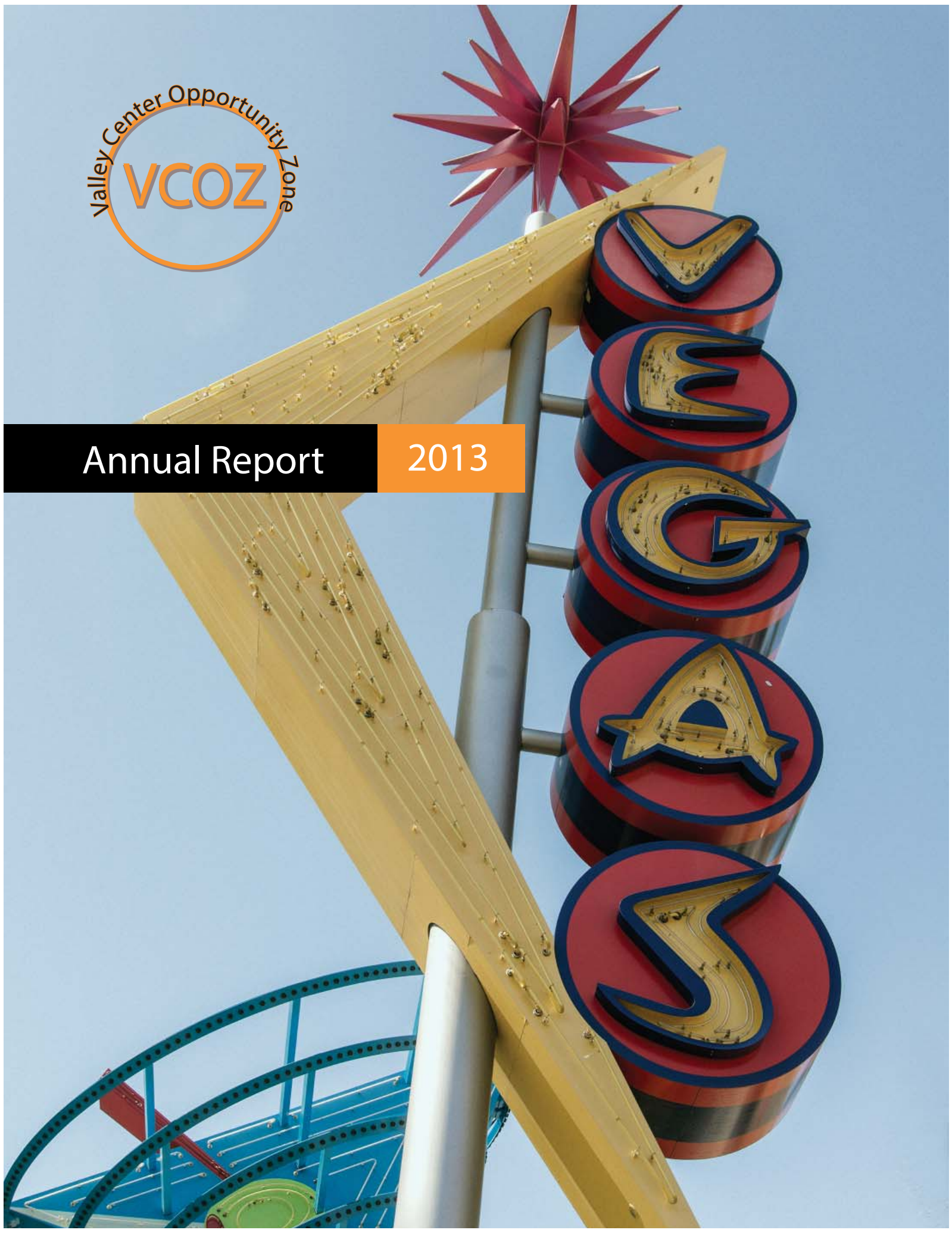




Annual Report

2013



# Annual Report



Success

Program Overview

## About Us

As presented to the Legislature, Valley Center Opportunity Zone (VCOZ) was designed to impact the area of Las Vegas most in need of stabilization and revitalization. We stated in our concept proposal, "The primary focus of the project will be to build the capacity of businesses to meet the service needs of the identified community. It must be understood that these types of projects are incremental in nature and changes are not usually fast in coming. The area of town to be assisted took many years to decline and it will not be revitalized overnight."

The program has four areas of emphases to meet the primary focus of the project:

- Individualized and tailored business assistance
- Regularly scheduled group seminars that address general business issues
- Business development grants and leveraged loans
- Business barter and discount network

Our documented record of success in meeting our program goals supports continued maintenance level funding under current economic conditions to meet the service needs of existing clients, along with minimal grant amounts to deserving new clients in the future.

Concluding, we feel creative minds working in cooperative ways will allow you to "do the right thing" in providing needed services and promoting initiatives that will help our state and the citizens it represents meet the economic challenges of today. When we look back in future years on our challenges of today, they will be viewed as merely tomorrow's opportunities ties in waiting.

Respectfully Submitted,

**Peter Guzman, President/CEO**  
Valley Center Opportunity Zone (VCOZ)

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## To the Members of the 77th Nevada Legislature Session

**A**s members of the Board of Directors and staff of the VCOZ we offer our support to you as well as recognition of the fact as our new and returning elected officials, you will continue to face very difficult budget challenges.

**T**he media have, for five years, documented the challenges you face as the leaders of our great state.

**D**etermining what level to fund essential services, what initiatives to support, and determining where revenue enhancement is warranted are three of the challenges you will be required to address, during the upcoming session.

**T**he program herein discussed was one of the community based initiatives that received the support of the Legislature and Office of the Governor. Funding to support the initiative was originally a pass through grant from the Nevada Development Authority. The prudent expenditure of public funds, proper accounting, and reporting on the results achieved are a must, if the general public trust is to be sustained and a public good realized from the programmatic effort supported by the grant. In evidence of the need for such transparency, this report is provided for your review as a part of our programmatic effort. Of particular note is our commitment to an annual audit attesting to proper accounting and use of program grant funds. While too extensive for inclusion in this summary report, annual audited financial records are on file at the VCOZ office and available for public review during normal business hours.



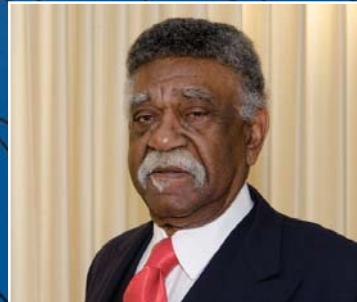
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**Peter Guzman**  
President/CEO



**Carlos Gomez**  
Board Chairman



**Edgar T. Taylor**  
Board Vice Chairman



**Eric James**  
Vice President



**E. Louis Overstreet**  
Member



**Kelly Espinoza**  
Executive Assistant

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## GRANT RECIPIENTS

- Academy Human Development, Training
- Adriana's , Party Setup Company
- Aguilar Construction , Contracting Services
- Allied Remediation Tech , Clean Up
- Anderson Law Firm , Legal Services
- Angeles Auto Repair , Auto Repair
- Arlean & Company , Business Consultants
- Bilingual Behavior Counseling , Multi-Cultural Education
- Cake World , Bakery
- Care Van , Senior Transportation
- Carrilio Media , Internet
- Certified Electric , Electrical contracting
- Classic Cuts , Barber Shop
- Clothesline , Laundromat
- Concierge Medical Services , Medical Furniture
- Crawford Management , Accounting Services
- Desert Recycling , Material Recycling
- Design Construction , Architectural Drafting Services
- Digital Ads R Us , Digital Marketing
- Dirtbusters , Janitorial Services
- Don Vicente , Cigar Store
- Downtown Grounds , Coffee Café
- DREA 357 LLC
- Durango Auto Parts , Supplier
- Elphin Closet , Clothing Store
- Epic Store , Shoe Store
- Expertise School of Beauty , Beauty School
- Facilliteque Business Interiors , Office Furniture
- Francis Richards , Business Consulting
- Fremont Place, LLC , Car Wash/7 Eleven Store
- Fremont Street Guitars , Retail Guitar Store
- Fresh Start , Rehab
- GEA , Website Services
- Gear-Up , Athletic Apparel
- Geeks 2 Go , Computer Repair
- General Merchandise, Retail
- Happy Tours, Tourizim
- Jackie's Iced Out, Beauty Salon
- Joyce Thomas Insurance, Insurance Services
- King Horse Entertainment, Restaurant
- Kiss Consulting, Consulting Services
- Las Vegas Civil Engineers, Engineering Design Company
- Las Vegas Showgirlz, Female Football Team
- Llantera Durango, Tire Store
- Lola Pictures, Film Productions
- Lunas Construction, Construction Site Cleanup
- Magic Bright, Janitorial Services
- Marsha Sims Law Office, Legal Services
- Mojave Java & Tea, Retail
- Monument Collision, Auto Body Repair
- MT Construction, Construction Cleanup
- Napier Construction, Contracting Services
- Nevada Adult Day Care, Senior Citizen Assisted Care
- Nevada Flowers and Gifts, Gift Shop
- Newsome Marketing, Marketing Services
- Nueta Nation, Native American Counseling Services
- Periwinkle Group, Marketing/PR
- Phung Jefferson, Legal Services
- Poquito Del Todo, Computer and Learning Center
- Potato Valley, Lunch Café
- Pro-Serve Mortgage, Mortgage Company
- Rally Bells, Souvenirs
- Ralph Tyler Companies, A/E Services
- Sinful Delights, Bakery Shop
- Sisters Oriental Market
- Six Star Cleanup, Janitorial Services
- Solomon Management, Insurance Services
- Southern Nevada Couriers, Package Delivery
- Southern Nevada Flaggers, Traffic Control Services
- Spit Shine
- SUMNU Marketing, Advertising Agency
- TCP, Media/Executive Offices
- Teen Entrepreneurs, Business Training/Solutions
- The Express Stitch, Tailor Shop
- Three Tomatoes, Restaurant
- Top Notch, Barber Shop
- Vanguard Lounge, Cocktail Lounge
- Vegas Community, Online Website

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3. Business development grants and leveraged loans
4. Business barter and discount network

# Operating Budgets

VCOZ program operations were severely impacted by the state's budget crisis. Funding of \$1,500,000 for the period of time covered by the 74th Session of the Nevada Legislature was reduced to \$428,000 in the 75th Session and sustained at this level in the 77th Session.

American businesses continue to fail at an alarming rate. For example, recent news accounts reported that nationwide 250 small businesses a day were "Going Under."

These states of budget and business realities required that we adjust our strategy to sustain operations and seek the best ways to continue to provide needed assistance to clients during the worse economic downturn in our Nation's history since the Great Depression and in the entire history of Nevada.

To meet this challenge, four program adjustments were initiated:

- It was decided to reduce the maximum amount of grant awards for which applicants could apply.
- Revise the application process to reflect the reduced amount of funding for which applicants are eligible.
- Seek ways to augment funding for some existing grantees who were able to survive the downturn.
- Provide case-by-case special assistance to existing grantees who are seeking to retain employees.

Also, VCOZ is actively seeking other funding sources for employment training to develop intern positions with businesses we have funded. The diversity of the type of businesses that have received assistance are ideally suited to provide training and hoped for continued employment after the internship period is completed.

## Calendar Year Budget Allocation



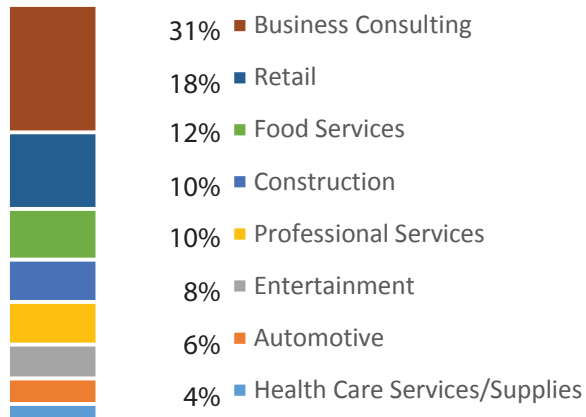
The following table summarizes the operational status of businesses that have received a VCOZ grant

Year of Award	Total # of Awards	Currently Still in Business	Out of Business
2007	22	17	5
2008	9	7	2
2009	18	16	2
2010	12	11	1
2011	10	9	1
2012	14	14	0
2013	14	14	0
<b>TOTAL</b>	<b>99</b>	<b>88</b>	<b>11</b>



# About Our Program

## Grant Recipient Business Focus



## EMPOWERMENT IN THE ZONE

The main objective of the program is to assist our clients who own businesses located in the Zone's blighted areas within downtown Las Vegas, east and north of the city, and North Las Vegas. However, businesses located outside of the zone where a majority of their clients are within the boundaries are eligible to apply for assistance.

## PROVIDING GRANTS

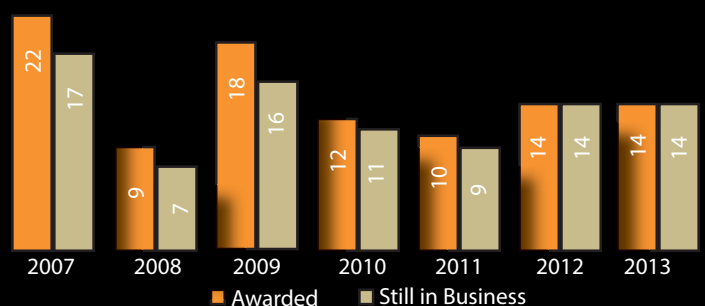
- Direct business grants of up to \$15,000, to be used for specific purposes of employee retention. Other possible uses: signage, property improvement, capacity building, and purchase of capital equipment/property, job creation, and retention.
- Loan-leveraging grants that assist business owners with meeting a financial institution's capital injection requirement on larger commercial loans.
- Assist in identifying of the funding sources for development and capacity building.

## BUILDING BUSINESS CAPACITY

Competency levels of our clients is raised by their participation in our sponsored programs that include formal training, seminars, workshops and one-on-one mentoring, concentrating on topics that are often beyond the client's business specialty.

*As of November 2013, the Valley Center Opportunity Zone has awarded 99 grants totaling in excess of \$1,750,000 and created 400 (est.) full time jobs with a business survival rate of 89%.*

## Year-on-Year Awards



# ABOUT OUR PROGRAM

Build and strengthen partnerships among community organizations and businesses

## Grant Eligibility Requirements

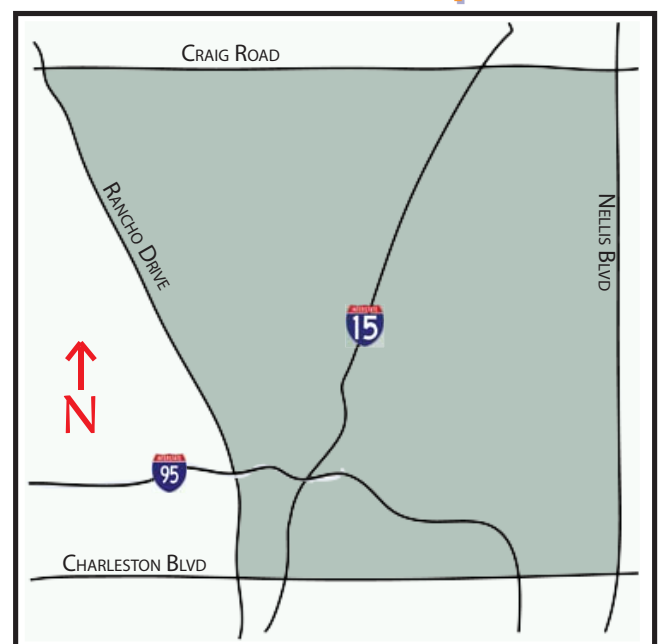
The Valley Center Opportunity Zone (VCOZ), a community development corporation, was established to administer funds awarded by the State of Nevada to create economic impact, stimulate business activity and enhance visual appearances of business properties in a specific area of the Las Vegas Valley. Chief objective of the program is to assist businesses in blighted areas in downtown Las Vegas, areas east and north of the city, and within North Las Vegas. However, any business, or their clients who are primarily within the boundaries are eligible to apply.

## Application Criteria

It is preferred that the business be at least two years old. This criterion may be waived for a number of factors such as:

1. Strong indicators of job creation or other measurable economic impact.
2. Client base is predominately located within the zone.
3. Business and/or its owner cannot have any outstanding federal and or state tax liabilities.
4. Provide a Business Plan with cash flow projections and detailed "source and use of funds."
5. Business owner (s) must be willing to sign agreement for funds disbursement. Preference may be given to businesses that are or will be located in the designated redevelopment areas of the cities of Las Vegas and North Las Vegas, and for businesses that will rehabilitate and remodel older properties.

### VCOZ Map







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PRIME RIB  
\$1.95  
CAFE CORTEX

COCKTAILS

FLOOR SHOWS





## TESTIMONIALS

*"With the Fremont street expansion we had the opportunity to move into a different location with financial backing, with the help of VCOZ we had an option and chose to stay in the community that we identify strongly with".*

### Cake World

*"If it wasn't for VCOZ who was by our side, where would we be? God sent me an Angel," proclaimed Gwendolyn Braimoh, Founder of the Expertise Cosmetology Institute and VCOZ Grant Recipient."*

### Expertise Cosmetology Institute

*"I wanted to thank you so much for reviewing our application for funding and submitting it to the board for review. Dirtbusters is extremely grateful that the board approved for us to receive funding to help us purchase new equipment and maintain payroll. VCOZ has enabled Dirtbusters to continue its business operations that employ veterans and minorities. This funding will significantly assist us in purchasing much needed equipment to handle bigger jobs. Large jobs means employment for my dedicated employees."*

*I and a majority of my employees are veterans of the US Army Reserves stationed here locally at Nellis Airforce Base. This funding has answered our prayers in ways that can't be all explained in this letter. You and your team were extremely professional and made this application process stress free. Prompt return calls and consistent communication assured me that I had contacted the right source for business help and expertise."*

### Dirtbusters Cleaning

*"Nevada Adult Day Healthcare was awarded a grant from the Valley Opportunity Zone and has received, over the years, an overwhelming amount of support from the State of Nevada" says Chris Vito. It is Chris' hope that programs such as VCOZ and the funding that they provide to support the Center will not be eliminated as it has made the operations of Nevada Adult Day Care and the ability to provide quality services to the elderly possible. To lose the support for the care of our elderly and other viable organizations throughout the Las Vegas Valley would be a travesty."*

### Nevada Adult Daycare

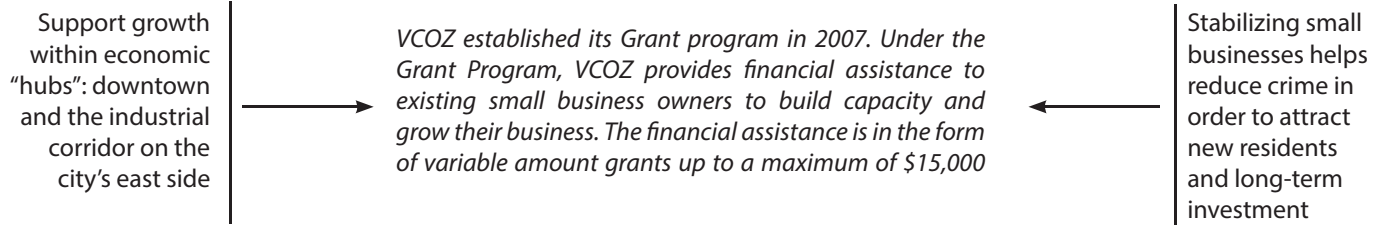
*Hudson says, "I would rather have them at his shop, than out on the street. But times have been tough for his basketball concept shop. A grant of \$5,000 could not have come at a better time. This is what it's for. We were able to secure funds through the state. To me this is true stimulus. This is direct stimulus." We've taken funds from the state and as you just saw handed it right over to a small business", said Peter Guzman with Valley Center Opportunity Zone."*

### Classic Cuts

*"Ordinarily letters to community resource centers are written to complain and/or express concerns regarding certain problems or misunderstandings. This correspondence, however, is to express my gratitude and appreciation for your professionalism, sensitivity, and commitment in processing and approving my application for funding to Southern Nevada Courier Service, Inc."*

### Southern Nevada Courier Service

# Long Range Planning



Provide economic assistance to stabilize small businesses

Stabilize neighborhood communities and local housing

Leverage relevant benefits within the Zone for economic growth and stability

Identify site opportunities that will draw jobs and businesses

Provide technical assistance to recipients to help grow business



The goal should be to expand VCOZ as a means of putting people back to work through skills training and adult education; classes on small business development to support entrepreneurs; loans and technical assistance for small resident-owned businesses.

Provide a more connected and integrated physical environment that links home, work, entertainment and recreation destinations to the development zone.

**\$1.8 Million**



**\$10 Million**

Target the use of micro-grants to stimulate entrepreneur startup expansion in areas that have lower commercial lease costs. This strategy has been proven to stabilize communities.

An economic recovery plan for Las Vegas, and Clark County needs to be developed with an eye on diversifying business vehicles and building capacity within the DBE community.





## Valley Center Opportunity Zone

A COMMUNITY DEVELOPMENT CORPORATION

Peter Guzman  
President/Chief Operating Officer



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