

# The Sunday Oregonian

SUNRISE EDITION ★★★

BREAKING NEWS AT [OREGONLIVE.COM](http://OREGONLIVE.COM)

WINNER OF SEVEN PULITZER PRIZES

\$2.00

AUGUST 29, 2010

## Rejected by big banks, some take creative route

**Financing** | Small businesses get started with help from the SBA, investors, franchises

### → **PBJ's Grilled Gourmet Peanut Butter Jelly Sandwiches**

**Founders:** Shane Chapman and Keena Tallman

**Funding:** Food cart

**Overcoming the cash challenge:** Living in Las Vegas, would-be entrepreneurs Chapman and Tallman researched Portland as they shopped for places to open a cart peddling gourmet peanut butter sandwiches. They chose Portland for its culinary and cart culture and moved here in 2008. The couple tried to finance a cart but said they found double-digit interest options and overly stringent bank terms they felt could swamp their fledgling business. Instead, they chose to save up and buy a used cart.

The cart, at Northwest 23rd Avenue and Kearney Street, began drawing a profit within three weeks, helping to cover expenses as they work to get their homemade peanut and almond butters on the shelves of local high-end grocers. The couple, who said they were asked recently to cater an upcoming event for Sen. Jeff Merkley, aim to open a second cart, add farmers market venues and, potentially, seek private investors.



BRENT WOJAHN/THE OREGONIAN

Keena Tallman makes a sandwich at her PBJ's Grilled Gourmet Peanut Butter Jelly Sandwiches food cart on Northwest 23rd Avenue at Kearney Street. Profits from the cart help Tallman and partner Shane Chapman market their peanut and almond butters that they hope will be on some grocery store shelves in coming months. "We were offered loans, but the rates were just too much," said Tallman, who is now hearing from some investors interested in their product and their grilled sandwiches, including one that features marmalade, basil, curry and their peanut butter.

Ask small-business owners whether they've turned to large national banks recently as they've sought to expand, relocate or start companies. Many laugh and shake their heads. The rest admit they've received a few loan offers — if they're willing to sign on to what some call "exorbitant" terms and rates.

Instead, some turned to the Small Business Administration and community banks, private investors and other creative avenues for cash in a credit-challenged economy.

Below, a few local businesses share their financing tales.

—Laura Gunderson



**Online:** Check out an interactive county-by-county listing of Oregon businesses that recently received Small Business Administration loans at [oregonlive.com/business](http://oregonlive.com/business), including Melody Ballroom of Portland, which received \$1.09 million; Sunwest Motors of Newport, \$200,000; and Spring Valley Dairy Inc. of Salem, \$917,000.

### ↓ **Snap Fitness**

**Franchisee:** David Hillen

**Funding:** Franchiser's in-house financing

**Overcoming the cash challenge:** Tiring of his weekly travel as an executive with MetLife's Home Loans department, Hillen began to warm to the idea of owning a gym franchise closer to home. He had enough to cover the Snap Fitness franchise, he said, but needed \$90,000 for the cardio and strength-training equipment in the slimmed-down gym concept. He tried the SBA but said he was told that given his limited business-ownership experience, the required collateral would be higher than he felt he could afford.



RANDY L. RASMUSSEN/THE OREGONIAN

Jose Luevanos lifts weights in the Tigard Snap Fitness gym, which new business owner and franchisee Dave Hillen opened in April. Unable to secure a Small Business Administration loan to cover his gym's equipment, the former mortgage industry executive used his franchiser's financing system.