

From: [Jude Gerace](#)
To: [Exhibits HECD](#)
Subject: Support for HB 4033
Date: Wednesday, February 5, 2020 7:15:00 AM

February 4, 2020

Dear Chair Lively,

My name is Jude Gerace and I'm the founder of Sugar Wheel Works in the City of Portland. I started Sugar in 2009. Sugar Wheel Works designs and manufactures hand-built bicycle wheels and addresses a specific need and opportunity within the cycling industry that, until 2009 wasn't yet addressed.

I am writing today in support of HB4033. I have included my own access to capital story below and am writing to advocate for other entrepreneurs and small business owners like me.

In the first five years of running my business I not only spent time working in my business but also worked four other side jobs to keep my doors open, including working as an early morning delivery driver for B-Line, an assistant instructor at the United Bicycle Institute, moonlighting in a wine tasting room on the weekends, and as a cycling tour guide along the West Coast. This was not an easy time for me and there were many nights where I worked until 2am and slept in my small studio before waking up to start work at 4:45am.

Within the first year of running my business, it became clear to me that I'd need a loan to meet the growing demand for my services. This loan would help me invest in initial inventory, secure a location, purchase shipping boxes, and help with the build out of my studio.

What I didn't realize is that even with the success of my first year, hand built bicycle wheels was a hard pitch to banks because they did not understand my business and thought it was too risky or, if even they were willing, I had no collateral or established credit.

The turning point for my business was a program through Prosper Portland which was a recommendation from another small business owner, B-Line. With this special program, which does not exist in the same form today, I would not have received the technical assistance and subsequent loan that my business needed to succeed.

Because of this targeted investment, I was able to create two full-time positions and two part-time positions in addition to several contract jobs. Additionally, I was able to invest in inventory, build an ecommerce website, secure a location and invest in state of the art tools. I was also able to create a small safety net to make it through the winters, when sales on bike equipment plummet.

Because of this investment, I was able to ship about 40% of our wheels out of Oregon and across the United States establishing us as a Domestic leader in our industry. I'm proud to say that last year, I successfully sold the business, maintaining all the jobs I created.

I credit my success as an entrepreneur to a government program helping me prepare my business plan, coaching me along the way, and helping hold me accountable to my vision. Without these supports, all the work I put in, and risks that I took, likely would not have paid off.

Thank you for your consideration of HB4033 which closes the current funding gap allowing lenders to take a calculated risk on hard working small business owners like myself who may not have the credit or collateral to secure a traditional loan.

Sincerely,

Jude Gerace