FIRST BANK OF THE LAKE

BUILDING A VETERINARY STARTUP FROM THE GROUND UP

Two SBA loans, one project — a 24-hour ER and specialty hospital

How an SBA 504 real estate and construction package, paired with a companion 7(a) loan, funded a veterinary hospital built from scratch — the building, the build-out, the equipment, and the cash to open the doors.

TOTAL FINANCING	PROGRAM	PROJECT TYPE
$8,642,500	**SBA 504 + 7(a) + Grant**	**Veterinary startup**

THE SITUATION

A group of specialty veterinarians came to us to open a 24-hour emergency and referral hospital in a major metro market. The industry's staffing shortage was the problem they were built to solve — a worker-driven model designed to keep clinicians on staff and the doors open around the clock.

THE FINANCING CHALLENGE

This was a startup, not an acquisition — no operating history, and a project that ran well past the purchase price: a $3.2M building, a $3.5M clinical build-out, architecture and permits, interest carry through construction, and working capital to operate before receipts arrive. On a project that size, every dollar of required injection was a dollar out of the business.

THE SBA FINANCING STRUCTURE

We structured two loans working together on a project of about $10.1 million: an SBA 504 structure — a bank first mortgage alongside a CDC bridge for the debenture portion — covered the real estate, construction, and eligible soft costs; a companion SBA 7(a) loan covered furniture, fixtures, and post-opening working capital. Injection was sized at 15% on the 504 portion and 10% on the 7(a). Going through the project line by line, our team also identified a one-time state grant the borrower qualified for and hadn't known about — applied at the start, it offset eligible up-front costs and reduced what had to be borrowed.

WHAT THIS HELPED THE BUSINESS DO

- ✓ Put a one-time state grant to work against up-front project costs
- ✓ Opened with $760,000 of working capital already in place

WHERE THE FINANCING WENT

Every eligible project cost, itemized — nothing hidden.

Commercial real estate	$3,200,000
Construction & renovations	$3,500,000
Architecture, engineering, plans & permits	$360,000
Contingency & construction soft costs	$366,000
Interest reserve	$628,500
Refinance of existing project debt	$1,000,000
Furniture, fixtures & equipment	$125,000
Post-opening working capital	$760,000
Appraisal, title, legal, bank & guaranty fees	$163,500
TOTAL PROJECT COST	**$10,103,000**

HOW IT WAS FINANCED

FBOL 504 conventional first 45%	$4,592,000
CDC bridge loan (504 debenture) 32%	$3,214,500
SBA 7(a) companion loan 8%	$836,000
Borrower injection 15%	$1,460,500

Injection sized at ~15% of the 504 project and 10% of the 7(a). Figures rounded to the nearest $500. All loans subject to credit approval; qualifications, terms, and conditions apply.

THE TAKEAWAY

A startup hospital doesn't fit one loan. Two SBA programs and a grant the borrower didn't know existed, worked out line by line, turned four separate problems into one plan.