



# Omak SBDC

## 2017 ECONOMIC IMPACT



### SBDC Advisors Make a Difference

	2017	2008—2017
Small Businesses Helped by the SBDC	96	747
Jobs Created & Saved in the Community	23	322
Capital Formation	\$1,069,000	\$22,606,336

Economic impacts are self-reported and client-verified.

### Cascades hostel draws success from advice, varied clientele

WINTHROP, Wash.--Imagine heading up to the Methow Valley for an entire week and paying less than \$200 for lodging.

Welcome to North Cascades Mountain Hostel owned by the husband and wife team of Paul Smotherman and Audrey Mills.

When the couple opened their hostel in 2013 they expected most of their guests would be backpackers/outdoor adventurers, but it turns out their low-cost, communal accommodations attract a much more diverse crowd.

Along with solo backpackers, the hostel routinely hosts students on field trips, families on vacation, employee groups on work retreats and gig employees who can work anywhere as long as they have Wi-Fi. A growing demographic are retired Baby Boomers trying to stretch their vacation dollars.

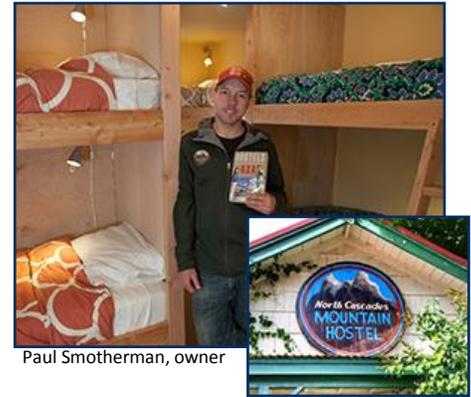
The main lodge can accommodate 16 people in two mixed gender bunk rooms at a cost of about \$25 per night. In addition, two cabins can accommodate four people each at a cost of \$70 per night, and additional cabins are being constructed.

Smotherman and Mills are both world travelers, but they conceived the North Cascades Mountain Hostel as a way for them to put down roots in the beautiful Methow Valley. They met in 2011 when they were both contract workers providing logistical support for research expeditions. By 2013 they had opened the hostel, but they continued to do contract work to pay the bills and keep the hostel open. In 2015 Smotherman was able to quit contract work and focus on the hostel, but he knew the long-term success of the North Cascades Mountain Hostel depended on one day owning the property.

With the help of the Washington Small Business Development Center (SBDC), Smotherman and Mills achieved that goal in early 2017.

"Once I discovered Lew, it was just really a tremendous help," Smotherman said. "He was able to walk us through the early steps to the point that we were able to finally buy the property."

Not only did Blakeney advise him on financial controls and business systems, but he helped him with his loan application so that he had a solid case to present to lenders. "It was great," Smotherman said. "We had an idea, a hunch that things would work out, but we weren't able to pencil it out, and Lew helped us do that."



Paul Smotherman, owner

When Smotherman and Mills got turned down by conventional banks, Blakeney worked with them to prepare a loan application for Craft3, a non-profit community development lender with a mission to strengthen economic, ecological and family resilience in Pacific Northwest communities. Craft3 said yes, but they needed 35 percent down, and they had only planned on 20 percent. At that point, Blakeney helped them prepare for a meeting with North Central Washington Business Loan Fund in Wenatchee for the gap funding, and they were successful there as well.

Smotherman said he had no idea how much work it would take to get their hostel to this point, but he's glad they persisted, and he's glad they have Blakeney to help them move forward.

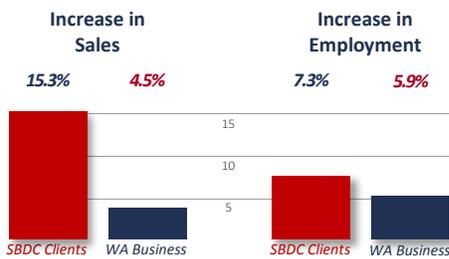
Even with recent weather-related challenges including wildfires and mudslides, tourism in the Methow Valley has been growing, Smotherman said, and his business is growing as well. Future plans include more cabins, a small supply store and maybe a café.

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 Paul Smotherman, Owner

### Washington SBDC Performance

Clients vs. state average



Independent Annual Survey Source: Dr. James Chrisman, Mississippi State University

**\$4:\$1**

For every \$1 invested in the Washington SBDC program, our clients generate \$4.37 in incremental tax revenue.

### Washington SBDC Locations



The Washington SBDC is a partnership with the U.S. Small Business Administration, Washington State University's Office of Research and other Washington institutions of higher education and economic development organizations.