

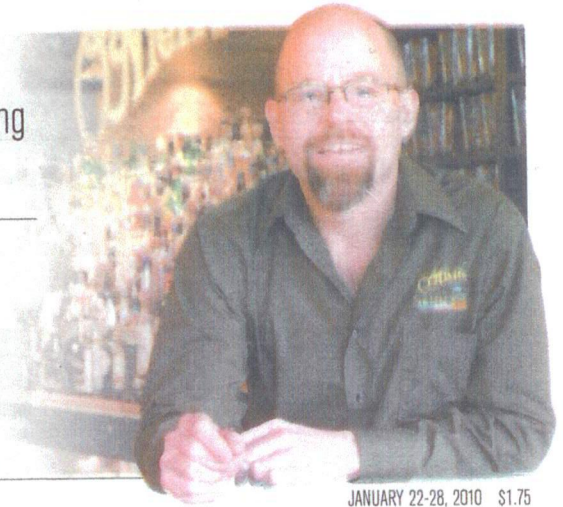
# NEW MEXICO BUSINESS WEEKLY

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VOL. 16 NO. 47

# Sacred Power's robustness = larger space

BY KEVIN ROBINSON-AVILA | NMBW STAFF

Sacred Power Corp. is moving into a 47,000-square-foot facility it purchased this month for \$1.9 million.

The building, located at 12th St. and Aspen in the Sawmill industrial Hub Zone just south of Interstate 40, will expand the firm's space nearly fivefold.

The company, which provides fully assembled solar systems to power homes, buildings and other installations in remote areas, received a \$1.6 million loan guarantee from the Small Business Administration to finance the deal. Sacred Power kicked in the other \$300,000 from its own funds, said President and CEO David Melton.



RANDY SINER | NMBW

Sacred Power's Odes Armijo-Caster (L), David Melton and their employees will be able to work in one location many times the size of the firm's current sites.

"We're growing rapidly and it's become very crowded at our factory," Melton said. "Our engineering staff and program management personnel have been stacked on top of one another. The new facility will help to manage our growth well into the future."

Sacred Power's manufacturing operations are now housed at an 8,000-square-foot building it owns, also in the Sawmill district. Sacred Power's sister company, Luz Energy, which does solar photovoltaic rooftop installations for homes and businesses, is located at a separate, 2,000-square-foot facility near Menaul and Interstate 25. And Sacred Power's administrative offices are housed at

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INSIDE

# SACRED: Melton projects \$8 million in 2010 sales

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the Indian Pueblo Cultural Center.

"All three pieces of our business can now move in together under one roof," Melton said.

Expansion space is critical, given the company's accelerated growth. Sacred Power's revenue reached \$6.2 million last year – up from \$3.6 million in 2008 – and Melton projects about \$8 million in sales this year.

Separately, Luz Energy earned \$500,000 last year, about the same as in 2008. But the company expects 10 to 15 percent growth in 2010.

"We've simply outgrown our current facilities," said Chief Operating Officer Odes Armijo-Caster. "At our new facility, we can grow to the next level with five times the space. We can hire more employees and expand in new directions."

The company plans to add new production lines. It will increase its work force from 40 to about 60 by year-end, Melton said.

"We'll add metal fabrication to our operation," Melton said. "We buy it now because we don't have the space for manufacturing equipment, but our long-term goal is to do it ourselves. We also want to develop new products, such as building utility-scale PV solar panels."

Sacred Power got a great deal on the property because of the depressed real estate market, Melton said. The property owners, represented by Maestas & Ward Commercial Real Estate, originally wanted \$2.4 million, but Sacred Power negotiated the price down by \$500,000. Sacred Power also got a \$50,000 discount, or refund, to make internal improvements.

"Given the recession, it's a buyer's market, so we made a buyer's offer," Melton said.

Sacred Power also benefited from the SBA-managed America's Recovery Capital loan program, which allows for up to 90 percent guarantees on commercial loans, with no closing costs, said Edward Cadena, deputy district director for SBA-New Mexico.

"Sacred Power is a Native American-owned green company that participates in the SBA's 8(a) program for small, disadvantaged businesses," Cadena said. "Beyond that, it's a very successful company that treats its employees very well and the owners are top-notch managers. They represent the type of small business owners that we want to assist and see succeed."

The \$1.6 million loan came from Excel National Bank in Beverly Hills, Calif. Fred Bernson, vice president of BMC Capital-New Mexico, was the broker.

"The financing was very easy, given the quality of Sacred Power," Bernson said. "Everything went very smoothly because Sacred Power is doing so well and its management is so good."

Melton and his partner, Armijo-Caster, expect the new facility's value to increase as the recession recedes. That will improve Sacred Power's net worth and borrowing capacity, Melton added.

"We see ownership of the property as key to our retirement," he said. "We'll be able to use the business operation cash flow to pay the mortgage and increase our net worth. Business is so good, we'll pay it down quicker than the loan term."