

AKRON Cascade Capital Corp. lends a hand Helps small businesses get loans for expansions, equipment

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By Marly Kosinski

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Despite a slow economy, one northeast Ohio company has proven that businesses are still investing in their future.

Cascade Capital Corp., an economic development corporation based in Akron, approved a record number of small business loans in 2003 and is on track for another stellar year, according to executive director Bob Filipiak.

Cascade approved 24 loans totaling \$9.1 million in fiscal year 2003, which ended Sept. 30. Filipiak said 15 loans have been approved so far this fiscal year, noting that figure is slightly ahead of last year's record number.

"I think a combination of an improving economy, low interest rates and more conservative bank lending practices allowed small companies to move forward with long-range goals they have put off in the past," Filipiak said.

Cascade Capital Corp. provides SBA 504 loans and State of Ohio 166 loans to businesses looking to invest in building expansions or buy equipment.

The private, non-profit company was founded in 1983 as a way to assist manufacturing, service and retail businesses with obtaining loans for expansion projects. The government-backed loan programs reduce the amount of cash a business needs for a down payment from 20 to 10 percent of the project amount and provide up to 40 percent of the project funds at below-market, fixed interest rates.

SBA 504 loans account for 80 percent of Cascade Capital's portfolio. The program provides borrowers with a 20-year, fixed-rate loan for real estate purchases. This loan is then coupled with a variable rate loan from a traditional lending source, such as bank.

"We help the companies secure collateral with a banking institution so the bank can be more flexible with its loan standards. We provide smaller companies with a fixed-rate loan so they don't have to borrow as much from the bank and there is less of a risk for the primary lender," Filipiak said.

Cascade primarily works with lending institutions in Portage, Summit, Medina, Wayne and Ashland counties, but it is licensed to provide SBA 504 loans anywhere in the state of Ohio. These loans can be any amount between \$50,000 and \$750,000. The State of

Ohio 166 Loan Program is a regional program that maxes out at \$350,000.

Filipiak said both loans are tied to job creation because a borrower must create or retain one job for every \$50,000 borrowed from Cascade Capital.

“Based on that formula, the loans we approved represent more than 180 jobs for our region,” Filipiak said.

In Portage County, some of the companies assisted by Cascade Capital Corp. include Highlander Logo Products, Americup Inc. and Ravenna Marine, all in Ravenna, as well as Diskin Enterprises in Garrettsville.

Mike Diskin Sr., president of Diskin Enterprises, said Cascade Capital Corp. helped him get the financing he needed to purchase Four Seasons Industries four years ago.

The company is a plastics manufacturer that offers extrusion and injection molding. Diskin said the company sells its product to the consumer product industry, which then supplies retailers such as Lowe’s, Home Depot and Wal-Mart. Diskin also sells a line of plastic construction products to construction companies.

“Diskin was the first company we helped finance an acquisition as opposed to an expansion or equipment purchase,” Filipiak said. “That shows how flexible our program is.”

Diskin said since he took over the company, it has achieved unprecedented growth, noting the company now operates on three shifts instead of just two.

“We have 60 employees. But we also have increased our sales,” Diskin said.

In fact, Diskin Enterprises has earned Cascade Capital’s Growth Award for the past four years. The award is based on sales volume increases.

In 2003, Diskin also was named to the Weatherhead 100, a list of the top 100 companies in Ohio compiled by the Weatherhead School of Management at Case Western Reserve University in Cleveland. It is based on a sales growth over a five-year period.

“Diskin was one of the few manufacturing companies on the list and the only one in Portage County,” Diskin said.

Filipiak said Diskin is the perfect example of a successful small business that took advantage of Cascade’s program and got a return on its investment.

“They’re one of our greatest success stories, that’s for sure,” he said.

For more information on Cascade Capital Corp., visit the Web site at www.cascadecapital.org or call (330) 379-3160.