Small businesses benefit from loan program

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Anthony Leteri wanted to expand his family's recycling company in Kings Park but never thought a business workshop would help him.

At son Angelo's suggestion, however, they attended an April seminar organized by Suffolk County. A few weeks later, USA Recycling Inc. had the $250,000 needed for equipment to more than triple its output.

The 27-year-old small business is among 16 to receive nearly $4.5 million in loans and other financing because of Suffolk's "Let's Get Ready to Borrow" events. Two sessions have been held so far this year and a third is being planned.

Eighty percent of the 230 participants have applied for loans, and organizers estimated at a news conference Thursday about 60 percent would receive funding from a variety of sources, including banks and New York State.

"I thought these programs were only for new businesses," said Anthony Leteri, president of USA Recycling. "It's really amazing the resources available. We're going to grow our business because of the help we've received."

The company has already added two employees, bringing the total to eight. Up to four more will be taken on as new equipment boosts the output of recycled materials to 140 tons per day from the current 40 tons, according to vice president Angelo Leteri.

USA Recycling is benefiting from a revolving-loan fund created in 1994 with $2.5 million from the federal government and administered by Empire State Development Corp.

The loans, which are underwritten and serviced by Long Island Development Corp., are
designed to help diversify the local economy. About 100 have been given out.

The loan fund provides "access to capital for many small businesses in targeted industries that may be unable to access funds from conventional bank sources," Andrea Lohneiss, the state's top developer on Long Island, told Newsday.

Bank of America, Capital One, Citibank, Suffolk Federal Credit Union and the U.S. Small Business Administration are among the lenders participating in Suffolk's push to help entrepreneurs secure financing so they can create jobs.

The brainchild of County Executive Steve Levy, the workshops were a response to the credit crunch after Wall Street's meltdown in 2008.

"We saw that our businesses were in worse straits than many of them had seen in their lifetimes," Levy said Thursday. "Banks got an $800 billion bailout from Washington and sat on it. They weren't lending to small businesses, which create most of the jobs."

Levy tapped Gloria Glowacki, of the Small Business Development Center at Stony Brook University, to lead an advisory council charged with addressing the problem. She said Thursday many entrepreneurs need help in applying for loans despite being experts in their respective industries.

Another workshop participant, Gus Panagatos, said he's seeking $150,000 for improvements to the kitchen and dining area of his Paradise Diner in Hauppauge.

"I need to keep up with other diners," Panagatos said. "I cannot get a bank loan despite the diner being worth $1 million . . . This program has opened up a whole lot of options to me."

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