



PRESS OFFICE

SUCCESS STORY

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Pumped Up Over His Success; NJ Manufacturer Expands with \$3.3 Million Loan

IRVINGTON, NJ---Alfredo Ciotola has good reason to be pumped up these days. Despite a sluggish economy, the owner of Frontline Industries, an Irvington manufacturer is doing just fine selling and repairing pumps and seals to his customers.

For Ciotola it all started in 1970, when he emigrated from Italy to the United States. For 10 years he worked for Con Edison in different jobs while studying Mechanical Engineering at nights at the City College of New York.

In 1980, an opportunity came along to buy a valve repair shop in Roselle. So Ciotola and a partner purchased the business. "It was a valve repair shop with very few customers left," said Ciotola. "We basically purchased the equipment."

So Ciotola and his partner moved the business to Irvington and quickly began offering repairs of pumps and mechanical seals in order to attract more customers. The strategy paid off and the business began to grow. After he bought out his partner, the company evolved into a firm that provides custom engineered mechanical solutions to companies using industrial equipment.

The turning point for the company came in 1999, when Ciotola received three patents on the Big Boy® Line of Couplings he designed. "On our repair calls I observed the poor quality of couplings that were on the market," said Ciotola. "I felt compelled to develop something that was superior. Basically, the coupling connects the motor to a pump which allows a machine to function properly. A superior coupling means that our customers get maximum production from their machines and in the long run less maintenance costs."

The development of the Big Boy® Line of Couplings enabled Ciotola to take his company to the next level. What he didn't count on was running out of space at his 11,000 square foot facility in Irvington.

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Needing a new facility to keep up with the company's growth, Ciotola found a 27,000 square foot facility also in Irvington. During that time, he also learned of the Regional Business Assistance Corporation (RBAC) in Mercerville. RBAC is a non-profit organization that provides financing to both new and existing small businesses in New Jersey. The organization also partners with U.S. Small Business Administration (SBA) in the agency's MicroLoan and 504 Certified Development Company (CDC) loan program.

What interested Ciotola the most was the SBA's 504 CDC loan program. Typically, a 504 project includes: a third party loan secured with a senior lien on the financed asset from a private-sector lender covering 50 percent of the project cost; a 504 loan secured with a junior lien made by a CDC (funded by a 100 percent SBA- guaranteed debenture) covering up to 40 percent of the project cost; and a contribution of at least 10 percent equity from the borrower. Generally, a business must create or retain one job for every \$50,000 provided by SBA, except for manufacturing loans, which must create or retain one job for every \$100,000 provided by SBA.

“The purpose behind SBA's 504 loan program is to provide small businesses like Frontline Industries with long-term financing at a fixed rate for major fixed assets such as land, buildings and equipment,” said SBA's New Jersey District Director James A. Kocsi. “Partnerships with community lenders like the Regional Business Assistance Corporation and Bank of America give small business owners access to the type of capital that is necessary to generate substantial economic and job growth throughout the United States. The great part of this story is that Frontline Industries remains in the inner city of Irvington where good paying jobs are most needed.”

As a result of utilizing SBA's 504 loan program, Ciotola was able to secure a \$3.3 million to purchase a 27,000 square foot facility in Irvington. The new space allows the company to plan for future growth.

“We were overcrowded at the old facility and the purchase of this new building will make us more productive and will allow us to gradually expand over time,” said Ciotola. “Without the assistance from the SBA, Regional Business Assistance Corporation and Bank of America there is no way that we could have financed this project on our own.”

Today, Frontline Industries employs 17 people with a staff that includes engineers, highly qualified technicians, and trained machinists. The company provides a wide array of products and services to customers in the following industries: Municipalities (Potable & Waste Water), Utilities, Marine, Industrial, Chemical, Petro Chemical, Food & Beverage, Pharmaceuticals, Power Plants in general and Universities' R&D Departments.

The company offers its customers a pick-up service and delivery within a 100 mile radius. However, the company does allow for out of state customers to ship equipment that need repairs to their Irvington facility. In addition to its repair service, Frontline Industries has distributors in over 25 states, including the District of Columbia and Puerto Rico, as well as international distribution networks in Canada, Argentina, Colombia and Ecuador.

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According to Ciotola, Frontline works on all types of pumps and has done work for Key Span, PSE&G, Reliant Energy, Coca Cola and Anheuser Busch to name a few. “The good thing is the economy does not affect us,” “We are either servicing pumps or selling new ones,” said Ciotola. “We are very busy now.”

“Frontline Industries is about implementing specific solutions for very tough problems,” said Ciotola. “There is no competition at the level of quality and service that we provide our customers.”

And for Alfredo Ciotola that is enough to keep him and his employees pumped up about the success they are currently enjoying.

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