



Fall 2004

# Fundamentals

## From Beginning to End and Beyond Cascadia's Impact on Four Borrowers

**M**ost of Cascadia's newsletters focus on our initial impact on Northwest entrepreneurs, by telling you about new and existing borrowers. But that's just the beginning. In this issue, we describe the longer-term impact of our loans and business assistance by sharing the stories of four borrowers who recently repaid their loans.

### "The Power to Grow and Succeed"

Isidoros Garifalakis and his wife Maria emigrated from Greece to the U.S. in 1970. "We came because we heard that in this country, if you work hard, have a little bit of brain, and be honest, you can build something with your life," Isidoros said.

He built a company in Vancouver, Washington, manufacturing railroad crossings and heavy industrial equipment. But it wasn't always easy.

Despite Isidoros' hard work and integrity, the business went under in the early '90s following employee fraud and the subsequent loss of lender support. With encouragement from former customers, Isidoros rebuilt the company in 1994 as Omega Industries.

Two years later and still considered unbankable, Omega was paying exorbitant

fees to a financing company for critical working capital. Fortunately, Cascadia stepped in and made its first loan to the struggling company.

"I really have to thank [former lender] Dave Kleiber. He put in a lot of time and effort. He — and everyone at Cascadia — trusted us, and gave us the power to grow and succeed," said Isidoros.

Eight years and 11 loans later, Omega was Cascadia's largest borrower. It had grown to four facilities, 86 employees, and sales approaching \$10 million. The company also reached its long-term goal of bank financing, enabling it to pay off its Cascadia loans.

"We no longer have the everyday stress of finding access to capital," said Isidoros. "And we're able to provide more security to our employees and give them something better" — something that includes full medical and dental benefits, a retirement plan, life insurance, and a pension.



**With multiple loans from Cascadia, Isidoros Garifalakis built Omega Industries into a flourishing company.**

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# From Beginning to End

*continued from page 1*

"I see a good future for Omega," said Isidoros.

"Every year we're growing. We'd like to expand one of our plants this year, and possibly add an additional plant after that. In the next two years, we may be hiring 30 more people. We couldn't do all of that if we didn't start with the good help and advice from Cascadia."

## Buying a Building, and a Future

Margarita and Adrian Castillo emigrated from Mexico in the mid '80s. The siblings eventually moved to Medford, Oregon where they opened El Gallo Mexican Supermarket in 1998, offering a range of foods from Mexico, a meat department, an on-site bakery, and freshly made tortillas.

The Castillos came to Cascadia in early 2003 for a loan to buy the building they had rented since opening. "We didn't qualify for a conventional commercial loan," said Margarita.

"One by one, we were turned down by lenders who didn't believe in us or our potential. Cascadia had a long application process and a lot of requirements, but [our lender] Rolf was very easy to work with, and he explained everything in detail."

El Gallo has grown slowly but surely since then. They've added two employees, for a current total of 15. As they continue to grow, they hope to increase employee wages and benefits.

"We feel better about owning our own property. We're no longer throwing our money out the window. And because our payments are going toward the purchase of the building, our



**Margarita and Adrian Castillo's credit history with Cascadia helped them obtain a bank loan for El Gallo Mexican Supermarket.**

net worth has increased, and we're keeping more of our earnings."

The Castillos paid off their loan by refinancing with a bank. "We were in a stronger position to qualify because of Cascadia," said Margarita. "We are very appreciative of Cascadia because they were there when we needed them most."

## Growth and Graduation

Brothers Bryan and Keith Oleachea of Hardware Wholesale similarly graduated to conventional financing. Based in Silverdale, Washington, Hardware Wholesale sells construction supplies. When they came to Cascadia for a line of credit in 2002, they didn't have enough collateral or business history to obtain a bank loan.

Hardware Wholesale has grown significantly since then. Bryan and Keith hired three employees, their sales tripled, and their gross profit quadrupled. As they grew, Cascadia was able to assist the company by increasing the line of credit twice.

"Without Cascadia, we probably would have had to cut back on growth substantially," said Bryan. "Working with Cascadia was also a good learning situation. [Our lender] Tina Vlasaty really took the time to explain things and forced us to pay attention to financial matters."

## Shiny, Brown Bagels

The Kiichli Bagel Bakery of Clinton, Washington presents a somewhat different story. Unlike the other profiled borrowers, which all paid off early after receiving bank financing, the bakery paid

off by making payments right up to loan maturity.

Owned by Larry Kiichli, the bakery received three loans from Cascadia, all through the Olympic Microloan Fund, a program funded through the state and managed by Cascadia for nine counties in western Washington. Larry received his first loan in 1997 to help start the business. He bought a bagel divider with a second loan and a walk-in freezer and new oven with a third loan.

"We wouldn't have had a business if we had not found someone like Cascadia to loan us money," said Larry. "It's very impressive that people would put this fund together to help other people."

Working with his brother Ed, and receiving additional help from their two sisters, Larry has created a strong business over the past six years. It now has three full-time employees, and three teenagers working part-time after school.

"It took a long time to figure out a business that would work. But the bakery has turned out to be exactly what we were hoping for. I plan to work here until I retire," said Larry. He especially appreciates being able to work on Whidbey Island instead of commuting to the mainland for a job.


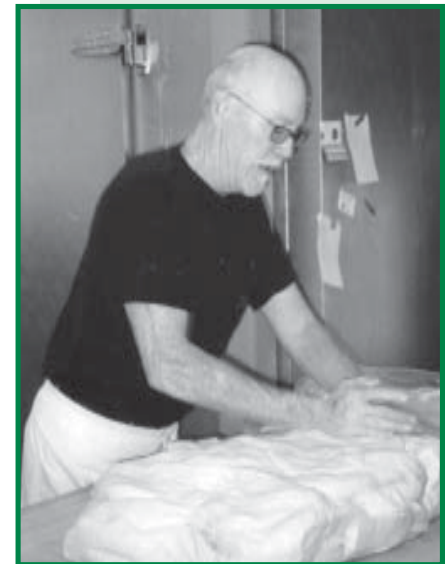
It's obvious that Larry is happy. "We have the best customers in the world. And after six and a half years, I still get the same enjoyment seeing the bagels come out of the oven each morning all shiny and brown." 



photo by Peter Schurman

**Bryan and Keith (shown here) Oleachea of Hardware Wholesale tripled their sales during the period they were a Cascadia borrower.**



**Larry Kiichli prepares bagels for the business he started with a Cascadia loan.**

**Cascadia Fundamentals** is a publication of Cascadia Revolving Fund.

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## New Borrowers

December 2003 - August 2004

### Antenna & Satellite Technology Ollala, WA

Founded twenty years ago by Patrick Hart, Antenna and Satellite Technology (ASTI) custom designs and installs commercial satellite systems. Due to a series of major medical problems that left Pat legally blind, a slow-down of the technology sector, and arson, ASTI ended up with some significant debt. Cascadia provided a loan to pay off this debt, enabling Pat to remain working and sustain his business. The company also provides jobs for Pat's wife and co-owner Cory Downey, and a project manager. For more information, visit [www.antenna-satellite.com](http://www.antenna-satellite.com).

### Crescendo Artistic Family Child Care Seattle, WA

This woman-owned child care business offers slots for 12 children. Owner Penelope Chanel emphasizes music, dance, art, and language in her program. Cascadia's loan helped Penelope purchase equipment and furniture, make improvements to the physical space, and refinance high-interest business debt.

### Every Day Wine Portland, OR

Laid off from a dot-com start-up, Beth Boston was searching for a business opportunity over a year ago when she ran across a former co-worker from the wine industry who was selling his wine store. She decided to purchase the business, Every Day Wine, an affordable wine shop and tasting room in the revitalized Alberta Street neighborhood of Northeast Portland. Beth has created a friendly, environment for wine selection, tasting, and social drinking. Cascadia loaned Beth money to pay off a short-term loan, obtained when she first bought the business. Stop by Every Day Wine at 1520 NE Alberta Street.

### Failor's Sporting Goods Aberdeen, WA

In business for 47 years, this family-owned and operated sporting goods store was legendary in this coastal town. It had a trout pond and at one time, the biggest shoe store in southwest Washington. People still talk about growing up there. But the store closed down in 1990 when owner Walt Failor became too elderly to run it. Two years ago, daughter Vicki Solberg, who started working at the store at age 10, decided to re-open it. Failor's is now smaller and the product lines have changed, but it's still the small town sporting goods store that provides customer service, specialized products, and local ownership. Vicki used a loan to increase her inventory and to purchase a point-of-sale system. Stop by Failor's at 208 West Market Street for fishing and archery supplies, athletic shoes, high school athletic gear, and much more.



photo by Peter Schurman

**Pat Hart, who is legally blind, was able to sustain his business, Antenna and Satellite Technology, with the help of Cascadia.**



**Crescendo Artistic Family Child Care received a loan for equipment and physical improvements.**

### Fred's Car Lot Belfair, WA

After working in the used car business for seven years, Fred Durant opened his own lot in February. With a loan from Cascadia's Olympic Microloan Fund, Fred was able to create an inventory of used cars. The lot now provides a job for Fred and enables him to control the high level of service he gives his customers. For used cars, visit Fred's at 23501 NE Highway 3.



**Shop dog Porter and his owner Beth Boston have created a friendly, relaxing environment for patrons at Every Day Wine.**

## Kinder College Preschool

*Pasco, WA*

Karren Garton has been operating "Kindermusik with Karren," an early childhood music and movement program, for seven years. She and her husband George came to Cascadia for a loan when they decided to open a sister business, Kinder College Preschool. The Gartons plan to enroll 160 students within a year and create four full-time jobs. They are using a loan from Cascadia for required improvements to their property and for program supplies, equipment, and start-up costs.

## Kinderland

*Woodland, WA*

Cascadia's loan helped Kim Brennan open a new child care center for 72 children. The center is located in a growing community between Vancouver and Longview. Kim's two other centers in the area are known for low employee turnover, innovative play spaces, advanced curriculum, and for meeting the needs of low-income parents and special needs children. The center employs eight people. For information, call Kinderland at (360) 225-1800.

## Northwest Underwater Construction

*Vancouver, WA*

Founded two years ago, Northwest Underwater recently received a line of credit from Cascadia for short-term working capital. Using divers, the company provides underwater inspection, repair, and maintenance for hydroelectric and other governmental projects and the marine transportation industry. Northwest Underwater currently employs eight people, paying union wages and benefits. Owners Jesse and Shilo Hutton hope to hire an additional eight employees within the year. For more information, visit [www.nwuwconst.com](http://www.nwuwconst.com).

## Praxis Institute for Early Childhood Education

*Seattle, WA*

This new nonprofit educational institution will offer undergraduate and graduate programs in early childhood education, elementary education, and bilingual and bicultural development. The school will have a special focus on training teachers to address the needs of low-income and culturally-diverse populations. With the recent closure of the Seattle branch of a similar college, Praxis will be the only option in western Washington for people seeking a bachelor's degree in early childhood education. Praxis will use a line of credit from Cascadia to fulfill financial requirements for authorization from the Higher Education Coordinating Board to offer degree programs. For more information, call Praxis at (206) 328-6436.



**Kinder College Preschool recently opened with the help of Cascadia.**

## The Quilt'ery

*Elma, WA*

Anne Pennington has been making quilts for the past 35 years and teaching quilting for five years. A loan through the Olympic Microloan Fund enabled her to purchase a specialized sewing machine so she could start up The Quilt'ery and supplement her teaching income. Anne will use the machine to stitch the quilt top to the batting and backing. For quilting services and classes in the Olympia and Aberdeen areas, call Anne at (360) 482-2296.



**Shilo and Jesse Hutton of Northwest Underwater Construction hope to double the size of their business with Cascadia's help.**

*continued on page 6*

# New Borrowers

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## Stepping Stones Daycare

Friday Harbor, WA

Dean Kinnaman opened Stepping Stones in 1997 as a single father of two. Three years later, he expanded the in-home business to a child care center licensed for 30 children, creating the only full-time, year-round child care center on Washington's San Juan Island. With Cascadia's help, Stepping Stones recently expanded again, creating a toddler center licensed for 14 children. The child care center now employs four people full-time.

## Wicklund Farms Food Processing

Springfield, OR

This family-owned business, started in 1977, processes and packs spicy, pickled green beans. Cascadia's loan helped owner Larry Wicklund refinance debt, purchase equipment and pay for new marketing efforts. A Cascadia line of credit provides short-term working capital to the company. Wicklund Farms currently provides eight jobs. The loan will help them create an additional two jobs. For more information, visit [www.wicklundfarms.com](http://www.wicklundfarms.com).

# Congratulations


*We give our best wishes to all of our borrowers who recently paid off their loans with Cascadia.*

100% Natural Day Spa ♦ Cascade Media ♦ Cloyd Enterprises ♦ Crescendo Artistic Family Child Care ♦ Delicious Planet ♦ El Gallo Mexican Supermarket ♦ Emerts Diesel Parts and Rebuild ♦ Farwest Machinery and Hydraulics ♦ Glass Wings ♦ Hardware Wholesale ♦ Interlake Child Care Center ♦ Kiichli Bagel Bakery ♦ Mountain Propane ♦ Omega Industries ♦ Pet Town ♦ Pine Creek Pack ♦ Port Townsend Shipwrights Co-op ♦ Positive Approach Training Program ♦ Sawtooth Technologies ♦ SimplyHome ♦ Think First of Washington 

## Wy'east Optics

Sandy, OR

Cheri McMahan worked as an optician for 26 years. When her last employer downsized, Cheri was left unemployed for an extended period. Cascadia's loan enabled her to purchase an optical store in a rural community east of Portland.

Owning Wy'east Optics provides Cheri with income from a full-time job, the assets of her own business, and the ability to control her professional work, while preserving a long-standing business in a small community. For glasses and other vision accessories, stop by Wy'east at 36775 Highway 26. 



**A Cascadia loan enabled Cheri McMahan to purchase an optical store.**

# Thank You

*Thanks to the following for referring new borrowers to Cascadia.*

**Joe Bonica**, Clackamas Small Business Development Center (Wy'east Optics)

**Richard Civile**, San Juan Co. Economic Development Council (Stepping Stones Daycare)

**Hunt Coracci**, Bank of Clark County (Northwest Underwater Construction)

**Debra Dennis**, Anchor Bank (The Quilt'ery)

**Sheau-Pyng Li**, Seattle Department of Social and Health Services (Crescendo Artistic Family Child Care)


**Jennifer Martinez-Tyndall**, Benton-Franklin Community Action Council (Kinder College Preschool)

**Laura Merry**, Cowlitz Co. Childcare Resource and Referral (Kinderland)

**Alan Rabinowitz**, former Cascadia board member (Praxis Institute for Early Childhood Education)

**Michael Rasmussen**, Portland Development Commission (Every Day Wine)

**Diane Searle**, Cascades West Financial (Wicklund Farms Food Processing)

**David Young**, Tacoma Small Business Development Center (Failor's Sporting Goods) 

## Please help Cascadia build strong communities.

I would like to make a tax-deductible contribution of:

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I would like to volunteer professional assistance to Cascadia's borrowers. Please call me at \_\_\_\_\_.

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Mail to: Cascadia Revolving Fund, 1901 NW Market St., Seattle, WA 98107-3912.

*All donations are tax deductible to the maximum extent allowed by law.*



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## Changing Times

### Staff

Cascadia welcomes three new staff members.


**Rosa Cruz** came to Cascadia in April as a business consultant in the Seattle office. She recently worked at the Northwest Women's Business Center, assisting small business owners. Rosa is a CPA and is fluent in Spanish.

**Laura Alsenas** joined Cascadia in June as a credit analyst in the Portland office. She has worked in the Peace Corps in Morocco and as an investment banking analyst. **Rebecca Villareal** joined Cascadia in July as a lender in the Seattle office. Rebecca spent six years as a lender and business assistance officer at Community Capital Development. She currently serves on the board of directors for Kitsap County Community Development Corporation and the Washington State Hispanic Chamber of Commerce. Rebecca is also a commissioner with the Washington State Commission on Hispanic Affairs.

### Board of Directors

Cascadia recently elected **Don Brewer** as board president. Don works as a senior vice president and manager of community development for Key Bank's western region.

**Erik Andersson**, a longtime Cascadia board member and a member of Oregon Governor Kulongoski's Economic Revitalization Team, was elected vice president. **Sheri Symonds**, legal counsel at the Federal Home Loan Bank of Seattle, was re-elected as secretary. **Norm Swick**, retired from Washington Mutual, was elected treasurer. **Tracey McCallister** joined the board. Tracey is vice president of community investments at the Federal Home Loan Bank of Seattle. Congratulations and thank you all for your service!

Board member **Howard Shapiro** was presented the 2004 George A. Russill Community Service Award by the Oregon Community Foundation. The award is presented for exceptionally useful and effective volunteer public service. We're pleased to have such committed people serving Cascadia's borrowers and supporters! 



Cascadia staff (L-R): R. Lanza-Weil, M. Johnson, T. Vlasaty, B. Chin, P. Nelson, R. Halford, K. Burton, S. Canale, C. Himes, R. Villareal, L. Alsenas, E. Homan, R. Cruz. Missing: P. MacRae, S. Samb.



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**Cascadia Revolving Fund** is a nonprofit community development financial institution serving Washington and Oregon. We provide loans and technical assistance to small businesses and nonprofit organizations that are unable to access support from traditional sources such as banks. We lend to businesses owned by low-income people, minorities, women, and immigrants; child care businesses; businesses in rural communities; businesses that create family-wage jobs in low-income communities; nonprofit organizations; and cooperatives.

## Thank You for Your Support!

*Thank you to the following individuals and institutions who provided invaluable financial support in December 2003 – August 2004.*

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