



EQUIPMENT REFINANCING HELPS CIVIL CONSTRUCTION COMPANY OVERCOME SHORT-TERM CASH FLOW ISSUES

Coming out of the winter off-season, Lancaster Development had projects lined up but due to budget cuts spring projects were canceled. They had later projects in their pipeline, but those wouldn't generate cash in the short term. This led to a significant cash flow issue. They needed a way bridge the incoming revenue gap.

Overview

In business since 1947, Lancaster Development, now run by the third generation of the Galasso family, has grown into a large design/build civil construction company. They develop and build bridges and high-ways and are vertically integrated, providing much of the aggregate and asphalt required in their projects.

"The folks at CCG spent a great deal of time getting to know our company and us personally. That set the foundation and is what sets CCG apart from a traditional lender."

Marty Galasso, Jr.
Lancaster Development

Solution and Results

They met with their bank, and the bank didn't understand the long-term view of their upcoming projects, so was unable to provide a solution to their short-term problem.

They contacted CCG. Unlike the bank, CCG was willing to look at the problem holistically. The Lancaster owners met with the CCG team, including the credit analysts, and provided a complete overview of the business, the book of upcoming projects, and the equipment fleet. The underwriting team was able to see beyond the financial statements and short-term cash flow projections. Together they crafted a plan to refinance some of Lancaster's existing equipment, providing enough working capital to see them through their revenue lull.

They received an infusion of cash that allowed them to meet their financial obligations and continue running their business without having to lay off employees or sell any equipment. This ensured that they had the resources to meet their upcoming project contracts and continue bidding on jobs to ensure their long-term success

Equipment:

Industry: Civil Construction, Aggregate and Asphalt Production

Location: Northeast

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