

Shining Stars Daycare



Shining Stars owners Stella and John Penizotto opened their first daycare center in East Syracuse, N.Y., in 1994. Today, the company operates three centers in the Syracuse area, offering quality daycare, before-school and after-school programs for children ages six weeks to 12 years. Stella is Shining Stars president and runs the daycare operations while John focuses on the business side of the enterprise. Shining Stars teachers provide children with a positive learning experience that centers on hands-on activities, interactive experiences and a learning-while-playing approach. The State of New York named Shining Stars a Child Care Program of Excellence and Stella was named one of the U.S. Small Business Administration (SBA) Small Business Persons of the Year in 2010.

Challenge

After several local banks declined their business loan applications, Stella and John Penizotto had to borrow against the equity they had built up in their Upstate New York home to launch Shining Stars and open their first daycare center in 1994.

By 2001, the business was doing so well that the Penizottos decided to add a second center. But now they had a seven-year track record, a great reputation in the community, a proven business model and a strong balance sheet to show potential lenders. Confident that Shining Stars now could qualify for a small business loan, they located an existing 7,000-square-foot building in Manlius, a Syracuse suburb.

With the help of the Onondaga County Small Business Development Center, Stella and John developed a formal business plan, prepared the documentation she needed to apply for a government-secured loan under the SBA 7(a) loan guarantee program and identified potential lenders.

Now they needed to locate a financial services partner with the small business financing experience, industry knowledge and financial resources to recognize Shining Stars' potential and support the company's growth aspirations.

Solution

Shining Stars approached several SBA lenders including CIT Small Business Lending (SBL), one of the country's largest and most experienced small business lenders. Through SBL, CIT offers a wide range of products and services designed specifically to meet the needs of small

business people. The company serves clients in a variety of industries and has extensive experience with daycare centers, private schools and similar enterprises.

CIT small business lending specialists were quick to recognize the strength of the Shining Stars business model and the success Stella her team had achieved. The company's expansion plans made perfect sense and the SBL team was confident that a second center would be as successful as the first.

They put together an SBA-guaranteed financing solution that would provide Shining Stars with the funding it needed to acquire and equip a second center. The CIT solution met the company's need for a flexible, affordable solution with 90 percent financing and a 25-year payment schedule.

Results

Shining Stars chose CIT to provide financing on the Manlius center, which opened in 2001 with space for an additional 95 children. Partly because of the expansion, Stella was named Onondaga County Entrepreneur of the Year for 2001.

In 2005 Shining Stars again chose to work with CIT Small Business Lending. CIT provided a financing solution that included a construction loan to build a 12,500-square-foot custom-designed daycare center in East Syracuse, which replaced Shining Stars' original leased childcare center.

As the first building designed specifically for Shining Stars, the new East Syracuse center includes radiant heating in the floors to make things more comfort-

"Shining Stars is dedicated to the nurturing and learning of every child at all three of our daycare centers. CIT Small Business Lending helped us expand our reach and grow our business. Every time we needed something CIT was there for us."

STELLA PENIZOTTO
PRESIDENT
SHINING STARS DAYCARE

"Stella Penizotto is a highly capable businesswoman who has turned Shining Stars into both a very successful business and a wonderful resource for parents and children in the Syracuse area. We're proud to have helped her succeed and achieve this recognition from the SBA."

GEORGE ANDREAUS
EAST COAST REGIONAL SALES MANAGER
CIT SMALL BUSINESS LENDING

able for crawlers and toddlers and separate gymnasiums for younger and older kids.

On the strength of her business success, job-creation record and involvement in the community, Stella was recognized as New York's SBA Small Business Person of the Year in 2010. She received the honor at an award ceremony attended by President Barack Obama in Washington, D.C.

Despite a struggling economy and increased unemployment, Shining Stars continues to flourish. Today the company provides quality daycare, before-school and after-school programs for more than 350 Syracuse-area children and employs close to 80 employees.