

Infusion of venture capital boosts demolition company

BY TRACEY DRURY

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A Buffalo demolition company has closed on a major venture capital deal.

Ontario Specialty Co. received a capital infusion in the range of \$2 million to \$6 million from Trillium Group LLC, a Rochester private equity firm. The amount of the deal was not disclosed, but was pegged as at the high end of the range.

John Williams, founder and president, says the funding will help the company grow geographically and take on bigger jobs with existing and new clients.

"We have grown to become really the smallest company in our sector, but we compete against some very large, nationally based companies," he says. "Ontario as it sits today has the capacity and physical infrastructure to probably double in size."

Operating from a 40,000-square-foot facility on Ganson Street that sits on close to 14 acres, the 10-year-old company handles hazardous waste removal, remediation and containment, mechanical and selective demolition and dismantlement.

One-half to two-thirds of its contracts are completed outside of New York state and in Canada. Local projects have included a \$14 million remediation at the former QLT Buffalo Gas Plant on West Genesee Street downtown, which was redeveloped as the new home for HealthNow New York Inc. The company also handled the implosion of a 100,000-square-foot former medical building at 50 High St., adjacent to Buffalo General Hospital.

Trillium's investment comes through its \$50 million Trillium Lakefront Partners III Fund, which makes investments of \$2 mil-

lion to \$6 million for growth, buyout/recapitalization and early-stage minority equity investments in businesses that are based in New York state or maintain a significant presence within the state.

Christopher O'Donnell, general partner at Trillium, says the funding will give Ontario the capital it needs for bonding to go after larger projects.

"They are clearly a leading specialty contractor in their market area, and they got there rather quickly," he says. "This is just a continuation of their plan to distance themselves from the competition and focus on large-scale projects that require capital."

Other Buffalo firms in Trillium's portfolio include AccuMed Technologies Inc. of Buffalo, which received \$6 million late in 2006 to enable a management buyout and debt restructuring. Smart Pill Corp. previously received funding through Trillium's University Technology Seed Fund.

"We're always reviewing other deals in Buffalo and we're having some success," O'Donnell says. "AccuMed and Ontario Specialty are indicative of the success we're having in the marketplace."

Williams says he anticipates the funding will enable Ontario Specialty to double its current \$30 million in revenue, while increasing employment by 10 percent to 15 percent.

The company has 60 to 70 full-time employees in Buffalo and more than 100 in total. Seasonally and depending on the job, that number can soar to a few hundred.

"I think we can realistically be in the \$60 million to \$70 million range," he says. "We have the customer base to support it and we've got the infrastructure and operations. Now we've got the financial strength to do it."