



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

Exhibit "E"
May 19, 2015

Applicant Name:	Cambria Asphalt Products, Inc.	REDC Region:	WNY
Project Type:	Business Investment	County:	Niagara
Industry:	Manufacturing	Locality:	Town of Cambria
Amount Requested:	\$121,200	Start Date:	June 2015
		Finish Date:	August 2015
RECOMMENDED OFFER			
Recommended Total Award:	\$ 72,750		
Total Project Cost:	\$ 606,000		
% of Project Cost Recommended:	12%		
PROJECT BUDGET-			
Use of funds	Amount	Source of Funds	Amount
Installation of pipeline to CAP's property	\$531,000	Committed: NYSEG	\$21,000
Installation of metering & connection to M & E	\$ 75,000	Committed: Cambria Asphalt	\$151,500
		Potential: M& T Line of Credit	\$312,300
		WNYPPAB	\$121,200
Total:	\$606,000	Total:	\$606,000
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained (Cambria Asphalt Products, Inc.):	2		
Number of Jobs Created (Cambria Asphalt Products, Inc.):	1		
Number of Jobs Retained (Shelby Stone Trucking - affiliate):	4		
Average Salary of Jobs:	\$42,485		
Indirect Jobs Created:	0		
Other Impact:			



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PROJECT DESCRIPTION (Adapted from Application)

Cambria Asphalt Products, Inc. (CAP) is a produces hot mix asphalt products for the greater Niagara County Area. CAP supplies high quality asphalt roadway products to local municipalities and contractors. CAP currently uses high cost, low efficiency waste oil as a heating fuel to dry stone aggregate for producing hot mix asphalt. CAP plans to install a new natural gas pipeline to its Lockport Junction Road facility that will permit the company to:

- Lower costs to produce hot mix asphalt, making CAP more price competitive;
- Replace difficult to source waste oil with more abundant natural gas, which may reduce lost sales opportunities when waste oil supplies are low;
- Improve plant emissions.

The project will consist of pipeline installation across a number of properties to CAP's facility, and costs related to metering and connection to the company's machinery and equipment.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

ESD:	\$ N/A	NYPA:	\$ N/A
IDA:	\$ N/A	Other: N/A	\$

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION



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The profitability of small manufacturing companies is strongly dependent on the efficiency of operations. The project that has been proposed by CAP is expected to lower production costs, thus improving the company's competitiveness. CAP is among the few hot mix asphalt producers in WNY not currently using natural gas as a heating element. The proposed pipeline would serve to enhance productivity and growth potential, create sustainability, and ultimately increase profits. As natural gas burns cleaner than waste oil, the project will also help reduce emissions. Finally, the project will support the creation and retention of jobs in WNY.

DISBURSEMENT TERMS

It is anticipated that Fund Benefits would be used to reimburse the applicant for a portion of costs associated with the installation of pipeline to CAP's property. Funds would be disbursed in lump sum as reimbursement upon project completion, as evidenced by documentation verifying (i) project completion, (ii) project expenditures of approximately \$606,000, and (iii) the retention of six jobs and the creation of one job.