



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

EXHIBIT C-1

Applicant Name:	Amos Zittel & Sons, Inc.	REDC Region:	Western New York
Project Type:	Agricultural Investment	County:	Erie
Industry:	Agriculture-Nursery and Flora culture Production	Locality:	Town of Eden
Amount Requested:	\$380,000	Start Date:	October 2015
		Finish Date:	December 2015
RECOMMENDED OFFER			
Recommended Total Award:	\$ 380,000		
Total Project Cost:	\$1,954,289		
% of Project Cost Recommended:	19%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Concrete, in-floor heating, shade/thermal energy system, partitions, electrical	\$1,024,261	WNY EDF	\$ 380,000
		Committed: Equity Investment	\$ 524,289
Benching, transplant line, sweep, irrigation system, grow lights, environmental control computer software system, horizontal air flow, dock plates	\$930,028	Farm Credit East Loan	\$1,000,000
		Potential: Farm Credit East	\$ 50,000
Total:	\$1,954,289	Total:	\$1,954,289
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments. Nevertheless, supporting this project is expected to have the effect of preserving 25 full time equivalent ("FTE") positions and supporting applicant's ability to hire up to 5 additional FTEs.		
Average Salary of Jobs:	\$40,000		
Indirect Jobs Created:	N/A		
Other Impact:	Between \$8.5 million and \$10 million infusion to		



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	regional economy within three years.
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PROJECT DESCRIPTION (Adapted from Application)			
<p>Amos Zittel & Sons, Inc. will complete Phase II of the rebuild of two acres of new, state of the art greenhouses to replace those destroyed by a November 2014 snowstorm that hit WNY and caused several million dollars damage to the applicant’s greenhouses, buildings, equipment and crops.</p> <p>Phases I and II of the project entail the construction of two acres of energy efficient greenhouses that will allow for the extended production of vegetables into the late summer and fall seasons. Upgraded greenhouse space will allow the applicant to grow finished crops of flowers for direct to market sale (approximately 10% of applicant’s total business), as well as finished flowers and rooted liners wholesaled to independent garden centers. Plans include features that will allow the applicant to facilitate its transition to growing organic vegetable crops in the greenhouse to extend their growing season.</p> <p>The applicant plans to grow organic hot peppers, which have been requested by Wegmans and Tops Markets, and start other vegetable crops (valued at approximately over \$2MM), which are later transplanted to open fields.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$ N/A	NYPA: NA	\$
IDA: PILOT, Sales Tax & Mortgage Recording	\$ N/A	Other: N/A	\$
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
	\$		



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BASIS FOR RECOMMENDATION

Phase I of the project consisted of constructing the outer shell of the greenhouses and was funded mainly through insurance proceeds. Fund Benefits would be used to complete Phase II of the project, the interior build-out, and the addition of energy efficient systems thereby allowing for productivity improvements and a smaller carbon footprint. In-floor heat and thermal curtain systems will allow for a better growing environment and lower energy costs. In addition, the applicant plans to replace traditional lighting with an LED system to help reduce energy costs. An environmental control system would allow close monitoring and syncing of all systems to further maximize efficiencies. An award aimed at these expenses will also allow the use of Fund Benefits that are dedicated by statute for energy-related projects, programs and services.

Without the completion of this project the applicant has indicated it would be unable to retain 25 existing full time employees and hire additional employees. Additionally, a \$2MM loss in gross revenue (45% of 2014 revenues) is estimated, if the greenhouses are not re-built.

ANTICIPATED DISBURSEMENT TERMS

It is anticipated that Fund Benefits would be used to reimburse the applicant for a portion of costs related to the installation of energy efficient equipment in its new greenhouse space. Funds will be disbursed in lump sum upon project completion, and as evidenced by attainment of a certificate of occupancy and/or other documentation verifying project completion and documentation verifying project expenditures of approximately \$1,954,289.