



Western NY Power Proceeds Allocation Board

July 26, 2016
EXHIBIT 7d v-C-1

Western New York Economic Development Fund Recommendation Memo

Applicant Name:	Roger L. Urban, Inc. dba Platters Chocolates ("Platters")	REDC Region:	Western New York
Project Type:	Business Investment	County:	Niagara
Industry:	Candy Manufacturing	Locality:	Niagara Falls
Amount Requested:	\$200,000	Start Date:	April 2016
		Finish Date:	October 2016
RECOMMENDED OFFER			
Recommended Total Award:	\$200,000		
Total Project Cost:	\$1,325,000		
% of Project Cost Recommended:	15%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Planning/feasibility Study	\$150,000	WNY EDF	\$200,000
Construction/Renovation	\$550,000	M & T Bank	\$650,000
Machinery + Equipment	\$450,000	Niagara EDF	\$250,000
Furniture & Fixtures	\$175,000	Cash Equity	\$135,000
		NYS Office of Community Renewal	\$90,000
Total:	\$1,325,000	Total:	\$1,325,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will retain 15 full time equivalents ("FTE") and create 35 FTE positions over four years.		
Average Salary of Jobs:	\$27,000		
Indirect Jobs Created			
Other Impact			



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PROJECT DESCRIPTION (Adapted from Application)			
<p>The applicant operates a chocolate manufacturing business known as Platters Chocolates. The company has outgrown its current 17,000 sq. ft. location and plans to relocate into a 23,000 sq. ft. facility in the historic Wurlitzer building where it will incorporate into its business a unique tourism destination to attract a portion of the annual Niagara Falls visitors. Guests will be offered a plant tour featuring Platters staff making sponge candy and other confections using traditional methods. The Wurlitzer building is the site where Wurlitzer Organs and Jukeboxes were once produced, which will add to the attractiveness of the project as a tourist destination.</p> <p>A key aspect of the expansion will be to incorporate climate control equipment to expand the candy-making season. At present, the applicant cannot make good chocolate in humid weather, except for fudge, which compels it to shut down chocolate lines in the summer. The project will allow the company to expand chocolate production while accommodating tours thereby requiring the addition of 35 new jobs over the next four years.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$175,000 Excelsior	NYS Office of Community Renewal:	\$90,000
Niagara EDF Loan:	\$250,000	Other: NCIDA	\$36.4K sales tax exemption
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	
N/A	\$		



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BASIS FOR RECOMMENDATION

Since, 2013 Platters has grown revenue to over \$1 million dollars. Platters has reached capacity at its current location (954 Oliver Street in North Tonawanda). In order to maintain the company's current growth and accommodate future growth, Platters plans to add a second production line to manufacture chocolate. Currently, the company has one production line used to manufacture the company's fine chocolate or run sponge candy. The ability to run sponge candy all the time requires the addition of a second line, cooling tables and melters. Platters must also purchase a detailer machine that will identify chocolates and sponge candy that contains peanut butter or nuts to expand to private label and wholesale markets. The new location at the Wurlitzer Building allows Platters to grow from roughly 17,000 square foot to 23,000 square foot and to expand production, create efficiencies and accommodate requests for tours. Platters is also differentiating its products by branding a "Gotta (heart) Buffalo" line of chocolates and working to make WNY the Sponge Candy Capital of the World, which will be facilitated by expanded production capacity.

An award of fund benefits will allow Platters to locate to a new a factory that will accommodate tours, increase wholesale production, allow for expanded brand name recognition and add jobs.

Given Platters' recent acquisition of Ko-ed Candies in 2014 and current debt, an award of fund benefits to support the purchase of machinery and equipment appears necessary in order for project completion to be fulfilled.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with new machinery and equipment. It is anticipated that funds will be disbursed in arrears in a manner proportionate to the total for eligible expenses. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$1.3 million and is compliant with yearly job commitments.