

**Recommended Award: Exhibit "B"**

Applicant Name:	Living Green Insulation Products & Services LLC* *See note below under Project Description.	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Advanced Manufacturing	Locality:	Buffalo
Amount Requested:	\$165,570	Start Date:	3/1/2014
		Finish Date:	3/1/2016
<b>RECOMMENDED OFFER</b>			
Recommended Total Award:	\$165,570		
Total Project Cost:	\$891,765		
% of Project Cost Recommended:	18.5%		
<b>REGIONAL IMPACT MEASUREMENTS</b>			
Number of Jobs Retained:	3		
Number of Jobs Created:	29		
Average Salary of Jobs:	\$20,800		
Indirect Jobs Created:			
Other Impact:			
<b>PROJECT DESCRIPTION</b>			
<p>Living Green Insulation Products &amp; Services, LLC ("LGI") is a green manufacturing facility located on the eastside of Buffalo. The manufacturing plant will produce cellulose insulation and hydro seed mulch from recycled paper products that are diverted from landfills and sold locally by recycling companies. LGI is in the process of ramping up both its hydro-seeding business and its insulation business which will lead to the employment of 29 people over the next 5 years. In order to meet the current trajectory set for the hydro-seeding business, LGI must complete phase 2 of a 3 phase plan and install a freight elevator; install a sprinkler system; purchase a paneled delivery truck; purchase a hydro-seeding mulcher; and rebuild existing loading docks to handle the weight of the necessary machinery used in the distribution of LGI products.</p> <p>The award request by LGI relates to the second phase of its 3 phase "plan for success." To date LGI has successfully completed the first phase of their master plan which included a \$1,013,935 investment to: install the machinery that creates the 2 products; provide the necessary power upgrades to the building to run the machinery; make the necessary structural improvements to the building; purchase Borax inventory; purchase paper feedstock; replace exterior and emergency lighting; and begin hiring the workforce needed to get the project up and running. Phase 2 and 3 of the master plan for LGI will take an investment of \$891,765 to reach completion.</p> <p>LGI is seeking an award that will allow LGI to complete the second phase of its expansion plan in time for the spring, when the hydro-seeding business has great potential for creating revenue.</p>			

**Western New York Economic Development Fund  
 Recommendation Memo**

Phase 2 of the plan calls for an investment of \$165,570 which will allow the company to: purchase a hydro-seeding mulcher; purchase a panel delivery truck; purchase 2 fork-lifts; reconstruct loading docks; install a sprinkler system; and install a freight elevator.

Upon the completion of phase 2 of the master plan LGI indicates that it will be in a position to take the hydro-seeding portion of its business and create a revenue stream that can be utilized for reinvestment into the completion of the third and final phase. Phase 3 of LGI’s master plan consists of an investment of \$726,195 which will allow LGI to: replace the roof on their facility; make additional electrical upgrades to run the green insulation production; build inventory; upgrade security; and build out office space.

\*The application lists Jabril Shareef as the applicant, but indicates that LGI is the real party in interest and would be making the commitments. In correspondence, Shareef has agreed that LGI will be treated as the applicant.

**PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED**

TYPE	AMOUNT	STATUS
ESD – EIP Grant	\$226,000	Complete
PUSH Buffalo BNSC Grant	\$35,000	Complete

**BASIS FOR RECOMMENDATION**

LGI is a small business on the east side of Buffalo that has been building from the ground up based on an environmentally friendly product created through state of the art technology. Through a maximum personal investment and the assistance of State and local economic development programs, this company is now in a position to sell and distribute the environmentally friendly hydro-seeding currently being produced at its headquarters facility at 230 Pratt Street, Buffalo, NY.

An award of Fund Benefits would enable LGI to complete phase 2 of this project and begin the sale and distribution of their hydro-seeding product. In conversations with the Board’s staff, LGI indicates that this will create approximately 29 jobs over the next 5 years. The bulk of the jobs would target unemployed residents of the East Side of Buffalo who would be trained for long term careers with LGI.

It is recommended that the Board recommend an award to LGI in the amount of up to \$165,570 to be disbursed in multiple reimbursements based on documentation of LGI’s completion of each of the tasks listed below. This will be in addition to any other terms and conditions that the New York Power Authority deems to be appropriate in any award contract:

- Purchase of hydro-seeding mulcher – The lesser of \$21,120 or the actual purchase price
- Purchase of panel delivery truck – The lesser of \$23,000 or the actual purchase price
- Purchase of 2 fork-lifts – The lesser of \$36,000 or the actual purchase price.
- Reconstruction of loading docks – The lesser of \$16,450 or the actual cost.
- Installation of sprinkler system – The lesser of \$30,000 or the actual cost.

- Installation of freight elevator – The lesser of \$39,000 or the actual cost.
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