

Recommended Award: Exhibit "E"

Applicant Name:	Niagara Label Company, Inc.	REDC Region:	WNY
Project Type:	Business Investment	County:	Erie
Industry:	Print Manufacturing/Pressure Sensitive Labels	Locality:	Akron
Amount Requested:	\$250,000	Start Date:	6/24/2013
		Finish Date:	12/31/2013
RECOMMENDED OFFER			
Recommended Total Award:	\$150,000		
Total Project Cost:	\$938,880.00		
% of Project Cost Recommended:	15 %		
REGIONAL IMPACT MEASUREMENTS			
Number of Jobs Retained:	36		
Number of Jobs Created:	17		
Average Salary of Jobs:	50,000		
Indirect Jobs Created			
Other Impact			
PROJECT DESCRIPTION			
<p>Niagara Label is an advanced label design and manufacturing company that currently employs 36 people in the rural community of Akron, NY. Niagara Label makes brand labels for everything from the most notable East Coast wineries to the major U.S. amusement parks. The company is currently experiencing a growth in demand from its customers that its current production capabilities cannot keep pace with. The company has determined that it needs to upgrade its equipment and hire and train 17 new employees in order to keep pace with demand. The company has extended its debt financing of this project to the maximum amount allowed by its bank under its current lending agreements and the company still has a funding gap for which it needs assistance to close.</p> <p>The project scope includes: the purchase of a printing press finishing unit; software; hardware; and quality module increasing production capacity and product offerings. A 2100 sq. ft. expansion is also needed to complete project in its entirety.</p> <p>Niagara Label is seeking assistance from the Power Proceeds Fund to complete the second phase in this two phase project. The first phase was to purchase the Digital Finishing Unit which was \$625,840.00 of the total project and was put into motion by a grant awarded from Empire State Development.</p>			
OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED			
ESD:	\$100,000	NYPA:	\$
IDA:	\$	Other:	\$
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED			
TYPE	AMOUNT	STATUS	

BASIS FOR RECOMMENDATION

Niagara Label is applying to this Board for assistance in completing the \$938,880.00 second phase of a two phase project totaling \$1,564,720.00.

Since March of this year, this project has gained the support of the Western New York Regional Council, the Erie County Industrial Development Agency, Empire State Development, and New York State Assembly Member Jane Corwin.

As an advanced manufacturing company Niagara Label is in an industry cluster which has been prioritized by the WNYREDC. The Council has shown support for this particular project by endorsing a \$100,000 grant given to the company by ESD. This project proposes to increase production to meet demand, thereby increasing employment with the creation of 17 new jobs in the rural Village of Akron. The new jobs this project will create will pay employees an average of \$50,000, which is well over the Regional average. This kind of job growth at the rates the company will pay is significant for a place like the Village of Akron.

The path to a grant from ESD for this company was extensive. Initially Niagara Label was instructed to investigate all potential lending for this project and they met with the ECIDA and applied for a loan through them. They were approved for a loan with the ECIDA, however, their primary bank lender instructed them that they could not take on any additional debt, as they already borrowed \$1 million from their primary lender. At this point the company came back to ESD and showed evidence of maximum debt financing and the largest equity investment the company could safely make. Maxed out on loans and equity investment the company was still left with a \$250,000 gap in financing for this 2 part project. ESD awarded the company a \$100,000 grant so that they would be able to move forward with phase 1 of the project. A \$150,000 grant from the WNY Economic Development Fund will allow the company to fully execute the project in its entirety.

Assembly Member Jane Corwin has also identified this project as a major win for the Village of Akron. The Assembly Member's office has been in contact with ESD all along the way on this project and they have emphasized that this is a family owned and operated company that has a long history in Akron, NY and has remained steadfast in its commitment to grow in WNY. The Assembly Member's office also called attention to the fact that this company has always been community conscious, which is evidenced by the fact that they always look for local companies to fill their needs before they look outside the Region.