

PROJECT SUMMARY

Sterling Energy Group, as agent for SPE Taxable Bond Financing



Applicant:	Sterling Energy Group, as agent for Single Purpose Entity	
Project Location:	5300 Frontier Avenue City of Niagara Falls	
Assistance:	Approval of the assignment to a related company of the NCIDA relationship (Lease and PILOT). Also, consent of the Agency to the Mortgage (taxable bond) with exemption benefits.	
Description:	<p>In 2013, Sterling Energy Group of Gary, Indiana purchased the idle Niagara Generation power plant on Frontier Avenue in Niagara Falls. The plant was retrofitted and brought back on line generating approximately 30Mw of power, with plans to increase this to over 40Mw. Twenty seven permanent jobs have been created. The company is now in a position to provide permanent financing on the facility through bond financing. This financing will provide capital to finish the ongoing retrofit and provide adequate debt reserves for operations. A new Single Purpose Entity wholly owned by the plant's owner, Sterling Energy Group, Inc. will be created for the purpose of this bond offering.</p>	
Project Costs:	Bond issue	\$25,000,000
Employment:	Jobs retained:	27
	Total payroll:	\$2,550,000

REGIONAL ECONOMIC IMPACT ANALYSIS
Sterling Energy Group as Agency for SPE
Taxable Bond Financing

Estimated State & Regional Benefits / Estimated Project Incentives Analysis (Discounted Present Value*)

Projected Employment		State	Region
Total Employment		71	71
Direct**		27	27
Indirect***		13	13
Induced****		31	31
Total Region Labor Income	\$4,649,433		
Income Tax Revenue	\$1,778,189		
Sales Tax Revenue	\$ 521,074		

* Figures over 15 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

Utilizing informANALYTICS modeling software, an economic impact analysis was conducted to measure new investment and employment for the project. This software is a widely accepted and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project.