

PROJECT SUMMARY
KIPO Motors Chevrolet Inc.



Applicant:	KIPO Motors Chevrolet Inc.	
Project Location:	2534 Youngstown-Lockport Road Ransomville, New York	
Assistance:	5 Year Retail PILOT Sales Tax Exemptions Mortgage Recording Tax Exemption	
Description:	<p>KI PO Automotive has served Niagara County for over 40 years. The company leases and is considering acquiring the auto dealership facility located at 2534 Youngstown Lockport Road in Ransomville. The project would entail the addition of 4,300 square feet along with renovations to accommodate new equipment and expansion of services and employment opportunities.</p> <p>General Motors is strongly suggesting that the company either move the facility or renovate the current building to conform to the new branding of the GM Chevrolet Division. The company would prefer to remain in Ransomville and faces the possibility that not participating in the project will risk the renewal of the GM franchise agreement and force closure of the facility.</p>	
Project Costs:	Acquisition Sitework Renovation & construction Equipment Furniture & fixtures Plumbing, electrical, HVAC Soft costs <p style="text-align: right;">TOTAL</p>	\$ 250,000 \$ 125,000 \$ 782,845 \$ 55,000 \$ 40,000 \$ 170,000 <u>\$ 115,000</u> \$ 1,537,845
Employment:	Total employees in Niagara County: 44 FT, 4 PT Total employees in Ransomville: 23 FT, 1 PT New Jobs to be created: 5 FT, 3 PT Total Annual Payroll End Year 3: \$1,262,808 Skills: Manager, service technician, Sales, Detail position	

**REGIONAL ECONOMIC IMPACT ANALYSIS
KIPO Motors Chevrolet Inc.**

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

The impacts can be measured on an annual basis except for finite activities, such as economic activity occurring as a result of construction investment.

New Capital Investment: Construction (renovations & improvements)	\$1,172,845
Direct Employment: New Jobs Annual New Payroll	5 FT, 3 PT \$336,000
New Jobs Impact: The new jobs will:	
<ul style="list-style-type: none"> ➤ Support additional indirect and induced effect jobs in the county at an estimated value of \$83,000 ➤ Contribute \$36,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

KIPO Motors Chevrolet Inc. 2534 Youngstown-Lockport Road Ransomville, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions (5 year PILOT)	\$35,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$21,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$54,000	
Expansion will add 5 new full time and 3 new part time jobs and an additional annual payroll of \$336,000		\$336,000
Estimated total annual value of indirect and induced jobs created		\$ 83,000
The new jobs will generate an estimated \$36,000 in sales tax annually		\$36,000
Project will generate an additional \$590,000 in economic activity		\$590,000
TOTAL	\$89,000	\$1,066,000

DEFINITIONS

Direct Effects

The set of expenditures applied to the predictive model for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.

Indirect Effects

The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.

Induced Effects

The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.