

PROJECT SUMMARY
Diversified Manufacturing Inc.



Applicant:	Diversified Manufacturing Inc.	
Project Location:	410 Ohio Street Lockport, New York	
Assistance:	15 year PILOT Sales Tax Exemptions Mortgage Recording Tax Exemption	
Description:	Diversified Manufacturing has been in business on Ohio Street in the City of Lockport for over 50 years. The company is in the metal fabrication business with a full range of welding, machining and assembly services. The project will consist of a 47,000 square foot addition (37,000 square feet manufacturing and 10,000 office) so that another facility in Amherst can be consolidated within the existing Ohio Street building, resulting in substantial operating cost reductions. This will strengthen the business and help to protect jobs in Lockport.	
Project Costs:	Building construction/renovation	\$ 3,027,000
	Sitework	\$ 1,245,000
	Production Equipment	\$ 495,000
	Soft Costs	\$ <u>27,000</u>
	TOTAL	\$4,794,000
Employment:	Total employees in Niagara County: 99 FT, 7 PT New Jobs in Niagara County: 46 FT,13 PT Total Annual Payroll End Year 3: \$ 8,850,000 Skills: Production, managerial, clerical	

REGIONAL ECONOMIC IMPACT ANALYSIS
Diversified Manufacturing 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, site prep	\$3,247,000
Direct Employment: New Jobs Annual New Payroll	46 FT, 13 PT \$ 3,000,000
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 \$1,005,000 ➤ Contribute \$81,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

Diversified Manufacturing Inc. 410 Ohio Street Lockport, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions	\$370,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$102,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$145,000	
Expansion will add 46 full time and 15 part time jobs and an additional annual payroll of \$3,000,000		\$3,000,000
Estimated total annual value of indirect and induced jobs created		\$ 1,005,000
The new jobs will generate an estimated \$81,000 in sales tax annually		\$81,000
Project will generate an additional \$6,800,000 in economic activity		\$6,800,000
TOTAL	\$515,000	\$10,988,000

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.