

PROJECT SUMMARY
Hydraulic Race Co., Inc.
Lockport Cave Visitor Center



Applicant:	Hydraulic Race Co., Inc - Lockport Cave Visitor Center	
Project Location:	5 Gooding Street Lockport, New York	
Assistance:	5 Year Opportunity Zone PILOT Sales tax exemptions Mortgage Recording Tax exemption	
Description:	<p>Hydraulic Race Company is the operator of the Lockport Cave and Underground Boat Ride in Lockport. The tour offers the public a 70-minute guided tour through the historic Erie Canal locks 67-71, constructed in 1838. Riders view ruins from an earlier industrial age and walk through a water tunnel that was blasted out of solid rock in the 1850's.</p> <p>The Cave Tour's ticketing operations have been housed in rented space on Pine Street in the City of Lockport. To better serve tour customers and increase visibility, Hydraulic Race Company wishes to construct a 1,136 square foot visitor's center at 5 Gooding Street. The building will also contain rest rooms and retail space to sell souvenirs.</p>	
Project Costs:	Building construction Sitework Furniture & fixtures Soft Costs <div style="text-align: right;">TOTAL</div>	\$ 95,200 \$ 1,500 \$ 5,500 <u>2,100</u> \$ 104,300
Employment: (Trek Inc.)	Currently at Facility: 6 seasonal New Jobs at Facility: 5 FTE seasonal Total Annual Payroll: \$46,000 Skills: Retail, customer service, tour personnel	

REGIONAL ECONOMIC IMPACT ANALYSIS

Hydraulic Race Co., Inc. Lockport Cave Visitor Center

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	\$ 96,700
Direct Employment: New Jobs Annual New Payroll	5 FTE seasonal jobs \$26,000
New Jobs Impact: The 5 new FTE seasonal jobs will: <ul style="list-style-type: none"> ➤ Support an additional indirect effect job in the county at an estimated value of \$22,000 ➤ Contribute \$3,400 in sales taxes annually 	

COST BENEFIT ANALYSIS

Hydraulic Race Co., Inc. - Lockport Cave Visitor Center 5 Gooding Street Lockport, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for existing assessment and improvements (5-year PILOT)	\$20,200	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$4,700
Estimated Sales Tax Exemptions on construction and furnishing building	\$5,000	
Expansion will add 5 new FTE seasonal jobs and new annual payroll of \$26,000		\$26,000
Estimated total annual value of indirect job created		\$22,000
The 5 new FTE seasonal jobs will generate an estimated \$ in sales tax annually		\$3,400
Project will generate an additional \$116,000 in economic activity		\$116,000
TOTAL	\$25,200	\$172,100

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.