

**PROJECT SUMMARY**

**Olin Chlor Alkali**



<b>Applicant:</b>	Olin Corporation	
<b>Project Location:</b>	2725 Buffalo Avenue Niagara Falls	
<b>Assistance:</b>	15 Year Industrial PILOT Sales tax abatements Mortgage Recording tax abatement	
<b>Description:</b>	<p>The Olin Corporation’s Niagara Falls plant, located on Buffalo Avenue, has maintained a manufacturing presence in the City at its present location for over 100 years. The company’s products include chlorine, caustic soda, hydrogen, hydrochloric acid and bleach. The Olin Niagara plant is planning on expanding its existing bleach product production with a new product to be known as HyPure® Bleach. The new product will increase the company’s market share and competitiveness in bleach sales.</p> <p>To accomplish the planned expansion, Olin will be purchasing and installing new equipment to be housed in four new buildings to be constructed on the site.</p> <p>The project will add 11 new jobs with salaries in the \$75,000 to \$85,000 range.</p>	
<b>Project Costs:</b>	New construction Site work and preparation Machinery and equipment A & E Other (contingency)	\$ 2,455,000 \$ 810,000 \$12,042,000 \$ 3,193,000 <u>\$ 1,500,000</u> TOTAL \$20,000,000
<b>Employment:</b>	Currently at Facility: 177 New Jobs at Facility: 11 Total Annual Payroll: \$21,769,000 Skills: Production, Technical, Supervisory	

## REGIONAL ECONOMIC IMPACT ANALYSIS

### Olin Chlor Alkali

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: New Construction	\$ 3,265,000
Direct Employment: New Jobs New Annual Payroll including benefits	11 \$1,300,000
<p>New Jobs Impact: The 11 new jobs will:</p> <ul style="list-style-type: none"> <li>➤ Support an additional 14 indirect effect jobs in the county at an estimated value of \$990,000</li> <li>➤ Support an additional 12 induced effect jobs in the county at an estimated value of \$415,000</li> <li>➤ Contribute \$182,000 in sales taxes annually</li> </ul>	

### COST BENEFIT ANALYSIS

Olin Chlor Alkali 2400 Buffalo Avenue Niagara Falls	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for improvements (15-year PILOT)	\$1,600,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$174,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$ 275,000	
Project will add 11 new jobs and new annual payroll of \$1,300,000		\$1,300,000
Estimated annual labor income of indirect and induced jobs created		\$1,405,000
The new jobs will pay an estimated \$182,000 in sales tax annually		\$182,000
The new facility and permanent jobs will have a positive effect on community businesses such as restaurants, stores, entertainment, transportation, and professional service providers		\$730,000
<b>TOTAL</b>	<b>\$ 1,875,000</b>	<b>\$ 3,791,000</b>

## 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.

Note: Labor Income figures include benefit compensation.