

PROJECT SUMMARY

Greater Lockport Development Corporation/57 Canal Street



Applicant:	Greater Lockport Development Corporation/57 Canal Street	
Project Location:	57 Canal Street Lockport, New York	
Assistance:	5 Year Opportunity Zone PILOT Sales tax exemptions	
Description:	<p>The Greater Lockport Development Corporation (GLDC) is a not for profit that operates within the City of Lockport to aid in efforts of the City's Economic Development Program to encourage the development and retention of business and industry and to increase job opportunities. GLDC has invested considerable time and effort to redevelop four existing buildings along the City's historic Canal Street. The buildings are owned by the City of Lockport and leased to the GLDC under a 40 year lease.</p> <p>GLDC has entered into a sublease agreement with Trek, Inc, a manufacturer of high voltage amplifiers, electrostatic measurement instruments and a variety of other high tech products. In order to make room for additional manufacturing floor space, the company plans to move its Research and Development and Engineering departments from its Medina, New York operation to the Canal Street location.</p> <p>Although the GLDC is a not for profit, now that the building will be used for a business purpose, GLDC will be responsible for paying property taxes. Previously, while the building was being redeveloped, it was assessed, but no property taxes were due. To make the building suitable for the new tenant, GLDC will need to make substantial leasehold improvements, which will be sales taxable to GLDC.</p> <p>To preserve its funds for future developments in the City of Lockport, GLDC is requesting a 5-year Opportunity Zone PILOT and accompanying sales tax abatements through the NCIDA.</p>	
Project Costs:	Renovations	\$ 482,570
	Soft Costs	\$ <u>1,500</u>
	TOTAL	\$ 484,070
Employment: (Trek Inc.)	<p>Currently at Facility: 0 New Jobs at Facility: 22 Total Annual Payroll: \$1,188,000 Skills: Engineering, Technical, Support</p>	

REGIONAL ECONOMIC IMPACT ANALYSIS
Greater Lockport Development Corporation/57 Canal Street

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)	\$ 482,570
Direct Employment: New Jobs Annual New Payroll	22 \$1,188,000
<p>New Jobs Impact: The 22 new jobs will:</p> <ul style="list-style-type: none"> ➤ Support an additional 7.3 indirect effect jobs in the county at an estimated value of \$308,500 ➤ Support an additional 11.3 induced effect jobs in the county at an estimated value of \$383,900 ➤ Contribute \$48,550 in sales taxes annually 	

COST BENEFIT ANALYSIS

Greater Lockport Development Corporation 57 Canal Street Project Lockport, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for existing assessment and improvements (5-year PILOT)	\$65,500	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$13,100
Estimated Sales Tax Exemptions on construction and furnishing building	\$19,300	
Expansion will add 22 new jobs and new annual payroll of \$1,188,000		\$1,188,000
Estimated total annual value of indirect and induced jobs created		\$692,400
The 22 new jobs will pay an estimated \$48,500 in sales tax annually		\$48,500
The new facility and permanent jobs will have a positive effect on community businesses such as restaurants, stores, entertainment, transportation, and professional service providers		\$686,900
Project will generate an additional \$1,944,800 in economic activity		\$1,944,800
TOTAL	\$84,800	\$4,573,700

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.