

PROJECT SUMMARY

Penn Terra



Applicant:	Penn Terra	
Project Location:	The Cannon Block (550 Main St., 557 Third St., 561 Third St., 565 Third St., 569 Third St. and 571 Third St.) City of Niagara Falls	
Assistance:	15 year PILOT Sales Tax Abatement Mortgage Recording Tax Abatement	
Description:	<p>The City of Niagara Falls acquired The Cannon Block properties through Dr. Pravin Meta’s plea negotiation with the U.S. Attorney’s Office in 2016. In September 2017 the City issued a request for proposals for the Cannon Block, which fits into its master plan to redevelop downtown. The City chose Penn Terra Group Limited, which was formed in Canada in 2011 and has redeveloped several properties in St. Catharines, as developer for the project.</p> <p>Proposed plans for the Cannon Block property include an approximately 36-unit residential apartment building. Local university and college students will occupy the units for 8 months of the year and hotel guests will occupy the building for the 4 summer months. An estimated \$2 million will come from a Restore NY grant.</p>	
Project Costs:	Construction/Renovation Furniture, Fixtures & Equipment Soft costs & other <p style="text-align: right;">TOTAL</p>	\$4,850,000 \$ 435,000 <u>\$ 350,000</u> \$5,635,000
Employment:	Current jobs in Niagara County 0 Jobs in Niagara County within 3 years: 6 Total Annual Payroll End Year 3: \$487,000 Skills: Management, Professional, Administrative. 35 PT Independent contractors will also be employed for maintenance and housekeeping	

REGIONAL ECONOMIC IMPACT ANALYSIS
Penn Terra

Estimated State & Regional Benefits / Estimated Project Incentives Analysis

Total State and Regional Benefits	\$ 1,730,584
Total Project Incentives	\$ 1,123,660
Benefit to Cost Ratio	1.5:1

Projected Employment	State	Region
Total Employment	57	57
Direct**	6	6
Indirect***	1	1
Induced****	2	2
Temporary Construction (Direct and Indirect)	48	48

Estimated State & Regional Benefits (Discounted Present Value*)

Total State and Regional Benefits	\$ 1,730,584
Income Tax Revenue	\$ 424,404
Property Tax/PILOT Revenue	\$ 1,067,282
Sales Tax Revenue	\$ 238,898

Estimated Project Incentives (Discounted Present Value*)

Total Project Incentives	\$1,123,669
Mortgage Tax	\$ 21,638
Property Tax	\$ 873,231
Sales Tax	\$ 228,800

* Figures over 15 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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