

PROJECT SUMMARY
Brightfields Corporation (for Tulip Corporation)



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|--------------------------|--|---------------------|
| Applicant: | Brightfields Corporation (for Tulip Corporation) | |
| Project Location: | Highland Avenue (former Tract I Site) City of Niagara Falls | |
| Assistance: | 15 year Brownfield PILOT Mortgage Recording Tax Abatement Sales Tax Abatement | |
| Description: | <p>Tulip Molded Plastics Corporation has been in the Niagara Falls community since 1910. Tulip's current manufacturing facility has deteriorated to the point that it is no longer practical or cost competitive to operate. The company has a growth strategy for all three product lines (plastic injection molding, engineered resin, and lead component) but this is not possible given the current state of the facility. This \$11.7 million proposed project involves the development and construction of a new 70,000 sf facility on an adjacent parcel of land owned by Brightfields Corporation. Also included in the project is the relocation of existing equipment as well as the acquisition, delivery, and installation of new state of the art manufacturing equipment to further Tulip's operational and growth strategy. Brightfields (or its successor) will lease the building and equipment to Tulip.</p> <p>The proposed land for the project was a previous abandoned hazardous waste site. Over \$17 million of private funding was used to remediate this property. Over \$5 million of this project was performed under the Brownfields Cleanup Program to the highest level of cleanup specified thereunder. Overall, this project and the related land remediation effort undertaken represents an almost \$29 million investment in a severely depressed economic area in the city of Niagara Falls.</p> <p>The project will benefit the region in creating jobs related to the new facility construction and anticipated business growth as well as maintaining 70 current positions that would be lost should operations be relocated out of New York State. Further, the proposed land to be used for the new facility has been remediated under the Brownfield Cleanup Program and can serve as an example of successful redevelopment of a once contaminated and abandoned property.</p> | |
| Project Costs: | Land/building purchase | \$ 1,500,000 |
| | Construction | \$ 5,724,820 |
| | Furniture, Fixtures, Equipment | \$ 25,000 |
| | Soft costs & Other | \$ 2,504,892 |
| | Manufacturing Equipment | <u>\$ 1,970,000</u> |
| | TOTAL | <u>\$11,724,712</u> |
| Employment: | Existing jobs in Niagara County | 70 |
| | New jobs | 6 FTE's |
| | Skills: production | |

REGIONAL ECONOMIC IMPACT ANALYSIS

Brightfields Corporation

Estimated State & Regional Benefits / Estimated Project Incentives Analysis (Discounted Present Value*)

| | | |
|--|--------------|--------------------|
| Total State and Regional Benefits | | \$6,621,713 |
| Total Project Incentives | | \$1,889,799 |
| Projected Employment | State | Region |
| Total Employment | 215 | 215 |
| Direct** | 76 | 76 |
| Indirect*** | 32 | 32 |
| Induced**** | 51 | 51 |
| Temporary Construction (Direct and Indirect) | 57 | 57 |

Estimated State & Regional Benefits (Discounted Present Value*)

| | |
|--|--------------------|
| Total State and Regional Benefits | \$6,621,713 |
| Income Tax Revenue | \$ 3,536,096 |
| Property Tax/PILOT Revenue | \$ 841,678 |
| Sales Tax Revenue | \$ 2,243,939 |

Estimated Project Incentives (Discounted Present Value*)

| | |
|---------------------------------|--------------------|
| Total Project Incentives | \$1,889,799 |
| Mortgage Tax | \$ 38,314 |
| Property Tax | \$ 1,666,290 |
| Sales Tax | \$ 185,194 |

* 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.