

PROJECT SUMMARY

Lake Effect Canal Street, LLC/Lake Effect Ice Cream, LLC



Lake Effect
Artisan Ice Cream

Applicant:	Lake Effect Canal Street, LLC/Lake Effect Ice Cream, LLC	
Project Location:	79/81 Canal Street Lockport, New York	
Assistance:	5 Year Opportunity Zone PILOT Sales tax exemptions	
Description:	<p>Lake Effect Ice Cream was founded in the Spring of 2008 as a “summer operation” but quickly became a year-round endeavor as it manufactured ice cream for stores throughout Western New York. In 2011, the company outgrew its kitchen in Lockport’s Masonic Temple and moved to 20 Lock Street, enabling it to expand its production and storage capacity. After two highly successful seasons as an ice cream stand and production facility for its growing wholesale business, Lake Effect once again has experienced an extraordinary surge in sales and recognition.</p> <p>This project entails the acquisition, renovation and expansion of a building located at 79/81 Canal Street in Lockport. It will allow the company not only to create a flagship location, but also become the premier ice cream destination in Western New York. The company has already proven the ability to be a draw at an underutilized location. This new location will help to serve as an impetus for future development in the growing tourism corridor in downtown Lockport.</p>	
Project Costs:	Building acquisition Renovations Non Manufacturing equipment Manufacturing equipment Furniture and fixtures Soft Costs/Other <p style="text-align: right;">TOTAL</p>	\$ 50,000 \$ 77,000 \$ 57,500 \$ 3,800 \$ 16,300 \$ 6,000 \$ 210,600
Employment:	Current: 15 PT New Jobs by End Year 3 : 15 PT Total Annual Payroll End Year 3: \$115,000 Skills: Clerical, delivery, managerial, production, service	

REGIONAL ECONOMIC IMPACT ANALYSIS
Lake Effect Canal Street, LLC/Lake Effect Ice Cream, LLC

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)	\$ 77,000
Direct Employment: New Jobs Annual New Payroll	15 PT \$ 71,000
<p>New Jobs Impact: The 15 new part time jobs will:</p> <ul style="list-style-type: none"> ➤ Support additional indirect and induced effect jobs in the county at an estimated value of \$20,000 ➤ Contribute \$16,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

Lake Effect Canal Street, LLC/Lake Effect Ice Cream, LLC 79/81 Canal Street Lockport, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for existing assessment and improvements (5-year PILOT)	\$31,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$ 6,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$ 9,000	
Expansion will add 15 new part time jobs and an additional annual payroll of \$71,000		\$71,000
Estimated total annual value of indirect and induced jobs created		\$20,000
The 15 new jobs part time jobs will generate an estimated \$16,000 in sales tax annually		\$16,000
Project will generate an additional \$1,944,800 in economic activity		\$180,000
TOTAL	\$40,000	\$293,000

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.