

PROJECT SUMMARY
Indian Ocean LLC (Courtyard Marriott)



Applicant:	Indian Ocean LLC (Courtyard Marriott)	
Project Location:	900 Buffalo Avenue Niagara Falls, New York	
Assistance:	Requesting an enhanced Commercial PILOT Sales tax abatements Mortgage recording tax abatement	
Description:	<p>B.F. Patel has been a hotelier in the Niagara Falls Community for over 16 years. He is the owner and operator of the Econolodge at 200 Buffalo Avenue in the City of Niagara Falls. He is also the owner of the former Moore Business forms building at 900 Buffalo Avenue. This property is located just off the exit ramp of the Robert Moses Parkway and is the first building that visitors to the City see.</p> <p>Mr. Patel wishes to renovate the building to house an 84 unit Courtyard Marriott hotel. This will include addition of a third floor and major renovations to the rest of the structure. Because of the significant operating costs associated with securing an Upper-Upscale hotel flag such as the Courtyard Marriott, Mr. Patel is seeking an enhanced PILOT to help defray some of these costs as well as the cost of undertaking major renovations to the historic building.</p>	
Project Costs:	Construction/renovation Siteworke Furniture & fixtures Soft Costs <div style="text-align: right;">TOTAL</div>	\$4,400,000 100,000 2,000,000 <u>150,000</u> \$6,650,000
Employment: (Flight of Five Winery)	Currently at Facility: 0 New Jobs at Facility: 24 FT, 9 PT (end year 3) Total Annual Payroll: \$ 704,000 (end year 3) Skills: Housekeeping, maintenance, guest services, management	

REGIONAL ECONOMIC IMPACT ANALYSIS
Indian Ocean LLC (Courtyard Marriott)

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)	\$4,500,000
Direct Employment (end year 3): New Jobs Annual New Payroll	28 FTE's \$704,000
New Jobs Impact: The 28 new FTE jobs will: <ul style="list-style-type: none"> ➤ Support an additional 5 indirect effect jobs in the county at an estimated value of \$236,000 ➤ Support an additional 5 induced effect jobs in the county at an estimated value of \$170,000 ➤ Generate \$102,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

Indian Ocean LLC (Courtyard Marriott) 900 Buffalo Avenue Niagara Falls, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for existing assessment and improvements based on standard commercial PILOT	\$760,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$164,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$340,000	
Expansion will add 28 new FTE jobs and new annual payroll of \$704,000		\$704,000
Estimated total annual value of indirect and induced jobs created		\$406,000
The 28 new FTE jobs will generate an estimated \$102,000 in sales tax annually		\$102,000
Project will generate an additional \$2,000,000 in economic activity		\$2,000,000
TOTAL	\$1,100,000	\$3,376,000

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.