

PROJECT SUMMARY
Covanta Niagara L.P.



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|--------------------------|---|---|
| Applicant: | Covanta Holding Corporation | |
| Project Location: | 100 Energy Blvd. at 56 th Street Niagara Falls | |
| Assistance: | 15 year PILOT Sales tax abatements Mortgage Recording Tax abatement | |
| Description: | <p>Covanta Niagara L.P. is a part of Covanta Energy, an international provider of state-of-the-art energy from waste facilities. Covanta acquired the Niagara facility in 2005 and continues to provide a wide array of services at the facility located off 56th Street in Niagara Falls. With the addition of Greenpac paper mill as an end user of steam, an expansion of the steam supply system is required. In addition, upgrades to logistical support systems for the facility provide an opportunity to expand the employment base at the facility while improving the customer service aspects of the business.</p> <p>Given the extent of capital spending and subsequent job creation of 160 construction jobs and 23 permanent jobs, Covanta is requesting a 15 year PILOT.</p> | |
| Project Costs: | Steam Line Steam Expansion Rail Transfer Special Waste | \$ 5,000,000 \$10,500,000 \$ 9,000,000 <u>\$ 5,600,000</u> \$30,100,000 |
| Employment: | Currently at Facility: Total new jobs Total Annual Payroll: Construction Jobs: | 86 23 \$10,921,560 160 |

**REGIONAL ECONOMIC IMPACT ANALYSIS
Covanta Niagara L.P.**

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.

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| New Capital Investment: | \$30,100,000 |
| Direct Employment: | |
| Retention | 86 Full Time Equivalents |
| Annual Payroll for existing jobs | \$ 8,914,804 |
| New Jobs Created | 23 Full Time Equivalents |
| New Annual Payroll | \$ 2,006,746 |
| Retained Jobs Impact: The 86 FTE jobs currently: | |
| ➤ Support an additional 38 indirect effect job in the county at an estimated value of \$2,000,000 | |
| ➤ Support an additional 47 induced effect jobs in the county at an estimated value of \$1,600,000 | |
| ➤ Generate \$550,000 in sales taxes annually | |
| New Jobs Impact: The 23 FTE new jobs will: | |
| ➤ Support an additional 5 indirect effect job in the county at an estimated value of \$310,000 | |
| ➤ Support an additional 12 induced effect jobs in the county at an estimated value of \$420,000 | |
| ➤ Generate \$95,000 in sales taxes annually | |
| ➤ Average annual salary of new jobs to be created: \$83,614 | |

COST BENEFIT ANALYSIS

| Covanta Niagara L.P. 100 Energy Blvd. at 56th Street Niagara Falls | Applicant Benefit | Community Benefit |
|--|------------------------------|------------------------------|
| PILOT savings (15 year total) | \$6,900,000 | |
| Sales Tax savings | \$ 760,000 | |
| Mortgage recording tax savings | \$ 310,000 | |
| Project will help to retain 86 FTE jobs at an annual payroll of \$8,914,804 | | \$8,914,804 |
| Project will create 23 FTE jobs at an annual payroll of \$2,006,746 | | \$2,006,746 |
| Estimated annual labor income of total indirect and induced jobs | | \$4,330,000 |
| The new and retained jobs will generate estimated \$ 645,000 in annual sales tax | | \$ 645,000 |
| The new and retained jobs will have a value added effect on the community, including businesses such as restaurants, stores, entertainment, transportation, and professional service providers | | \$22,000,000 |
| Total | \$7,970,000 | \$37,896,558 |

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.