

PROJECT SUMMARY

210 Walnut St., LLC



Applicant:	210 Walnut St., LLC	
Project Location:	210 Walnut Street (Building 4) Lockport, New York	
Assistance:	5 Year Opportunity Zone PILOT, followed by 15 year Industrial PILOT Sales tax exemptions Mortgage recording tax	
Description:	<p>210 Walnut Street, LLC was formed solely to own and operate the former Harrison Radiator plant (Harrison Place) and associated parking on Washburn and Walnut Streets in Lockport.</p> <p>Trek, Inc., a manufacturer of high voltage amplifiers, electrostatic measurement instruments and a variety of other high tech products, has outgrown their main facility in Medina. The company has sold the building and must vacate in the Spring of 2013. After looking at other locations in and outside of New York, Trek has committed to locating in building 4 at Harrison Place. A ten year lease will be executed upon the completion of a \$4 million renovation of the first and second floors of the building by 210 Walnut St., LLC. The third floor will be reserved for Trek's expansion for 5 years. Additionally, the company will have a purchase option on the entire building.</p> <p>Construction is to begin in January, with the first renovations being to the 32,000 square foot first floor to allow for the location of manufacturing operations to begin in Spring 2013. Trek will move administrative functions to the Trek Technology Center, located at 57 Canal Street until the remainder of the work is completed in Summer of 2013.</p>	
Project Costs:	Renovations Site work Non-manufacturing equipment Furniture and fixtures Manufacturing equipment Soft Costs <div style="text-align: right;">TOTAL</div>	\$ 3,600,000 100,000 210,000 500,000 465,000 400,000 <hr/> \$ 5,275,000
Employment: (Trek Inc.)	Currently at Facility: 0 New Jobs at Facility: 72 with 26 additional within 3 years Total Annual Payroll year 3: \$5,012,400 Skills: Production, Finance, Administration, Technicians, Engineering, Human Resources	

REGIONAL ECONOMIC IMPACT ANALYSIS
210 Walnut St., 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)	\$ 3,700,000
Direct Employment: New Jobs Annual New Payroll	98 \$5,012,400
<p>New Jobs Impact: The 98 new jobs will:</p> <ul style="list-style-type: none"> ➤ Support an additional 26 indirect effect jobs in the county at an estimated value of \$1,300,000 ➤ Support an additional 34 induced effect jobs in the county at an estimated value of \$1,100,000 ➤ Contribute \$210,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

210 Walnut Street, LLC Building 4 Lockport, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for existing assessment and improvements (5/15 year PILOT)	\$720,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$61,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$200,000	
Expansion will add 98 new jobs and new annual payroll of \$5,012,400		\$5,012,400
Estimated total annual value of indirect and induced jobs created		\$2,400,000
The new jobs will pay an estimated \$210,000 in sales tax annually		\$210,000
Project will generate an additional \$10,500,000 in economic activity		\$10,500,000
TOTAL	\$920,000	\$ 18,183,400

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.