

PROJECT SUMMARY
Comfort Inn and Suites
(Ali Rizek)



Applicant:	Comfort Inn and Suites (Ali Rizek)																			
Project Location:	6115 Niagara Falls Blvd. Niagara Falls, New York																			
Assistance:	10 Year Commercial PILOT Sales tax abatements Mortgage Recording tax abatement																			
Description:	<p>Comfort Inn and Suites (Ali Rizek) wishes to construct a new Comfort Inn and Suites on Niagara Falls Boulevard in the City of Niagara Falls. The Rizek family has been in the hotel business for over 30 years and runs the Econolodge adjacent to this property.</p> <p>The project will be constructed in two phases. Upon completion of the 100 room hotel, the company will construct a restaurant on the property.</p>																			
Project Costs:	<p>Phase One – Hotel</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Land</td> <td style="text-align: right;">\$ 900,000</td> </tr> <tr> <td>New construction</td> <td style="text-align: right;">4,200,000</td> </tr> <tr> <td>Sitework</td> <td style="text-align: right;">200,000</td> </tr> <tr> <td>Equipment, F & F</td> <td style="text-align: right;">850,000</td> </tr> <tr> <td>Soft costs</td> <td style="text-align: right;"><u>100,000</u></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$ 6,250,000</td> </tr> </table>	Land	\$ 900,000	New construction	4,200,000	Sitework	200,000	Equipment, F & F	850,000	Soft costs	<u>100,000</u>	TOTAL	\$ 6,250,000	<p>Phase Two - Restaurant</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Construction</td> <td style="text-align: right;">\$ 300,000</td> </tr> <tr> <td>Equipment, F & F</td> <td style="text-align: right;"><u>115,000</u></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$ 415,000</td> </tr> </table>	Construction	\$ 300,000	Equipment, F & F	<u>115,000</u>	TOTAL	\$ 415,000
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Employment:	<p>New Jobs at Facility within 3 years: 60 FTE's</p> <p>Total Annual Payroll: \$2,100,000</p> <p>Skills: Management, Housekeeping, Laundry, Cooks, Servers</p>																			

REGIONAL ECONOMIC IMPACT ANALYSIS
Comfort Inn and Suites (Ali Rizek)

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	\$ 4,500,000
Direct Employment: New Jobs New Annual Payroll	60 Full Time Equivalents \$2,100,000
New Jobs Impact: The 60 new jobs will: <ul style="list-style-type: none"> ➤ Support an additional 4 indirect effect jobs in the county at an estimated value of \$170,000 ➤ Support an additional 4 induced effect jobs in the county at an estimated value of \$140,000 ➤ Contribute \$ 78,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

Comfort Inn and Suites (Ali Rizek) 6115 Niagara Falls Blvd. Niagara Falls	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for improvements (10-year PILOT)	\$1,500,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$260,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$265,000	
Project will add 60 new FTE jobs and new annual payroll of \$2,100,000		\$2,100,000
Estimated annual labor income of indirect and induced jobs created		\$310,000
The 60 new jobs will create an estimated \$78,000 in sales tax annually		\$78,000
The new facility and permanent jobs will have a positive effect on community businesses such as restaurants, stores, entertainment, transportation, and professional service providers		\$1,600,000
TOTAL	\$1,765,000	\$4,348,000

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.