

PROJECT SUMMARY

Falls Hotel LLC



Scale: 1 inch = 160.6 feet

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Applicant:	Falls Hotel LLC	
Project Location:	6501 ½ Niagara Falls Boulevard Niagara Falls	
Assistance:	10 Year Commercial PILOT Sales tax abatements Mortgage Recording tax abatement	
Description:	<p>Niagara Hotels LLC was established in December 2010 for the purpose of constructing a new Hampton Inn at 6501 ½ Niagara Falls Boulevard in the City of Niagara Falls. The approximately 45,000 sq. ft., 4-story facility will be constructed on an empty lot by the northbound exit ramp from the I-190.</p> <p>The hotel will target leisure travelers from the US and Canada. It will be located close to the Niagara Falls International Airport and hopes to take advantage of future developments both at the Airport and within the City of Niagara Falls.</p> <p>In 1998, Mr. Ramesh Patel worked with the NCIDA on the construction of the Hampton Inn at 501 Rainbow Boulevard in the City of Niagara Falls.</p>	
Project Costs:	Land New construction Machinery & equipment Soft costs Other <p style="text-align: right;">TOTAL</p>	\$ 625,000 \$3,450,000 \$1,006,000 \$ 164,000 <u>\$ 997,000</u> \$6,242,000
Employment:	Currently at Facility: 0 New Jobs at Facility: 18 FTE's Total Annual Payroll: \$350,000 Skills: Clerks, Housekeepers, Maintenance	

REGIONAL ECONOMIC IMPACT ANALYSIS
Falls Hotel 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	\$ 3,450,000
Direct Employment: New Jobs New Annual Payroll Estimated Construction Jobs Estimated Construction Payroll	18 Full Time Equivalents \$ 350,000 30 \$1,400,000
New Jobs Impact: The 18 new jobs will:	
<ul style="list-style-type: none"> ➤ Support an additional 3 indirect effect jobs in the county at an estimated value of \$146,000 ➤ Support an additional 3 induced effect jobs in the county at an estimated value of \$90,000 ➤ Contribute \$ 62,000 in sales taxes annually 	

COST BENEFIT ANALYSIS

Falls Hotel LLC 6501 Niagara Falls Boulevard Niagara Falls	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for improvements (10-year PILOT)	\$1,100,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$207,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$220,000	
Estimated 30 construction jobs		1,400,000
Project will add 18 new jobs and new annual payroll of \$350,000		\$350,000
Estimated annual labor income of indirect and induced jobs created		\$236,000
The 18 new jobs will pay an estimated \$62,000 in sales tax annually		\$62,000
The new facility and permanent jobs will have a positive effect on community businesses such as restaurants, stores, entertainment, transportation, and professional service providers		\$158,000
TOTAL	\$1,320,000	\$2,413,000

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.