PROJECT SUMMARY
DRC Development LLC

Applicant:	DRC Development LLC
Project Location:	6416 Inducon Drive Town of Wheatfield
Assistance:	Sales Tax Abatement Mortgage Recording Abatement 15 Year PILOT
Description:	DRC Development constructed a 64,000 square foot building in VIP in 2012 which was leased to Edwards Vacuum, a manufacturer of vacuum systems. In the ensuing years, the company grew and then contracted due to changes in corporate management and strategy. In 2020, manufacturing/assembly activities were moved out of New York. Since that time, warehousing, office and support activities have remained at this location. Currently, the company's warehousing needs have exceeded the available capacity. Therefore, DRC Development plans to construct a 36,000 square foot addition to the existing building to accommodate Edwards.

Project Costs:	Construction	$ 2,883,000
	Soft Costs	117,000
	TOTAL	$ 3,000,000

Employment:	Existing Jobs at facility – warehouse	38
	Office and other *	62
	New Jobs to be created	20
		120
	*due to COVID, some have been virtual	

Evaluative Criteria:	Regional Wealth Creation, In Region Purchases, Supports Existing Business Growth Potential

Niagara County Industrial Development Agency
MRB Cost Benefit Calculator

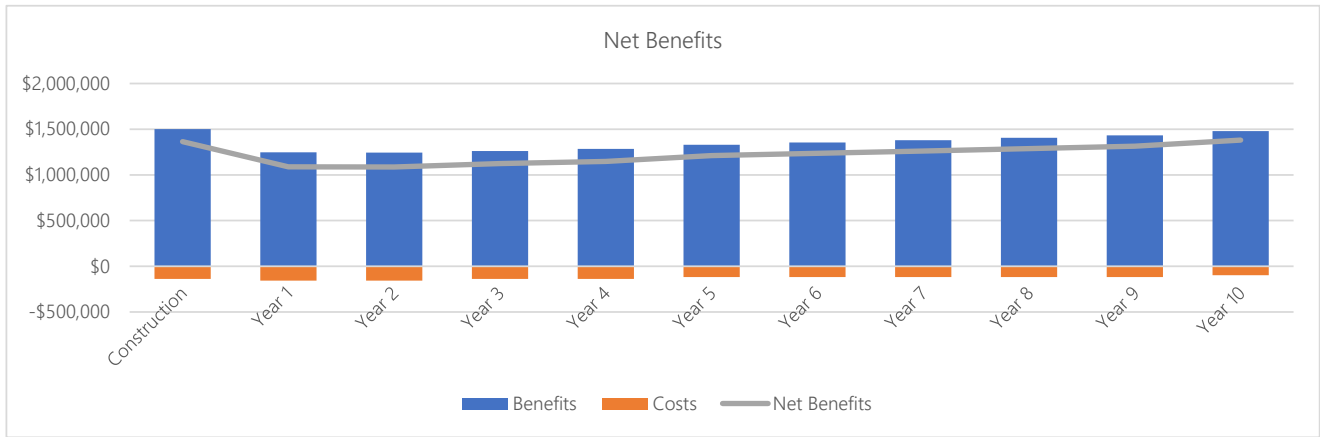|	
Date	June 2, 2022
Project Title	DRC Development LLC
Project Location	39 Simonds St. Lockport, NY 14094

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
$3,000,000

Temporary (Construction)

	Direct	Indirect	Total
Jobs	14	6	20
Earnings	$1,130,270	$287,726	$1,417,996
Local Spend	$2,700,000	$972,928	$3,672,928

Ongoing (Operations)
Aggregate over life of the PILOT

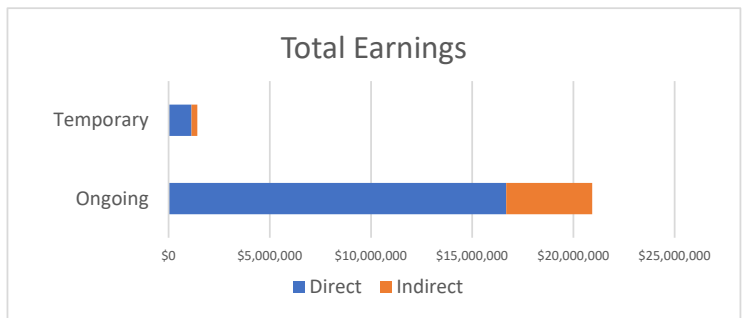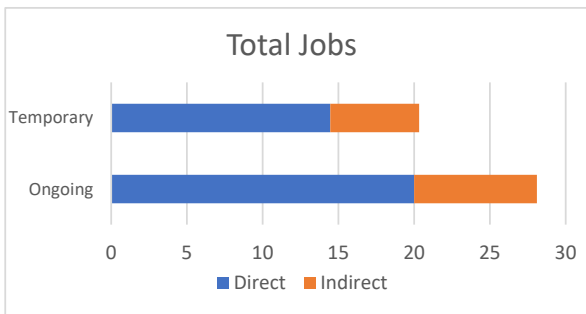|	Direct	Indirect	Total
Jobs	20	8	28
Earnings	$16,680,332	$4,246,216	$20,926,547

Figure 1

Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3

Ongoing earnings are all earnings over the life of the PILOT.

Fiscal Impacts

Estimated Costs of Exemptions

		Nominal Value		Discounted Value*
Property Tax Exemption		$1,771,470		$1,538,380
Sales Tax Exemption		$115,320		$115,320
Local Sales Tax Exemption		*$57,660*		*$57,660*
State Sales Tax Exemption		*$57,660*		*$57,660*
Mortgage Recording Tax Exemption		$22,500		$22,500
Local Mortgage Recording Tax Exemption		*$7,500*		*$7,500*
State Mortgage Recording Tax Exemption		*$15,000*		*$15,000*
Total Costs		**$1,909,290**		**$1,676,200**

State and Local Benefits

		Nominal Value		Discounted Value*
Local Benefits		**$21,579,318**		**$18,559,745**
To Private Individuals		**$22,344,544**		**$19,222,460**
Temporary Payroll		*$1,417,996*		*$1,417,996*
Ongoing Payroll		*$20,926,547*		*$17,804,463*
Other Payments to Private Individuals		*$0*		*$0*
To the Public		**($765,225)**		**($662,715)**
Increase in Property Tax Revenue		*($921,637)*		*($797,272)*
Temporary Jobs - Sales Tax Revenue		*$9,926*		*$9,926*
Ongoing Jobs - Sales Tax Revenue		*$146,486*		*$124,631*
Other Local Municipal Revenue		*$0*		*$0*
State Benefits		**$1,161,916**		**$999,568**
To the Public		**$1,161,916**		**$999,568**
Temporary Income Tax Revenue		*$63,810*		*$63,810*
Ongoing Income Tax Revenue		*$941,695*		*$801,201*
Temporary Jobs - Sales Tax Revenue		*$9,926*		*$9,926*
Ongoing Jobs - Sales Tax Revenue		*$146,486*		*$124,631*
Total Benefits to State & Region		**$22,741,235**		**$19,559,313**

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	$18,559,745	$1,603,540	12:1
State	$999,568	$72,660	14:1
Grand Total	**$19,559,313**	**$1,676,200**	**12:1**

*Discounted at 2%

Additional Comments from IDA

Amount to Include on ST-160 1,441,500

Does the IDA believe that the project can be accomplished in a timely fashion?   Yes