



Internal Report: Zaepfel Development - Zaepfel Development

Table 1: Basic Information

Project Name	Zaepfel Development
Project Description	A sales tax, mortgage tax and real property tax exemption in connection with the construction of an approximately 310,000 sq. ft. facility for lease to Wythe Will Tzetzo.
Project Industry	(493) Warehousing and Storage
Municipality	Tonawanda Town
School District	Kenmore-Town of Tonawanda
Project Cost	\$18,700,000
Construction Budget	\$16,750,000
Direct Employment Expected	247 (30 created and 217 retained)
Direct Labor Income	\$11,334,266
Direct Construction Jobs	122
Direct Construction Labor Income	\$6,437,438
Total Labor Income	\$17,771,704

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$1,080,171
Property Tax Revenue	\$376,869
Sales Tax Revenue	\$1,934,518
State	
Income Tax Revenue	\$4,798,703
Sales Tax Revenue	\$1,629,068
TOTAL Estimated Revenue	\$9,819,328

Table 3: Estimated Project Incentives*

Property Tax Savings	\$4,260,250
Sales Tax Savings	\$673,750
Mortgage Tax Savings	\$160,000
TOTAL Estimated Incentives	\$5,094,000



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Table 1: Basic Information

Project Name	Zaepfel Development
Project Applicant	Zaepfel Development
Project Description	A sales tax, mortgage tax and real property tax exemption in connection with the construction of an approximately 310,000 sq. ft. facility for lease to Wythe Will Tzetso.
Project Industry	Warehousing and Storage
Municipality	Tonawanda Town
School District	Kenmore-Town of Tonawanda
Type of Transaction	Lease
Project Cost	\$18,700,000
Mortgage Amount	\$16,000,000

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region
Total Employment	522	522
Direct**	247 (30 created and 217 retained)	247 (30 created and 217 retained)
Indirect***	23	23
Induced****	85	85
Temporary Construction (Direct and Indirect)	167	167

Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)

	State Labor Income	Region Labor Income	Average Salary
Total	\$24,555,795	\$24,555,795	\$47,080
Direct**	\$11,334,266	\$11,334,266	\$45,888
Indirect***	\$1,179,370	\$1,179,370	\$51,003
Induced****	\$3,370,424	\$3,370,424	\$39,811
Temporary Construction (Direct and Indirect)	\$8,671,735	\$8,671,735	\$51,991

Table 4: Permanent New/Retained Labor Income (Discounted Present Value^{*})

	State Labor Income	Region Labor Income
Total	\$145,452,467	\$145,452,467
Direct ^{**}	\$97,601,572	\$97,601,572
Indirect ^{***}	\$10,155,784	\$10,155,784
Induced ^{****}	\$29,023,377	\$29,023,377
Temporary Construction (Direct and Indirect)	\$8,671,735	\$8,671,735

Table 5: Cost/Benefit Analysis (Discounted Present Value*)

Total Costs to State and Region	\$5,094,000
Mortgage Tax Revenue Forgone	\$160,000
State	\$120,000
County	\$40,000
Local	\$0
Property Tax Revenue Forgone	\$4,260,250
485-B Property Tax Abatement	\$1,544,037
Above 485-B	\$2,716,213
Sales Tax Revenue Forgone	\$673,750
Construction Materials	\$586,250
Other Items	\$87,500
Total Benefits to State and Region	\$155,271,796
Total State Benefits	\$151,880,238
Income Tax Revenue	\$4,798,703
Direct**	\$3,318,453
Indirect***	\$375,764
Induced****	\$783,631
Construction (Direct and Indirect, over 0 years)	\$320,854
Sales Tax Revenue	\$1,629,068
Direct**	\$1,093,138
Indirect***	\$113,745
Induced****	\$325,062
Construction (Direct and Indirect, over 0 years)	\$97,123
Labor Income	\$145,452,467
Total Regional Benefits	\$3,391,558
New PILOT Revenue	\$1,080,171
Property Tax Revenue	\$376,869
Sales Tax Revenue	\$1,934,518
Direct**	\$1,298,101
Indirect***	\$135,072
Induced****	\$386,011
Construction (Direct and Indirect, over 0 years)	\$115,334
Benefit to Cost Ratio	155271767.1:1
Overall ROI	30.5:1

Table 6: Regional Fiscal Impact (Discounted Present Value^{*})

Total Local Client Incentives	\$4,601,325
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$3,391,558
Net Local Revenue	\$-1,209,767
Benefit to Cost Ratio	0.7:1
Overall ROI	32.3:1

Table 7: Property Tax Revenue (Discounted Present Value^{*})

Total Property Tax	\$1,457,040
County Property Tax	\$193,928
Property Tax on Existing Property	\$50,160
Property Tax on Improvement to Property	\$143,768
Town Property Tax	\$544,164
Property Tax on Existing Property	\$140,750
Property Tax on Improvement to Property	\$403,414
School District Property Tax	\$718,948
Property Tax on Existing Property	\$185,959
Property Tax on Improvement to Property	\$532,990

* Figures over 10 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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Table 4: Employment Breakdown

Project	
Direct**	247 (30 created and 217 retained)
Indirect***	23
Induced****	85
Construction	
Direct	122
Indirect	44

Table 5: Ratios

Benefit to Cost Ratio	1.9:1
Overall ROI	30.5:1

* Figures over 10 years and discounted by 3.49%

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