



Internal Report: Steel Winds I & II - Replacement Projects

Table 1: Basic Information

Project Name	Replacement Projects
Project Industry	(221) Utilities
Municipality	Lackawanna City
School District	Lackawanna
Project Cost	\$21,464,287
Construction Budget	\$3,000,000
Direct Employment Expected	3
Direct Labor Income	\$240,000
Direct Construction Jobs	22
Direct Construction Labor Income	\$1,152,974
Total Labor Income	\$1,392,974

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$-5,209,248
Property Tax Revenue	\$8,232,660
Sales Tax Revenue	\$95,472
State	
Income Tax Revenue	\$269,900
Sales Tax Revenue	\$80,398
TOTAL Estimated Revenue	\$3,469,182

Table 3: Estimated Project Incentives*

Property Tax Savings	\$7,730,793
Sales Tax Savings	\$131,250
TOTAL Estimated Incentives	\$7,862,043



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Table 1: Basic Information

Project Name	Replacement Projects
Project Applicant	Steel Winds I & II
Project Industry	Utilities
Municipality	Lackawanna City
School District	Lackawanna
Type of Transaction	Lease
Project Cost	\$21,464,287

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

	State	Region
Total Employment	38	38
Direct**	3	3
Indirect***	1	1
Induced****	3	3
Temporary Construction (Direct and Indirect)	30	30

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

	State Labor Income	Region Labor Income	Average Salary
Total	\$2,024,750	\$2,024,750	\$53,671
Direct**	\$240,000	\$240,000	\$80,000
Indirect***	\$95,122	\$95,122	\$66,917
Induced****	\$136,482	\$136,482	\$39,788
Temporary Construction (Direct and Indirect)	\$1,553,147	\$1,553,147	\$51,991

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

	State Labor Income	Region Labor Income
Total	\$7,178,364	\$7,178,364
Direct**	\$2,862,684	\$2,862,684
Indirect***	\$1,134,597	\$1,134,597
Induced****	\$1,627,937	\$1,627,937

Temporary Construction (Direct and Indirect)	\$1,553,147	\$1,553,147
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Table 5: Cost/Benefit Analysis (Discounted Present Value^{*})

Total Costs to State and Region	\$7,862,043
Property Tax Revenue Forgone	\$7,730,793
485-B Property Tax Abatement	\$40,926
Above 485-B	\$7,689,867
Sales Tax Revenue Forgone	\$131,250
Construction Materials	\$131,250
Other Items	\$0
Total Benefits to State and Region	\$10,647,546
Total State Benefits	\$7,528,662
Income Tax Revenue	\$269,900
Direct ^{**}	\$123,095
Indirect ^{***}	\$45,384
Induced ^{****}	\$43,954
Construction (Direct and Indirect, over 0 years)	\$57,466
Sales Tax Revenue	\$80,398
Direct ^{**}	\$32,062
Indirect ^{***}	\$12,707
Induced ^{****}	\$18,233
Construction (Direct and Indirect, over 0 years)	\$17,395
Labor Income	\$7,178,364
Total Regional Benefits	\$3,118,884
New PILOT Revenue	\$-5,209,248
Property Tax Revenue	\$8,232,660
Sales Tax Revenue	\$95,472
Direct ^{**}	\$38,074
Indirect ^{***}	\$15,090
Induced ^{****}	\$21,652
Construction (Direct and Indirect, over 0 years)	\$20,657
Benefit to Cost Ratio	10647545.1:1
Overall ROI	1.4:1

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

Total Local Client Incentives	\$7,702,767
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$3,118,884
Net Local Revenue	\$-4,583,883
Benefit to Cost Ratio	0.4:1
Overall ROI	1.3:1

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

Total Property Tax	\$3,023,412
County Property Tax	\$239,939
Property Tax on Existing Property	\$640,162
Property Tax on Improvement to Property	\$-400,223
City/Village Property Tax	\$1,548,284
Property Tax on Existing Property	\$3,851,603
Property Tax on Improvement to Property	\$-2,303,319
School District Property Tax	\$1,235,189
Property Tax on Existing Property	\$3,740,895
Property Tax on Improvement to Property	\$-2,505,705

* Figures over 15 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**	3
Indirect***	1
Induced****	3
Construction	
Direct	22
Indirect	8

Table 5: Ratios

Benefit to Cost Ratio	0.4:1
Overall ROI	1.4:1

* Figures over 15 years and discounted by 3.49%

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