



Internal Report: Welded Tube USA, Inc - Welded Tube USA, Inc.

Table 1: Basic Information

Project Name	Welded Tube USA, Inc.
Project Description	The company is purchasing a to be determined amount of acres in the Tecumseh Business Park and constructing a new high speed, steel tube production facility. The facility will consist of a 100,000+/- SF manufacturing facility, a 30,000+/- SF testing facility, and a 30,000+/- SF pipe threading and coupling facility. The manufactured steel will be further processed at other pipe processing facilities before being shipped to distributors and customers. The company's customer base includes companies that drill for oil and gas in various locations in both Canada and the U.S.
Project Industry	(331) Primary Metal Manufacturing
Municipality	Lackawanna City
School District	Lackawanna
Project Cost	\$47,200,000
Construction Budget	\$14,950,000
Direct Employment Expected	121
Direct Labor Income	\$11,799,402
Direct Construction Jobs	109
Direct Construction Labor Income	\$5,745,654
Total Labor Income	\$17,545,056

Table 2: Estimated State & Regional Benefits *

Region	
New Property Tax Revenue (PILOT or Improvements)	\$212,521
Property Tax Revenue	\$294,139
Sales Tax Revenue	\$4,905,086
State	
Income Tax Revenue	\$14,564,505
Sales Tax Revenue	\$4,130,598
TOTAL Estimated Revenue	\$24,106,850

Table 3: Estimated Project Incentives *

Property Tax Savings	\$3,845,602
Sales Tax Savings	\$584,500



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Project Applicant	Welded Tube USA, Inc
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Project Industry	Primary Metal Manufacturing
Municipality	Lackawanna City
School District	Lackawanna
Type of Transaction	Tax Exemptions
Project Cost	\$47,200,000
Mortgage Amount	\$0

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

	State	Region
Total Employment	830	830
Direct**	121	121
Indirect***	332	332
Induced****	228	228
Temporary Construction (Direct and Indirect)	149	149

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

	State Labor Income	Region Labor Income	Average Salary
Total	\$49,669,405	\$49,669,405	\$59,851
Direct**	\$11,799,402	\$11,799,402	\$97,516

Indirect***	\$21,048,309	\$21,048,309	\$63,442
Induced****	\$9,081,846	\$9,081,846	\$39,791
Temporary Construction (Direct and Indirect)	\$7,739,847	\$7,739,847	\$51,991

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

	State Labor Income	Region Labor Income
Total	\$368,803,432	\$368,803,432
Direct**	\$101,606,950	\$101,606,950
Indirect***	\$181,251,089	\$181,251,089
Induced****	\$78,205,546	\$78,205,546
Temporary Construction (Direct and Indirect)	\$7,739,847	\$7,739,847

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

Total Costs to State and Region	\$4,430,102
Mortgage Tax Revenue Forgone	\$0
State	\$0
County	\$0
Local	\$0
Property Tax Revenue Forgone	\$3,845,602
485-B Property Tax Abatement	\$154,095
Above 485-B	\$3,691,508
Sales Tax Revenue Forgone	\$584,500
Construction Materials	\$523,250
Other Items	\$61,250
Total Benefits to State and Region	\$392,910,282
Total State Benefits	\$387,498,536
Income Tax Revenue	\$14,564,505
Direct**	\$4,369,099
Indirect***	\$7,250,044
Induced****	\$2,658,989
Construction (Direct and Indirect, over 0 years)	\$286,374
Sales Tax Revenue	\$4,130,598
Direct**	\$1,137,998
Indirect***	\$2,030,012
Induced****	\$875,902
Construction (Direct and Indirect, over 0 years)	\$86,686
Labor Income	\$368,803,432
Total Regional Benefits	\$5,411,746
New PILOT Revenue	\$212,521
Property Tax Revenue	\$294,139
Sales Tax Revenue	\$4,905,086
Direct**	\$1,351,372
Indirect***	\$2,410,639
Induced****	\$1,040,134
Construction (Direct and Indirect, over 0 years)	\$102,940
Benefit to Cost Ratio	392910198.9:1
Overall ROI	88.7:1

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

Total Local Client Incentives	\$4,106,526
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$5,411,746
Net Local Revenue	\$1,305,221
Benefit to Cost Ratio	1.3:1
Overall ROI	91.1:1

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

Total Property Tax	\$506,661
County Property Tax	\$66,542
Property Tax on Existing Property	\$38,631
Property Tax on Improvement to Property	\$27,911
City/Village Property Tax	\$231,451
Property Tax on Existing Property	\$134,368
Property Tax on Improvement to Property	\$97,083
School District Property Tax	\$208,668
Property Tax on Existing Property	\$121,141
Property Tax on Improvement to Property	\$87,527

* 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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Mortgage Tax Savings	\$0
TOTAL Estimated Incentives	\$4,430,102

Table 4: Employment Breakdown

Project	
Direct**	121
Indirect***	332
Induced****	228
Construction	
Direct	109
Indirect	40

Table 5: Ratios

Benefit to Cost Ratio	5.4:1
Overall ROI	88.7:1

* Figures over 10 years and discounted by 3.49%

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