

PROJECT SUMMARY
Hotel Niagara Development, LLC



| | |
|--------------------------|--|
| Applicant: | Hotel Niagara Development, LLC |
| Project Location: | 201 Rainbow Boulevard, Niagara Falls, NY 14303 |
| Assistance: | 15 Year PILOT Sales Tax Abatement Mortgage Recording Tax Abatement |
| Description: | <p>USA Niagara Development Corporation, a subsidiary of New York state acquired the property in 2016, issued an RFP for developers and selected the applicant as the preferred developer.</p> <p>Hotel Niagara Development, LLC will redevelop the Hotel into an upscale, full service hotel while maintaining its historic characteristics. When complete the hotel will include 160 guest rooms, a main ballroom and a second ballroom, full service restaurant, a lounge that will be open to the sidewalk, as well as an exterior patio. The hotel will also feature a roof-top lounge and a space for private meeting and dining facilities.</p> <p>The property is listed on the National Historic Register, therefore the construction scope will include restoration of the exterior, including a decorative terra cotta repair and/or replacement with original stone cleaned and polished and original decorative windows restored. The interior areas, including the lobby, restaurant, ballroom, mezzanine, and meeting rooms will all be restored with original colors. The guest rooms and basement barbershop will also be subject to original restoration.</p> <p>In addition to the restoration of the hotel, there will also be extensive mechanical upgrades needed. The HVAC, electrical, plumbing and sprinklers throughout the property all need replacing and or significant upgrading.</p> |

| | | |
|-----------------------------|--|---|
| Project Costs: | Construction/Improvements Furniture, Fixtures & Equipment Soft costs Other TOTAL | \$ 34,000,000 \$ 7,709,500 \$ 550,000 \$ 1,700,000 <hr/> \$ 43,959,500 |
| Employment: | Current jobs in Niagara County: 0 New Jobs in Niagara County within 3 years: 67 Estimated Annual Payroll for New Jobs: \$3,350,000 Skills: Management, Professional, Administrative, Production | |
| Evaluative Criteria: | Redevelopment supports or aligns with regional or local development plans. Regional Wealth Creation, Proximity/Support of Regional Tourism Attractions/Facilities, Generation of Local Revenues (i.e. Hotel Bed Taxes), Supports Local Business or Cluster, In region Purchase, Local Vendors, and Restoration of historically significant property. | |

Niagara County Industrial Development Agency

MRB Cost Benefit Calculator

Date: June 6, 2024
 Project Title: Hotel Niagara
 Project Location: 201 Rainbow, Niagara Falls NY



Economic Impacts

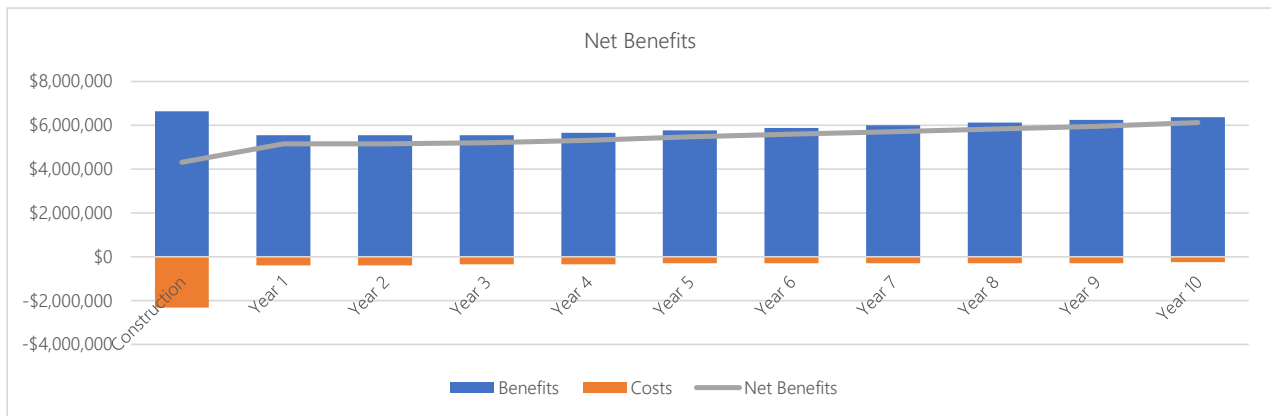
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$16,000,000

| | Temporary (Construction) | | |
|-------------|--------------------------|-------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 59 | 25 | 85 |
| Earnings | \$4,932,835 | \$1,336,039 | \$6,268,874 |
| Local Spend | \$12,800,000 | \$4,599,311 | \$17,399,311 |

| | Ongoing (Operations) | | |
|----------|----------------------|--------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 67 | 24 | 91 |
| Earnings | \$55,879,111 | \$31,457,926 | \$87,337,036 |

Figure 1



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

Figure 2

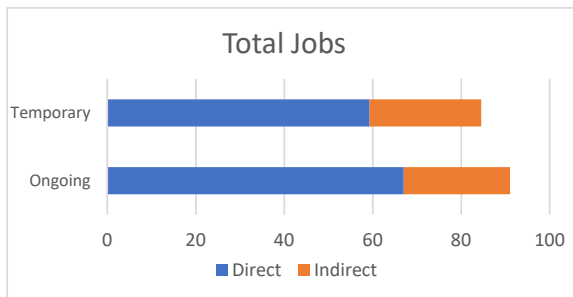
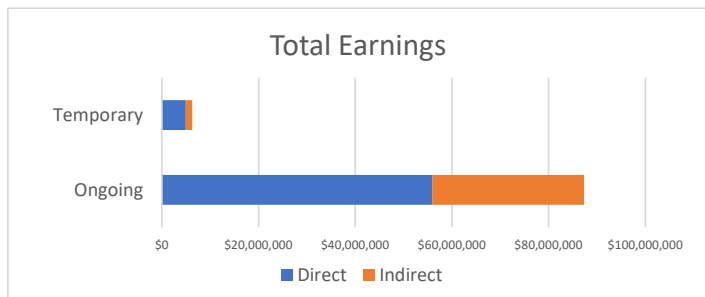


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

| | Nominal Value | Discounted Value* |
|--|--------------------|--------------------|
| Property Tax Exemption | \$4,382,474 | \$3,805,830 |
| Sales Tax Exemption | \$1,976,760 | \$1,976,760 |
| Local Sales Tax Exemption | \$988,380 | \$988,380 |
| State Sales Tax Exemption | \$988,380 | \$988,380 |
| Mortgage Recording Tax Exemption | \$348,000 | \$348,000 |
| Local Mortgage Recording Tax Exemption | \$116,000 | \$116,000 |
| State Mortgage Recording Tax Exemption | \$232,000 | \$232,000 |
| Total Costs | \$6,707,234 | \$6,130,590 |

State and Local Benefits

| | Nominal Value | Discounted Value* |
|---|----------------------|---------------------|
| Local Benefits | \$97,044,458 | \$83,473,278 |
| To Private Individuals | \$93,605,911 | \$80,575,880 |
| Temporary Payroll | \$6,268,874 | \$6,268,874 |
| Ongoing Payroll | \$87,337,036 | \$74,307,006 |
| Other Payments to Private Individuals | \$0 | \$0 |
| To the Public | \$3,438,548 | \$2,897,398 |
| Increase in Property Tax Revenue | \$2,783,306 | \$2,333,367 |
| Temporary Jobs - Sales Tax Revenue | \$43,882 | \$43,882 |
| Ongoing Jobs - Sales Tax Revenue | \$611,359 | \$520,149 |
| Other Local Municipal Revenue | \$0 | \$0 |
| State Benefits | \$4,867,507 | \$4,189,946 |
| To the Public | \$4,867,507 | \$4,189,946 |
| Temporary Income Tax Revenue | \$282,099 | \$282,099 |
| Ongoing Income Tax Revenue | \$3,930,167 | \$3,343,815 |
| Temporary Jobs - Sales Tax Revenue | \$43,882 | \$43,882 |
| Ongoing Jobs - Sales Tax Revenue | \$611,359 | \$520,149 |
| Total Benefits to State & Region | \$101,911,966 | \$87,663,224 |

Benefit to Cost Ratio

| | Benefit* | Cost* | Ratio |
|--------------------|---------------------|--------------------|-------------|
| Local | \$83,473,278 | \$4,910,210 | 17:1 |
| State | \$4,189,946 | \$1,220,380 | 3:1 |
| Grand Total | \$87,663,224 | \$6,130,590 | 14:1 |

*Discounted at 2%

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

Additional Revenues:

| | |
|-------------------|-------------|
| County | \$412,860 |
| City/Town/Village | \$1,689,223 |
| School District | \$819,660 |

*Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is potential for a recapture of sales tax exemptions (see "Recapture" on page 11 of the Application)
 (To be used on NYS ST-60)

Additional Comments from IDA

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