

NIAGARA DIGITAL CAMPUS: ECONOMIC AND FISCAL IMPACT

PREPARED ON MARCH 24, 2025

PREPARED FOR NIAGARA FALLS REDEVELOPMENT, LLC





Elevating Communities

EXECUTIVE SUMMARY

Niagara Falls Redevelopment, LLC (“NFR”) in partnership with Urbacon Data Centre Solutions Inc. (“Urbacon”) (collectively referred to as the “Developer”) is proposing the development of a multi-phase, high-capacity data center campus on approximately 53 acres of privately owned land (the “Site”) in the downtown area of the City of Niagara Falls, New York. The proposed development, the Data Center at the Niagara Digital Campus, includes 5 phases that, when fully built, will result in eight 2-story buildings and one 1-story building, totaling over 1.2 million square feet of data center space (the “Project”). Each building will be comprised of server halls, network infrastructure, office space, and mechanical/electrical support areas. The Developer expects that the Project will include a capital investment of approximately \$1.5 billion over 10 years. MRB Group was commissioned to conduct an economic and fiscal impact analysis of the Project on the local economy and on revenues for the State of New York (the “State”), the City of Niagara Falls (the “City”), the Niagara Falls City School District (the “School District”), and Niagara County (the “County”), and to demonstrate NFR’s full awareness of the financial and organizational magnitude of the Project. Below are the results of our analysis.

Economic Impacts

As shown in the table to the right, there would be new jobs, wages, and sales associated with both the construction and operations of the Project. Over the course of twenty years, the Project will support 19,238 job-years (inclusive of construction jobs, permanent jobs, and indirect jobs), \$1.66 billion in earnings and \$5.52 billion in sales. This equates to an annual average of 962 jobs earning \$83.1 million in wages each year.

Economic Impacts Summary, 20 Years			
Year	Total Jobs	Total Earnings	Total Sales
1	943	\$68,804,305	\$186,770,229
2	943	\$70,180,391	\$190,505,634
3	1,114	\$84,437,470	\$241,842,760
4	1,114	\$86,126,220	\$246,679,615
5	1,286	\$101,221,496	\$301,060,311
6	1,286	\$103,245,926	\$307,081,518
7	1,457	\$119,223,855	\$364,667,915
8	1,457	\$121,608,332	\$371,961,274
9	1,157	\$98,207,991	\$323,508,090
10	771	\$66,440,694	\$245,671,194
11	771	\$67,769,508	\$250,584,618
12	771	\$69,124,898	\$255,596,310
13	771	\$70,507,396	\$260,708,237
14	771	\$71,917,544	\$265,922,401
15	771	\$73,355,895	\$271,240,849
16	771	\$74,823,013	\$276,665,666
17	771	\$76,319,473	\$282,198,980
18	771	\$77,845,862	\$287,842,959
19	771	\$79,402,779	\$293,599,819
20	771	\$80,990,835	\$299,471,815
Total	19,238	\$1,661,553,882	\$5,523,580,194
Annual	962	\$83,077,694	\$276,179,010

Fiscal Impacts

The Project will have a number of fiscal impacts on the City, School District, and County, primarily through new property, gross receipts and sales tax revenue. The Project’s local benefit to the City and School District includes the property taxes to be paid on the improvements of the Site, sales tax associated with the Project’s energy use, and Gross Receipts tax also paid on the Project’s energy use. Over a 20-year period, the Project will generate \$298 million in property, sales and gross receipts tax for the City and School District.

The County will receive property tax revenue associated with improvements to the Site, and sales tax revenue associated with new construction and operational employees spending a portion of their wages locally. Over 20 years, the County will receive an estimated \$54 million in property and sales tax revenue.

New York State will also receive approximately \$62.7 million in sales tax revenue associated with the Project’s energy usage. Note that the State will also receive substantial other revenues not included here, such as State corporate and personal income tax, excise taxes, etc.

In total, the Project will generate \$414.9 million in tax revenue for the affected taxing jurisdictions (the City, the County and the School District, collectively, the “ATJs”).

Fiscal Impact Summary Table				
Year	New Tax Revenue to City and School Subtotal	New Tax Revenue to County Subtotal	New Tax Revenue to State*	Grand Total
1	-	\$963,260	-	\$963,260
2	-	\$982,525	-	\$982,525
3	\$3,717,623	\$1,385,001	\$781,736	\$5,884,359
4	\$3,791,975	\$1,412,701	\$797,370	\$6,002,047
5	\$7,735,629	\$1,839,247	\$1,626,635	\$11,201,511
6	\$7,890,342	\$1,876,032	\$1,659,168	\$11,425,542
7	\$12,072,223	\$2,327,935	\$2,538,527	\$16,938,685
8	\$12,313,667	\$2,374,494	\$2,589,298	\$17,277,458
9	\$16,746,587	\$2,853,107	\$3,521,445	\$23,121,139
10	\$19,216,709	\$3,130,043	\$4,040,858	\$26,387,609
11	\$19,601,043	\$3,192,643	\$4,121,675	\$26,915,361
12	\$19,993,064	\$3,256,496	\$4,204,109	\$27,453,669
13	\$20,392,925	\$3,321,626	\$4,288,191	\$28,002,742
14	\$20,800,783	\$3,388,059	\$4,373,954	\$28,562,797
15	\$21,216,799	\$3,455,820	\$4,461,434	\$29,134,053
16	\$21,641,135	\$3,524,936	\$4,550,662	\$29,716,734
17	\$22,073,958	\$3,595,435	\$4,641,676	\$30,311,068
18	\$22,515,437	\$3,667,344	\$4,734,509	\$30,917,290
19	\$22,965,746	\$3,740,691	\$4,829,199	\$31,535,636
20	\$23,425,061	\$3,815,504	\$4,925,783	\$32,166,348
Total	\$298,110,704	\$54,102,902	\$62,686,228	\$414,899,833

*State revenue figures include only sales tax revenue from energy use. See note in text.

Impact on Typical Homeowner

To help illustrate what this overall impact means to City residents, we translate the fiscal benefit of the Project to the “typical” City resident, defined as the owner of an average-priced, single-family home. As shown in the preceding table, the Project will create substantial new tax revenue for the City and School District. This new revenue will displace funds that the City and School District would otherwise have to collect via their respective real property tax levies in future years. As set forth in detail on the last pages of our analysis, the results of these new revenues mean that the “typical” homeowner would save \$14,603 over 20 years, for an average of \$730 per year.

Summary of Tax Savings for the Average Homeowner			
	Savings on City Tax Bill	Savings on School Tax Bill	Total
Total, Year 1 - 20	\$8,653	\$5,950	\$14,603
Average Annual	\$433	\$298	\$730

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INTRODUCTION

The Developer is proposing the development of a multi-phase, high-capacity data center campus on approximately 53 acres of privately owned land in the downtown area of the City of Niagara Falls, New York. The proposed development, the Data Center at the Niagara Digital Campus, includes 5 phases that, when fully built, will result in eight 2-story buildings and one 1-story building, totaling over 1.2 million square feet of data center space. Each building will be comprised of server halls, network infrastructure, office space, and mechanical/electrical support areas. The Developer expects that the Project will include a capital investment of approximately \$1.5 billion over 10 years. MRB Group was commissioned to conduct an economic and fiscal impact analysis of the Project on the local economy and on revenues for the State of New York, the City of Niagara Falls, the Niagara Falls City School District, and Niagara County, as well as to demonstrate NFR's full awareness of the financial and organizational magnitude of the Project. Below are the results of our analysis.

Data Note

In addition to data provided by the Developer, MRB Group utilized other data sources including the New York State Department of Taxation and Finance, the City of Niagara Falls PROPS, and Zillow. The economic impact models are calculated using Lightcast, an industry-leading economic impact modelling software package.

The Niagara Digital Campus

Shown to the right is the conceptual layout of the Data Center at the Niagara Digital Campus. As shown, the Project includes nine data center buildings that will be constructed over five phases. In total, the Project will create over 1.2 million square feet of data center space.



NIAGARA DIGITAL CAMPUS
NIAGARA FALLS, NEW YORK



ECONOMIC IMPACT ANALYSIS

The Project produces economic impacts for the City and County in several ways. Economic impacts include the effects on jobs, earnings and sales associated with the construction of the Project. Economic impacts also include the annual impacts associated with onsite employment of both the facility operator and the tenants.

Methodology

Both the construction and employment-based economic impacts have “Direct” and “Indirect” components. For the construction, this includes:

- Direct: Jobs, wages, and sales that occur as a result of the local spending on construction materials and labor.
- Indirect: Jobs, wages, and sales caused by the Direct impacts, and result from business-to-business purchases (e.g. a contractor buying a piece of equipment from a vendor) and from construction employees spending a portion of their wages locally.

For the operational impacts:

- Direct: Jobs, wages, and sales created from the operations of the Site.
- Indirect: Jobs, wages, and sales caused by the Direct impact, such as business-to-business purchases and employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employs the Lightcast economic modeling system. We use data from Developer and publicly available sources as inputs to the Lightcast modeling system.

Economic Impact of Construction

The table to the right shows the estimated spending on construction labor and materials that will be sourced from Niagara County. In total, the Developer estimates approximately \$141.5 million of materials and labor will be sourced from Niagara County for each of the Project’s nine buildings. Therefore, the total local construction spending in the County will be approximately \$1.3 billion over the Project’s ten-year construction phase.

Total Local Construction Spending	
	Local Spend
Labor	\$757,350,000
Materials	\$516,375,000
Total Local Spend	\$1,273,725,000

Source: Developer, MRB

We use \$1.3 billion as the input to our economic impact modelling software (see “Direct Sales” in table) to assess the economic impacts of the Project’s construction. That level of investment in local materials and labor will generate an estimated 6,084 direct jobs earning \$489.0 million in wages. Coupled with the indirect impacts, the total economic impact of the Project’s construction will be 8,487 jobs, \$619.2 million in wages, and \$1.7 billion in sales.

Economic Impact of Construction Total, One-Time			
	Direct	Indirect	Total
Jobs	6,084	2,403	8,487
Earnings	\$488,982,215	\$130,256,528	\$619,238,742
Sales	\$1,273,725,000	\$407,207,063	\$1,680,932,063

Source: Lightcast, MRB

Economic Impact of Operations

The table below shows the annual economic impact of the Project once it is fully constructed. The Project will create permanent jobs for both the operator and tenants of the data centers. We conservatively estimate 550 permanent jobs (see “Direct Jobs”) will be created once the Project is fully constructed. This estimate was derived using industry-based metric of approximately 4 full-time equivalent (FTE) jobs per megawatt of power consumption and the Project’s estimated power consumption of 140 megawatts (MW).¹

550 direct jobs will generate \$45.1 million in wages and \$177.4 million in sales. Coupled with the indirect impacts, the Project will generate a total annual economic impact of 771 jobs, \$55.6 million in earnings, and \$205.6 million in sales once the data campus is fully constructed.

Total Economic Impact of Onsite Employment, Annual			
	Direct	Indirect	Total
Jobs	550	221	771
Earnings	\$45,098,405	\$10,496,196	\$55,594,600
Sales	\$177,379,222	\$28,187,444	\$205,566,665

Source: Lightcast, MRB

¹ For purposes of comparison, when the 15 MW Yahoo data center in the Town of Lockport opened in 2010, it employed 125 FTE or 8.3 FTE/MW. Had we used that ratio for the Data Center at the Niagara Digital Campus, the direct job estimate would have been 1,162, not 550.

Economic Impact Summary by Year

The table to the right displays the total annual economic impact of the Project by year. As mentioned, the Project consists of 5 phases. We assume each phase will take approximately 2 years to complete, for a total of ten years. As such, the economic impact of the Project will be staggered over the construction period as additional data center space becomes activated until the Project is fully built in Year 10. Over 20 years, we estimate the Project will generate \$1.7 billion in earnings and \$5.5 billion in sales.

Economic Impacts Summary, 20 Years								
Year	Phase	Escalation	Buildings in Constr.	Buildings in Operation	Total Jobs	Total Job Years	Total Earnings	Total Sales
1	1	1.0000	2	0	943	943	\$68,804,305	\$186,770,229
2	1	1.0200	2	0	943	1,886	\$70,180,391	\$190,505,634
3	2	1.0404	2	2	1,114	3,000	\$84,437,470	\$241,842,760
4	2	1.0612	2	2	1,114	4,115	\$86,126,220	\$246,679,615
5	3	1.0824	2	4	1,286	5,400	\$101,221,496	\$301,060,311
6	3	1.1041	2	4	1,286	6,686	\$103,245,926	\$307,081,518
7	4	1.1262	2	6	1,457	8,143	\$119,223,855	\$364,667,915
8	4	1.1487	2	6	1,457	9,600	\$121,608,332	\$371,961,274
9	5	1.1717	1	8	1,157	10,757	\$98,207,991	\$323,508,090
10	5	1.1951	0	9	771	11,528	\$66,440,694	\$245,671,194
11	5	1.2190	0	9	771	12,299	\$67,769,508	\$250,584,618
12	5	1.2434	0	9	771	13,070	\$69,124,898	\$255,596,310
13	5	1.2682	0	9	771	13,841	\$70,507,396	\$260,708,237
14	5	1.2936	0	9	771	14,612	\$71,917,544	\$265,922,401
15	5	1.3195	0	9	771	15,383	\$73,355,895	\$271,240,849
16	5	1.3459	0	9	771	16,154	\$74,823,013	\$276,665,666
17	5	1.3728	0	9	771	16,925	\$76,319,473	\$282,198,980
18	5	1.4002	0	9	771	17,696	\$77,845,862	\$287,842,959
19	5	1.4282	0	9	771	18,467	\$79,402,779	\$293,599,819
20	5	1.4568	0	9	771	19,238	\$80,990,835	\$299,471,815
Total						19,238	\$1,661,553,882	\$5,523,580,194

FISCAL IMPACT ANALYSIS

The Project will also have fiscal benefits to local municipalities, including the City, County and School District, as well as the State of New York. The fiscal benefits of the Project include the property tax payments on the improved Site, sales tax revenue associated with construction and onsite employment, and sales and gross receipts tax associated with the Project’s power consumption.

To estimate the property taxes generated from the Project, we use the associated tax rates as shown in the table to the right which were obtained from the City’s Online Property Tax Lookup Search.

The local property valuation expert provided a range of the estimated future assessed values of the Project once it is fully constructed. The estimated future assessed value ranges from \$155.0 million to \$165.0.² For purposes of this analysis, we use the midpoint of \$160.0 million. Given the Project’s nine buildings, the estimated assessed value of each building to be \$17.8 million.

Tax Rates	
	Rate
City	38.717
County	10.267
RD291 County Refuse	0.081
School	19.516
Total	68.582

Source: City of Niagara Falls PROS Property Search

Estimated Future Assessed Value	
Low	\$155,000,000
High	\$165,000,000
Midpoint	\$160,000,000
Midpoint Per Building AV	\$17,777,778

Source: Valuation Expert; MRB

² This range accounts for the City’s Equalization Rate of 50%.

Property Taxes

The table to the right shows the estimated property taxes generated by the Project based on the assessed value of the improvements. The Project will not generate any additional property taxes above the current taxes in Years 1 and 2, as the first two buildings are being constructed. Over 20 years, applying a 2% escalator per year to the tax rate, the Project will generate \$203.4 million in property taxes.

Estimated Future Property Taxes on Improvements					
	Escalator	Tax Rate	Buildings	Assessed Value	Property Taxes
Year 1	1.000	68.582	-	-	-
Year 2	1.020	69.953	-	-	-
Year 3	1.040	71.352	2	\$35,555,556	\$2,536,977
Year 4	1.061	72.780	2	\$35,555,556	\$2,587,716
Year 5	1.082	74.235	4	\$71,111,111	\$5,278,941
Year 6	1.104	75.720	4	\$71,111,111	\$5,384,520
Year 7	1.126	77.234	6	\$106,666,667	\$8,238,316
Year 8	1.149	78.779	6	\$106,666,667	\$8,403,082
Year 9	1.172	80.354	8	\$142,222,222	\$11,428,192
Year 10	1.195	81.962	9	\$160,000,000	\$13,113,850
Year 11	1.219	83.601	9	\$160,000,000	\$13,376,127
Year 12	1.243	85.273	9	\$160,000,000	\$13,643,650
Year 13	1.268	86.978	9	\$160,000,000	\$13,916,523
Year 14	1.294	88.718	9	\$160,000,000	\$14,194,853
Year 15	1.319	90.492	9	\$160,000,000	\$14,478,750
Year 16	1.346	92.302	9	\$160,000,000	\$14,768,325
Year 17	1.373	94.148	9	\$160,000,000	\$15,063,692
Year 18	1.400	96.031	9	\$160,000,000	\$15,364,966
Year 19	1.428	97.952	9	\$160,000,000	\$15,672,265
Year 20	1.457	99.911	9	\$160,000,000	\$15,985,710
	Total				\$203,436,459

Source: City: MRB

Property Taxes by ATJ

The table to the right breaks down the estimated property taxes generated by the Project by affected taxing jurisdiction (ATJ).

Of the \$203.4 million in property tax revenue, \$114.8 million will go to the City, \$30.7 million to the County, and \$57.9 million to the School District.

Property Tax Revenue on Improvements by ATJ					
Year	Escalator	Tax Rate	City	County	School District
Year 1	1.000	38.717	-	-	-
Year 2	1.020	39.492	-	-	-
Year 3	1.040	40.281	\$1,432,227	\$382,825	\$721,925
Year 4	1.061	41.087	\$1,460,871	\$390,482	\$736,363
Year 5	1.082	41.909	\$2,980,177	\$796,583	\$1,502,181
Year 6	1.104	42.747	\$3,039,781	\$812,515	\$1,532,225
Year 7	1.126	43.602	\$4,650,865	\$1,243,148	\$2,344,304
Year 8	1.149	44.474	\$4,743,882	\$1,268,011	\$2,391,190
Year 9	1.172	45.363	\$6,451,679	\$1,724,494	\$3,252,018
Year 10	1.195	46.271	\$7,403,302	\$1,978,857	\$3,731,691
Year 11	1.219	47.196	\$7,551,368	\$2,018,435	\$3,806,325
Year 12	1.243	48.140	\$7,702,395	\$2,058,803	\$3,882,451
Year 13	1.268	49.103	\$7,856,443	\$2,099,979	\$3,960,100
Year 14	1.294	50.085	\$8,013,572	\$2,141,979	\$4,039,302
Year 15	1.319	51.087	\$8,173,844	\$2,184,818	\$4,120,088
Year 16	1.346	52.108	\$8,337,321	\$2,228,515	\$4,202,490
Year 17	1.373	53.150	\$8,504,067	\$2,273,085	\$4,286,540
Year 18	1.400	54.213	\$8,674,148	\$2,318,547	\$4,372,271
Year 19	1.428	55.298	\$8,847,631	\$2,364,918	\$4,459,716
Year 20	1.457	56.404	\$9,024,584	\$2,412,216	\$4,548,910
Total			\$114,848,158	\$30,698,211	\$57,890,090

Source: City: MRB

Sales Tax Revenue to County

The County will receive sales tax revenue during both the construction and operation phases of the Project that is associated with new employees spending a portion of their wages locally. The tables to the right estimate the amount of sales tax that will be generated on a per-building basis. We assume 70% of wages will be spent in the County, and then we assume 25% of that in-County spending on goods and services that are subject to the sales tax. After applying the County's sales tax rate of 4%, we estimate the County will receive \$481,630 in sales tax revenue per building from the construction employees and \$43,240 annually from the onsite employees per building.

County Sales Tax Revenue, Construction Phase, Per Building	
Line	Value
New Earnings Per Building	\$68,804,305
% Spent in County	70%
\$ Amount Spent in County	\$48,163,013
% Spent on Taxable Sales	25%
\$ Amount Spent on Taxable Sales	\$12,040,753
County Sales Tax Rate	4%
County Sales Tax Revenue, Construction	\$481,630

Source: MRB

County Sales Tax Revenue, Onsite Employment, Per Building	
	Value
New Earnings Per Building	\$6,177,178
% Spent in County	70%
\$ Amount Spent in County	\$4,324,024
% Spent on Taxable Sales	25%
\$ Amount Spent on Taxable Sales	\$1,081,006
County Sales Tax Rate	4%
County Sales Tax Revenue, Onsite Employment	\$43,240

Source: MRB

We calculate the estimated sales tax revenue for the County on a per building basis so that we can show the sales tax impact over time as the buildings are being constructed. The table to the right shows that the County will receive \$16.0 million in sales tax revenue from local spending over 20 years.

Sales Tax Impact to County from Employment				
Year	Escalation	Buildings in Construction	Buildings in Operation	Sales Tax Revenue From Employment
Year 1	1.000	2	0	\$963,260
Year 2	1.020	2	0	\$982,525
Year 3	1.040	2	2	\$1,092,150
Year 4	1.061	2	2	\$1,113,993
Year 5	1.082	2	4	\$1,229,882
Year 6	1.104	2	4	\$1,254,480
Year 7	1.126	2	6	\$1,376,961
Year 8	1.149	2	6	\$1,404,500
Year 9	1.172	1	8	\$969,609
Year 10	1.195	0	9	\$465,085
Year 11	1.219	0	9	\$474,387
Year 12	1.243	0	9	\$483,874
Year 13	1.268	0	9	\$493,552
Year 14	1.294	0	9	\$503,423
Year 15	1.319	0	9	\$513,491
Year 16	1.346	0	9	\$523,761
Year 17	1.373	0	9	\$534,236
Year 18	1.400	0	9	\$544,921
Year 19	1.428	0	9	\$555,819
Year 20	1.457	0	9	\$566,936
Total				\$16,046,847

Source: MRB

Sales Tax From Energy Use

The other significant source of sales tax revenue for the Project will be the sales taxes generated from the Project’s energy use. MRB Group was provided an estimate prepared by a third-party energy consultant of the annual energy consumption of the Project, which we show on a per building basis. Each building will consume an estimated 120,960 MWh of electricity that will result in an energy bill of \$9.4 million per building per year.

Applying the State sales tax of 4%, the State will receive approximately \$375,690 in sales tax for each building. Locally, the City receives an additional 4% in sales tax on utilities and 1% on gross receipts tax. The dollar amounts of these revenues are \$375,690 and \$93,922 respectively. The School District also imposes an additional 3% sales tax on utilities which totals \$281,767. In total, each building will generate \$1.1 million in sales and gross receipts tax revenue for the ATJs due to energy consumption.

Sales Tax From Energy Use Per Building	
	Value
Estimated Annual Energy Consumption (MWh)	120,960
Estimated Annual Energy Bill	\$9,392,247
State Sales Tax Rate	4%
State Sales Tax Revenue	\$375,690
City Sales Tax %	4%
City Sales Tax Revenue	\$375,690
School District Sales Tax %	3%
School District Sales Tax Revenue	\$281,767
Gross Receipts Tax %	1%
Gross Receipts Tax Revenue	\$93,922
Total Tax From Energy Use	\$1,127,070

Source: Developer; NYS Tax & Finance; MRB

Local and State Sales Tax Impact Over 20 Years

Given the per building sales tax estimate calculated above, the table to the right shows the impact over 20 years. The State and City will each receive \$62.7 million in sales tax revenue over 20 years. The City will also receive an additional \$15.7 million in gross receipts tax revenue. The School District will receive \$47.0 million in sales tax revenue associated with the Project's energy use over 20 years.

Local and State Sales Tax and Gross Receipts Tax Impact from Energy Consumption							
Year	Escal.	Buildings in Operation	Energy Use - State Sales Tax	Energy Use - City Sales Tax	Energy Use - School District Sales Tax	Gross Receipts Tax - City	Total Tax from Energy Use
1	1.000	0	\$0	\$0	\$0	\$0	\$0
2	1.020	0	\$0	\$0	\$0	\$0	\$0
3	1.040	2	\$781,736	\$781,736	\$586,302	\$195,434	\$2,345,207
4	1.061	2	\$797,370	\$797,370	\$598,028	\$199,343	\$2,392,111
5	1.082	4	\$1,626,635	\$1,626,635	\$1,219,976	\$406,659	\$4,879,906
6	1.104	4	\$1,659,168	\$1,659,168	\$1,244,376	\$414,792	\$4,977,504
7	1.126	6	\$2,538,527	\$2,538,527	\$1,903,895	\$634,632	\$7,615,581
8	1.149	6	\$2,589,298	\$2,589,298	\$1,941,973	\$647,324	\$7,767,893
9	1.172	8	\$3,521,445	\$3,521,445	\$2,641,084	\$880,361	\$10,564,334
10	1.195	9	\$4,040,858	\$4,040,858	\$3,030,643	\$1,010,214	\$12,122,574
11	1.219	9	\$4,121,675	\$4,121,675	\$3,091,256	\$1,030,419	\$12,365,025
12	1.243	9	\$4,204,109	\$4,204,109	\$3,153,081	\$1,051,027	\$12,612,326
13	1.268	9	\$4,288,191	\$4,288,191	\$3,216,143	\$1,072,048	\$12,864,572
14	1.294	9	\$4,373,954	\$4,373,954	\$3,280,466	\$1,093,489	\$13,121,863
15	1.319	9	\$4,461,434	\$4,461,434	\$3,346,075	\$1,115,358	\$13,384,301
16	1.346	9	\$4,550,662	\$4,550,662	\$3,412,997	\$1,137,666	\$13,651,987
17	1.373	9	\$4,641,676	\$4,641,676	\$3,481,257	\$1,160,419	\$13,925,027
18	1.400	9	\$4,734,509	\$4,734,509	\$3,550,882	\$1,183,627	\$14,203,527
19	1.428	9	\$4,829,199	\$4,829,199	\$3,621,899	\$1,207,300	\$14,487,598
20	1.457	9	\$4,925,783	\$4,925,783	\$3,694,337	\$1,231,446	\$14,777,350
Total			\$62,686,228	\$62,686,228	\$47,014,671	\$15,671,557	\$188,058,684

Source: MRB

Fiscal Impact Summary

The table on the following page summarizes the fiscal impact of the Project by year, over 20 years. The local fiscal impact, including property, gross receipts and sales tax revenue apportioned to the City and School District, totals \$298.1 million over 20 years. The impact to the County and State over the same time is \$54.1 million and \$62.7 million respectively. In total the Project will generate \$414.9 million in property, gross receipts and sales tax revenue over 20 years. Note that other State revenues are not accounted for here (corporate and personal income tax, excise taxes, etc.).

Fiscal Impact Summary Table - Property, Gross Receipts and Sales Tax Revenue											
Year	City Property Tax on Improvements	Energy Use - City Sales Tax	Gross Receipts Tax	School Property Tax on Improvements	Energy Use - School Sales Tax	City and School Subtotal	County Property Tax on Improvements	County New Sales Tax (Operations)	County Subtotal	Energy Use - State Sales Tax	Grand Total
Year 1	-	-	-	-	-	-	-	\$963,260	\$963,260	-	\$963,260
Year 2	-	-	-	-	-	-	-	\$982,525	\$982,525	-	\$982,525
Year 3	\$1,432,227	\$781,736	\$195,434	\$721,925	\$586,302	\$3,717,623	\$382,825	\$1,002,176	\$1,385,001	\$781,736	\$5,884,359
Year 4	\$1,460,871	\$797,370	\$199,343	\$736,363	\$598,028	\$3,791,975	\$390,482	\$1,022,220	\$1,412,701	\$797,370	\$6,002,047
Year 5	\$2,980,177	\$1,626,635	\$406,659	\$1,502,181	\$1,219,976	\$7,735,629	\$796,583	\$1,042,664	\$1,839,247	\$1,626,635	\$11,201,511
Year 6	\$3,039,781	\$1,659,168	\$414,792	\$1,532,225	\$1,244,376	\$7,890,342	\$812,515	\$1,063,517	\$1,876,032	\$1,659,168	\$11,425,542
Year 7	\$4,650,865	\$2,538,527	\$634,632	\$2,344,304	\$1,903,895	\$12,072,223	\$1,243,148	\$1,084,788	\$2,327,935	\$2,538,527	\$16,938,685
Year 8	\$4,743,882	\$2,589,298	\$647,324	\$2,391,190	\$1,941,973	\$12,313,667	\$1,268,011	\$1,106,483	\$2,374,494	\$2,589,298	\$17,277,458
Year 9	\$6,451,679	\$3,521,445	\$880,361	\$3,252,018	\$2,641,084	\$16,746,587	\$1,724,494	\$1,128,613	\$2,853,107	\$3,521,445	\$23,121,139
Year 10	\$7,403,302	\$4,040,858	\$1,010,214	\$3,731,691	\$3,030,643	\$19,216,709	\$1,978,857	\$1,151,185	\$3,130,043	\$4,040,858	\$26,387,609
Year 11	\$7,551,368	\$4,121,675	\$1,030,419	\$3,806,325	\$3,091,256	\$19,601,043	\$2,018,435	\$1,174,209	\$3,192,643	\$4,121,675	\$26,915,361
Year 12	\$7,702,395	\$4,204,109	\$1,051,027	\$3,882,451	\$3,153,081	\$19,993,064	\$2,058,803	\$1,197,693	\$3,256,496	\$4,204,109	\$27,453,669
Year 13	\$7,856,443	\$4,288,191	\$1,072,048	\$3,960,100	\$3,216,143	\$20,392,925	\$2,099,979	\$1,221,647	\$3,321,626	\$4,288,191	\$28,002,742
Year 14	\$8,013,572	\$4,373,954	\$1,093,489	\$4,039,302	\$3,280,466	\$20,800,783	\$2,141,979	\$1,246,080	\$3,388,059	\$4,373,954	\$28,562,797
Year 15	\$8,173,844	\$4,461,434	\$1,115,358	\$4,120,088	\$3,346,075	\$21,216,799	\$2,184,818	\$1,271,001	\$3,455,820	\$4,461,434	\$29,134,053
Year 16	\$8,337,321	\$4,550,662	\$1,137,666	\$4,202,490	\$3,412,997	\$21,641,135	\$2,228,515	\$1,296,421	\$3,524,936	\$4,550,662	\$29,716,734
Year 17	\$8,504,067	\$4,641,676	\$1,160,419	\$4,286,540	\$3,481,257	\$22,073,958	\$2,273,085	\$1,322,350	\$3,595,435	\$4,641,676	\$30,311,068
Year 18	\$8,674,148	\$4,734,509	\$1,183,627	\$4,372,271	\$3,550,882	\$22,515,437	\$2,318,547	\$1,348,797	\$3,667,344	\$4,734,509	\$30,917,290
Year 19	\$8,847,631	\$4,829,199	\$1,207,300	\$4,459,716	\$3,621,899	\$22,965,746	\$2,364,918	\$1,375,773	\$3,740,691	\$4,829,199	\$31,535,636
Year 20	\$9,024,584	\$4,925,783	\$1,231,446	\$4,548,910	\$3,694,337	\$23,425,061	\$2,412,216	\$1,403,288	\$3,815,504	\$4,925,783	\$32,166,348
Total	\$114,848,158	\$62,686,228	\$15,671,557	\$57,890,090	\$47,014,671	\$298,110,704	\$30,698,211	\$23,404,691	\$54,102,902	\$62,686,228	\$414,899,833

Impact on Typical Household

To put the overall fiscal impacts into perspective for the people of Niagara Falls, we translate those community-wide impacts into the impact on a typical household in the City. To represent a typical household, we are using the current average home value of a single-family home in the City as reported by Zillow, a major online realty website. According to Zillow, the average single-family home value is \$150,140, which translates to an assessed value of \$75,070 when applying the current assessment ratio of 50%. We compare what the owner of an average-value home would pay in property tax with and without the new revenue streams that result from the Project. To do so, we first need to calculate the ratio between the new revenues from the Project and the total property tax levy of the City and School District.

Assessed Value of Average Home	
Average Market Value	\$150,140
Assessment Ratio	50%
Assessed Value	\$75,070

Source: City; Zillow

As shown in the table to the right, the City's most recent property tax levy is approximately \$33.4 million and the School's is \$25.8 million. As with all other time-series factors in this analysis, we have inflated those levies by 2% per year. Using values from the fiscal impact summary table above, we compare each year's fiscal benefit to the City/School to its respective estimated tax levy. For example, in Year 3 the new revenues coming into the City represent 6.9% of the City's levy and 4.9% of the School District's levy.

Over 20 years, we show the Project's revenues would represent a total of 23.8% of the City's property tax levy and 16.7% of the School District's. In effect, these figures represent the portion of the City's and School District's property tax levies that could be offset by these new revenues.

New Revenues as % of City and School Tax Levies						
Year	Project Benefit to the City	City Tax Levy	% of TAV	Project Benefit to School	School Levy	% of TAV
Year 1	\$0	\$33,391,317	0.0%	\$0	\$25,828,989	0.0%
Year 2	\$0	\$34,059,143	0.0%	\$0	\$26,345,569	0.0%
Year 3	\$2,409,396	\$34,740,326	6.9%	\$1,308,226	\$26,872,480	4.9%
Year 4	\$2,457,584	\$35,435,133	6.9%	\$1,334,391	\$27,409,930	4.9%
Year 5	\$5,013,471	\$36,143,835	13.9%	\$2,722,158	\$27,958,128	9.7%
Year 6	\$5,113,741	\$36,866,712	13.9%	\$2,776,601	\$28,517,291	9.7%
Year 7	\$7,824,023	\$37,604,046	20.8%	\$4,248,199	\$29,087,637	14.6%
Year 8	\$7,980,504	\$38,356,127	20.8%	\$4,333,163	\$29,669,389	14.6%
Year 9	\$10,853,485	\$39,123,250	27.7%	\$5,893,102	\$30,262,777	19.5%
Year 10	\$12,454,374	\$39,905,715	31.2%	\$6,762,334	\$30,868,033	21.9%
Year 11	\$12,703,462	\$40,703,829	31.2%	\$6,897,581	\$31,485,393	21.9%
Year 12	\$12,957,531	\$41,517,906	31.2%	\$7,035,533	\$32,115,101	21.9%
Year 13	\$13,216,682	\$42,348,264	31.2%	\$7,176,243	\$32,757,403	21.9%
Year 14	\$13,481,015	\$43,195,229	31.2%	\$7,319,768	\$33,412,551	21.9%
Year 15	\$13,750,636	\$44,059,133	31.2%	\$7,466,163	\$34,080,802	21.9%
Year 16	\$14,025,648	\$44,940,316	31.2%	\$7,615,487	\$34,762,419	21.9%
Year 17	\$14,306,161	\$45,839,122	31.2%	\$7,767,796	\$35,457,667	21.9%
Year 18	\$14,592,285	\$46,755,905	31.2%	\$7,923,152	\$36,166,820	21.9%
Year 19	\$14,884,130	\$47,691,023	31.2%	\$8,081,615	\$36,890,157	21.9%
Year 20	\$15,181,813	\$48,644,843	31.2%	\$8,243,248	\$37,627,960	21.9%
Total	\$193,205,943	\$811,321,174	23.8%	\$104,904,761	\$627,576,497	16.7%

Source: Niagara County Real Property Tax Statistics Report

Finally, we compare the amount an average-valued homeowner would pay in tax with or without the Project. As noted above, the average single-family home is valued at \$75,070 for tax purposes. Such a home currently pays \$1,495 to the City and \$1,465 to the School District. By escalating tax rates by 2% per year, we estimate the future property tax obligations of a property owner without the projected revenues from the Project. We then apply the percentages calculated previously, the ratio of new Project revenues to the existing tax levies, to show the theoretical tax savings to the typical homeowner in the City. As shown, the typical homeowner would save a total of \$14,603 in taxes over 20 years. On average, the typical homeowner would save \$730 per year in property taxes.

Estimated Property Tax Savings to Average Home Owner										
Year	Average Assessed Value	City Tax Rate*	City Tax W/O Project	Project % of TAV	Savings on City Tax Bill	School Tax Rate	School Tax W/O Project	Project % of TAV	Savings on Tax Bill	Combined Tax Savings
Year 1	\$75,070	19.921	\$1,495	0.0%	\$0	19.516	\$1,465	0.0%	\$0	\$0
Year 2	\$75,070	20.320	\$1,525	0.0%	\$0	19.906	\$1,494	0.0%	\$0	\$0
Year 3	\$75,070	20.726	\$1,556	6.9%	\$108	20.304	\$1,524	4.9%	\$74	\$182
Year 4	\$75,070	21.140	\$1,587	6.9%	\$110	20.710	\$1,555	4.9%	\$76	\$186
Year 5	\$75,070	21.563	\$1,619	13.9%	\$225	21.124	\$1,586	9.7%	\$154	\$379
Year 6	\$75,070	21.995	\$1,651	13.9%	\$229	21.547	\$1,618	9.7%	\$157	\$387
Year 7	\$75,070	22.434	\$1,684	20.8%	\$350	21.978	\$1,650	14.6%	\$241	\$591
Year 8	\$75,070	22.883	\$1,718	20.8%	\$357	22.417	\$1,683	14.6%	\$246	\$603
Year 9	\$75,070	23.341	\$1,752	27.7%	\$486	22.866	\$1,717	19.5%	\$334	\$820
Year 10	\$75,070	23.808	\$1,787	31.2%	\$558	23.323	\$1,751	21.9%	\$384	\$941
Year 11	\$75,070	24.284	\$1,823	31.2%	\$569	23.790	\$1,786	21.9%	\$391	\$960
Year 12	\$75,070	24.769	\$1,859	31.2%	\$580	24.265	\$1,822	21.9%	\$399	\$979
Year 13	\$75,070	25.265	\$1,897	31.2%	\$592	24.751	\$1,858	21.9%	\$407	\$999
Year 14	\$75,070	25.770	\$1,935	31.2%	\$604	25.246	\$1,895	21.9%	\$415	\$1,019
Year 15	\$75,070	26.286	\$1,973	31.2%	\$616	25.751	\$1,933	21.9%	\$423	\$1,039
Year 16	\$75,070	26.811	\$2,013	31.2%	\$628	26.266	\$1,972	21.9%	\$432	\$1,060
Year 17	\$75,070	27.347	\$2,053	31.2%	\$641	26.791	\$2,011	21.9%	\$441	\$1,081
Year 18	\$75,070	27.894	\$2,094	31.2%	\$654	27.327	\$2,051	21.9%	\$449	\$1,103
Year 19	\$75,070	28.452	\$2,136	31.2%	\$667	27.873	\$2,092	21.9%	\$458	\$1,125
Year 20	\$75,070	29.021	\$2,179	31.2%	\$680	28.431	\$2,134	21.9%	\$468	\$1,148
Total			\$36,336	23.8%	\$8,653		\$35,597		\$5,950	\$14,603
Average Annual			\$1,817		\$433		\$1,780		\$298	\$730

Source: City; MRB *Tax rate shown above is the City's homestead tax rate.



Elevating Communities