



March 20, 2013

Mr. David Mangioia
Amherst Industrial Development Agency
4287 Main Street
Snyder, NY 14226

Re: Hyatt Place Application for Inducement

Dear Dave:

Attached please find an Economic Impact Analysis (EIA) prepared by **Tourism Economics** with respect to our proposed Hyatt Place Hotel and the overall Lord Amherst property redevelopment. Tourism Economics is a well-regarded firm and, as you may be aware, they recently completed the economic analysis for the mixed-use project being developed by the Pegula family interests in downtown Buffalo, across from the First Niagara Center.

The presentation was completed in Powerpoint format. Tourism Economics believes this is the most readable format for analyses they complete. Their analysis also uses IMPLAN, which is a widely used economic analysis software and data tool. IMPLAN is also cited in the UTEP as the recommended software to be used for a cost-benefit analysis. We will include a few highlights of their analysis in our presentation on Friday. The balance of this letter will provide some general information regarding the analysis to aide Board members in their review of it.

The analysis measures Direct, Indirect and Induced economic impacts generated by the project, both in aggregate form and by each component. The impact time line is twenty two years, including two overlapping years of construction (2013 and 2014) and twenty years of operations. The analysis also includes a Tax Impact and Return On Investment (ROI) analysis.

In terms of the type of impacts generated by the project, the Direct impacts are the most straightforward to explain since, in short, Direct impacts represent the economic activity originating with the project itself through its direct sales of guest rooms and other hospitality services as well as the expenses that will be incurred for payroll, purchases of materials and supplies, and procurement of services to support the operation/property. The ripple effects of the project are captured in the Indirect and Induced impacts which consist of such things as hotel guest spending off-site, multiplier effect of project employees spending income earned at the project site and multiplier effect of supply chain consumption originating with the project.

In summary form, the Tax Impact analysis concluded the following:

- That the Hyatt Place project should return \$15 in tax revenues for each dollar of incentive granted, calculated on a present value basis.
- That the Hospitality Campus overall should return \$16.20 in tax revenues for each dollar of incentive granted, calculated on a present value basis.

On that basis alone, the proposed project represents a sound public investment. However, consideration of the other economic activity projected to be generated by the project begins to reveal the magnitude of the potential benefit that could be derived. The Tourism Economics analysis projects the Hyatt Place to generate nearly \$12 million in total economic impact during its development/construction phase, over \$4 million in direct accommodations spending in its first year of operation, cumulative direct spending of \$101 million (in \$2013) over a twenty year holding period, and just over \$300 million in total output (in \$2013) over the same twenty year period.

We were initially surprised at the magnitude of their projections but Tourism Economics explained that a project with a tourism component, such as we have proposed, serves as a continuous economic engine for the life of its operation that can have profoundly favorable economic impacts.

We hope the Board finds this analysis helpful in their consideration of our application.

Sincerely,

ISKALO DEVELOPMENT CORP.



David Chiazza

Executive Vice President

Economic Impact of the Proposed Main Street Hospitality Campus in Amherst, NY

Summary of Methods and Data Sources, March 2013

1. The economic impact of the proposed hospitality campus was approached from a demand-side perspective, capturing incremental spending in the Erie County regional economy attributable to guests at the site's hotels. The analysis was completed for both the Lord Amherst hotel, including the restaurant facilities, and the Hyatt Place hotel to be constructed. The analysis was carried out by project phase for both the construction and operation periods.
2. Timeline: The study considered a 22-year timeline from 2013 to 2034. Renovations and construction will begin in mid-2013 and are expected to be complete by mid-2014. The timeline captures the construction period that overlaps 2013 and 2014, a partial year of operations in the second half of 2014, and then 20 years of full operations at the hotels beginning in 2015.
3. All input-output (I-O) modeling in the analysis was completed on an annual basis.
4. For the construction phase of the project, developer pro forma estimates for construction spending and employment were used as model inputs.
5. In order to estimate total visitor spending associated with the hotel guests, financial projections provided by the developer served as the basis for accommodations expenditures. Off-site spending was then estimated based on hotel guests' spending profile data from Longwoods International, a well-recognized consumer survey firm. From the estimate of total visitor spending, on-site (at the hotels and restaurant) and off-site (at other businesses in the local economy) spending was determined. The visitor spending profile totaled to \$102 per person per day in 2015 in nominal terms (not adjusted for inflation). This figure was escalated by 3% per year, to account for inflation at an assumed 2.5% per year, plus roughly 0.5% of real growth.
6. Visitor volume was also estimated based on developer financial projections, expected occupancy rates, and survey-based assumptions for length of stay (3.3 days) and persons per room (2.5).
7. Total visitor spending per year was calculated as 'visitor volume' x 'per person per day spending' x 'length of stay.' Total visitor spending was categorized into relevant industries: accommodations, retail, recreation, food and beverage, and local transportation for input-output modeling. For modeling purposes total visitor spending (both on-site and off-site) was used as inputs to the model.
8. The input-output model: The IMPLAN model is a commonly used tool in regional economic analysis. The model is based on local data for Erie County, including output, employment, wages, and captures region-specific dynamics such as productivity by industry and the propensity to import supplies and materials.
9. The results from the I-O model include total output, value added, income, and employment concepts. Output, or gross output, is the value of goods and services provided and can also be considered total business sales. Value added is total output less the costs of producing the good or service, similar to the producer's margin. Value added is also the contribution to gross domestic product (GDP). Income is the wages and salaries earned by employees. Employment is reported on a full-time equivalent (FTE) basis. This concept includes full- and part-time jobs, annualized based on wages and output.



10. The economic impacts are measured on three levels: The direct impact captures the on-site spending, in this project, directly at the hotels and the restaurant facility. The indirect impact includes the additional demand experienced by suppliers of materials and services in support of the direct activity. This would include all the suppliers of food, equipment, landscaping services, and capital equipment used in the daily operations at the hotels and restaurant. The induced impact includes the additional spending in the regional economy as a result of the additional income earned. This includes the hotel employee who spends wages earned at other local businesses. Together, these three levels of impact make up the total economic impact of the project.
11. Tax impact: tax impacts were calculated based on modeling results and estimates of additional output in the economy as a result of the project. Sales tax revenues and concessions were estimated using an 8.75% sales tax rate (4.0% at the state level and 4.75% at the local level). Property tax revenues were based on the developer's estimate of assessed property values and the value of improvements.
12. Most dollar figures are reported in constant 2013 dollars, or based on today's prices. Nominal dollar figures in future years were discounted using as assumed rate of inflation of 2.5% per year over the time horizon of the study.

The Economic Impact of the proposed Main Street Hospitality Campus

Based on Iskalo Development
Corp.'s Redevelopment Plan

5000-5010 Main Street
Amherst, New York

March 2013



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Introduction and Summary

Project components and timeline

- A total capital budget of \$29.9 million, including \$26.4 million of renovation and new construction expenditures
- Renovation of the 95-room Lord Amherst Hotel and restaurant facilities
- A new 137-room Hyatt Place Hotel
- Renovations of the Lord Amherst hotel and restaurant facility will begin in September 2013 and operations in mid-2014.
- Construction of the Hyatt Place will begin in mid-2013 and operations will begin in mid-2014.
- A 22-year overall timeline is considered to capture the 2 year construction period plus 20 years of full operations.

Summary economic impacts

- The construction phase of the combined projects will generate:
 - total output of \$42.8 million (in \$2013).
 - total income of \$17.0 million (in \$2013).
 - 209 full-time equivalent annual jobs.
- Operations of the combined projects from 2014 to 2034, a time horizon that captures a partial year of operations in 2014 and 20 years of full operations, will generate:
 - Cumulative total output of \$466.0 million.
 - Cumulative total income of \$126.8 million.
 - 204 full-time equivalent annual jobs.
- A 10-year ROI factor is estimated at 16.2, based on \$34.4 million (in \$2013) in total tax revenues generated and \$2.1 million (in \$2013) of incentives granted.

Summary construction-generated impacts

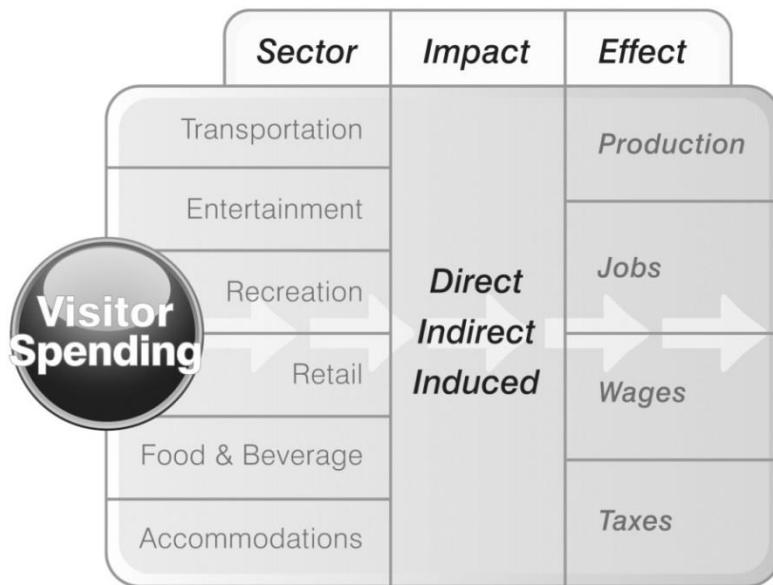
Total Construction Impact				
Cumulative 2013 and 2014, constant \$2013				
	Direct	Indirect	Induced	Total
Lord Amherst (and restaurant)				
Output	7,846,377	1,878,694	3,104,421	12,829,492
Value Added	3,737,207	1,074,271	1,842,573	6,654,051
Income	3,322,198	742,011	1,036,204	5,100,413
Employment (FTE annual)	42	7	13	62
Hyatt Place				
Output	18,303,659	4,382,530	7,241,847	29,928,036
Value Added	8,717,981	2,506,009	4,298,267	15,522,258
Income	7,749,866	1,730,929	2,417,208	11,898,003
Employment (FTE annual)	108	13	26	147
Total Project				
Output	26,150,035	6,261,224	10,346,268	42,757,528
Value Added	12,455,189	3,580,281	6,140,840	22,176,309
Income	11,072,064	2,472,940	3,453,412	16,998,416
Employment (FTE annual)	150	20	39	209

Summary operations-generated impacts

Total Operations Impact				
Cumulative 2014 to 2034, constant \$2013				
	Direct	Indirect	Induced	Total
Lord Amherst (and restaurant)				
Output	53,810,891	80,703,861	24,066,568	158,581,320
Value Added	26,058,603	25,057,110	14,287,714	65,403,427
Income	20,367,206	15,607,690	8,035,589	44,010,485
Employment (FTE annual)	69	18	9	96
Hyatt Place				
Output	101,454,827	155,831,368	50,148,699	307,434,893
Value Added	57,614,354	50,553,355	29,763,559	137,931,268
Income	34,215,585	31,842,206	16,738,775	82,796,567
Employment (FTE annual)	47	44	17	108
Total Project				
Output	155,265,718	236,535,229	74,215,267	466,016,214
Value Added	83,672,957	75,610,465	44,051,272	203,334,694
Income	54,582,791	47,449,896	24,774,364	126,807,051
Employment (FTE annual)	116	62	26	204

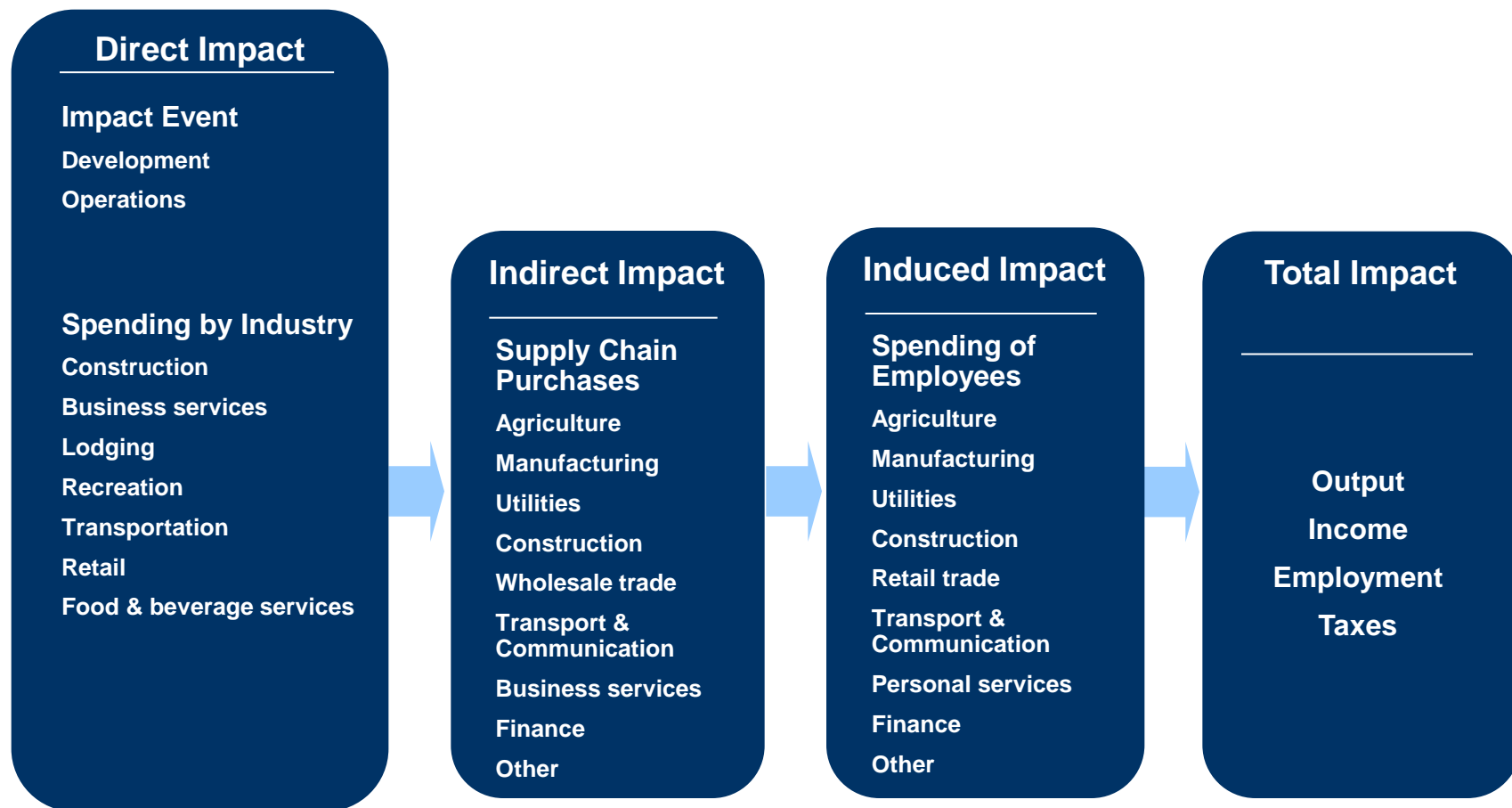
Review of economic impact concepts

- A project like the Main Street Hospitality Campus Project creates direct economic value within a discrete group of sectors (e.g. construction, recreation, transportation). This supports a certain level of direct jobs, wages, taxes, and GDP within each relevant sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.



- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly, spend those incomes in the local economy.
- An IMPLAN model for Erie County was used for the analysis.

Flow of economic impact analysis



Impacts By Project Component: Lord Amherst Construction Impacts

Lord Amherst construction impacts summary

- Renovation and expansion of the Lord Amherst (and restaurant) will inject \$7.8 million (in \$2013) into the Erie County economy overlapping a two-year period starting in mid-2013.
- This spending will generate total economic output of \$12.8 million (in \$2013) through the local supply chain and as construction employees spend their incomes in the local economy.
- An estimated 62 annualized full-time equivalent jobs will be generated by the development/construction phase of the project, including direct, indirect and induced impacts.
- These employees will earn a total \$5.1 million (in \$2013) over the two year period with an average earned income of \$41,100 per annum.

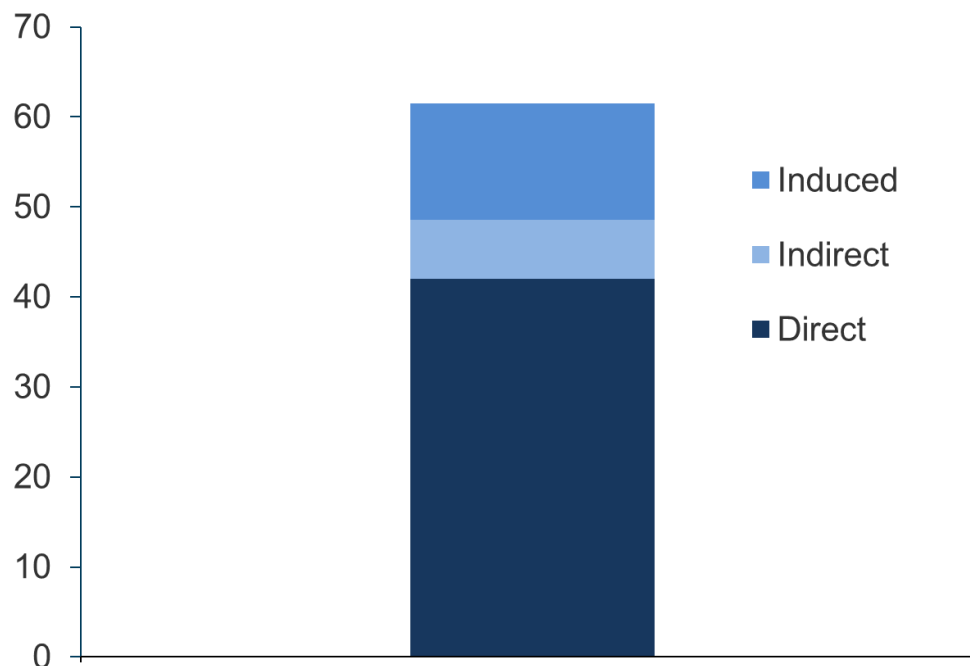
Lord Amherst construction: output impact

Lord Amherst Cumulative Construction Output				
2013 and 2014, \$2013				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	6,260	8,736	14,996
Construction and Utilities	7,846,377	41,549	91,537	7,979,463
Manufacturing	-	341,413	261,214	602,626
Wholesale Trade	-	225,218	154,010	379,229
Air Transport	-	3,346	5,999	9,345
Other Transport	-	78,242	54,169	132,411
Retail Trade	-	25,226	212,918	238,144
Gasoline Stations	-	803	8,417	9,220
Communications	-	77,187	73,519	150,706
Finance, Insurance and Real Estate	-	222,485	871,955	1,094,440
Business Services	-	733,962	249,557	983,519
Education and Health Care	-	485	646,522	647,007
Recreation and Entertainment	-	5,854	38,595	44,448
Lodging	-	12,113	18,231	30,344
Food & Beverage	-	31,487	197,627	229,114
Personal Services	-	56,769	135,817	192,586
Government	-	16,296	75,598	91,894
TOTAL	7,846,377	1,878,694	3,104,421	12,829,492

Construction-generated employment

Construction-Generated Annual Employment

Full-time equivalent employment



- 68% of all construction-generated jobs will be directly in the construction sector. Another 32% will be generated through the supply chain and income effects.

Lord Amherst construction: income impact

Lord Amherst Cumulative Construction Income				
2013 and 2014, \$2013				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	1,526	3,118	4,645
Construction and Utilities	3,322,198	9,687	20,633	3,352,517
Manufacturing	-	77,521	36,188	113,710
Wholesale Trade	-	99,022	67,714	166,737
Air Transport	-	872	1,564	2,436
Other Transport	-	30,511	20,660	51,171
Retail Trade	-	14,491	117,498	131,989
Gasoline Stations	-	432	4,527	4,959
Communications	-	17,379	18,398	35,776
Finance, Insurance and Real Estate	-	48,533	111,013	159,546
Business Services	-	383,572	117,151	500,723
Education and Health Care	-	203	320,722	320,926
Recreation and Entertainment	-	3,182	17,751	20,933
Lodging	-	3,588	5,643	9,231
Food & Beverage	-	12,090	79,268	91,358
Personal Services	-	31,097	65,173	96,269
Government	-	8,305	29,183	37,489
TOTAL	3,322,198	742,011	1,036,204	5,100,413

Impacts By Project Component: Lord Amherst Operations Impacts

Lord Amherst operations impacts summary

- Ongoing operations at the Lord Amherst hotel will generate \$2.1 million (in \$2013) in direct accommodations spending by hotel guests in 2015, the first full year of operations. Additional off site spending on retail shopping, food and beverage, recreation and transportation was estimated and included in the modeling.
- Total direct spending at the hotel and restaurant was estimated at \$2.4 million (in \$2013) in 2015, and \$53.8 million (in \$2013) cumulatively from 2014 to 2034.
- Including direct, indirect, and induced impacts, ongoing operations will generate total output of \$158.6 million (in \$2013) and \$44.0 million (in \$2013) in income over this time horizon.
- Operations at the Lord Amherst hotel and restaurant will also generate a total of 96 FTE jobs per year, with an annual average income of \$22,900 (in \$2013).

Lord Amherst operations: output impact

Lord Amherst Operations Output

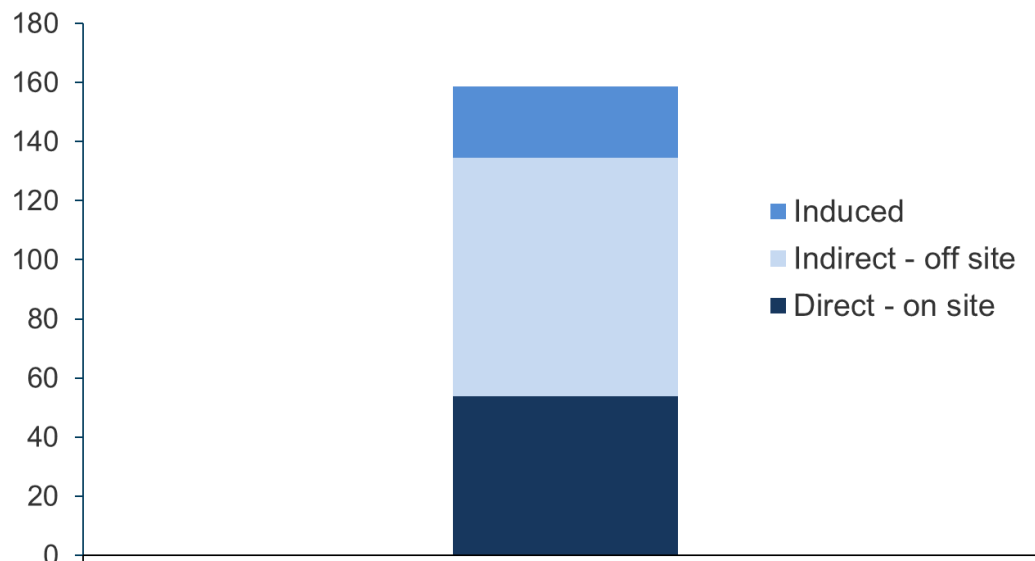
Year 3 - 2015, first year of full operations, \$2013

	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	5,293	3,117	8,410
Construction and Utilities	-	98,910	32,206	131,116
Manufacturing	-	81,132	90,814	171,946
Wholesale Trade	-	36,019	52,012	88,031
Air Transport	-	1,418	2,151	3,569
Other Transport	-	28,550	19,127	47,678
Retail Trade	-	635,253	73,586	708,840
Gasoline Stations	-	544,270	2,909	547,179
Communications	-	111,560	25,732	137,292
Finance, Insurance and Real Estate	-	203,808	301,979	505,787
Business Services	-	311,938	88,894	400,832
Education and Health Care	-	821	229,600	230,421
Recreation and Entertainment	-	540,993	13,675	554,668
Lodging	2,143,620	6,160	6,436	2,156,216
Food & Beverage	286,170	954,021	69,091	1,309,282
Personal Services	-	30,410	47,979	78,389
Government	-	49,679	26,703	76,382
TOTAL	2,429,791	3,640,234	1,086,012	7,156,037

Lord Amherst operations: output impact

Lord Amherst Cumulative Operations Output

2014 to 2034 cumulative, \$2013 millions



Note: Time horizon includes a partial year of operations in 2014 and 20 years of full operations

- Over 20 years of full operations, total output (business sales) will tally to \$158.6 million, with direct, on site output accounting for 34% and indirect and induced output 66%.

Lord Amherst operations: income impact

Lord Amherst Cumulative Operations Income				
2014 to 2034, \$2013				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	27,420	24,192	51,612
Construction and Utilities	-	533,088	160,030	693,118
Manufacturing	-	365,087	280,770	645,857
Wholesale Trade	-	363,842	525,401	889,244
Air Transport	-	7,988	12,120	20,108
Other Transport	-	254,158	160,193	414,351
Retail Trade	-	1,511,073	910,607	2,421,680
Gasoline Stations	-	366,002	35,085	401,087
Communications	-	751,644	142,702	894,346
Finance, Insurance and Real Estate	-	833,190	860,888	1,694,078
Business Services	-	3,124,644	908,661	4,033,305
Education and Health Care	-	7,255	2,487,386	2,494,640
Recreation and Entertainment	-	3,574,232	137,611	3,711,842
Lodging	19,318,465	40,058	43,725	19,402,248
Food & Beverage	1,048,741	2,911,037	614,565	4,574,342
Personal Services	-	397,403	505,288	902,691
Government	-	539,569	226,365	765,934
TOTAL	20,367,206	15,607,690	8,035,589	44,010,485

Impacts By Project Component: Hyatt Place Construction Impacts

Hyatt Place construction impacts summary

- Construction of the new Hyatt Place Hotel will result in \$18.3 million (in \$2013) of investment in the Erie County economy over a two-year period starting in mid-2013.
- This spending will generate total economic output of \$29.9 million (in \$2013) through the local supply chain and as construction employees spend their incomes in the local economy.
- An estimated 147 annualized full-time equivalent jobs will be generated by the development phase of the project, including direct and all indirect impacts.
- These employees will earn a total \$11.9 million (in \$2013) with an average earned income of \$40,500 per annum.

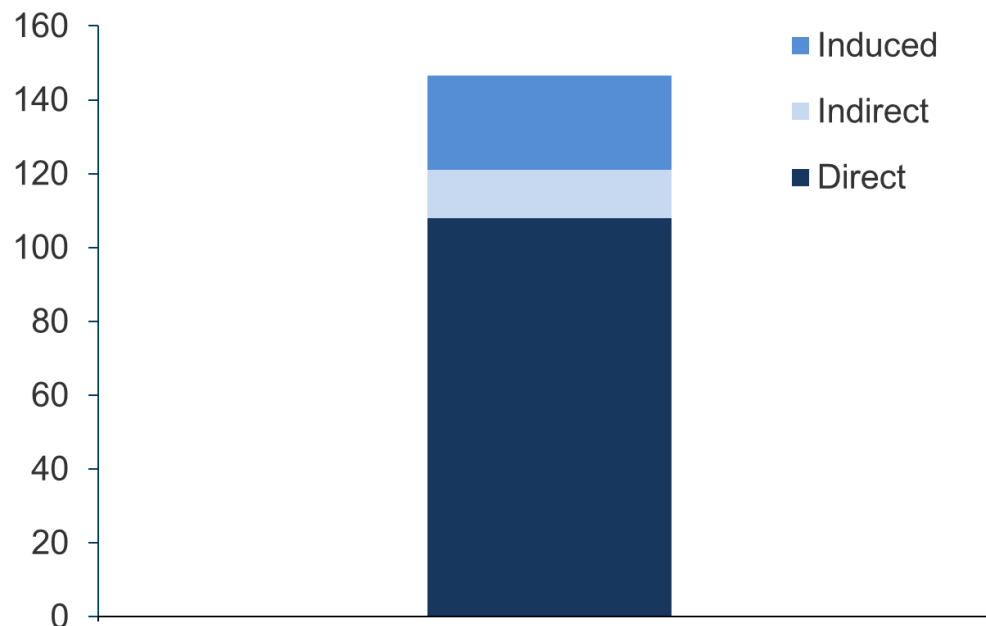
Hyatt Place construction: output impact

Hyatt Place Cumulative Construction Output				
2013 and 2014, \$2013				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	14,603	20,378	34,982
Construction and Utilities	18,303,659	96,924	213,534	18,614,117
Manufacturing	-	796,432	609,347	1,405,778
Wholesale Trade	-	525,378	359,268	884,647
Air Transport	-	7,805	13,994	21,798
Other Transport	-	182,520	126,362	308,882
Retail Trade	-	58,846	496,686	555,531
Gasoline Stations	-	1,873	19,635	21,507
Communications	-	180,059	171,501	351,560
Finance, Insurance and Real Estate	-	519,003	2,034,055	2,553,057
Business Services	-	1,712,151	582,155	2,294,306
Education and Health Care	-	1,131	1,508,177	1,509,308
Recreation and Entertainment	-	13,655	90,032	103,687
Lodging	-	28,256	42,529	70,785
Food & Beverage	-	73,452	461,015	534,467
Personal Services	-	132,428	316,828	449,257
Government	-	38,015	176,353	214,367
TOTAL	18,303,659	4,382,530	7,241,847	29,928,036

Construction-generated employment

Construction-Generated Employment

Full-time equivalent employment



- 68% of all construction-generated jobs will be directly in the construction sector. Another 32% will be generated through the supply chain and income effects.

Hyatt Place construction: income impact

Hyatt Place Cumulative Construction Income

2013 and 2014, \$2013

	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	3,560	7,275	10,835
Construction and Utilities	7,749,866	22,597	48,131	7,820,594
Manufacturing	-	180,838	84,419	265,257
Wholesale Trade	-	230,995	157,961	388,955
Air Transport	-	2,035	3,648	5,683
Other Transport	-	71,175	48,194	119,368
Retail Trade	-	33,805	274,094	307,899
Gasoline Stations	-	1,007	10,561	11,568
Communications	-	40,541	42,917	83,458
Finance, Insurance and Real Estate	-	113,215	258,966	372,181
Business Services	-	894,779	273,284	1,168,063
Education and Health Care	-	474	748,166	748,640
Recreation and Entertainment	-	7,423	41,408	48,830
Lodging	-	8,369	13,164	21,533
Food & Beverage	-	28,202	184,913	213,115
Personal Services	-	72,541	152,032	224,573
Government	-	19,374	68,077	87,452
TOTAL	7,749,866	1,730,929	2,417,208	11,898,003

Impacts By Project Component: Hyatt Place Operations Impacts

Hyatt Place operations impacts summary

- Ongoing operations at the Hyatt Place will generate \$4.3 million (in \$2013) in direct accommodations spending in 2015, the first full year of operations. Tourism Economics estimated additional off site spending on retail shopping, food and beverage, recreation and transportation to include in the impact modeling.
- Cumulative direct spending on site from 2014 to 2034 is expected to sum to \$101.5 million.
- Ongoing operations will generate total output of \$307.4 million (in \$2013) and \$82.8 million (in \$2013) in income over this time horizon, including indirect and induced output.
- Operations will also generate 47 direct FTE jobs per year, with an average annual income of \$36,400 (in \$2013). Including indirect and induced, the total employment impact is expected to be 108 FTE jobs per year.

Hyatt Place operations: output impact

Hyatt Place Operations Output

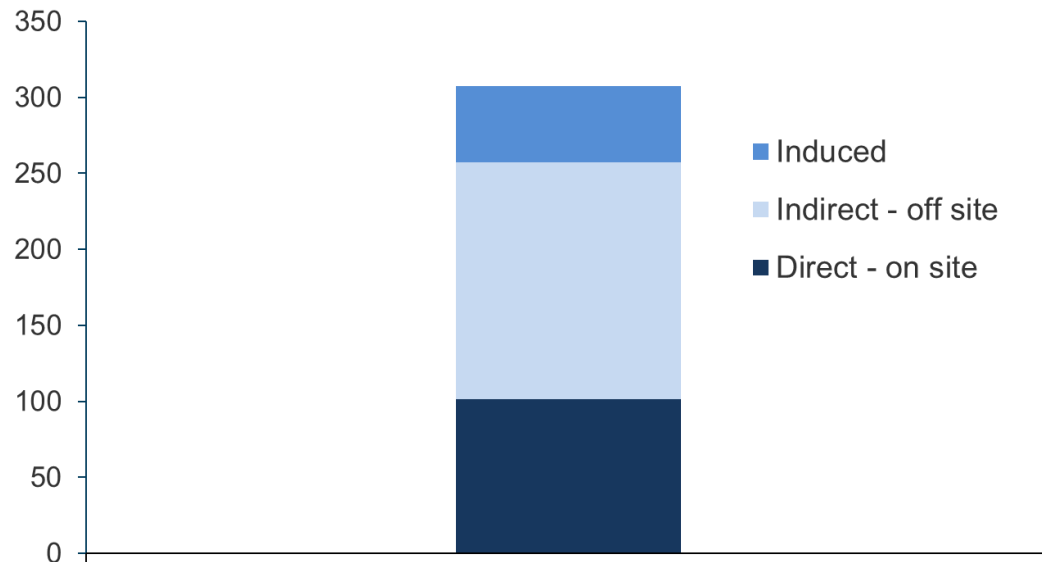
Year 3 - 2015, first year of full operations, \$2013

	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	11,006	6,298	17,304
Construction and Utilities	-	195,166	64,071	259,237
Manufacturing	-	155,975	178,683	334,658
Wholesale Trade	-	65,801	99,270	165,070
Air Transport	-	2,861	4,367	7,228
Other Transport	-	56,239	38,213	94,452
Retail Trade	-	1,039,056	143,975	1,183,031
Gasoline Stations	-	889,575	5,692	895,267
Communications	-	231,464	50,940	282,404
Finance, Insurance and Real Estate	-	376,983	592,337	969,320
Business Services	-	625,285	179,066	804,351
Education and Health Care	-	1,505	461,100	462,605
Recreation and Entertainment	-	886,919	27,421	914,340
Lodging	4,272,169	12,073	12,866	4,297,109
Food & Beverage	-	2,047,491	136,659	2,184,150
Personal Services	-	61,324	95,901	157,225
Government	-	100,567	53,327	153,894
TOTAL	4,272,169	6,759,290	2,150,187	13,181,646

Hyatt Place operations: output impact

Hyatt Place Cumulative Operations Output

2014 to 2034 cumulative, \$2013 millions



Note: Time horizon includes a partial year of operations in 2014 and 20 years of full operations

- Over 20 years of full operations, total output (business sales) will tally to \$307.4 million, with direct, on site output accounting for 33% and indirect and induced output 67%.

Hyatt Place operations: income impact

Hyatt Place Cumulative Operations Income

2014 to 2034, \$2013

	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	57,236	50,385	107,621
Construction and Utilities	-	1,096,149	333,328	1,429,477
Manufacturing	-	758,912	584,733	1,343,645
Wholesale Trade	-	725,267	1,094,170	1,819,438
Air Transport	-	16,544	25,255	41,799
Other Transport	-	520,835	333,713	854,548
Retail Trade	-	2,795,510	1,897,427	4,692,937
Gasoline Stations	-	675,853	73,107	748,959
Communications	-	1,627,284	297,228	1,924,512
Finance, Insurance and Real Estate	-	1,630,328	1,793,298	3,423,626
Business Services	-	6,487,631	1,892,642	8,380,274
Education and Health Care	-	13,697	5,181,190	5,194,887
Recreation and Entertainment	-	6,470,296	286,695	6,756,990
Lodging	34,215,585	81,844	91,118	34,388,548
Food & Beverage	-	6,882,008	1,280,332	8,162,340
Personal Services	-	848,305	1,052,669	1,900,974
Government	-	1,154,509	471,483	1,625,992
TOTAL	34,215,585	31,842,206	16,738,775	82,796,567

Tax Impact and ROI Calculations

Total Project Tax impacts

- Tax incentives will total just over \$2 million (in \$2013) including:
 - Sales tax exemptions during construction of \$1.3 million (\$2013)
 - Mortgage tax exemption totaling \$275,000 (in \$2013)
 - (Note – tax exemption offset by IDA administrative fee)
 - 10-year partial property tax abatement totaling \$592,985 (in \$2013)
- Total state and local tax revenues generated from the Lord Amherst (and restaurant) portion of the project over a ten year horizon are estimated at \$11.4 million (in \$2013) and will exceed incentives granted by a factor of 19.3.
- Total state and local tax revenues generated from the Hyatt Place project over a ten year horizon are estimated at \$23.0 million (in \$2013) and will exceed incentives granted by a factor of 15.0.
- The two projects combined have an estimated 10-year ROI factor of 16.2.

Total Project Tax impacts

Tax Impact and ROI Calculations					
Constant \$2013					
	Taxes Paid - Construction	Taxes Paid - Operations	Total Tax Revenues	Incentives Granted	10-year ROI Factor
Lord Amherst (and restaurant)	1,263,385	10,148,669	11,412,054	590,674	19.3
State sales tax	350,961	2,819,072	3,170,033	162,219	
Other state taxes	279,684	1,707,889	1,987,574	80,000	
Local sales tax	416,766	3,347,648	3,764,414	192,635	
Local property tax	172,630	979,952	1,152,582	155,820	
Other local taxes	43,344	1,294,108	1,337,452	-	
Hyatt Place	2,553,689	20,464,620	23,018,308	1,533,501	15.0
State sales tax	785,082	5,377,467	6,162,550	412,039	
Other state taxes	652,436	4,247,886	4,900,322	195,000	
Local sales tax	932,285	6,385,742	7,318,028	489,296	
Local property tax	82,773	1,587,232	1,670,005	437,165	
Other local taxes	101,112	2,866,292	2,967,404	-	
Total project	3,817,074	30,613,289	34,430,362	2,124,174	16.2
State	2,068,163	14,152,315	16,220,478	849,258	19.1
Local	1,748,911	16,460,974	18,209,885	1,274,916	14.3
Note: sales tax revenues during the construction period are generated from indirect economic activity					

Methods and data sources

- Revenue projections were drawn from developer financial schedules as an input into the economic impact model.
- Additional estimates of offsite spending associated with hotel guests were developed by Tourism Economics based on survey data from Longwoods International for hotel guests.
- The assumption of no displacement of existing business activity was incorporated into the analysis based on the hotel market study completed by the Commonwealth Company.
- Tourism Economics utilized the IMPLAN input-output model for Erie County to track the flow of sales through the economy to the generation of output, employment, income, and taxes.
- The impacts were measured on three levels: Direct, Indirect, and Induced. The total economic impact is the sum of the three types of impacts. Calculations of state and local taxes were generated by the IMPLAN model and from developer estimates, and were checked for reasonableness by Tourism Economics.

About Tourism Economics

- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 40 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
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