

Regional Economic Impact Analysis – Derrick Corporation

Utilizing *informAnalytics* modeling software, an economic impact analysis was conducted to measure new investment by Derrick Corp. in the Town of Lancaster. *informAnalytics* is a model developed by CGR and widely accepted software application and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project.

The impacts generated can be measured on an annual basis except for finite activities, such as economic activity occurring as a result of construction investment. Other activities, such as ongoing operation of the facility, accrue benefits as long as the facility remains operating at forecasted levels.

New Capital Investment:

Building Construction	\$17,000,000
Non-Manufacturing Equipment	\$100,000
Soft Costs	\$400,000

Employment:

New Jobs	8
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New Investment Impact:

- New capital investment in construction, labor and equipping the renovated building creates 169 construction and supplier positions.
- The fully operational facility, which will employ 8 full-time workers, generates 12 indirect and induced jobs through its annual supplier relationships and employee spending patterns.
- \$20,609,000 of labor income results from this investment, much of which continues to impact the area annually.

New Operation Impact (Over 10-Years):

- The permanent employment at the facility and construction positions create \$991,000 in income taxes.
- The new operation generates \$628,000 in sales taxes from construction, operations and employee spending.

Derrick Corporation	Applicant Benefit	Community Benefit
PILOT agreement to phase in payment in lieu of taxes, thereby generating additional revenues *Utilization of Town services would be minimal *No increased burden to schools	0	979,000
Property Tax Exemptions	3,681,000	
Sales Tax Exemptions	741,000	
Mortgage Recording Tax Exemption	131,000	
Investment in Lancaster creates construction, supplier and permanent labor income.		20,609,000
Investment in Lancaster creates jobs and income taxes.		991,000
Investment in Lancaster generates and retains sales taxes.		628,000
TOTAL	4,553,000	23,207,000

**Output = Value Added + Intermediate Purchases and represents the total impact of the entire operation including such metrics as labor income, proprietor income, property income and taxes.
 Construction and Equipment Employment is measured on an annual basis even though many projects are complete before 12 months is up.