



Evaluation of Projects Requesting IDA Benefits

Project: AP Packaging Corp **Location:** Town of Poughkeepsie

Type of Business: Manufacturing

Agency Request

Sales Tax Mortgage Tax Exemption PILOT

Company Description:

AP Packaging Corp (Air Protection Packaging Corp) is a plastic manufacturer that manufacture and supply air cellular packaging, commonly known as bubble wrap. The manufacturing operation involves the extrusion of low-density polymers into air cellular sheets of different sizes and then further processed to convert it to envelopes of various sizes and formats. No water or hazardous materials are added to the raw materials throughout the operation and there are no chemical by-products, hazardous or liquid waste generated during the manufacturing operation.

Project Description:

AP Packaging proposes to invest over \$12 million at 900 Dutchess Turnpike in the Town of Poughkeepsie to purchase the approximately 58.3 acre parcel of land and the three existing structures. The largest building consisting of 353,077 square feet would undergo renovations and reconstruction to accommodate the company's corporate headquarters and manufacturing operations which would occupy approximately 165,000 square feet of the building.

Project Timeline:

Proposed date for commencement of acquisition or construction: Spring 2021

The actual or expected dates of:

Construction completion: Fall 2021

Occupancy: Fall 2021

Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 11,950,000 Private Investment: \$ 11,950,000

Amount of other public financial assistance, grants and source \$ 0

Construction Costs: \$ 850,000 Equipment: \$1,000,000

Company Incentives:

Amount of Sales tax benefits:	\$150,313
Amount of Mortgage Recording Tax:	\$81,375
Estimated real property tax exemption with PILOT*	\$1,332,000

* based on InformAnalytics algorithms

Estimated amount of benefit to State & Region*:

Anticipated Property Tax revenue:	\$1,456,000
Anticipated Sales Tax revenue	\$4,267,000
Benefit to Cost Ratio	154:1

*figures based on InformAnalytics algorithms

Estimated Property Value Increase^

Current Assessed Value	Current Property Tax+ (2020)	Estimated New Assessed Value	Net Increase	Est. Year 1 Property Taxes+
\$5,550,000	\$241,687	\$10,000,000	\$4,450,000	\$507,486

+Does not include special districts

Employment Impact

Committed total FTE jobs: ___105___

Number of existing FTE jobs to be retained ___0___

Total Number of new FTE Jobs to be created ___105___ over ___2___ years.

Annualized Salary Range of FTE jobs \$ _49,612___ to \$ _110,250___

Estimated Hourly Wage Average and Range: \$32/hr, Estimated Range \$27/hr to \$61/hr

Total Number of Construction Jobs to be created _40_

Jobs created in the Construction and Plastics Manufacturing is estimated to have the following spillover impact.

Impact Type	Temporary (Construction) Employment	Permanent (Operations) Impact
Initial	40	105
Direct	6	4
Indirect	2	1
Induced	13	6
Total Effect	61	116

EMSI Impact Scenario Report 03.15.2021

Community Benefits:

- *Revitalization:* The project is consistent the Town’s requirements and revitalize what is an underutilized industrial property in the Town of Poughkeepsie.
- *Identified Growth Area:* The applicant is an Industrial Manufacturing user
- *Investment:* The project has an estimated project cost of over \$12 million.
- *Employment:* The project is committing to the creation of 105 new direct permanent jobs and is projected to create 40 direct construction jobs.
- Use of Local Contractor(s) and Labor: Yes ___X___ No _____
- Use of resource conservation, energy efficiency, green technologies and alternative and renewable energy measures: Yes ___X___ No _____

Project is consistent with Agency’s Mission: Yes

The Project has municipal support and PILOT:

Municipal Support ___X___ PILOT ___X___ Request for UTEP Deviation ___X___

CEO Comments of Importance

The project is a business attraction project. Established in 2013 in New Jersey, AP Packaging has been experiencing steady growth. They currently lease their space in Linden, NJ. The purchase and relocation to 900 Dutchess Turnpike will enable the company to have a stable location where they can establish in NY and expand their business.

The applicant has stated the project cannot move forward without the assistance of the DCIDA as the purchase price and planned improvements will increase the assessed value and impact the company’s ability to establish a stable business model.

The proposed location currently houses 12 tenant businesses that will remain. AP Packaging will occupy a portion of the existing building and do renovations to accommodate their operations.

The company currently has approximately 67 FTE jobs. They expect a majority of their employees to follow the company however since this is a new business to Dutchess County the 105 projected jobs are considered new jobs to Dutchess County. While the number of existing employees moving with the company is undetermined, the project will create at least 38 new FTE job opportunities in Dutchess County.

Mission Statement:

The Dutchess County Industrial Development Agency [DCIDA] was created to further economic development in Dutchess County by providing financial assistance to private entities through tax incentives including the issuance of bonds to facilitate the building of capital projects with the resultant construction jobs and permanent follow on employment.