



## Evaluation of Projects Requesting IDA Benefits

Revised 11/4/2021

**Project:** USEF Tioranda / Amazon.com Services LLC      **Location:** Town of East Fishkill

**Type of Business:** Warehouse / Distribution

### Agency Request

Sales Tax       Mortgage Tax Exemption       PILOT

### Company Description:

USEF Tioranda, LLC is a Special Purpose Entity created by USAA Eagle Real Estate Company and its affiliates specifically for this project. USEF proposes to develop and own the facility to be located at 1949 Route 52 in Hopewell Junction (the former IBM West Campus East Fishkill). Their proposed tenant and co-applicant on the application is Amazon.com Services LLC.

### Project Description:

The proposed project would develop the property into a warehouse and distribution facility of approximately 629,186 square feet and parking for passenger vehicles and trucks, storm water management, landscaping, site lighting, and other utility infrastructure.

In November 2021, the applicant requests an additional \$200,000 in sales tax exemption benefits for approximately an additional \$2,000,000 in sales taxable purchases.

### Project Timeline:

Proposed date for commencement of acquisition or construction: January 2021

The actual or expected dates of:

Construction completion: June 2022

Occupancy: June 2022

### Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 135,500,000 Private Investment: \$ 44,200,000

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

Construction Costs: \$ 90,000,000 Equipment: \$25,000,000

### Company Incentives:

Amount of Sales tax benefits: \$3,775,000

Amount of Mortgage Recording Tax: \$497,250

Estimated real property tax exemption with PILOT\* \$14,287,000 over 15 years

\* based on InformAnalytics algorithms

**Estimated amount of benefit to State & Region\*:**

Anticipated Property Tax revenue:	\$25,399,000
Anticipated Sales Tax revenue	\$11,912,000
Benefit to Cost Ratio	32:1

*\*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 Upon Expiration of PILOT
\$5,218,500	\$154,690	\$95,000,000	\$89,781,500	\$3,658,584

**Employment Impact**

**Committed total FTE jobs:** \_\_\_ 500 \_\_\_

Number of existing FTE jobs to be retained \_\_\_ 0 \_\_\_

Total Number of new FTE Jobs to be created \_\_\_ 500 \_\_\_ over \_\_\_ 2 \_\_\_ years.

Annualized Salary Range of FTE jobs \$ \_\_\_ 31,000 \_\_\_ to \$ \_\_\_ 60,000 \_\_\_

Estimated Hourly Wage Average and Range: \$16/hr, Estimated Range \$15/hr to \$29/hr

Total Number of Construction Jobs to be created \_\_\_ 200 \_\_\_

Jobs created in the Warehouse and Distribution Industry and Construction is estimated to have the following spillover impact.

Impact Type	Temporary (Construction) Employment	Permanent (Operations) Impact
Initial	200	500
Direct	25	102
Indirect	8	38
Induced	51	72
Total Effect	285	712

*EMSI Impact Scenario Report 11.4.2020*

**Community Benefits:**

- *Revitalization:* The project is consistent the Town’s requirements and would develop a vacant property in the Town of East Fishkill. In 2014, the Town passed “Local Law 4 2014, a local law regarding economic development special permit which specifically aims to redevelop the site.
- *Target Industry:* Manufacturing / Distribution
- *Investment:* The project has an estimated project cost of approximately \$135 million.
- *Employment:* The project is committing to the creation of 500 direct permanent jobs and is projected to create 200 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 will promote economic development resulting in construction jobs and permanent employment.

**The Project has municipal support and PILOT:**

Municipal Support  X  PILOT  X  Request for UTEP Deviation  X

**CEO Comments of Importance**

The Applicant, USEF Tioranda, LLC, with its development partner Bluewater Property Group, proposes to construct a 629,186 square foot warehouse and distribution center for their proposed tenant and co-applicant, Amazon.com Services LLC. at the former IBM West Campus. The site that has remained vacant for over 10 years.

In 2014, the Town of East Fishkill passed a local law intended to foster development on that site. The proposed project is consistent the special permitting and uses and meet the town's intent to develop the site for select industries including logistics and distribution, a target industry for Dutchess County.

The Applicant has stated that the project would not be feasible without the assistance of the IDA and that IDA assistance is a material factor for Amazon's decision to commit to the East Fishkill location. Amazon weighs competitive factors across its internal network to identify and locate sites to meet customer desires for low prices, selection and convenience. As a result, the site is still being evaluated against alternative opportunities in the United States. (*see page 14 in the Application*)

The project is projected to create 500 direct permanent jobs and 200 direct construction jobs. EMSI, the workforce analytics program estimates 85 additional construction jobs and 212 spillover jobs may be created as a result of the ripple effect of the project.

Entry level positions would begin at \$15/ hour and average salaried positions is estimated at \$60,000/ per year. The company also offers a comprehensive benefits package and other employee benefits to its eligible employees.

The project has the support of the Town of East Fishkill and the Wappingers School District.

**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.