



Project Summary

Project: GPSDC (New York), Inc #13022105 **Location:** Village of Fishkill

Type of Business: Warehouse / Distribution

Agency Request

Sales Tax Mortgage Tax Exemption PILOT

Company Description:

GPSDC (New York), Inc is a subsidiary of GAP. Inc. GPSDC (New York) owns and operates the Fishkill facility which replenishes retail stores and fulfills Old Navy online customer orders.

Project Description:

The Fishkill Distribution Center processes 500,000 units per day. The proposed investment in new material handling equipment will allow the facility to expand its production to 1,000,000 units per day and to hire additional employees.

Project Timeline:

Proposed date for commencement of acquisition or construction: Fourth Quarter 2021

The actual or expected dates of:

Construction completion: Q3 2022

Occupancy: Current

Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 69,200,000 Private Investment: \$ 69,200,000

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

Construction Costs: \$ Equipment: \$ 68,575,000

Company Incentives:

Amount of Sales tax benefits: \$5,571,719

Amount of Mortgage Recording Tax: \$0

Estimated real property tax exemption with PILOT* \$0

** based on InformAnalytics algorithms*

Estimated amount of benefit to State & Region*:

Anticipated Property Tax revenue:	n/a
Anticipated Sales Tax revenue	\$11,569,000
Benefit to Cost Ratio	61:1

**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
N/A	N/A	N/A	N/A	N/A

Employment Impact

Committed total FTE jobs: __76__
 Number of existing FTE jobs to be retained __1407__
 Total Number of new FTE Jobs to be created __76__ over __2__ years.
 Annualized Average Salary Range of FTE jobs \$ __36,380__
 Estimated Hourly Wage Average: \$20/hr
 Total Number of Construction Jobs to be created __n/a__

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	0	76
Direct	0	15
Indirect	0	5
Induced	0	11
Total Effect	0	107

EMSI Impact Scenario Report 9.30.2021

Community Benefits:

- *Target Industry:* Manufacturing / Distribution
- *Investment:* The project has an estimated project cost of approximately \$69 million.
- *Employment:* The project is committing to the creation of 76 additional direct permanent jobs

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 __n/a__ PILOT __ __

CEO Comments of Importance

In response to the changes in the economy and customer buying preferences due to the impact of COVID many more people are preferring to shop on-line. The increased volume has created an opportunity for GAP, Inc to review operations at all of its distribution centers to accommodate growth in online sales. This review consisted of an analysis of the footprint of each building to determine if it can support additional growth, GAP, Inc has identified the Fishkill Distribution Center as a key distribution facility to support this growth.

GPSDC would like to invest approximately \$69 million in materials handling equipment to expand the capacity of the Fishkill location from processing 500,000 units per day to 1,000,000 units per day. The distribution center would be adding capabilities that bring it up to date as a key component of GAP, Inc's supply chain and ensure that the facility can continue to operate efficiently and maintain and grow its workforce. The new investment would also entail the hiring of an additional 76 FTEs.

The Fishkill facility is currently under a PILOT agreement which will be unaffected with this project. In 2014, the PILOT formula was re-negotiated to tie it with employees working at the Fishkill site. According to their 2014 application, they had projected 1,128 FTEs at the site by 2020. According to their 2020 FTE report, GPSDC reported 1,407 FTEs or an equivalent of 2,798 people employed at the site.

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.