

# Cost-Benefit Analysis for GPSDC - Sales Tax 2021

Prepared by Dutchess County IDA using InformAnalytics

# Executive Summary

INVESTOR  
GPSDC (New York),  
Inc

TOTAL JOBS  
2148 Ongoing;  
0 Temporary

TOTAL INVESTED  
\$69.2 Million

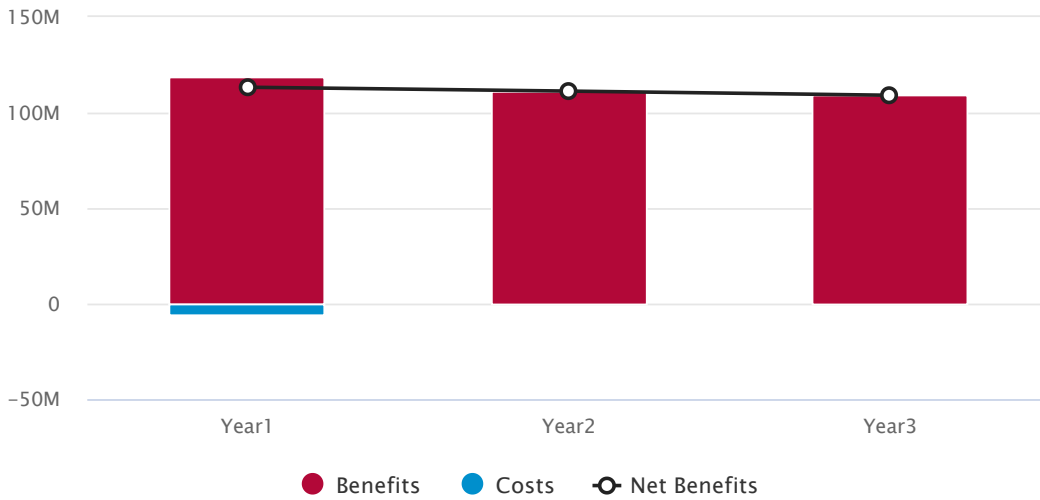
LOCATION  
100 Merritt Blvd,  
Poughkeepsie, NY  
12524

TIMELINE  
3 Years

F1 FIGURE 1

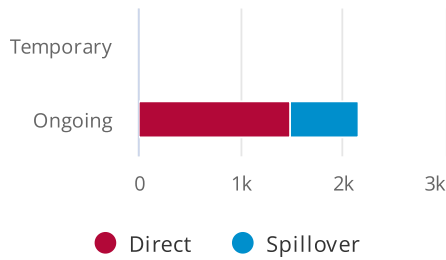
Discounted\* Net Benefits for GPSDC - Sales Tax 2021 by Year

Total Net Benefits: \$333,577,000



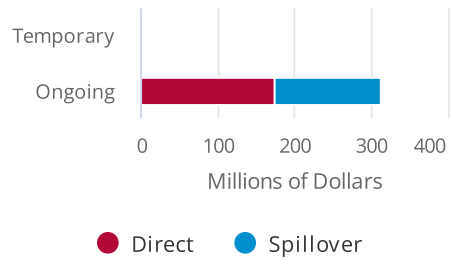
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

GPSDC (New York), Inc proposes to invest \$69.2 million at 100 Merritt Blvd, Poughkeepsie, NY 12524 over 3 years. Dutchess County IDA staff summarize the proposed with the following: GPSDC is requesting \$5,571,719 in sales tax benefit for the installation of approximately \$69 million in new equipment. The Fishkill Distribution Center currently processes 500,000 units per day and the site has been identified as a location to increase the throughput to 1,000,000 units per day. In order to reach that goal additional investment in capital equipment and jobs will be required.

T1 TABLE 1

Proposed Investments

Description	Amount
OTHER SPENDING	
Equipment	\$68,575,000
Professional Fees	\$625,000
<b>Total Investments</b>	<b>\$69,200,000</b>
Discounted Total (2%)	\$69,200,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment

# Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Dutchess County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 3 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

Dutchess County IDA is considering the following incentive package for GPSDC (New York), Inc.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$5,572,000	\$5,572,000
<b>Total Costs</b>	<b>\$5,572,000</b>	<b>\$5,572,000</b>

May not sum to total due to rounding.  
\* Discounted at 2%

T3 TABLE 3

## State &amp; Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$182,713,000	\$142,070,000	\$324,783,000
To Private Individuals	\$178,435,000	\$140,745,000	\$319,181,000
Ongoing Payroll	\$178,435,000	\$140,745,000	\$319,181,000
To the Public	\$4,278,000	\$1,324,000	\$5,603,000
Ongoing Sales Tax Revenue	\$1,679,000	\$1,324,000	\$3,003,000
Purchases Sales Tax Revenue	\$2,599,000	N/A	\$2,599,000
STATE BENEFITS	\$12,384,000	\$8,613,000	\$20,997,000
To the Public	\$12,384,000	\$8,613,000	\$20,997,000
Ongoing Income Tax Revenue	\$7,828,000	\$7,202,000	\$15,030,000
Ongoing Sales Tax Revenue	\$1,788,000	\$1,410,000	\$3,199,000
Purchases Sales Tax Revenue	\$2,768,000	N/A	\$2,768,000
<b>Total Benefits to State &amp; Region</b>	<b>\$195,098,000</b>	<b>\$150,682,000</b>	<b>\$345,780,000</b>
Discounted Total Benefits (2%)	\$191,402,000	\$147,747,000	\$339,149,000

May not sum to total due to rounding.

T4 TABLE 4

## Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$318,507,000	\$2,698,000	118:1
State	\$20,642,000	\$2,874,000	7:1
Grand Total	\$339,149,000	\$5,572,000	61:1

May not sum to total due to rounding.

\* Discounted at 2%

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