



## Evaluation of Projects Requesting IDA Benefits

**Project:** The Hudson Company **Location:** Town of Pine Plains

**Type of Business:** Manufacturing

### Agency Request

Sales Tax ☒ Mortgage Tax Exemption ☒ PILOT ☒

### Company Description:

Fifth Generation Partners is a special purpose LLC formed specifically for this project. The tenant, Hudson Company, which is wholly owned by Fifth Generations Partner, is a local manufacturer of reclaimed and recycled wood used in architectural applications.

### Project Description:

The proposed project is to expand and repurpose an existing 16,800 sq ft warehouse building in the Town of Pine Plains. The building will be expanded to accommodate a 50,000 sq foot building to house manufacturing, storage, office and showroom space. The project will also enable the manufacturer to remain in Dutchess County and retain 27 employees.

### Project Timeline:

Proposed date for commencement of acquisition or construction: 2<sup>nd</sup> quarter of 2026

The actual or expected dates of:

Construction completion: 2<sup>nd</sup> quarter 2028

Occupancy: 3<sup>rd</sup> quarter 2028

### Total Cost of Project:

Private Investment Amount

Total Project Cost \$ 9,800,000 Private Investment: \$ 9,800,000

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

Construction Costs: \$ 5,250,000 Equipment: \$ 1,800,000

### Company Incentives:

Amount of Sales tax benefits:	<u>\$455,000</u>
Amount of Mortgage Recording Tax:	<u>\$60,000</u>
Estimated real property tax exemption with PILOT	<u>\$971,322</u>

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

Anticipated PILOT revenue:	\$212,900
Anticipated Sales Tax revenue	\$965,737
Benefit to Cost Ratio	44:1

*\*figures based on MRB Cost -Benefit Calculator*

**Estimated Property Value Increase**

Current Assessed Value	Current Property Tax (2024)	Estimated New Assessed Value	Net Increase	Est. Year 1 Property Taxes Upon Expiration of PILOT
\$682,300	\$10,428	\$7,800,000	\$7,117,700	\$145,325

**Employment Impact**

**Committed total FTE jobs:** 41

Number of existing FTE jobs to be retained 27

Total Number of new FTE Jobs to be created 14 over 2 years.

Annualized Salary Range of FTE jobs \$ 50,000 to \$ 175,000

Estimated Hourly Wage Average and Range: \$49.00 Estimated Range \$37.00-\$123.00

Total Number of Construction Jobs to be created 90\* (headcount)

*\*estimated based on general construction ratios*

**Employment Impact in Dutchess County**

Impact Type	Temporary (Construction) Employment	Permanent (Operations) Impact
Direct	27	41
Indirect	14	13
Total Effect	41	54

*\*figures based on MRB Cost -Benefit Calculator*

**Community Benefits:**

- *Revitalization:* The project is considered a target growth cluster (manufacturing).
- *Investment:* The project has an estimated project cost of \$9.8 million and will utilize as many energy conservation strategies in the building and manufacturing process.
- *Employment:* The project will retain 27 FTES and is projected to create 14 additional FTEs.
- Use of Local Contractor(s) and Labor: Yes X No        (The project will utilize as many local contractors and labor where feasible however, the project is not subject to the Agency's Local Labor Policy)

**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**

This project expands the existing manufacturer in Pine Plains, Dutchess County. Retaining and creating manufacturing jobs significantly impacts the local economy, especially in the less industrialized eastern part of the County. Keeping the company in Pine Plains ensures continued access to manufacturing jobs. The project is supported by the Town of Pine Plains and the Pine Plains School District.