



Case Study

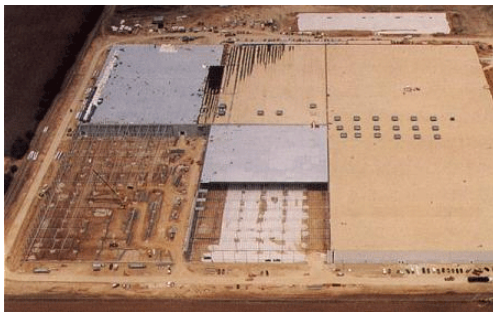
Kmart | Montgomery County, NY

Project Type

Regional Distribution Center

Cost

\$120,000,000



Solution

New Landmark Group's successful strategy included gaining the support of Governor Pataki of New York, and several key individuals in the state and local government. The undertaking also required creating a separate entity - Kmart of Amsterdam



Project Size

325 acres, 1,700,000 square feet of warehouse/distribution space, with consideration of expanding to a total of 2,200,000 square feet. Total new job creation of 800-900 full-time employees.

Task

In early 2000, New Landmark Group initiated investigations into possible incentives for a distribution center in the Northeast region of the country. By midyear negotiations were in earnest with the State of New York Empire State Development Agency, Montgomery County Industrial Development Agency, New Landmark Group, Kmart senior real estate attorneys along with several members of the Kmart tax department. The goal - seek public infrastructure assistance and capture all state, county and local allowances.

New York Distribution Center, Inc – in order to make full use of the allowable incentives. As a result, New Landmark Group successfully identified and negotiated state and local incentives valued at **\$76,950,000**.

Highlights:

- A multi-jurisdictional negotiated 14-year real estate tax abatement valued at \$28,000,000
- Infrastructure grant assistance of \$16,100,000
- A negotiated payment-in-lieu-of-tax (PILOT) agreement resulting in savings of \$9,000,000
- Other incentive programs; including bond issuance, wage tax credits, sales & use tax abatements and exemptions.