



F.W. Webb Company Application For New Distribution Facility At
369 Corinth Road, Queensbury, New York For Investment Incentives From The
WARREN & WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

From: Chuck Barton, Chief Executive Officer

Date: March 4, 2025

The purpose of this memorandum is to set forth the facts and considerations utilized by the Counties of Warren and Washington Industrial Development Agency ("WWIDA") in rendering a decision to provide financial assistance to F.W. Webb for the construction and development of a new distribution facility located at 369 Corinth Road in the Town of Queensbury.

This document recognizes several factors considered by the WWIDA and is intended to provide a concise record of the issues considered as well as the justification for the investment incentive package, if offered by the WWIDA Board.

COMPANY DESCRIPTION

F.W. Webb Company is a wholesale supplier of plumbing, heating, cooling, PVF and industrial products servicing the northeastern United States. Founded in 1866, the company is a third-generation, family-owned business based in Bedford, Massachusetts.

F.W. Webb focuses on sixteen areas of expertise, including its core businesses: plumbing, heating, HVAC, refrigeration, and PVF. Specialty markets include Propane Gas products, Water Systems, Fire Protection & Fabrication Systems, Pumps, Process Controls, Water Works and High Purity Process products. There are more than 100 F.W. Webb locations in nine states, including all six New England states, New York, New Jersey and Pennsylvania. In addition to the wholesale business, the company operates 48 Frank Webb Home showrooms.



The company has been servicing the Warren, Washington and Saratoga counties region for over 20 years from 3 Highland Avenue in Queensbury. The company has outgrown its 3.8-acre site and has been seeking to construct a larger site to better service the region.



The current Queensbury 3.8-acre site is tight and crowded with inventory and parking for employees and contractors. The Highland Avenue building gross floor area is approximately 55,000 square feet. Below is the Highland Avenue view of the site looking eastward.



Assuming the new Corinth Road facility is being built, F.W. Webb will sell the Highland Avenue site after vacated.

The overall business reputation of F.W. Webb according to ChatGPT is favorable:

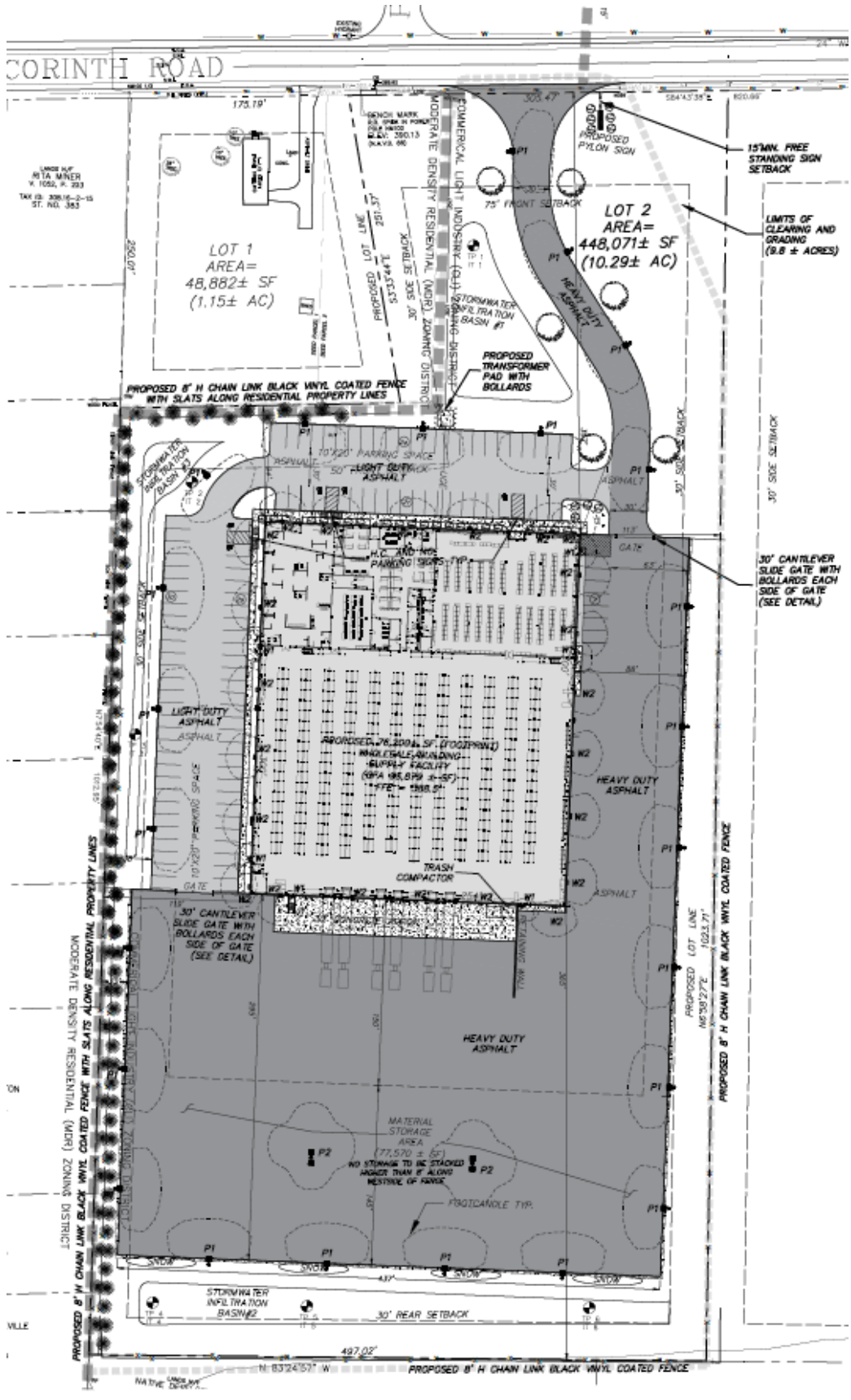
1. Industry Standing – F.W. Webb is widely respected as one of the largest independent wholesale distributors in its field, with a reputation for reliability and expertise.
2. Customer Service – Generally, the company is known for knowledgeable staff and good customer support, but experiences can vary by branch and individual interactions.
3. Product Selection – Customers appreciate its vast inventory, making it a go-to supplier for contractors and businesses needing plumbing, HVAC, and industrial products.
4. Competitive Pricing – While not always the cheapest, Webb offers competitive prices, especially for contractors with accounts.
5. Expansion and Growth – The company has been expanding, acquiring smaller distributors, and investing in its facilities, which signals financial strength and a commitment to long-term growth.

PROJECT DESCRIPTION

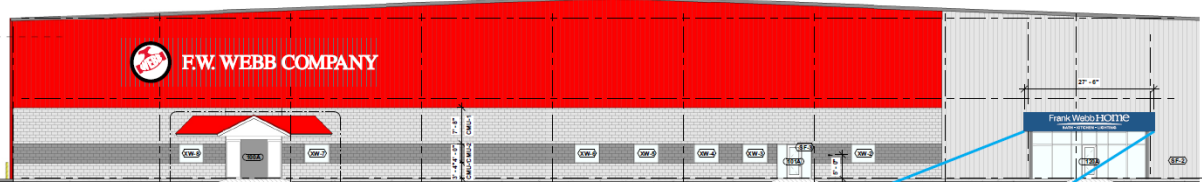
F.W. Webb is proposing to build a 76,200 square foot facility on a 10.3 acres site located at 369 Corinth Road, Queensbury (a newly subdivided site).

The state-of-the-art warehouse facility and distribution center will have 95,879 square feet of gross floor area for warehouse space, counter sales, showroom, and offices for staff and management.

The site entrance will be designed to handle trucks in the southern back and passenger vehicles in the northern front and western side. The site will include 111 parking spaces.



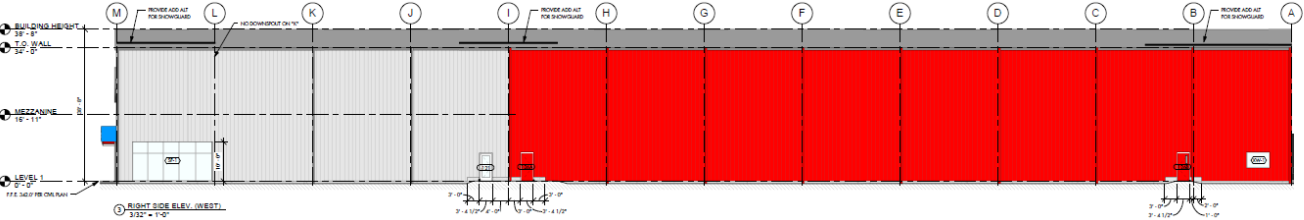
The front of the building facing Corinth Road (north) will be 254 feet wide with separate entrances for contractors (left side) and showroom (right side) customers as illustrated below:



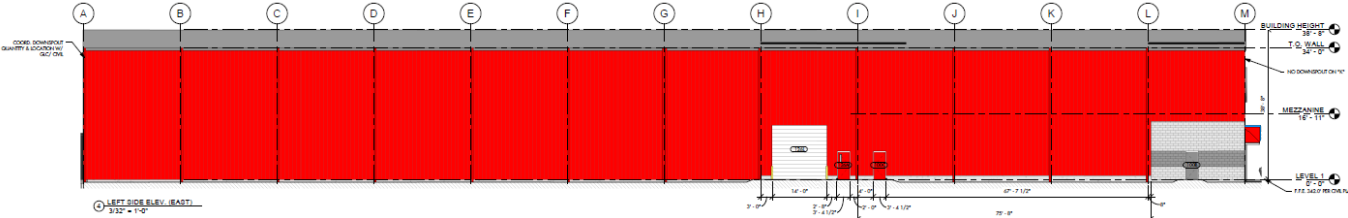
The back of the building facing south will feature a loading dock with six truck bays and an option to add three more:



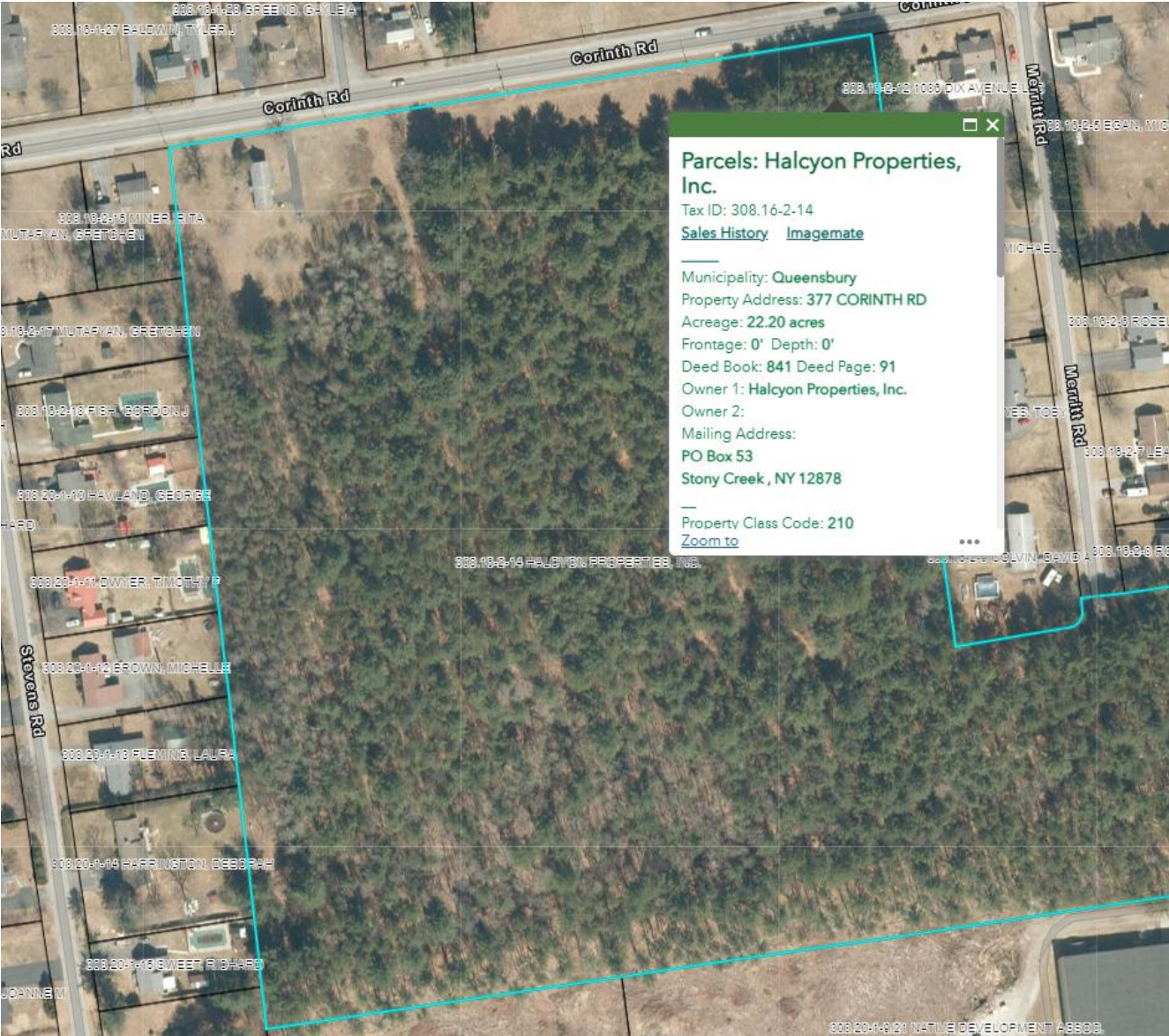
The side of the building facing west will be 300 feet long and include the showroom:



The side of the building facing east will be along the driveway to the back loading dock:



The project will be located on 10.29 acres on the western portion (left side) of the subdivided 22.20 acres lot illustrated below in the Warren County GIS. The new 10.29-acre sales transaction and subdivision to F.W. Webb affiliate (RAM Construction LLC) has not yet been reflected in GIS. The new lot number is 308.16-2-14.2.



The F.W. Webb project was approved by the Queensbury Planning Board in 2024. Native Partner LLC, on behalf of F.W. Webb, was granted a negative SEQR declaration and Site Plan Approval on August 27, 2024.

The project total investment is expected to be \$20,130,537. The major cost elements are:

- Land Acquisition \$1,500,000
- Building Construction \$15,289,217
- Furniture, Fixtures & Equipment \$2,000,000
- Soft Costs, Design, Fees, Insurance, & Other \$1,341,320

The project is expected to be financed entirely with company equity.

The estimated total assessment value of the new lot in 2025 per the Queensbury Town Assessor is \$1,066,000. “Base” annual property taxes on the new lot are estimated at \$18,358 (based on the 2025 rates).

REGIONAL ECONOMIC IMPACT

The construction and operation of the proposed F.W. Webb facility will have a noteworthy economic impact on the region.

Construction labor will comprise 125 full-time positions for 15 months valued at an estimated \$9.3 million.

Construction materials estimated at \$8.0 million will be sourced 20% from within Warren and Washington Counties and 75% from within New York State.

The operation of the new facility will have favorable incremental impact with 8 new staff positions and sales tax generation over 10 years. Wages and benefits will be over an estimated \$6.07 million. Sales tax will generate over an estimated \$2.4 million. The sum of these regional economic benefits over 10 years is an estimated \$8.5 million.

The operation of the new facility will also retain 40 positions with wages and benefits valued at \$32.5 million over 10 years. There is also retained Sales Tax generation (but impact not quantified).

The detailed community economic impact analysis is in the Appendix.

ANALYSIS OF PILOT AND ABATEMENT REQUEST

F.W. Webb Company's requested investment incentives for the 369 Corinth Road, Queensbury project are:

1. **Property tax incentives** in the form of a Payment In Lieu of Taxes (PILOT). The project qualifies for a PILOT within WWIDA's Uniform Tax Exemption Policy. The PILOT payments will be for a term of 10 years with a 50% exemption of real property taxes on the value of the improvements for years 1 through 5 and a 25% exemption of real property taxes on the value of the improvements for years 6 through 10, after construction is completed. This totals an estimated \$1,645,614 in payments over ten years versus an estimated \$2,632,983 without the investment incentive. **The estimated property tax benefit is \$987,368 over 10 years** (see Appendix for details.).
2. State and County **sales tax abatement** totaling 7% based on \$8,000,000 in purchases subject to sales tax. **The estimated benefit is \$560,000.**

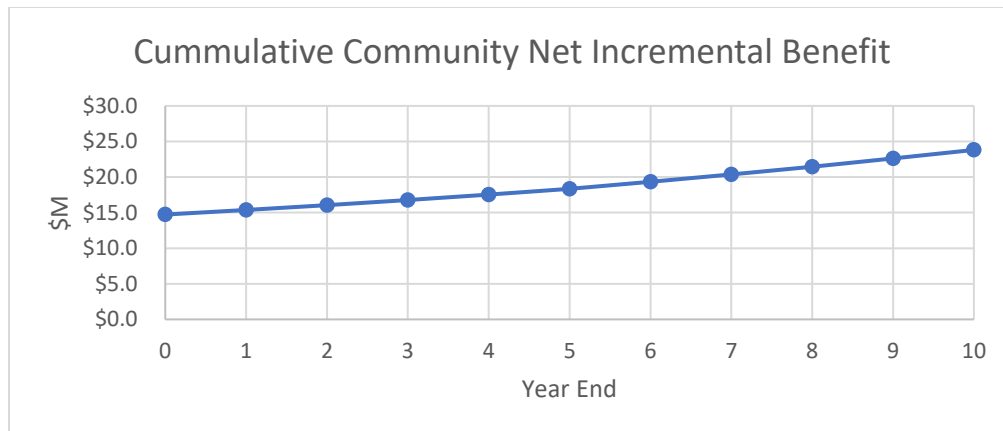
The proposed total gross investment incentives for F.W. Webb Company is an estimated \$1,547,368 before fees. The WWIDA administrative fee is \$155,522 for servicing the incentives including the 10-year PILOT. The estimated legal fee is \$15,000. **The estimated total net investment incentive is \$1,376,846.**

F.W. Webb explains that financial assistance from WWIDA will enable the company to construct this larger facility, supporting business growth in the area while maintaining competitive pricing and passing savings on to customers. This support will also allow the company to offer competitive wages and benefits, helping to expand its workforce. Additionally, the financial assistance will sustain positive cash flow throughout the construction period, ensuring that F.W. Webb can continue operating its Highland Avenue facility without disruption. This will prevent any negative impact on customers, vendors, and current employees as work progresses on the new Corinth Road facility. Furthermore, the assistance provided by WWIDA will help F.W. Webb recover costs more quickly after construction is completed, enabling continued investment in the company, its employees, and the community in the years ahead. It will also provide time to secure a buyer for the existing facility, ensuring it remains a valuable asset to the community and continues to generate employment opportunities for residents of Warren and Washington Counties.

COMMUNITY IMPACT SUMMARY and APPLICATION RECOMMENATION

The community and economic benefits of the proposed F.W. Webb project over ten years:

1. Support the local construction, manufacturing, hospitality, recreation, and other regional industries that benefit from the supply of plumbing, heating, cooling, PVF, and industrial products.
2. Generate an estimated 125 local construction jobs valued at \$9.3 million.
3. Generate construction materials sales with estimated value \$8.0 million with 20% sourced in the local area and 75% in New York State.
4. Create an estimated 8 full-time equivalent employment positions with estimated total wages and benefits of \$6.07 million. (This excludes the retention of 40 positions at \$32.5 million.)
5. Generate incremental Sales Tax estimated at \$2.4 million. (This excludes retained Sales Tax.)
6. Generate PILOT payments estimated at over \$1.6 million.
7. Generate Community Cost Benefit Ratio with incremental benefits is estimated at 1 to 16 over the ten years. (If the retention of 40 positions is added, the ratio increases to 1 to 37.)
8. The Community Net Incremental Benefit over ten years is estimated at over \$23.8 million (or \$21.0 million at a 4% net present value rate).



In conclusion, approving the F.W. Webb application and supporting the construction of the new Corinth Road facility would be in the community and economic interests of the residents of Warren and Washington Counties and the greater region.



5 Warren Street, Glens Falls, NY 12801

IDA Project Applicant: F.W. Webb Company

Project Name: 369 Corinth Road Facility

Project Type: Wholesale Distribution

Project Street Location: 369 Corinth Road

Project Municipality: Town of Queensbury

Parcel Identification: 308.16-2-14.2

Project Description: New Distribution Facility

Total Project Investment: \$20,130,537

Project Material Terms: Construct 95,879 GFA SF facility on 10.3-acre site

IDA Benefits Provided: PILOT
Sales Tax Exemption

Estimated
Community Benefits
Over Ten Years:

- a. Support regional industries
- b. Generate local \$17.3M construction activity
- c. Generate 8 new full positions valued at \$607K/year
- d. Generate incremental \$2.4M Sales Tax
- e. Community Incremental Cost Benefit Ratio: 1 to 16
- f. Net Incremental Community Benefit: \$21M (NPV @ 4%)

Appendix

F. W. Webb INCENTIVES Estimation

PILOT 50% INCENTIVE YEARS 1-5, 25% INCENTIVE YEARS 6-10

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308.16-2-14.2 Property Base 2025 Value	Estimated New Construction \$ Value	Estimated New Assessed Value	2025 County Tax Rate / 1000	2025 Town Tax Rate / 1000	Village Tax Rate /1000	2024-25 Qby School Tax Rate / 1000		
\$1,066,000	\$15,289,217	\$16,355,217	\$3.26100	\$0.64900		\$13.31117		
PILOT YEAR	% PAYMENT	COUNTY PILOT	TOWN PILOT	VILLAGE PILOT	SCHOOL PILOT	TOTAL PILOT	FULL PAYMENT w/o PILOT	ESTIMATED NET EXEMPTION
1	50%	\$24,929	\$4,961	\$0	\$101,759	\$131,649	\$263,298	\$131,649
2	50%	\$24,929	\$4,961	\$0	\$101,759	\$131,649	\$263,298	\$131,649
3	50%	\$24,929	\$4,961	\$0	\$101,759	\$131,649	\$263,298	\$131,649
4	50%	\$24,929	\$4,961	\$0	\$101,759	\$131,649	\$263,298	\$131,649
5	50%	\$24,929	\$4,961	\$0	\$101,759	\$131,649	\$263,298	\$131,649
6	75%	\$37,394	\$7,442	\$0	\$152,638	\$197,474	\$263,298	\$65,825
7	75%	\$37,394	\$7,442	\$0	\$152,638	\$197,474	\$263,298	\$65,825
8	75%	\$37,394	\$7,442	\$0	\$152,638	\$197,474	\$263,298	\$65,825
9	75%	\$37,394	\$7,442	\$0	\$152,638	\$197,474	\$263,298	\$65,825
10	75%	\$37,394	\$7,442	\$0	\$152,638	\$197,474	\$263,298	\$65,825
Totals		\$311,613	\$62,017	\$0	\$1,271,984	\$1,645,614	\$2,632,983	\$987,368
FULL ANNUAL PAYMENT		\$49,858	\$9,923	\$0	\$203,517	====>	\$263,298	
Estimated Tax Exemptions:				Estimated Cost Benefit Ratio:				
Property	\$987,368	Assumptions:		Estimated Total Project Cost	\$20,130,537			
Sales & Use 7%	\$560,000	\$8,000,000		Gross Benefit All Incentives	\$1,547,368			
Mortgage 1.00%	\$0	\$0		Gross Benefit / Cost Ratio	7.7%			
Gross Benefit	\$1,547,368	See below.		Net Benefit All Incentives	\$1,376,846			
IDA Fee	(\$155,522)			Net Benefit / Cost Ratio	6.8%			
IDA Legal Est.	(\$15,000)							
Net Benefit	\$1,376,846							

WWIDA Fee	% Project \$	Project \$	Fee \$
First \$10M	0.90%	\$10,000,000	\$90,000
Next \$10M	0.65%	\$10,000,000	\$65,000
Next \$30M	0.40%	\$130,537	\$522
Over \$50M	0.25%	\$0	\$0
TOTAL		\$20,130,537	\$155,522

F. W. Webb INCENTIVES Estimation
 Community Cost Benefit Analysis
 PILOT 50% INCENTIVE YEARS 1-5, 25% INCENTIVE YEARS 6-10

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Year	Community Tax Exemption "Costs"				Community Gross "Benefits"						Net "Benefit"
	State 4% Sale Tax Exempt.	County 3% Sale Tax Exempt.	Net Property Exempt.	TOTAL Gross Exempt.	Incremental* Wages & Fringes Ben.	Construction Labor	Constr. Mat'ls in NYS (75%)	Incremental Sales Tax Generated	PILOT	TOTAL Benefit	
0	(\$320,000)	(\$240,000)		(\$560,000)	\$0	\$9,289,217	\$6,000,000	\$0	\$0	\$15,289,217	\$14,729,217
1			(\$131,649)	(\$131,649)	\$607,000			\$27,796	\$131,649	\$766,446	\$634,796
2			(\$131,649)	(\$131,649)	\$607,000			\$70,405	\$131,649	\$809,054	\$677,405
3			(\$131,649)	(\$131,649)	\$607,000			\$114,291	\$131,649	\$852,940	\$721,291
4			(\$131,649)	(\$131,649)	\$607,000			\$159,494	\$131,649	\$898,143	\$766,494
5			(\$131,649)	(\$131,649)	\$607,000			\$206,053	\$131,649	\$944,702	\$813,053
6			(\$65,825)	(\$65,825)	\$607,000			\$254,009	\$197,474	\$1,058,483	\$992,658
7			(\$65,825)	(\$65,825)	\$607,000			\$303,404	\$197,474	\$1,107,877	\$1,042,053
8			(\$65,825)	(\$65,825)	\$607,000			\$354,280	\$197,474	\$1,158,754	\$1,092,929
9			(\$65,825)	(\$65,825)	\$607,000			\$406,683	\$197,474	\$1,211,156	\$1,145,332
10			(\$65,825)	(\$65,825)	\$607,000	\$0	\$0	\$460,657	\$197,474	\$1,265,131	\$1,199,306
TOTAL	(\$320,000)	(\$240,000)	(\$987,368)	(\$1,547,368)	\$6,070,000	\$9,289,217	\$6,000,000	\$2,357,072	\$1,645,614	\$25,361,903	\$23,814,534
The Cost to Benefit Ratio is ==>				1	to =====>					16.4	

Net Benefits - Net Present Value @ 4% \$21,077,382

* Note: Retention of 40 positions not included; wages & fringes estimated at \$32,493,000 over 10 years. The Cost/Benefit increases to 1:37.