



**REPORT OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER PUBLIC
HEARING OF PROJECT HOTEL 2010 / BERKSHIRE HOSPITALITY HELD ON
TUESDAY, FEBRUARY 1, 2011, 4:00 P.M. AT THE BATAVIA TOWN HALL, 3833
WEST MAIN STREET ROAD, BATAVIA, NY 14020**

I. ATTENDANCE

Mark Masse, GCEDC Senior VP of Operations
Steve Hyde, GCEDC President / CEO
Rachael Millspaugh, GCEDC Marketing Manager
Penny Kennett, GCEDC Office Manager
Russ Gaenzle, Harris Beach – Attorney for the GCEDC
Richard Lewis, Travelodge
Chan Patel, Clarion Hotel
John Sackett, Tax Payer
Howard Owens, The Batavian
Chief Randy W. McIntire
Jayesh Patel, Travelodge
Dharmesh Patel, Comfort Inn
Vibhu Joshi, Days Inn & Super 8
Jayesh Patel, Best Western
Pravin Patel, Best Western
Pinkish Patel, Quality Inn
Tom Warth, Hiscock & Barclay
Rashi Dev, Comfort Inn
Kirain Dev, Comfort Inn

II. CALL TO ORDER

The public hearing was opened at 4:00 pm at the Batavia Town Hall.

R Gaenzle read the notice of public hearing describing the project that was published in the Batavia Daily News, a copy of which is attached and is an official part of this transcript.

III. PROJECT SUMMARY

Berkshire Hospitality LLC has submitted an application to the Genesee County Economic Development Center (GCEDC) requesting assistance with the acquisition of property within the Genesee Gateway Corporate Park and the construction of a Holiday Inn hotel consisting of approximately 80 hotel rooms, a fitness room, an indoor pool, a lobby area and a meeting place. The Agency contemplates providing sales and use tax exemption, a mortgage tax exemption, and a partial property tax abatement.

Mark Masse, Sr. VP of Operations for the GCEDC distributed and discussed a power point presentation describing the project, the GCEDC's responsibilities, GCEDC's Analysis of the project including the economics of the project. M. Masse informed attendees that the board would like to know if an additional 80 room hotel at exit 48 interchange would put area hoteliers in a precarious financial position? The GCEDC's Analysis shows that this is unlikely, but the board is interested in hearing from the hoteliers and would like any analysis that they have to help support their objection. The GCEDC Board will consider all factors including the project scope, staff analysis, market analysis, and public comments from this public hearing. The GCEDC board will vote on the project in public session of the GCEDC board meeting expected to be on March 3, 2011. A copy of the power point presentation presented is attached and will be an official part of this transcript.

IV. COMMENTS

The following comments were noted:

John Sackett – Byron, NY

The project will create 19 jobs – possibly more part time jobs than full time and would expect them to be low paying jobs as well.

Questions whether the Town of Batavia still needs to continue offering tax abatements given that the Town does not have a real property tax rate and was the only Town in the County to give a wage increase.

Is this project saturating the market?

Is this project something that we should support? In the past it may have been necessary to assist hotels, but is it still proper to assist hotels given the developments?

Is getting bigger better?

Pravin Patel – Best Western, Batavia, NY

This is a lucrative deal for the developer, are these incentives really needed for this project to continue?

The Best Western has done a major rehab project with the GCEDC.

The playing field should be level for all of the hotels.

It is up to the developer to decide whether it is feasible to build.

As a community it is not our job to offer incentives.

In Michigan, Cooperstown, NY there is no help / incentives in those areas.

Do they need the benefits to come here are the benefits going to make a difference?

Will this increase traffic to the hotels or will this project absorb from what is already here?

This project will not increase people coming.

As of right now the Hampton charges less than us, \$114 is the average rate.

Simple question – if the Holiday Inn had not been lost would they have been creating a new Holiday Inn?

Study after study shows 48-52% occupancy rates. Used to have 98% occupancy and it has dropped down. It used to be that there were no vacancies. Now we are struggling and not selling out. It is starting to feel like corporate welfare. They will take from our current occupancies, the whole market will crash and we will be forced to drop market prices. All this for improvements, not for a new building?

Chan Patel – Clarion, Batavia, NY

Have the Star reports been used for analysis? Can prove that occupancy has decreased 10% since the last hotel opened. The GCEDC needs to investigate this further. I do not believe this will help the economy, it will damage the economy.

I believe in the IDA and that the hotels should help the IDA make an informed decision by providing any information that will help.

This project will not increase occupancy; it will only take from the occupancy level that we already have.

Steve Hyde, President & CEO of the GCEDC

If you have additional information that will help the board make its decision and help to justify your objections, please give that to us to share with the board. All facts are welcome.

Jayesh Patel – Travelodge, Batavia, NY

Would like to submit information to the GCEDC by mid-February.

The hotel market has deteriorated. Everyone will be trying to get their property reassessed to lower their taxes, because they will not be able to afford the taxes.

I do not believe that they will go somewhere else.

Niagara Falls, NY gives incentives like these, but there are no tax incentives by the airport.

How much benefit does the community receive for the current banquet center?

Believes it will damage the community verse help the community.

The analysis shows prior to 2008, but what about after 2008? In fairness you really need to look at everyone's analysis to really show if this will help. Would be willing to help fund a study \$8,000 - \$10,000 to really see if this would be feasible.

Vibhu Joshi, Days Inn & Super 8, Batavia, NY

All the numbers in your analysis are from the sky.

When someone gives you numbers how do you determine how much weight that number carries? Where do these numbers come from?

Would like the opportunity to show you my numbers. None of the current hotels have numbers that look like this. Why do they need tax avoidance? Simple supply and demand, when supply increases demand decreases and rates will be reduced. It is a ripple effect and I am already at the end of things as prices go down.

It does not benefit to make someone better off, to make someone else worse off.

I do not believe that this is the intention of the GCEDC.

Pinkish Patel – Quality Inn, Batavia, NY

Would like to show the board the numbers for the Quality Inn.

What about the current employees that are being used for the Banquet Hall?

This will over saturate the market.

Saw decreases in 2009 and 2010; the Quality Inn has done well as it is a new building. I would like to show the GCEDC board actual numbers from the hotel.

Doing fine for now, but another hotel would hurt.

Tom Warth – Hiscock & Barclay, Attorney for the hotels

I was hired by the hotel owners to represent them in this manner.

Provided a supplemental document that is attached and will be an official part of this transcript.

The GCEDC's role is to look at the economic best interest of the whole community and not that of one particular company. You are not accounting for whether there are adverse accounts to other sites. We are asking that you look outside the box and document how increasing the number of rooms will affect the existing hotels. This project will effect employment elsewhere and will not create a new market. The Holiday Inn can do it again; the incentives will not affect that particular chain.

There is a concern regarding the benefits given to originally build the banquet Hall. What commitments did they make back then? Have these commitments been met? Did they receive benefits previously?

Steve Hyde, President & CEO of the GCEDC

The project is on the increased assessed value and additional investments that are made.

Tom Warth – Hiscock & Barclay, Attorney for the hotels

The Banquet Center currently employs no one and the GCEDC should be trying to generate the

most value for the incentives that it is providing therefore is this project really worth it? There track record is not good. Their previous project failed.

Main Point – Business as usual will not work with the hotels any more.

Rashi Dev – Comfort Inn, Batavia, NY

The Comfort Inn was bought from the Hampton.

The project says that they will create new employees, currently they are using their employees from the Hampton and I would assume that they will continue to use these employees for this hotel as well.

Demand does not meet supply.

The Hampton Inn is a newer building and their rates should be higher, but their rates have been low running consistent with our own. If they are so confident then why are they reducing their rates? I am glad that Clarion is doing the water park. But when rates are so low already how will we survive?

John Sackett – Byron, NY

Just took the time to figure out the individual employee pay expected and got \$18,000 per employee for 10 years. Is this project worth going forward with for these types of jobs?

Richard Lewis, Travelodge, Batavia, NY

Suggests that the GCEDC look at the numbers closely. The GCEDC needs to do the research. This project will, without a doubt effect the market negatively, decreasing current occupancy. You may end up with closed properties. This economy is having a huge impact on the hotel industry as it is for all industries. The market is weak.

ADJOURNMENT

The public hearing was closed at 5:18 pm.