

REPORT OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S PUBLIC HEARING OF BATAVIA COLD STORAGE, LLC ON TUESDAY, APRIL 22, 2025 4:00 P.M. AT THE TOWN OF BATAVIA TOWN HALL, 3833 WEST MAIN STREET ROAD, BATAVIA, NEW YORK, GENESEE COUNTY, NEW YORK

I. ATTENDANCE

Chris Suozzi, Executive Senior VP of Business Development - GCEDC
Emma Finch, Operations Assistant – GCEDC
Bradley W Hallert – Community Member
Bradley F Hallert – Community Member

II. CALL TO ORDER

The public hearing of Batavia Cold Storage, LLC opened at 4:00 p.m. at the Batavia Town Hall, 3833 West Main Street Road, in Batavia, New York, Genesee County, New York.

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

III. PROJECT SUMMARY

Batavia Cold Storage LLC is planning to build a 7,040 sq ft facility on 3 acres at the Genesee Valley Agri Business Park in the town of Batavia with a capital investment of \$800,000.

This project proposes creating 2 new full-time equivalent (FTE) positions.

The project is requesting assistance from the GCEDC with a sales tax exemption estimated at \$28,729, a mortgage tax exemption estimated at \$7,200 and a property tax abatement estimated at \$65,717 based on the incremental increase in assessed value via a new traditional 10-year PILOT.

The Fiscal impacts (discounted value) on Local Benefits totals \$917,882 (\$ 864,659 in payroll and \$53,223 to the public in tax revenues). See attached MRB Cost Benefit Calculator.

For every \$1 of public benefit the company is investing \$12 into the local economy.

IV. COMMENTS

C. Suozzi began the public hearing by providing a summary of the above-outlined project. The purpose of the public hearing is to solicit comments and feedback from the public regarding the proposed incentives for the above-outlined project. There were no written comments received ahead of time to be included with the written record.

B. W. Hallert states while reviewing the application that the company submitted, it states that the purpose of this will be to house ice making equipment and storage related to ice production and walk in freezers to use to distribute FDA foods to 136 schools in 3 counties in Western NY. B. W. Hallert states that Batavia Cold Storage is looking for tax abatements through a PILOT, but there is no production equipment listed or any other equipment such as walk-in storage freezers listed so it appears that this is just an empty warehouse that is being built. B. W. Hallert wonders how they are going to fulfil what they are promising and that their mission is confusing. B.W. Hallert also states that in their general listing they classify this building as a general warehouse and storage facility under NAICS Code as opposed to listing it as an ice manufacturer and general warehouse is more of a catchall.

B.W. Hallert also states that he does not believe that Batavia Cold Storage LLC has a contract with New York to distribute products to schools in Western NY, again confused as to who the tenant in the facility will be. B. W. Hallert states that there is an affiliated company, J&L Ice, which does have a contract with the state of New York and is active until 2029 to distribute FDA foods in section C, but this contract is only 5 years, and this is a proposed 10-year PILOT Agreement. B.W. Hallert states that the revenue stream does not match what the company is promising. B.W. Hallert states the affiliated ice making company, J&L Ice, is currently located in the City of Batavia and approximately the

same amount of square footage and it appears that this company will be leasing from Batavia Cold Storage and will be moving its operations to this new building in the Town of Batavia which therefore is no increase in space for promised increase in production for the government food. B.W. Hallert states that the current employment at J&L Ice, 2 jobs, will stay the same in the new building under Batavia Cold Storage, and does not believe to be any net increase in employment instead of just shifting from one building to another. B.W. Hallert states he has significant doubts in whether the County should move forward with any tax abatements as in his eyes he does not see any increase in employment or revenue with this new warehouse as a result of this investment.

C. Suozzi states as the liaison on the sales side of business development, his perspective is that the capital investment of the facility of \$800,000 is something that the GCEDC Board considers a part of the criteria. GCEDC has a UTEP policy, in which they follow when applications come in. C. Suozzi states that the jobs are going to be coming from the future ramped up production and a lot of the pledged jobs in the applications come from a prediction from the company of a future increase. C. Suozzi states that the increase of 2 jobs and the capital investment of that facility is something that is agreeable with the business developmental model (UTEP) of the GCEDC board.

C. Suozzi states that there were some other questions that could not be answered by C. Suozzi personally, but these questions will be shared with the GCEDC Board for consideration.

B.W. Hallert states that the biggest concern is that he does not see where the revenue is stream coming from for the new warehouse, it just appears to be moving the same operations from a building in the City of Batavia to a new building in the Town of Batavia of the same size and caliber.

C. Suozzi states that the big factor is the owner is making a capital investment in the new building and that is the difference.

B.W. Hallert then states that this then leaves a vacant space in the City of Batavia up for lease and then he believes it is just a net transfer of jobs as he is not adding any increases to the contracts with New York State. B.W. Hallert states he realizes this is more of a problem with the banks, but it pertains to the GCEDC because if the company cannot make the payments then the GCEDC is left with another big facility up for lease for someone else. B.W. Hallert states that J&L Ice's original contract with New York State was about 23% less than what was originally promised by the State then what he actually netted for it and the company's current contract with the state is about \$500,000 less than what the original contract. B.W. Hallert states that J&L Ice will have a contract for the next 5 years that is worth substantially less than the previous contract the company held with the state and unless he is going to show where he has added a lot of ice manufacturing to offset the loss of revenues from this contract then how is he going to make the payments for this new building. B.W. Hallert states the ice manufacturing business is highly competitive and there are several other ice manufacturers in Western NY and this contract is only for 5 years.

C. Suozzi states that from the side of the GCEDC, the project has to be able to pay for the land and finance this but most of these points pertain to the Bank. If any project approaches GCEDC and is financed then that is what the Board considers.

B.W. Hallert states that there was a similar situation with the milk plant at the Agri Business Park, where a company came in and built a brand new facility and then the venture went south so Upstate came in and purchased it for significantly less than market value. B.W. Hallert states he does not know how this affected the PILOT and grants that they were given but states this is the same situation with Batavia Cold Storage. B.W. Hallert states he thinks that this should be examined with more scrutiny instead of just going with what the application says.

C. Suozzi states that the comments are appreciated and will be taken back to the Board for consideration.

B.W. Hallert asks what the next steps are. C. Suozzi states that there is a parallel process happening currently in which the Town of Batavia has to approve the Building Permits and SEQR Documentation and once the signed SEQR Documentation is approved, meaning that everyone from the Town of Batavia is on board, it will then come back to the GCEDC Board for Final Approval but there is no known timeline on this.

C. Suozzi states that anyone else with any comments or questions can send them to gcedc@gcedc.com and they will be presented to the Board for consideration.

V. ADJOURNMENT

As there were no other comments, the public hearing was closed at 4:13 p.m.