

Public Hearing Agenda
City of Geneva Industrial Development Agency
Nardozzi Holdings, LLC Project
May 3, 2023 at 5:00 pm
Geneva City Hall, 47 Castle Street, Geneva, NY

ATTENDANCE LIST:

Public: James Nardozzi, Alexis Munson, Sarah Delmonico

IDA Board: Anne Nenneau, Irene Rodriguez, RJ Passalacqua, Jason Fulton, Lowell Dewey, Ben Vasquez*

Staff and Legal: Tracy Verrier (MRB Group), Amie Hendrix (City of Geneva)

**Attended remotely*

CALL TO ORDER: (Time 5:20 pm) Anne Nenneau, Chair, opened the public hearing. Tracy Verrier, Executive Director, read the following into the record:

PURPOSE:

Pursuant to and in accordance with General Municipal Law Section 859-a, the Geneva Industrial Development Agency (the "Agency") is conducting this public hearing in connection with a certain proposed project, as more fully described below (the "Project"), to be undertaken by the Agency for the benefit of Nardozzi Holdings, LLC (the "Company"). The Agency published a Notice of Public Hearing in the Finger Lakes Times and mailed a copy of the Notice of Public Hearing to each affected taxing jurisdiction.

DISCUSSION:

NARDOZZI HOLDINGS, LLC, a New York limited liability company, for itself or on behalf of an entity formed or to be formed by it or on its behalf (the "Company") has submitted an application (the "Application") to the Agency, a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold or other interest in a certain property located at Forge Avenue in the City of Geneva, New York, Ontario County, New York (the "Land", being more particularly described as tax parcel No. 90.16-3-1-1.111); (ii) the construction of an approximately 20,000 square foot facility for use as administrative offices, warehousing, storage, and garage space (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility"); and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction").

The Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the “Financial Assistance”) in the form of: (A) an exemption from all state and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility; (B) an exemption from New York State and local mortgage recording taxes as permitted by law, consistent with the policies of the agency; and (C) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the “PILOT Agreement”), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each affected tax jurisdiction (the “Affected Tax Jurisdictions”).

NARDOZZI DESCRIPTION OF PROJECT

James Nardozzi, President of Nardozzi Holdings LLC, described the proposed project. He stated that Nardozzi Holdings LLC is located in Geneva and began as a business 17 years ago and that the business has been gainfully growing since 2015 after the company started Nardozzi Paving and Construction. James Nardozzi stated that the company primarily engages in municipal and civil contracts for both utility and infrastructure. He stated that the business is rapidly growing and needs space to expand. James Nardozzi stated that Nardozzi Holdings LLC would like to stay in Geneva due to the company’s ties to Geneva, the city’s regional location, and the site’s proximity to the NYS Thruway.

James Nardozzi stated that the proposed project on Doran Ave. consists of a staging area and 20,000 square foot transportation facility that will house a shop, engineering offices, administrative office, and accounting offices. He stated that the proposed project location would be the company’s “forever home” and allow for grow in the next 10-15 years. He stated that the company expects to keep 60 full time jobs, 1-2 part time jobs, and intends to add 10-15 more jobs over the next 3 years.

AGENCY COST BENEFIT ANALYSIS:

Based upon information provided by the Company in its Application, the Project will involve an approximately \$2.9M capital investment by the Company, with job creation. The Agency estimates the following amounts of financial assistance to be provided to the Company:

Sales and Use Tax Exemptions	\$168,750
Mortgage Recording Tax Exemptions	\$19,744
PILOT Savings (estimated)	\$920,957
Total estimated Financial Assistance	\$1,109,451

PUBLIC COMMENT:

Tracy Verrier read letters from Kathryn Slining Hayes and May Farnsworth and James Norwalk which are attached to these minutes.

ADJOURNMENT (Time 5:33 pm)

The video of this public hearing is available for review at
<https://www.youtube.com/@genevaindustrialdevelopmen2977>.

I am writing to express my opposition to the tax exemptions being requested by Nardozzi Companies. As stated in the Finger Lakes Times "Under its proposal, Nardozzi is asking for a property tax exemption of nearly \$920,957 over 10-15 years, along with a sales tax exemption of \$168,750 and a mortgage tax exemption of \$19,743. In total, the company is seeking about \$1.1 million in tax breaks." The City of Geneva, as is repeated over and over at City Council meetings, has need of a stronger tax base. Why, then, are we contemplating, yet again, letting a corporation off the hook? This system of providing extensive tax breaks to companies appears to me to be a never-ending cycle and feels close to extortion. How much in property tax income has the city lost due to PILOTs? Guardian Glass (with a second ask no less) , Lakes Edge Seneca, and Trinity Church Inn come to mind as past examples of this. Nardozzi is an established business here in town; they recently completed a huge contract with the city of Geneva which provided multiple years of work for the company. This is not a company that Geneva is trying to attract to the area, which is, in my understanding, the intended purpose of PILOTs. Even under those circumstances I don't understand the concept of business getting huge breaks while small cities like Geneva struggle and the individual is expected to pay their taxes. It is time for everyone, including corporations, to pay their fair share.

Sincerely,

Kathryn Slining Haynes,
Ward 1, Geneva, NY

Source for the quote: https://www.fltimes.com/business/nardozzi-seeking-tax-incentives-as-part-of-expansion-plans/article_182e7988-d24b-11ed-be70-7f7a0a298997.html

Verrier, Tracy

From: May Summer <maysummersalt@gmail.com>
Sent: Tuesday, May 2, 2023 5:42 PM
To: Verrier, Tracy; James Norwalk
Subject: RE: Nardozzi Holdings, LLC

Dear Sir/Madam,

We are writing to express our disapproval of the recent proposal to the city's industrial development agency to give a PILOT (Payment in Lieu of Taxes) to Nardozzi, a successful and well-established private company operating in the area.

While we understand the importance of attracting and retaining businesses in our community, we believe that offering such generous incentives to already established companies like Nardozzi sends the wrong message; it undermines the integrity of our tax system and fails to provide any certain benefit to the broader community.

Nardozzi is a company that can clearly afford to pay its fair share of taxes. Their decision to seek out such an incentive package speaks volumes about their priorities as a company. It makes no sense for the city to accommodate their request. Our city's resources are already stretched thin and it would be better to invest in small businesses and local infrastructure, rather than subsidizing the growth and expansion of large private companies.

Consider the long-term effects of these types of incentives. By reducing Nardozzi's tax burden, we are essentially shifting the burden onto other taxpayers and limiting our ability to invest in essential public services like education and public safety.

In light of these concerns, we urge the city's industrial development agency to withdraw support for a PILOT to Nardozzi. We should be striving to create a level playing field for all businesses in our community, and ensuring that everyone pays their fair share of taxes. This is essential to creating a healthy and vibrant local economy that benefits all members of our community, not just a select few.

Like we hear over and over at City Council Meetings, "Geneva must grow out of its fiscal crisis". We believe offering \$1.1 million in tax breaks, regardless of how they are rationalized by the special interests, is poor policy and will harm Geneva.

Thank you for your attention to this matter.

Sincerely,

Dr. May Farnsworth

James Norwalk

356 Washington St., Ward 2