

Supplemental Narrative BAC Sales, Inc.

This narrative is submitted to provide additional background information and outline the necessity for the application before the Columbia County Industrial Development Agency for financial benefits associated with the proposed construction of a new warehouse off of Route 9H in Ghent, New York, and the renovation of an existing warehouse at the BAC Sales, Inc. facility on Route 9H in Ghent, New York, as well as associated equipment therefore. These projects are associated with the change in the business of the applicant due to several factors, including the acquisition of a new product line; a shift of business from North Carolina to New York; and a change in products sold in New York.

BAC Sales, Inc. is one of the largest distributors of hearth products east of the Mississippi River. It is a business that was founded in Columbia County, New York, approximately fifty years ago, out of a garage on the Omi Road in the Town of Ghent. Today, it encompasses a facility on Route 9H in Ghent, and acquired Fireside Products, which is Raleigh, North Carolina based distributor of hearth products as well. The operation in Ghent currently has approximately forty employees. The operation in Raleigh has approximately twelve employees.

The hearth-related industry has changed dramatically. New Federal and State regulations aimed at eliminating fossil fuels, where possible, have resulted in the banning of propane and natural gas fireplaces and woodstoves in the State of New York by the year 2025. All newly constructed fireplaces must be fueled by electricity.

This is a significant change in the hearth industry. This will result in the complete retooling of the industry, as well as the economic model of BAC Sales, Inc. In anticipation of a change in its business model, and in order to remain competitive and, indeed, expand, BAC Sales, Inc. recently added a new product line of Napoleon outdoor grills and related products, including furniture. The outdoor leisure activity lifestyle product line will supplement what has been and will be lost due to the change in regulations. The refocus of the BAC Sales, Inc. business and expansion into this additional product line requires additional warehouse space. The outdoor grills and outdoor-related furniture are usually delivered via containers from overseas. These products tend to take up larger spaces in warehouses. The additional line of outdoor grills supplements the Big Green Egg, which is currently sold by the Fireside component of the BAC Sales, Inc. family, and is distributed from Raleigh, North Carolina.

The additional product line mandate requires additional warehouse space and personnel. The management of BAC Sales, Inc. would prefer to have the additional warehouse space here in Columbia County, and further wishes to relocate certain positions from the Raleigh, North Carolina facility in order to concentrate distribution from here. A parcel of land was acquired in 2022, which is contiguous to the existing facility, upon which has been approved by the Town of Ghent Planning Board, a plan for a 12,000-square-foot warehouse. The proposal is to construct the new facility, which can receive shipments of the new product line which, in turn, will be repackaged and distributed through dealers throughout the United States.

The existing warehouse requires upgrading modifications as well, and the total budget includes expenditures for both the new warehouse and the renovation of the existing facility.

The applicant seeks financial assistance and benefits from the Columbia County Industrial Development Agency, including a Payment in Lieu of Tax Agreement, tax-exempt interest to the extent applicable on any mortgage funding, a sales tax exemption for all equipment purchased, and grant funding based on jobs needed. The total new employees would be approximately eight (8). The construction of this facility and the new line will save the existing 30+ employees in Ghent, which, due to the upcoming fossil fuel regulations, would be significantly impacted.