GREY SWAN CAPITAL

A Cold Storage Company: A Neighbor's First Look

Prepared for the owners (names withheld)

Prepared by Steve Schroeder, Grey Swan Capital | October 30, 2026

Sample report. Business names removed. Built from publicly available data.

A Note Before You Read

Dear Owner,

Congratulations on the cold storage company. Watching a $42 million cold-storage building go up in a local industrial park, right down the street from a major beverage manufacturer, has been one of the better local stories of the last two years. I put this report together as one local business owner to another: a plain look at the costs, people, and incentives that matter most to a refrigerated warehouse of your size, with sources you can check.

Nothing in here assumes anything about your books. Everything comes from public information, and where I show a dollar figure, it is a rough illustration, not a promise. The real numbers come from a short review, and the first step takes about 60 seconds.

If it is easier, feel free to introduce me to your operations manager, CFO, or CPA. I'm happy to work directly with them.

Warmly,

Steve Schroeder
Founder & CEO, Grey Swan Capital | Senior Advisor, GMG | the South

1. Company Snapshot

Item	What public sources show
Business	A Cold Storage Company: public refrigerated warehouse and full-service third-party logistics (3PL)
Location	An industrial park in the South with interstate access (address withheld)
Opened	Ribbon cutting May 29, 2025; designed and built by a national cold-storage design-build firm
Investment	About $42 million (the local chamber of commerce, May 2024)
Building	About 135,000 sq ft; about 19,800 pallet positions; 50 ft clear height; 38-acre site
Temperature range	40°F to -20°F; blast freezing; low-charge ammonia system using natural refrigerant
Services listed	Layer/case picking, blast freezing, tempering, cross-docking, export services, e-commerce
Anchor customer	A major beverage manufacturer (its $315M, 570,000 sq ft ready-to-drink coffee plant is down the street)
Jobs	Expected to support up to 200 jobs (builder, 2025); 2024 announcement estimated 40 direct jobs and $2M+ annual payroll
Leadership	Family-owned; family also owns A Regional Transportation Company

2. Pressures and Opportunities

These are common to cold-storage operators of this size. They are not judgments about how the cold storage company is run; they are the places where dollars usually hide.

Pressures to watch

- **Power is the biggest controllable cost.** Refrigeration runs 24/7, and locally a business's electric bill includes a monthly demand charge set by its single highest 15-minute peak. One hot afternoon with doors open and compressors stacked can set the price for the whole month.
- **Freezer labor is hard to hire and keep.** Industry groups note that workers often avoid freezer work or move between warehouses for small raises, which raises training cost and turnover. Ramping toward up to 200 jobs in a tight local market makes this a real pressure.
- **Early customer concentration.** A strong anchor customer gives you a running start, and diversifying the customer base over the first few years usually reduces risk.

Opportunities

- **Value-added services.** Blast freezing, tempering, cross-docking, and case picking earn more per pallet without new square footage.
- **Storage plus trucking under one family.** Owning both the warehouse and a refrigerated fleet (the carrier) is a combined storage-and-transport offer few regional competitors can match.
- **A brand-new, equipment-heavy building.** A building placed in service in 2025, with specialized refrigeration, racking, docks, and site work, is the kind of property where cost segregation studies often find accelerated deductions.

3. Key Suppliers and Cost Drivers

Cost driver	Why it matters for the cold storage company	First practical step
Electricity	Largest ongoing utility cost; demand charges set by monthly peak	Review 12 months of bills for peak-demand dates and causes
Refrigeration service	Ammonia system uptime protects product and customer trust	Confirm preventive maintenance and coil-cleaning schedule
Labor	Freezer work pays more and turns over faster	Track 90-day retention by shift and temperature zone
Material handling	Forklifts, batteries, chargers, racking	Log equipment placed in service with dates for depreciation
Insurance	Product spoilage, property, and liability exposure	Ask your agent how backup power and monitoring affect premiums

4. Customers and the Local Economic Context

The cold storage company sits in one of the most active industrial corridors in the state. A few facts worth having in one place:

- **A major beverage manufacturer next door.** A major beverage manufacturer operates a $315 million, 570,000 sq ft ready-to-drink coffee plant locally, plus a 535,000 sq ft ambient distribution center, and named the cold storage company as cold-storage capacity for its refrigerated beverages.

- **A rare local asset.** The the local chamber of commerce described the cold storage company as the area's only cold storage facility at opening. The nearest large competitor noted in coverage was a national operator's $90 million expansion in a nearby city.
- **I-40 reach.** The cold storage company lists several major regional metros at 160, 300, 340, 395, and 500 miles, all reachable by I-40 and connecting interstates.
- **Recruiting momentum.** The the local development corporation and the Chamber helped bring a major beverage manufacturer to our town. As a local chamber leader put it in 2024, anywhere you have food production going on, cold storage tends to follow.

5. Energy and Refrigeration Operating Costs

The U.S. Department of Energy's Better Plants program lists these as the top five efficiency measures for industrial refrigeration systems. Many are controls changes rather than new equipment:

1. Minimize the condensing pressure setpoint.
2. Sequence compressors and condensers for the most efficient combinations.
3. Use variable-speed control on evaporator fans and compressor motors.
4. Reduce system lift by raising suction or lowering discharge pressure where conditions allow.
5. Apply floating head pressure control.

Other proven measures in cold storage: variable-frequency drives on evaporator fans (field trials in cold storage warehouses measured 62–86% fan-energy savings), LED lighting with occupancy sensors (LEDs also add less heat for the refrigeration system to remove), demand-based defrost instead of timed defrost, and fast-acting doors, strip curtains, and vestibules to keep warm air out.

Because the cold storage company is new, many of these may already be designed in. The value is in confirming setpoints and controls are tuned after the first full summer of real loads.

6. Demand Charges and Your Utility Rate

The local city-owned utility publishes its business rates. If the cold storage company is on the local city utility service, its bill likely falls under one of these schedules (confirm with your bill):

The local city utility schedule	Facilities charge	Demand charge	Energy charge
Large General Service	$140.00	$1,075.00 for first 100 kW; $10.75/kW above	$0.0394/kWh
Large Power Service	$450.00	$10,750.00 for first 1,000 kW; $10.75/kW above	$0.0436/kWh

Demand is measured as your highest 15-minute average each month, then reset. Energy charges also move with a Power Cost Adjustment tied to the city utility's fuel and purchased-power costs. Large Power customers served at primary voltage (13.8 kV) get a 5% demand-charge discount.

Rough illustration only: at the city utility's published $10.75 per kW, trimming 100 kW from the monthly peak (for example, by staggering defrost cycles and compressor starts, or pre-cooling overnight) is worth about $1,075 a month, or roughly $12,900 a year. Your actual figure depends on your rate schedule and load.

7. Backup Power and Resilience

- **Backup power is a selling point.** Customers storing frozen product want to know what happens during an outage. A written plan (generator coverage, fuel contracts, priority loads, temperature monitoring with alerts) is part of the sales conversation.
- **Know your hold time.** A well-insulated freezer holds temperature for a period with doors closed. Knowing your building's actual hold time helps set realistic generator sizing.
- **Tax treatment.** Generators, switchgear, and monitoring equipment are often shorter-life property for depreciation, and 100% bonus depreciation is now permanent for qualifying property acquired and placed in service after January 19, 2025.
- **Electric standby for reefer trailers.** Plugging refrigerated trailers into dock power (electric standby) lets reefer diesel engines shut off while trailers are staged. Equipment makers have reported roughly half the hourly operating cost versus running on diesel, depending on fuel and power prices. With the carrier trailers staging at your docks, this is worth pricing.

8. Workforce, Hiring, and Retention

- **Freezer work is different.** The Global Cold Chain Alliance notes that cold environments raise both pay and turnover. Small things matter: quality freezer gear, warm-up breaks, and clear paths from picker to equipment operator to lead.
- **On-the-job training dollars.** Under WIOA, the local workforce center can reimburse employers typically up to 50% of a new hire's wage during an approved on-the-job training period, and up to 75% with local board approval.
- **WOTC.** The federal Work Opportunity Tax Credit is generally up to $2,400 per eligible hire (more for certain veterans). It currently covers people who started work on or before December 31, 2025. Congress let it lapse for 2026 hires but has extended it retroactively in past lapses, and states are still accepting screenings, so screening every new hire within 28 days keeps the door open.
- **State hiring credit.** The state's the state job-creation credit program program offers a five-year state income tax credit on new payroll for eligible businesses that sign an agreement with the the state economic development agency. See Section 9.

9. Things You May Not Know

A few specific, checkable items that cold-storage owners often haven't heard about. Each one is worth a short conversation with your team or CPA.

Practical ideas grounded in industry trends

- **A 3PL storing other companies' products can count as a "distribution center" for state incentives.** Under the state's incentive act, a facility that stores and ships products owned by other companies can qualify if 75% of the product owner's sales come from out-of-state customers. A beverage maker that sells nationally may fit. That opens the state job-creation credit program hiring credits (minimum average wage $17.30/hour) for a future hiring wave. *Source:* state incentive act definitions
- **sales-tax refund refunds sales tax on future expansions.** The state's sales-tax refund program refunds 5.5% of the 6.5% state sales and use tax (plus local tax with a local resolution) on building materials and taxable equipment for qualifying projects tied to an the state job-creation credit program or Create Rebate agreement. The agreement has to come first, so it matters before any expansion starts, not after. *Source:* State economic development agency Investment Incentives

- **Your demand charge is set by one 15-minute window a month. Staggering defrost and compressor starts, pre-cooling overnight, and avoiding simultaneous dock-heavy shifts on hot afternoons can lower the whole month's bill. Source: the local city utility Business Electric Rates**
- **Evaporator fan drives are one of the best-documented cold-storage savings.** Field trials in cold-storage warehouses measured 62–86% fan-energy savings with more even temperatures; DOE lists variable-speed evaporator fans among its top refrigeration measures. *Source:* DOE Better Plants: Industrial Refrigeration
- **Dock power for reefer trailers.** EPA describes electric standby units that plug into grid power while parked or being loaded, letting the diesel engine shut off. Pairing dock plugs at the cold storage company with the carrier's refrigerated trailers saves reefer fuel for the family as a whole. *Source:* EPA Transport Refrigeration Unit Factsheet
- **Automation is planned in phases.** Industry groups report cold-storage automation (automated storage and retrieval, IoT temperature monitoring, predictive maintenance) accelerating because of freezer labor shortages. Designing a future expansion with automation in mind avoids costly retrofits. *Source:* GCCA: Application of Automation in a Public Refrigerated Warehouse
- **Training dollars at the the local workforce center.** WIOA on-the-job training contracts typically reimburse up to 50% of wages during training, and employers do not have to document the extra training cost. *Source:* State workforce agency OJT policy

Commonly missed tax findings for cold-storage operators

These are general patterns in the industry, not statements about the cold storage company's returns. In some cases, businesses can still capture credits and deductions missed in prior years.

- **Treating the whole building as one 39-year asset.** Cold-storage operators often depreciate much of a new building over 39 years when an engineering-based cost segregation study can separate out 5-, 7-, and 15-year property: dock levelers and seals, racking supports, process electrical and plumbing serving refrigeration equipment, and site work like truck courts, paving, fencing, and lighting.
- **Bonus depreciation timing on a 2024–2025 build.** Under the 2025 federal tax law, 100% bonus depreciation is permanent for qualifying property acquired after January 19, 2025. For a project that started construction in 2024 and opened in 2025, components may fall under different bonus percentages depending on contract and acquisition dates. A cost segregation study sorts this out item by item.
- **179D for buildings that began construction before July 2026.** The Section 179D energy-efficient commercial building deduction ended for projects that began construction after June 30, 2026, but buildings that began construction before then can still qualify if they meet the energy-savings standards. Owners of new, efficient buildings often don't know to ask.
- **Unscreened hires.** WOTC applies only when the screening form is filed within 28 days of the start date. Fast-growing employers often lose eligible 2025 credits simply because no one screened.
- **Catch-up depreciation.** If depreciation was missed or a study was never done, the IRS change-in-accounting-method process (Form 3115) generally allows a catch-up deduction in the current year without amending prior returns.

10. How the Tax Review Works

- GMG helps businesses claim Cost Segregation, the R&D Tax Credit, and the Work Opportunity Tax Credit (WOTC). Its Tax Management System searches hundreds of local, state, and federal incentives.
- It takes about 60 seconds to see which incentives you may qualify for.
- The initial review is at no cost; for Cost Segregation, GMG's fee is up to 10% of the savings. TMS starts at $19/month, depending on how many new hires.

- In some cases, businesses can still capture credits and deductions missed in prior years.
- GMG has recovered over $30 billion for business owners.
- These credits are a specialty; most CPAs focus on filing and compliance, so engineering studies and hiring credits are easy to miss. GMG handles the paperwork and works alongside your CPA, not around them.

The first step is the 60-second calculator: gmg.me/145371. It asks a few simple questions (whether you own or lease, how many employees, approximate payroll, how many people you hire in a year, and how the business is set up with the IRS) and shows which incentives may fit.

11. Possible Savings: Which Incentives Likely Fit and Why

Rough illustrations from public information only. These are not promises or estimates of your actual results; the real numbers come from the calculator and a review of your actual records.

Incentive	Why it may fit the cold storage company	Rough illustration (hypothetical)
Cost Segregation	New ~$42M equipment-heavy refrigerated building placed in service in 2025	If a study reclassified, say, 20% of depreciable cost into 5-, 7-, and 15-year property, several million dollars of deductions could move into the early years instead of over 39 years. Land is excluded, and the actual share comes only from the engineering study.
WOTC	Ramping workforce; credits available for eligible hires who started on or before Dec. 31, 2025, and possibly 2026 hires if Congress reauthorizes	Generally up to $2,400 per eligible hire. Ten eligible hires would be up to $24,000.
Section 179D	Construction began in 2024, before the June 30, 2026 cutoff	Depends on certified energy savings; the 2025 maximum is $1.16 per sq ft for qualifying savings levels (higher with prevailing wage and apprenticeship).
The state job-creation credit program / sales-tax refund	Possible distribution-center eligibility for future hiring and expansion	Five-year credit on new payroll; 5.5% state sales tax refund on qualifying expansion materials and equipment.
Demand-charge management	Not a tax credit, but a direct operating saving	About $12,900 a year per 100 kW of sustained peak reduction at $10.75/kW.

For real numbers, start here: gmg.me/145371 (about 60 seconds).

12. Your Other Businesses May Qualify Too

Public sources describe the owners as owners of several local enterprises. Each may have its own tax-recovery opportunities:

- **A Regional Transportation Company.** About 100 trucks, a local terminal, and steady driver hiring: candidates for WOTC, bonus depreciation on equipment, cost segregation if the terminal is owned, and federal fuel tax credits for reefer-unit diesel. I've prepared a separate report.
- **Convenience stores.** Convenience stores with fuel canopies, underground tanks, pumps, and site paving are among the properties where cost segregation commonly finds shorter-life assets.
- **Restaurants.** Restaurants often qualify for the FICA tip credit on employer Social Security and Medicare taxes paid on tips, plus WOTC for frequent hiring. The local city utility also offers free energy audits for small businesses.

- **A church.** As a tax-exempt organization, the church doesn't benefit from depreciation, but tax-exempt employers can claim WOTC for qualified veteran hires against payroll taxes when the credit is authorized.

One 60-second check per business is the easiest way to see which ones are worth a closer look.

13. Questions Worth Talking Through

6. Which the local city utility rate schedule is the cold storage company on, and what has set your peak demand in the hottest months?
7. Has a cost segregation study been done on the building, racking, docks, and site work, and were bonus percentages assigned by acquisition date?
8. Did construction qualify for, or get evaluated for, the Section 179D deduction?
9. Were 2025 hires screened for WOTC within 28 days, and are 2026 hires being screened in case of retroactive reauthorization?
10. Is a second phase or expansion on the horizon, and would an the state job-creation credit program or sales-tax refund agreement make sense first?
11. Are the carrier trailers staged at your docks, and would electric standby plugs pay off?
12. Who is the best person on your team (manager, CFO, or CPA) to look at this with?

14. About Me and Why Grey Swan

I moved here to be near my son, Gentry, who lives at the a state human development center. After surviving cardiac arrest in 2014, I became Gentry's sole caregiver, and that season changed how I think about time, community, and what matters.

Today I run Grey Swan Capital, Grey Swan Real Estate, and Smart Community Technologies here in the South. I write about our town and the people building it, and I work with local officials on expanding the area's energy infrastructure. That's one reason a facility like yours caught my attention: big, steady power users are part of how this town grows.

My father lived by a simple question: "What are the odds?" He passed last year, and I still ask it. A grey swan is something that's 80% likely to 100% inevitable. These events happen all the time, and they are not rare. A lot of people do plan for them, many don't, and some aren't obvious enough that people even know to look. Missed tax savings are a grey swan for many businesses: the savings are often there, and many owners never check. I'm a Jesus follower, and I try to do this work the way I'd want a neighbor to treat my own family: honestly, one person at a time, with no pressure.

15. Next Steps and an Invitation

13. Take the 60-second check at gmg.me/145371.
14. If it's easier, introduce me to your operations manager, CFO, or CPA. I'm happy to work directly with them.
15. Call or email anytime: 562.201.2580 | steve@smartcommunitytech.com

One more invitation: I write about our town, local business, and energy at greyswancapital.substack.com. You're welcome to join free. Paid memberships help support our town and the Human Development Center, which means a great deal to my family. Either way, I'm glad to have you reading.

Thank you for building something this good in our town.

Steve Schroeder
Founder & CEO, Grey Swan Capital | Senior Advisor, GMG

Sources

1. U.S. DOE Better Plants: Industrial Refrigeration: https://betterbuildingssolutioncenter.energy.gov/better-plants/refrigeration
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5. IRS: Work Opportunity Tax Credit: https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit
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7. IRS: Energy Efficient Commercial Buildings Deduction (179D): https://www.irs.gov/credits-deductions/energy-efficient-commercial-buildings-deduction
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10. IRS: Form 8846, Credit for Employer Social Security and Medicare Taxes Paid on Tips: https://www.irs.gov/forms-pubs/about-form-8846
11. IRS: About Form 3115, Application for Change in Accounting Method: https://www.irs.gov/forms-pubs/about-form-3115

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