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3 NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
4 PUBLIC HEARING FOR ROCK ONE DEVELOPMENT, LLC

5 January 3, 2017

6 3:00 P.M.

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9 Taken at: 500 Wheatfield Street,
10 North Tonawanda, New York
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1 PRESENT: SUSAN LANGDON,
2 Niagara County Industrial
3 Development Agency,
4 Director of Projects and Finance,
5 As Hearing Officer.

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10 REPORTED BY: DAWN M. SITERS,
11 Court Reporter.

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13 ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET
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17 MS. LANGDON: Good

18 afternoon, everyone. The public hearing is now
19 open. It is 3:00 p.m. My name is Susan Langdon.
20 I'm Director of Project and Finance at the Niagara
21 County Industrial Development Agency, and I've been
22 designated by the Agency to be the hearing officer
23 to conduct this public hearing.

24 We are here to hold the public
25 hearing on the Rock One Development, LLC and/or
individuals or affiliates, subsidiaries or entities
formed, or to be formed, on behalf of the project.
The transcript of this hearing will be reviewed and
considered by the Agency in determination of this
project. Notice of this hearing appeared in the
Niagara Gazette on December 17, 2016.

The proposed project consists

1 of 100 residential market-rate apartment rental
2 units, consisting of two four-story 36-unit
3 apartment buildings, and three 8 to 10 unit
4 single-story buildings. The property will also have
5 two 3,000-square-foot commercial/retail buildings,
6 which will comprise less than 10 percent of the
7 total square footage of the project. The project
8 location is a six-acre parcel at 600 River Road in
9 North Tonawanda.

10 The proposed financial assistance
11 contemplated by the Agency includes New York State
12 and local sales tax and use tax exemption benefits,
13 mortgage recording tax exemption benefits, and real
14 property tax abatement benefits in compliance with
15 the Agency's uniform tax exemption policy.

16 All those in attendance are
17 required to register by signing the sign-in sheet at
18 the side of the room. You will not be permitted to
19 speak unless you have registered.

20 If you have a written comment to
21 submit for the record, you may do so. Written
22 comments may also be delivered to the Agency at 6311
23 Inducon Corporate Drive, Suite One, Sanborn, New
24 York until the comment period closes on January 5,
25 2017. There are no limitations on written comments.

1 If anyone is interested in making
2 a comment, please raise your hand, state your name
3 and address. If you are representing a company,
4 please identify the company. I request that
5 speakers please keep their comments to five minutes,
6 and if possible, three minutes.

7 Does anybody wish to speak on this
8 project? Sir.

9 D. JAKUBASZEK: David
10 Jakubaszek. I reside at 879 Fairmont Avenue in
11 the great city of North Tonawanda.

12 This project, River's Edge,
13 resonates president-elect Donald Trump's message
14 to make America great. The project is in compliance
15 with the City of North Tonawanda Master Plan,
16 utilizes a reclaimed brownfield location, and is
17 another fantastic opportunity for the City of North
18 Tonawanda to enhance its growth and to continue to
19 become a destination.

20 As a proud Army veteran, I look
21 forward to having this project as a next-door
22 neighbor to the City's Veteran's Park. I
23 enthusiastically endorse the River's Edge project,
24 and look forward to seeing it come to fruition.
25 Thank you for this opportunity to speak.

1 MS. LANGDON: Thank you.
2 Does anybody else wish to speak? Any other
3 speakers?

4 B.J. VANDEWATER: Are we allowed
5 to ask questions? I mean, this is the first time
6 I've ever been to one. Are we allowed to ask
7 questions?

8 MS. LANGDON: Can I have
9 your name?

10 B.J. VANDEWATER: My name is
11 B.J. VanDewater. I'm a resident of North Tonawanda,
12 a taxpayer, as well.

13 MS. LANGDON: Sir, the
14 public hearing is to take comments, but if you have
15 a question that I can answer, I'd be happy to try
16 to.

17 B.J. VANDEWATER: Okay. So on
18 the page it talks about cost versus benefits.

19 MS. LANGDON: Sir, the
20 transcriptionist just can't hear you. Could you
21 speak up?

22 B.J. VANDEWATER: Oh. On the
23 page it discusses cost versus benefit. It talks
24 about a property tax abatement. Would that be
25 accurate to say that that's also the cost of

1 services that will be provided to the development
2 by the city and county?

3 MS. LANGDON: No. That's
4 the real property tax rate, the aggregate school,
5 city and town.

6 B.J. VANDEWATER: Okay.

7 MS. LANGDON: School, city
8 and county.

9 B.J. VANDEWATER: Okay. What
10 portion of that has to be made up by the residents
11 of the city and the town?

12 MS. LANGDON: Oh, I wouldn't
13 have a calculation on that. We have what the
14 abatements save the company, and what the normal
15 payments would be, and what the difference is. I
16 can't factor in what you're asking.

17 B.J. VANDEWATER: Okay. My next
18 question is, I read the property plan up at the
19 library. And it stated that there had to be annual
20 inspections because this is a brownfield project.
21 What happens if one of those inspections causes a
22 Certificate of Completion to be revoked?

23 MS. LANGDON: That's not
24 within the purview of the IDA.

25 B.J. VANDEWATER: So we fork

1 over the money, and then it gets revoked; what
2 happens to that?

3 MS. LANGDON: You're not --
4 what's happening here is the IDA is giving tax
5 abatements on the improvements, which is the
6 buildings. So the land that's there now is paying
7 the taxes, it will always be paying the same taxes.
8 So the argument can be made that you're only giving
9 away future taxes.

10 B.J. VANDEWATER: I didn't see
11 anything in the package that showed -- particularly --
12 recently -- the City recently sold Grant School to
13 People Incorporated for them to make new apartments.
14 I didn't see anything in this package or in the
15 package at the library that would indicate there's a
16 demand for these residential buildings. Where would
17 that -- where would I be able to find that?

18 MS. LANGDON: Again, that's
19 not within the purview of this IDA project.

20 B.J. VANDEWATER: Okay.

21 MS. LANGDON: The company
22 submitted an application to our Board, the Board
23 accepted it. They scheduled this public hearing.
24 We report back to the Board the comments, and then
25 they decide whether to render the tax abatement.

1 B.J. VANDEWATER: Okay. So
2 there's no correlation between what the City has
3 done to get new apartments in the Grant School
4 building, and what the County is doing for these
5 apartments on Riverside?

6 MS. LANGDON: There's no
7 direct correlation. The County looks -- the IDA
8 looks at each project on its own. We did receive
9 comments from Lumber City that this was in
10 compliance with their Economic Development Plan for
11 the area.

12 B.J. VANDEWATER: But nobody's
13 ever actually said we need 100 new apartments, or
14 demonstrated in some statistical manner that we need
15 100 new apartments?

16 MS. LANGDON: I have not
17 seen that. That has not been presented to our
18 Board.

19 B.J. VANDEWATER: Thanks for
20 your patience.

21 MS. LANGDON: That's fine.

22 B.J. VANDEWATER: I'm just
23 learning as I go, so.

24 MS. LANGDON: Anybody else?
25 Barbara.

1 is a start and a proposed completion date. So we
2 have a 10-year tax program, a PILOT, with no known
3 start date, no known end date. Can somebody provide
4 us with some information as to when they're going to
5 break ground?

6 And is the day they break ground
7 the day your PILOT program starts; and when does
8 the program end?

9 Assuming that we don't need 100
10 units, and only half of them get filled, what
11 happens then?

12 MS. LANGDON: Okay.
13 After -- if the Board decides to approve this, then
14 the company needs to close with the IDA on the
15 project and do all the tax documents to get the
16 project off the tax roles. And at that time, the
17 lawyers will file the papers to the PILOT to
18 schedule a 10-year PILOT. And that will take place
19 on the next taxable status date, whatever it is. I
20 mean, so the ten years starts when they close, and
21 it hits the next taxable status date.

22 C. CAPOZZI: The calendar
23 starts when the paperwork is done, not when the
24 building -- not when construction commences
25 and ends?

1 MS. LANGDON: Well, they're
2 going to probably not close well in advance of
3 starting. So it's going to be within a short period
4 of time. They're not going to want to waste any of
5 the ten years of the PILOT.

6 C. CAPOZZI: I would expect
7 not. But what would happen under the PILOT if not
8 all of the -- if within that PILOT program, that
9 10-year program, or whatever time frame is given,
10 what happens if not all of the units are built?

11 And there's also a discrepancy
12 between what the site plan approval was, if memory
13 serves me, it was 102 units, and I only see 100
14 here. Has there been a change in the plans, or am I
15 mistaken?

16 MS. LANGDON: No. Many
17 times the IDA -- the company comes to the IDA in the
18 initial stages, things do change slightly, but the
19 Board approves what is on our project sheet. So if
20 not all of the units get built, the PILOT applies to
21 the value added. So if he builds 50, the PILOT
22 applies to that. I mean, you don't get a tax break
23 on something you didn't build, so.

24 B.J. VANDEWATER: So this
25 estimated property tax abatement is based on the

1 entire project coming to fruition. And if, using
2 his example, it only comes half to fruition, then
3 the tax abatement becomes less?

4 MS. LANGDON: Yes.

5 B.J. VANDEWATER: Can the tax
6 abatement become more?

7 MS. LANGDON: No.

8 Any other comments? Mr. Taylor.

9 D. TAYLOR: Doug Taylor,
10 North Tonawanda resident, president of Taylor
11 Devices, Incorporated, and Chairman of the Lumber
12 City Development Corporation.

13 Speaking as a taxpayer on several
14 forums, I'm for this project simply because the darn
15 site's been vacant for the past 40-some years.
16 And I'm old enough to remember when it was the Iron
17 Works, and I remember when they ripped it all down
18 and plowed it all under. And it's been vacant ever
19 since.

20 And as it's been pointed out, it
21 is a brownfield; and anything that can be done to
22 get a brownfield back into service is something I,
23 as a taxpayer, am all in favor of.

24 MS. LANGDON: Thank you. Sir.

25 A. TYLEC: Austin Tylec,

1 815 Niagara Parkway.

2 Is this something that the company
3 has dealt with, brownfields, before or -- because I
4 know they're an LLC, so -- and they've been recently
5 -- they're not a very old company. So I don't know
6 if they're aware of certain precautions that they
7 have to take when dealing with brownfields.

8 MS. LANGDON: The company
9 has been through -- worked with the State through
10 the brownfields --

11 A. TYLEC: Before?

12 MS. LANGDON: On this project.

13 A. TYLEC: Just on this
14 project?

15 MS. LANGDON: Well, I can't
16 speak for them.

17 A. TYLEC: You can't speak
18 for them?

19 MS. LANGDON: I don't know.

20 A. TYLEC: You don't? Okay.

21 MS. LANGDON: We're talking
22 about this project only here.

23 A. TYLEC: Okay. Thank you.

24 MS. LANGDON: Sir.

25 J. RENDA: My name is Jim.

1 Renda, and I live on Woodlin Avenue.

2 And you know, I don't know the
3 last time somebody wanted to invest twenty million
4 dollars in North Tonawanda. So you know, running my
5 company, I mean, you do due diligence. And my
6 assumption would be that Rock One Development has
7 done their due diligence before they spend twenty
8 million dollars on a project.

9 So you know, I don't see a
10 downside. I think we should support it.

11 MS. LANGDON: Thank you.
12 Anyone else? Sir.

13 L. VISIONE: Lou Visone,
14 VisoneCo Site Development and Rock One.

15 Just to add clarification to this
16 young man's question; the Certificate of Completion
17 regarding the brownfield has been completed and
18 filed with the DEC. So that's completed.

19 And then to answer the second part
20 of that gentleman's question; the ongoing inspection
21 is just proprietary for New York State to come in
22 and make sure that the project is being maintained
23 in compliance with the work done according to the
24 brownfield on a yearly or annual basis. Whenever
25 they want to come on the property, they have the

1 right to come on the property and inspect it.

2 B.J. VANDEWATER: Thanks very
3 much.

4 A. TYLEC: Thank you.

5 MS. LANGDON: Thank you, Mr.
6 Visone.

7 Anyone else? Okay. There being
8 no further comments, it's now 3:15, and I'll close
9 the public hearing. Thank you all for coming.
10 Thank you for your comments.

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Hello Director Langdon,

I want to thank you for hosting the public hearing on the 600 River Road Apartment Development project on 3 January 2017. I am a homeowner in North Tonawanda, residing at 1098 Nash Road. I heard one of the other members of the audience mention he was veteran, so let me also mention that I served in the US Air Force during the Vietnam era. I was registered on the attendees list as BJ VanDewater.

I have reviewed the material presented, and I want to thank you for your patience explaining to me how the process works. Upon completion of that review, my formal comment is that I do not support this particular project for the following reasons:

- According to the census data, the population of North Tonawanda has declined in every census beginning in 1980, including an estimated additional reduction of 2.5% as of July 2015. The available housing units have, however, increased. This indicates to me that there will be little or no demand for this particular additional housing for the foreseeable future.
- The project development plan available at the North Tonawanda public library points out, and the developer confirmed during the hearing, that this brownfield opportunity area is open to annual and spot inspections. The development plan pointed out that if the issues with the location were to arise again over time, then the certificate of completion could be revoked. While this might have a lesser impact on a commercial or industrial enterprise, the impact on residents could be very significant, and I would prefer that other development be supported.
- The application for financial assistance includes a statement from the developer on page 9 that "The development of the property will be economically unfeasible without your assistance" It has been my experience that business models that are unable to stand without public support are unsound, and likely to fail, making this particular project a poor risk.
- On page 15 of the same documents, the costs in terms of financial assistance total up to 3.9 million dollars, and the return on that investment is only 3.2 million dollars. Given the points above, this negative return on investment is very discouraging.

Thanks again for your time, I appreciate your patience in allowing me the time to crystalize my comments on this project.

Best regards,

BJ VanDewater

**SIGN IN SHEET
PUBLIC HEARING**

January 3, 2017, at 3:00 p.m.
At 500 Wheatfield Street, North Tonawanda, NY
regarding:

**Rock One Development, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies),
or Entity(ies) formed or to be formed on its behalf**

Project Location: 600 River Road, City of North Tonawanda, Niagara County, New York

Name	Company and/or Address	X box to speak/ comment
Barbara W. Klenke	Assessor City Hall	
VanDewater PS XXXXXXXXXX	1098 NAGH RD	
Elizabeth Sanderson	116 9 th Ave.	
Michael Zimmerman	City of N. Tonawanda Community Development	
Laura Bernsonn	Lumber City Development Corp	
Hal Kudeman	DiMATTIO De NT	
Jim Renda	WOODLIN Ave N.T.	
COSIMO R. CAPOZZI	NT BUILDING INSPECTOR	
Bill Ross JOHN TYLEC	I.O.D.A. Member 815 NIAGARA PKWY. NT	

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At 500 Wheatfield Street, North Tonawanda, NY
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Project Location: 600 River Road, City of North Tonawanda, Niagara County, New York

Name	Company and/or Address	X box to speak/ comment
ART PAPPAS	MAYOR N. TONAWANDA	
David Jakubaszek	879 Fairmont N. Tonawanda	X
AUSTIN TYLEC	CLARK PATTERSON LEE	
Lucia Visone	Rock One dev.	
DOUG TAYLOR	TAYLOR VOICES INC 90 TAYLOR DRIVE NT, NY	X

