

1
2 NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

3 PUBLIC HEARING FOR HH 310, LLC. (Hamister Hotel)

4 March 5, 2015

5 3:30 P.M.

6
7 Taken at: NIAGARA FALLS CITY HALL
8 Council Chambers
9 745 Main Street
Niagara Falls, New York 14203

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1 PRESENT: SUSAN LANGDON,
 As Hearing Officer.
2 Niagara County Industrial
 Development Agency,
3 Director of Project Development.

4 REPORTED BY: DAWN M. SITERS,
5 Court Reporter.

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7

8 ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

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Ken Hamilton.....	9
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18 MS. LANGDON: Good
19 afternoon. My name is Susan Langdon, Director of
20 Project Development for the Niagara County
21 Industrial Development Agency. I'll be serving as
22 hearing officer for this public hearing. It is now
23 3:36 P.M.

1 The purpose of this hearing is to
2 solicit comments, both written and oral, on the HH
3 310, LLC Hamister Hotel project in the City of
4 Niagara Falls. The proposed project will be a newly
5 constructed Hyatt Place Hotel located at 310 Rainbow
6 Boulevard.

7 I have copies of the project's
8 cost/benefit analysis, summary and application up
9 on the table here.

10 Comments can be in support of, or
11 in opposition to, or on the nature or location of
12 the project. All comments are to be limited to this
13 project only.

14 Notice is hereby given that a
15 public hearing pursuant to Article 18-A of the New
16 York General Municipal Law will be held by the
17 Niagara County Industrial Development Agency (the
18 "Agency") on the 5th day of March, 2015 at 3:30 p.m.
19 local time at Niagara Falls City Hall, Council
20 Chambers, 745 Main Street, Niagara Falls, New York
21 14302, in connection with the following matter.

22 HH 310, LLC, and/or individuals or
23 affiliates, subsidiaries, or entity or entities

1 formed, or to be formed on its behalf (the "Company"),
2 has submitted an application to the Agency, a copy
3 of which is on file at the office of the Agency,
4 requesting that the Agency consider undertaking a
5 project (the "Project") consisting of: (A) the
6 acquisition or retention by the Agency of fee title
7 to, or other interest in, a parcel of land located
8 at 310 Rainbow Boulevard in the City of Niagara
9 Falls, New York (the "Land"); (B) the construction
10 of an approximately 107,000 square foot building
11 (the "Improvements"), to consist of an approximately
12 128-room hotel and amenities; (C) the acquisition
13 and installation in and around the Improvements of
14 certain items of machinery, equipment and other
15 tangible personal property (the "Equipment", and
16 collectively with the Land and the Improvements, the
17 "Facility").

18 The Agency will acquire title to,
19 or a leasehold interest in, the Facility and lease
20 the Facility back to the Company. The Company will
21 operate the Facility during the term of the lease.
22 At the end of the lease term, the Company will
23 purchase the Facility from the Agency, or if the

1 Agency holds a leasehold interest, the leasehold
2 interest will be terminated. The Agency
3 contemplates that it will provide financial
4 assistance (the "Financial Assistance") to the
5 Company in the form of sales and use tax exemptions
6 and a mortgage tax exemption consistent with the
7 policies of the Agency, and a partial real property
8 tax abatement.

9 A representative of the Agency
10 will be at the above-stated time and place to
11 present a copy of the Company's project application,
12 and hear and accept written and oral comments from
13 all persons with views in favor of, or opposed to,
14 or otherwise relevant to the proposed Financial
15 Assistance.

16 This public hearing is being
17 conducted in accordance with Subdivision 2 of
18 Section 859-a of the New York General Municipal Law.
19 Dated: February 11, 2015, Niagara County Industrial
20 Development Agency.

21 I will now open the hearing for
22 comments. Please remember to give your name,
23 address, and the organization you represent. Direct

1 all comments to the Chair. Your comments are to be
2 made on this project only.

3 Mayor Dyster.

4 MAYOR DYSTER: My name is
5 Paul A. Dyster. I'm mayor of the City of Niagara
6 Falls. My address is 745 Main Street, Niagara
7 Falls, New York 14302. I welcome the opportunity
8 to speak. And thank you very much, also, for
9 accommodating my schedule by letting me speak first.

10 I'm here to speak on behalf of the
11 granting of the standard ten-year PILOT to this
12 project, and very briefly, the reasons for making
13 that recommendation. The parcel on which the
14 project will be located, 310 Rainbow, has not had
15 a permanent structure located on it since the time
16 of Urban Renewal. And in fact, this proposal would
17 be the first mixed-use development in downtown
18 Niagara Falls since Urban Renewal on this scale. It
19 would deliver benefits to the City of Niagara Falls
20 in the form of property tax, sales tax, and PILOT
21 payments, and then upon termination of the PILOT,
22 you know, the whole property taxes on the parcel.

23 The City of Niagara Falls is not

1 a cash participant in the redevelopment agreement
2 governing the parcel. However, the City is
3 providing the parcel upon which the development
4 would be located without asking for the full value
5 of the parcel. So we are, in fact, a stakeholder in
6 this project. That parcel came to the City as a
7 result of a gift by David Cordish. It was part of
8 the gift that also facilitated the construction
9 nearby of the Niagara Falls Culinary Institute. As
10 a city-owned parcel, the parcel is not currently
11 generating taxes for the City. The only benefit
12 currently is a very modest rent that's being paid by
13 a temporary use on the property; basically a food
14 training program and adjoining parking lot. So the
15 construction of this project would be, to our way of
16 thinking, a very great improvement upon the current
17 use of the property.

18 We, in working with USA Niagara
19 Development Company, are trying to abide by the
20 opinions in an HVS study that identified the need
21 for additional hotel rooms in downtown Niagara Falls
22 at the three-star or higher level. We currently,
23 during many peak periods of occupancy during the

1 summertime, but now also increasingly the colder
2 season, sell out hotel rooms downtown and cannot
3 accommodate additional visitors. We have difficulty
4 sometimes supplying blocks of rooms for conferences
5 or conventions that want to come here, because too
6 many rooms are already booked. So supplying
7 additional hotel rooms in this area will be a
8 benefit to the City.

9 There's also, although there are
10 additional establishments coming on line, there's a
11 shortage of places for people to get something to
12 eat in the downtown area. And so additional
13 opportunities for restaurants and retail along Falls
14 Street would also be very welcome.

15 So for these, and a variety of
16 other reasons too numerous to mention, I'm here in
17 support of the granting of the PILOT.

18 And again, this one sort of final
19 comment; in discussions between the developer, USA
20 Niagara Development Corporation, and the City of
21 Niagara Falls, the assumption has been that the
22 applicant would apply for the standard-year PILOT,
23 and would be granted the standard ten-year PILOT.

1 And so that calculation then became part of the gap
2 analysis, or what we call the but-for analysis, that
3 stood as the basis for the State incentive, both the
4 original State incentive proposal, and then after
5 there were changes made to the project when the flag
6 changed to Hyatt Place, the cost of the project or
7 value of the project increased, and a second
8 calculation of the gap and the project both assumed
9 the granting of a ten-year PILOT. So in fact, if a
10 ten-year PILOT were not granted, it would force a
11 large number of recalculations related to this
12 project that I don't think any of us would want to
13 see happen.

14 So again, it has our very strong
15 support. Thank you.

16 MS. LANGDON: Thank you very
17 much. Does anyone else wish to speak?

18 Mr. Hamilton.

19 KEN HAMILTON: Ken Hamilton,
20 3609 Highland Avenue. I am somewhat neutral on
21 this particular project, but think that better
22 understanding and better information, better
23 amplification will serve all of the citizens well.

1 In the application and in the news
2 sources there seems to be a conflict as to the
3 number of full-time jobs that there may be.

4 Now, I'm going to speak slowly and
5 clearly for you; plus, I'm sick.

6 It was supposed to be thirty-five
7 full-time jobs. The Buffalo News reported six
8 full-time jobs to start, and then the balance being
9 part-time jobs. In the application it says
10 twenty-one full-time employees. We're getting
11 numbers like six, twenty-one and thirty-five, and it
12 starts to look like a shell game of some sort.
13 Those numbers need to be rectified.

14 We need to fully understand what
15 it is that we're getting for the surrender of the
16 property that we're giving up in downtown Niagara
17 Falls, a PILOT, a reduction in property taxes for
18 the City of Niagara Falls. As I go through the
19 application, I'm finding -- well, it's not
20 necessarily in the application, but what it is in is
21 the news reports, where it is said that the annual
22 hotel occupancy taxes would be two hundred and five
23 thousand dollars annually, with five hundred and

1 twenty thousand dollars a year on state and county
2 property taxes. New York State has no property
3 taxes. And so that was confusing. I don't know if
4 Mr. Fink, who reported for the Buffalo News, who's a
5 very able person and very skilled in real estate
6 issues, misheard or if this was misspoken, but we
7 need some clarification on that, as well.

8 We start to look at the one point
9 one million dollar payroll; and it becomes
10 significant if we're looking at a payroll for six
11 full-time employees, a payroll for twenty-one
12 full-time employees, or a payroll for thirty-five
13 full-time employees. And those numbers will
14 fluctuate rather wildly.

15 Also, when I look through the
16 application, and particularly in the environmental
17 impact, and I'm not talking about what's in the
18 ground, but in the issues that surround the hotel,
19 the hotel placement and the amount of money that
20 they're getting in grants is predicated on the fact
21 that this is supposed to be a catalytic hotel, in
22 which it will spur other growth in the area.

23 In the application, the Hamister

1 Group points out the fact, and makes special note
2 to point out the fact, that what they're doing is
3 replacing a parking lot that has a lot of movement
4 of traffic in and out of the area. And yet, on the
5 same application, they point out the fact that they
6 will have no significant business impact upon other
7 businesses in the area.

8 The question that begs to be asked
9 at that point is if you remove that parking lot, the
10 businesses for which those people were going in and
11 out of the parking lot will be negatively impacted.
12 And it's probably a question that better suits the
13 City than it does the developer. One, have we done
14 a traffic study in that area? As Mr. Dyster pointed
15 out just moments ago that this a transformative
16 project which will bring us back to the traffic
17 levels that existed in the 1950s, or perhaps even
18 higher. We have the Rainbow Bridge that's right
19 there that typically backs up traffic all the way to
20 John Daly Boulevard. And then we're putting in more
21 in fill hotels, which is not a bad thing. But the
22 question is, how do accommodate the parking for the
23 businesses that now depend upon that parking? Have

1 we made any accommodations for things like that? We
2 don't want a hotel to be a negative contributor or a
3 detractor from the businesses that are already
4 preexisting. There will be more hotels to follow,
5 which is what our hope is. Therefore, what will we
6 do with the parking that has now been displaced by
7 the hotel?

8 We have seen the same thing happen
9 on Main Street, on North Main Street, which was the
10 demise of Main Street. Whereas, because of the
11 suburban malls and the LaSalle strip malls where
12 people can park in front of the stores, in the 1960s
13 we tore down housing behind the stores in order to
14 put parking lots. Those parking lots are there now,
15 and they sit empty because the lack of parking and
16 the lack of walk-up businesses, or walk-up patrons
17 rather, has left the businesses without customers.
18 I'd hate to see the fact that there's no parking
19 in proximity to many of those businesses, or
20 insufficient parking to many of those businesses,
21 that these businesses will now close or be hurt by
22 the fact that the hotel is there.

23 Also, and this is about the last

1 one, is that this is Mr. Hamister's first Niagara
2 County venture, and it may be addressed to the IDA,
3 as well, in that I see nothing in that application
4 concerning equal employment opportunities. In
5 Niagara County the minority population is less than
6 five percent. And so that would not be a difficult
7 target to me on just natural employment practices.
8 In the City of Niagara Falls, the minority
9 population is closer to thirty percent. And without
10 some sort of assurances that the Hamister Group will
11 seek out to get fair employment to the minority
12 community that really needs these jobs, try to meet,
13 not a quota, but a goal of around thirty percent,
14 then I am not at all comfortable with the citizens'
15 tax dollars going towards a project for which they
16 will not benefit and that we import people from
17 outside of the city.

18 I understand that Mr. Sloma and
19 the rest of the IDA has encouraged what he considers
20 to be local employment goals. But when you look at
21 the county and you look at the City, you're looking
22 at two very separate localities, two separate
23 dynamics. And therefore, I would be more

1 comfortable if Mr. Hamister and his organization
2 puts in writing that they do have goals, and have
3 a way of meeting those goals, and that those
4 goals are not just limited to part-time seasonal
5 employees, but to full-time staffers in some sort
6 of a professional status.

7 It's not a bad project. I have
8 spoken with many people concerning this project.
9 I am not excited about the project. But what I am
10 looking at are the long-term ramifications of
11 what this project will do, and the unintended
12 consequences as a result of that. And I just want
13 to make sure that we have touched all bases around
14 this project.

15 I know you don't answer any
16 questions here, but I would like someone from the
17 IDA who will answer questions concerning the points
18 that I have just made. Thank you very much.

19 MS. LANGDON: Thank you.
20 Does anybody else wish to speak? Sir.

21 EARL BASS: My name is
22 Earl Bass, 2913 Michigan Avenue. I'm a citizen of
23 Niagara Falls.

1 I come to speak not in opposition
2 to the project itself, just as opposed to how it
3 stands. When the project was first presented to me
4 as far as the different media outlets, it was
5 presented as this catalytic project that would spur
6 a lot of development in downtown Niagara Falls.
7 And for me, being a young person who has seen the
8 decline, and then somewhat of a resurgence of the
9 City, I think the project the way it stands as-is is
10 not exactly what we need.

11 I feel that we need more
12 family-oriented attractions downtown. The Hyatt
13 Place is designed more so for business travelers.
14 When the project was first presented, it was
15 presented as, I believe, a Hilton Garden Inn, and
16 the flag has since changed.

17 As far as the amount of state
18 incentives, and possibly the IDA incentives that
19 this project will get, at a total of over seven
20 million dollars, I think this project could be more,
21 considering that it will have that much aid coming
22 from taxpayers. And me, being a taxpayer; me, being
23 so dedicated to the City and its future, I just

1 would -- I would like to see more from the project,
2 as far as -- I mean, you could even have something
3 having a built-in attraction, instead of the
4 proposed retail space, maybe even something
5 permanent, something like a family interactive
6 project, a museum. Something that would entice
7 people not to just stay in the hotel, but to invest
8 in the area. When you have people who come to
9 Niagara Falls, they get rooms, they spend fifteen
10 minutes or an hour over here, and then they go to
11 the Canadian side. I think when we're building
12 things from the ground up, that we should do things
13 that entice them more.

14 So I'm not opposed to development
15 at all. I just would like to see a little bit more,
16 some tweaks to the project that would cater to the
17 needs of what we need in the City now. Thank you.

18 MS. LANGDON: Thank you.
19 Does anyone else wish to speak?

20 There being no further speakers,
21 it is now 3:55 and I will adjourn the hearing. You
22 very much for coming, and for your comments.

23 * * * *