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NCIDA PUBLIC HEARING FOR  
MERANI HOSPITALITY, INC.  
NIAGARA FALLS, NEW YORK

LOCATION: NIAGARA FALLS CITY HALL  
745 Main Street  
Niagara Falls, New York 14302

DATE: August 11, 2009

TIME: 4:04 p.m.

HEARING OFFICER: LAWRENCE WITUL

REPORTED BY: KELLY MAJCHRZAK

1 MR. WITUL: Good afternoon. My name is  
2 Lawrence Witul. I'm the assistant director of  
3 the Niagara County Industrial Agency. I will be  
4 serving as the Hearing Officer for this public  
5 hearing. It is now 4:04 p.m.

6 A copy of the Project summary is  
7 available for review upon request.

8 The purpose of this hearing is to  
9 solicit comments, both written and oral, on the  
10 Merani Hospitality, Inc. Project in Niagara  
11 Falls, New York.

12 Comments can be in support of or in  
13 opposition to the project, or on the nature or  
14 location of the project. All comments are to be  
15 limited to the Merani Hospitality, Inc. Project,  
16 Niagara Falls, New York.

17 This hearing is not for accepting  
18 comments on any environmental issues nor  
19 environmental determination, and this is not a  
20 part of the New York State SEQRA process.

21 Notice of Public Hearing: Notice is  
22 hereby given that a public hearing pursuant to  
23 Article 18-A of the New York General Municipal

1 Law will be held by the Niagara County  
2 Industrial Development Agency (the "Agency") on  
3 the 11th day of August, 2009 at 4:00 p.m. local  
4 time, at the Niagara Falls City Hall, 745 Main  
5 Street, Niagara Falls, New York 14302, in  
6 connection with the following matter.

7 Merani Hospitality, Inc. for itself or  
8 on behalf of an entity formed or to be formed  
9 (the "Company"), has submitted an application  
10 (the "Application") to the Agency, a copy of  
11 which is on file at the office of the Agency,  
12 requesting that the Agency consider undertaking  
13 a project (the "Project") for the benefit of the  
14 Company consisting of: (A) the acquisition or  
15 retention by the Agency of fee title to or a  
16 leasehold interest in an approximately 3.80-acre  
17 parcel of land located at 401 Buffalo Avenue in  
18 the City of Niagara Falls, Niagara County, New  
19 York (the "Land"), together with an existing  
20 approximately 127,004-square-foot building  
21 thereon (the "Existing Improvements"); (B) the  
22 renovation and reconstruction of the Existing  
23 Improvements (the "Improvements") for use by the

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1           Company as a first-class hotel together with  
2           various amenities, including banquet facilities;  
3           and (C) the acquisition of and installation in  
4           and around the Existing Improvements and the  
5           Improvements of certain equipment and items of  
6           personal property including, but not limited to,  
7           commercial kitchen equipment, laundry equipment,  
8           guest-room and related furnishings, and  
9           telephone, computer and Internet equipment and  
10          support systems (the "Equipment") and  
11          collectively with the Land, the Existing  
12          Improvements and the Improvements, the  
13          "Facility").

14                        The Agency will acquire or retain title  
15                        to, or a leasehold interest in, the Facility and  
16                        lease the Facility back to the Company. The  
17                        Company will operate the Facility during the  
18                        term of the lease. At the end of the lease  
19                        term, the Company will purchase the Facility  
20                        from the Agency, or if the Agency holds a  
21                        leasehold interest, the leasehold interest will  
22                        be terminated. The Agency contemplates that it  
23                        will provide financial assistance (the

1 "Financial Assistance") to the Company for  
2 qualifying portions of the Project in the form  
3 of sales and use tax exemptions and a mortgage  
4 recording tax exemption for financing related to  
5 the Project, consistent with the policies of the  
6 Agency, a partial real property tax abatement  
7 and a mortgage recording tax exemption with  
8 respect to a certain payment-in-lieu-of-tax  
9 agreement mortgage.

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

17 This public hearing is being conducted  
18 in accordance with Subdivision 2 of Section  
19 859-A of the New York General Municipal Law  
20 dated July 7th, 2009, Niagara County Industrial  
21 Development Agency, Samuel Ferraro, Executive  
22 Director.

23 The Merani Hospitality Corporate

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1 Project at 401 Buffalo Avenue has anticipated  
2 investments of about \$20,000,000 over the next  
3 three years. They are requesting a  
4 payment-in-lieu of tax extension and mortgage  
5 extension. They anticipate, based upon  
6 completion of the Project, the creation of  
7 approximately 75 jobs, including those in  
8 housekeeping, office sales, hospitality  
9 maintenance, chefs and management operations.

10 The Project is consistent with the  
11 policy and legislation and complies with various  
12 laws of The State of New York.

13 I'll open the hearing for comments.  
14 Once you have been recognized, please give your  
15 name, address and organization you might  
16 represent. Direct all comments to the Chair.  
17 Your comments should be limited to this project,  
18 and your comments must be limited to three  
19 minutes. We will hold it open for a couple  
20 moments in case someone comes in.

21 (Whereupon, Kris Christensen walked in  
22 the room.)

23 MR. WITUL: Your name?

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1 K. Christensen: Kris Christensen.

2 MR. WITUL: For your reference we  
3 opened the public hearing at 4:04 on the Merani  
4 Hospitality, Incorporated Project at 401 Buffalo  
5 Avenue in Niagara Falls. We are open for any  
6 comments on that at this moment in time. If you  
7 wish to comment, please provide your name and  
8 address. We ask you direct all comments to the  
9 Chair, and your comments should be limited to  
10 this project. You are not compelled to comment.

11 It is now 4:10 p.m. There have been no  
12 comment. I will close this hearing.

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1 STATE OF NEW YORK)

2 SS:

3 COUNTY OF ERIE)

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5 I, KELLY MAJCHRZAK, a Notary Public in  
6 and for the State of New York, County of Erie,  
7 DO HEREBY CERTIFY, that the proceedings were  
8 taken down by me in a verbatim manner by means  
9 of Machine Shorthand on August 11, 2009,  
10 that the proceedings were taken to be used in  
11 the above-entitled action.

12 I further CERTIFY that the  
13 above-described transcript constitutes a true,  
14 accurate and complete transcript of the  
15 testimony.

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KELLY MAJCHRZAK  
Notary Public

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (NCIDA)  
PUBLIC HEARING  
August 11, 2009, 4:15 P.M.  
Niagara Falls City Hall

Re: Project nos. 09-07(Merani Hospitality, Inc.) and 09-08 (LaSalle Hospitality, Inc.)

COMMENTS

Submitted by: Niagara Falls Department of Economic Development & Planning

The City of Niagara Falls is supportive of development projects which will have a beneficial impact on the City. The City will also consider employing City incentive programs for projects with beneficial impacts which ultimately meet or exceed the public support, and which demonstrate verifiable necessity for the public support, i.e. "but for" the assistance, the project could not be implemented.

The City is currently in the process of obtaining project data from the applicants for the above cited projects, and evaluating that data to establish the beneficial impacts and necessity for City incentive programs.

The granting of tax relief through Payment In Lieu of Tax (PILOT) agreements by the NCIDA, and particularly 100% tax abatements, will have impacts on both the projects and the City. In view of this, the tax abatements granted for these projects and the actual PILOT Agreements must be reviewed by the City in determining project impacts and necessity for City incentive support.

To assist in the City's review processes for these projects, and for all future projects located within the City, the City requests:

- That the NCIDA work cooperatively with the City from time of Application submission;
- That the NCIDA require, review, and analyze fully-completed Applications and all supporting documents as specified or required by and during the Application review process; and
- That the NCIDA provide the completed Applications, supporting documents, analysis, justifications, and recommendations to the City and allow for City input and response prior to taking final Board action.