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STATE OF NEW YORK COUNTY OF NIAGARA,

In the matter of
the
Niagara County Industrial Development Agency
public hearing held for
THE KISSLING INTERESTS, LLC.

On August 8, 2007

At 4:00 P.M.

At North Tonawanda City Hall
216 Payne Street
North Tonawanda, New York

APPEARANCES:

LAWRENCE WITUL,
Assistant Director for NCIDA.

ANDREA P. EGOLF,
Court Reporter.

1 MR. WITUL: would everyone
2 please sign the attendance sheet, even if
3 you are not going to speak today. It is
4 so we have a record of folks being here
5 and it is my way of attesting that I
6 actually did attend.

7 Good afternoon. My name is
8 Lawrence Witul. I'm the assistant
9 director of the Niagara County Industrial
10 Development Agency. I will be serving as
11 the hearing officer for this public
12 hearing. It is now 4:03 p.m.

13 I have circulated a copy of the
14 project summary sheet for the Kissling
15 Interests, LLC., Project. Everybody has
16 gotten a copy and had a chance to look at
17 it.

18 The purpose of this hearing is to
19 solicit comments, both written and oral,
20 on the Kissling Interests, LLC., Project
21 in North Tonawanda, New York.

22 Comments can be in support of or in
23 opposition to the project or on the nature

1 or location of the project. All comments
2 are to be limited to the Kissling
3 Interests, LLC., Project in North
4 Tonawanda.

5 This hearing is not for accepting
6 comments on any environmental issues, nor
7 environmental determinations, and this is
8 not a part of the New York SEQRA process.

9 Kissling Interests, LLC., Project
10 would be located at 184 Sweeney Street in
11 North Tonawanda. The company is seeking
12 certain benefits through the agency,
13 including a fifteen-year deviated PILOT
14 sales tax exemptions, mortgage recording
15 tax exemptions.

16 The Kissling Interests, LLC., and
17 affiliated companies are proposing the
18 purchase of the historic facility, better
19 known as the Remington Rand building on
20 Sweeney and would be for a mixed use
21 development in the downtown area of the
22 City of North Tonawanda. It would be,
23 again, mixed uses, which would include a

1 number of small business activities that
2 would take place, and there is a proposal
3 to have some additional tenants on the
4 ground floor that may be more of a
5 commercial and/or retail related type
6 activity. The total project is estimated
7 to cost fifteen million dollars. As a
8 result of the project, employment is
9 expected to be approximately one hundred
10 twenty-five jobs created over the two-year
11 period.

12 Niagara County Industrial
13 Development Agency, notice of public
14 hearing.

15 Notice is hereby given that a
16 public hearing pursuant to Article 18-A of
17 the New York General Municipal Law will be
18 held by the Niagara County Industrial
19 Development Agency (the agency) on the 8th
20 day of August 2007, at 4:00 p.m. local
21 time, at the North Tonawanda City Hall,
22 216 Payne Avenue, North Tonawanda, New
23 York 14120, in connection with the

1 following matter:

2 The Kissling Interests, LLC., for
3 itself or on behalf of an entity formed or
4 to be formed (the company), has submitted
5 an application (the application) to the
6 agency, a copy of which is on file at the
7 office of the agency, requesting that the
8 agency consider undertaking a project (the
9 project) for the benefit of the company
10 consisting of: (A) the acquisition or
11 retention by the agency of fee title to or
12 a leasehold interest in approximately 1.80
13 acre parcel of land located at 184 Sweeney
14 Street in the City of North Tonawanda,
15 Niagara County, New York (the land)
16 together with the existing improvements
17 thereon, consisting of an approximately
18 164,367 square foot four-story building
19 and an adjoining approximate 3,154 square
20 foot one-story building (the existing
21 improvements); (B)(1) the renovation and
22 rehabilitation by the company of the
23 existing improvements and to transform

1 them into the high-tech business incubator
2 whereby the second through fourth floors
3 of which will be converted into 51
4 individual work/live loft spaces and
5 business conference room space whereby the
6 first floor will be retrofitted to a
7 51-car parking area and whereby the
8 remaining portion of the ground floor will
9 be renovated to house the Niagara Frontier
10 Chapter of the Antique and Classic Boat
11 Society Museum and Boat Building Workshop,
12 a health facility, and a first-rate
13 restaurant; (2) the construction of an
14 additional approximately 1,000 square foot
15 building to be adjoined to the existing
16 improvements to house the buildings
17 superintendent and his/her family
18 (collectively, the improvements); and (C)
19 the acquisition of and installation in and
20 around the improvements of certain
21 machinery, equipment and items of personal
22 property (the equipment, and collectively
23 the with the land, the existing

1 improvements and the improvements, the
2 facility).

3 The agency will acquire or retain
4 title to, or leasehold interest in, the
5 facility and lease the facility back to
6 the company. The company will operate the
7 facility during the term of the lease. At
8 the end of the lease term, the company
9 will purchase the facility from the agency
10 or if the agency holds the leasehold
11 interest, the leasehold interest will be
12 terminated. The agency contemplates that
13 it will provide financial assistance (the
14 financial assistance) to the company for
15 qualifying portions of the project in the
16 form of sales and use tax exemptions and a
17 mortgage recording tax exemption for
18 financing related to the project,
19 consistent with the policies of the
20 agency, a partial real property tax
21 abatement and a mortgage recording tax
22 exemption with respect to a certain
23 payment in lieu of tax agreement mortgage.

1 A representative from the agency
2 will be at the above-stated time and place
3 to present a copy of the company's project
4 application and hear and accept the
5 written and oral comments from all persons
6 with views in favor of or opposition to or
7 otherwise relevant to the proposed
8 financial assistance.

9 This public hearing is being
10 conducted in accordance with Subdivision 2
11 of Section 859-a of the New York General
12 Municipal Law. Dated July 3, 2007,
13 Niagara County Industrial Development
14 Agency. By Samuel M. Ferraro, executive
15 director.

16 I will open the hearing for
17 comments. Once you have been recognized,
18 please give your name, address or
19 organization you might represent. Direct
20 all comments to the chair, and please
21 limit your comments to this project and no
22 others.

23 Anyone wishing to comment at this

1 time?

2 MR. BURGIO: I'm Dave Burgio.
3 I reside in North Tonawanda, 1879 Sweeney
4 Street. I'm currently the president of
5 the Chamber of Commerce of the Tonawandas,
6 and former mayor of the city. I speak
7 with two hats on.

8 As former mayor, I brought Tony
9 Kissling into this city and introduced him
10 to this project. This has been going on
11 for three years now. I was an advocate of
12 the project at that time and brought this
13 project to the table, both to the Chamber
14 of Commerce and to the LDC.

15 As a Chamber president, the Chamber
16 has undertaken an initiative through an
17 academic development committee, that they
18 support this enthusiastically that this
19 project be done and go ahead -- they give
20 their go-ahead that Kissling will have an
21 IDA loan, and along with what the city has
22 done and the school district. So we're
23 emphatic to the fact we want to see it

1 done. We think it is a catalyst to the
2 city, and we think it is a good thing.
3 Thank you.

4 MR. WITUL: Thank you very much,
5 Mr. Burgio. Anyone else wishing to
6 comment at this time?

7 MS. SANTIAGO: Joyce Santiago,
8 147 Eighth Avenue here in North Tonawanda.
9 I'm executive director of the Chamber of
10 Commerce of the Tonawandas. And I'd just
11 like to restate that the Chamber of
12 Commerce of the Tonawandas is in favor of
13 the Kissling Project, as well as their
14 receipt of the assistance that has been
15 requested so that they may continue to
16 beautify the waterfront area and bring
17 employment into the area.

18 MR. WITUL: Thank you.

19 RAE PROEFROCK: My name is Rae
20 Proefrock, 202 Niagara Street in North
21 Tonawanda. I'm a member of the North
22 Tonawanda Historic Preservation Committee.
23 We have seen the concept drawings for this

1 project and enthusiastically support the
2 project. It will be a major step forward
3 in our efforts to revitalize and restore
4 our downtown district. And we're very
5 excited about it and can't wait until it
6 begins.

7 MR. WITUL: Thank you very
8 much.

9 DOUG TAYLOR: Doug Taylor. I
10 reside at 275 Belmont Court East. I'm
11 also president of Taylor Devices,
12 Incorporated on Tonawanda Island. The
13 scope of this project is in the 15 million
14 dollar range. And just per reference, my
15 company has been in North Tonawanda for
16 fifty-two years now, we've been on
17 Tonawanda Island site for forty-seven
18 years. We ran a quick check this morning
19 just to see what our total investment was
20 in forty-seven years on Tonawanda Island
21 and it came up to be about 9 million
22 dollars. So in terms of scope, this
23 project is a 15 million dollar project

1 taking place over a fairly short two-year
2 span. I consider that one of the biggest
3 projects that has been around this city in
4 my lifetime and I am fully in support of
5 the project.

6 MR. WITUL: Thank you.

7 Anyone else wishing to comment? Yes,
8 senator.

9 GEORGE MAZIARZ: George Maziarz,
10 New York State Senator, 2578 Niagara Falls
11 Boulevard.

12 I'm here today to speak up in favor
13 of this project. We've seen what
14 waterfront type development projects have
15 done in any other municipalities, in
16 particular this residential slash
17 commercial use of old buildings through
18 the adaptive reuse process.

19 When I took Tony Kissling around
20 downtown and we're talking about this
21 building, I told him about the days when I
22 used to actually, from the railroad train,
23 crawl up onto the roof of this building,

1 and we won't print that in the newspaper.
2 Get arrested for trespassing. But Tony
3 Kissling has done projects in other areas
4 of New York State and has a great
5 reputation, and this is truly a good
6 project for North Tonawanda, and I think
7 for the, particularly for the Erie Canal
8 and I wholeheartedly lend my enthusiastic
9 support to it. Thank you.

10 MR. WITUL: Thank you very
11 much. Anyone else wishing to comment?

12 DAVID SEYLER: I'm David Seyler
13 and I live at 1889 Colvin in Tonawanda and
14 I have several enterprises. I have a
15 business in the building for two and a
16 half years. I was actually hoping that
17 representatives of or the owners of the
18 building might be here. I kind of wanted
19 to find out when this project was going to
20 happen. I agree this could be great for
21 the city, I agree, it is just my dumb luck
22 to be in the building. I was hoping to
23 maybe get some idea of when this might

1 happen and what would happen to the
2 tenants in the building because none of
3 the other businesses, about eight
4 businesses in there right now, and nobody
5 seems to have heard from anyone that I've
6 talked to and I was hoping maybe to get
7 answers to when we would be evicted and
8 the like. So I was actually hoping other
9 people would be here to answer those
10 questions, that's all.

11 MR. WITUL: Okay.

12 Representatives of the company are not
13 here. They do have a tentative schedule
14 based on financing and other commitments
15 and obligations. What I can say for those
16 existing businesses within that facility
17 is that there are some local development
18 organizations, including the Lumbar City
19 Development Corporation, the Niagara
20 County Center for Economic Development who
21 will be or have tentatively looked at
22 scheduling meetings with existing
23 businesses in the facility so that if

1 there is a need for new locations, that
2 options and alternatives are identified,
3 along with the means of hopefully
4 accomplishing those activities. You are
5 not being left out in the cold. We do
6 have Mr. Chuck Bell here from the Lumbar
7 City Development Corporation. Mr. Bell,
8 if you would like to comment.

9 CHUCK BELL: And we've been
10 working with -- with the Lumbar City
11 Development Corporation and also the
12 Economic Development coordinator of the
13 City of North Tonawanda and we've been
14 working with Mr. Kissling on the project
15 to kind of be a conduit in terms of
16 getting you information, but seeing what
17 other means there are for you and how we
18 can help out in terms of fitting the best
19 fit, whether it be in this building or
20 elsewhere.

21 MR. WITUL: Thank you.

22 CHUCK BELL: And I'd also ask
23 that if you would please pass that along

1 to anyone else who you know is finding and
2 having similar frustration.

3 MR. WITUL: Any other
4 comments?

5 MICHAEL KONDIS: Yes.

6 Michael Kondis, 223 Broad Street in the
7 City of Tonawanda. I guess I am
8 representing my wife who also rents space
9 in the building as an artists studio,
10 Crossover Studios. I guess I was wanting
11 to come to the meeting also from the
12 perspective of the current tenants because
13 I notice that several things in the
14 application that you have posted on the
15 IDA's website refer to helping three or
16 four, you know, businesses. As far as I
17 know, there are at least -- well, there is
18 -- there is six occupants on the upper
19 three floors, not counting the ground
20 floor at all, so I was also wondering if
21 that meant the other tenants, you know,
22 were going to get no assistance, you know,
23 in moving or in relocating?

1 But actually on our floor we were
2 kind of thinking it as a community of
3 artists and artisans with my wife's studio
4 and Seyler Enterprises and there is other
5 woodworkers on our floor, you know, who
6 are using the space, you know, having an
7 opportunity to give back to the community,
8 you know, through the work that we do and
9 occupants such as us and we see it has
10 definite advantages to that building and
11 the affordability of it, but the fact that
12 it has that big freight elevator, it has
13 big garage doors, high ceilings. My wife
14 paints backdrops that are pretty large so
15 she needs the high ceilings and that so
16 there are things that that building offers
17 that might not be real common to a lot of
18 other sites.

19 And like David said, you know, kind
20 of bad luck to be in the building. It
21 does sound like a good project and we're
22 certainly not saying don't go ahead with
23 the project. You know, it is just, I

1 think there is a need, -- you know, in his
2 application he talks about a need for this
3 type of live/work space that he's going to
4 be providing and actually that was one
5 question I wanted to ask was that it
6 refers to a compiling list of people who
7 are interested in the building and I
8 wondered how many names or how many
9 interested parties that might be on a list
10 like that at that point.

11 MR. WITUL: Again, at this
12 point in time the company is working out
13 certain details. I don't think they were
14 looking to exclude anyone when they
15 referred to three or four businesses. I
16 think it was just a matter of identifying
17 the fact that some businesses were there.

18 As indicated earlier, local
19 development corporation will be contacting
20 existing people. I don't know if it has
21 been scheduled yet, but it may be that the
22 next time Mr. Kissling is in town it may
23 be an opportunity to have the tenants, all

1 of tenants, get together with Mr. Kissling
2 and the development corporation to review
3 the various elements of what the existing
4 tenants are doing. Some may be in a
5 situation where they're going to be asked
6 to consider staying as opposed to moving
7 on. But, again, I think that this is part
8 of the early stage process and in order to
9 determine the economic feasibility and
10 practicality of it, if the benefits and
11 incentives are not available, it is
12 extremely difficult to move forward with
13 the project.

14 So, Chuck, I don't know if you have
15 anything further to add to that, but,
16 again, I don't think they're just looking
17 to immediately evict everybody. I think
18 it is a matter of timing and sequence of
19 events.

20 CHUCK BELL: I'd just like to
21 say that Tony Kissling has said he wanted
22 to work with people. We can talk more
23 after it if you would like and follow-up

1 on that.

2 MR. WITUL: Thank you. Any
3 further questions, comments, concerns?

4 It is now 4:20, there being no
5 further comments, I will close the
6 hearing. I thank everyone for attending
7 this afternoon.

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STATE OF NEW YORK)

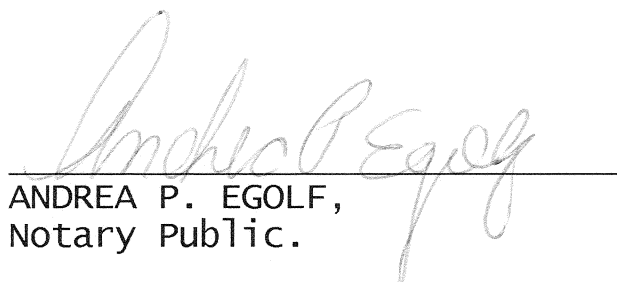
SS:

COUNTY OF NIAGARA)

I, ANDREA P. EGOLF, Notary

Public in and for the State of New York,
County of Erie, DO HEREBY CERTIFY that the
above-mentined proceedings were taken down
by me in a verbatim manner by means of
Machine Shorthand on August 8, 2007. That
the proceedings were taken to be used in
the above-entitled action.

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


ANDREA P. EGOLF,
Notary Public.

**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Niagara County Industrial Development Agency (the "Agency") on the 8th day of August, 2007, at 4:00 p.m., local time, at the North Tonawanda City Hall, 216 Payne Avenue, North Tonawanda, New York 14120, in connection with the following matter:

THE KISSLING INTERESTS, LLC, for itself or on behalf of an entity formed or to be formed (the "Company"), has submitted an application (the "Application") to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company consisting of: (A) the acquisition or retention by the Agency of fee title to or a leasehold interest in an approximately 1.80-acre parcel of land located at 184 Sweeney Street in the City of North Tonawanda, Niagara County, New York (the "Land"), together with the existing improvements thereon, consisting of an approximately 164,367 square foot four-story building and an adjoining approximately 3,154 square foot one-story building (the "Existing Improvements"); (B)(1) the renovation and rehabilitation by the Company of the Existing Improvements to transform them into a high-tech business incubator whereby the second through fourth floors of which will be converted into 51 individual work/live loft spaces and business conference room space and whereby the first floor will be retrofitted to a 51-car parking area and whereby the remaining portion of the ground floor will be renovated to house the Niagara Frontier Chapter of the Antique and Classic Boat Society museum and boat-building workshop, a health facility, and a first-rate restaurant; and (2) the construction of an additional approximately 1,000 square foot building to be adjoined to the Existing Improvements to house the building's superintendent and his/her family (collectively, the "Improvements"); and (C) the acquisition of and installation in and around the Improvements of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The Agency will acquire or retain title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company for qualifying portions of the Project in the form of sales and use tax exemptions and a mortgage recording tax exemption for financing related to the Project, consistent with the policies of the Agency, a partial real property tax abatement and a mortgage recording tax exemption with respect to a certain payment-in-lieu-of-tax agreement mortgage.

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

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: July 3, 2007

**NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Samuel M. Ferraro,
Executive Director

North

THE Kissling Interests LLC
Townsend, NY
Hearing 8/8/07 4:00 PM

Name

Address

Organization

David A. Saylor
Dawn J. Saylor
Joe Saylor

1889 Calvin
1874 Sweet St.
202 Niagara St. No Ton

Michael Kondis

223 Broad Street

Aaron Beseker

Crestover Studios
Buffale News

Phil Dzik

14784 Ave N.T.
375 BROADWAY CR B N.T.
500 WOODFIELD

Townsend News
Chandler Commerce
TRISTAR-DEVELOPMENT
Lynchon City Development

JUCE SANTIAGO
BOB TAYLOR
Chuck Bell