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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**PUBLIC HEARING FOR INDIAN OCEAN, LLC**

March 6, 2013  
3:45 P.M.

Taken at: Niagara Falls City Hall  
745 Main Street, Room 117,  
Niagara Falls, New York 14302

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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,  
                                   Court Reporter.

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7                               ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

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10                              INDEX TO SPEAKERS

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1 MS. LANGDON: Would everyone  
2 please sign the attendance sheet, even if you don't  
3 wish to speak.

4 Good afternoon. My name is Susan  
5 Langdon, Director of Project Development for the  
6 Niagara County Industrial Development Agency. I'll  
7 be serving as public hearing officer for this public  
8 hearing. It is now 3:45 P.M.

9 The purpose of this hearing is to  
10 solicit comments, both written and oral, on the  
11 Indian Ocean, LLC project in the City of Niagara  
12 Falls. The company wishes to renovate a building at  
13 900 Buffalo Avenue to house an eight-four unit  
14 Courtyard Marriott hotel.

15 I've made copies available of the  
16 project's cost/benefit analysis, the project  
17 summary, and the application up here on the table.

18 Comments can be in support of, or  
19 in opposition to, or on the nature or location of  
20 the project. All comments should be limited to the  
21 Indian Ocean, LLC project.

22 Notice of Public Hearing: Notice  
23 is hereby given that a public hearing pursuant to

1 Article 18-A of the New York General Municipal Law  
2 will be held by the Niagara County Industrial  
3 Development Agency (the "Agency") on the 6th day of  
4 March, 2013 at 3:45 P.M., local time, at the Niagara  
5 Falls City Hall, 745 Main Street -- the Notice says  
6 Room 17, but we were asked to come up to Room 117,  
7 and there's a sign outside to denote that the  
8 hearing is in this room -- Niagara Falls, New York  
9 14302, in connection with the following matter.

10 Indian Ocean, LLC, for itself,  
11 and/or on behalf of an entity formed, or to be  
12 formed, (the "Company"), has submitted an  
13 application, (the "Application"), to the Agency, a  
14 copy of which is on file at the office of the  
15 Agency, requesting that the Agency consider  
16 undertaking a project (the "Project"), for the  
17 benefit of the Company consisting of: (A) the  
18 acquisition or retention by the Agency of fee title  
19 to, or other interest in, a parcel of land located  
20 at 900 Buffalo Avenue in the City of Niagara Falls,  
21 New York (the "Land"); (B) the renovation and  
22 construction of an approximately eighty-four unit  
23 hotel (the "Improvements"), to be used for the

1 Company in its franchise with Courtyard by Marriott,  
2 all in furtherance of the Company's ability to  
3 provide an upscale hotel for Niagara Falls as a  
4 world-class tourist destination (the "Improvements");  
5 and (C) the acquisition of, and installation in  
6 around the the Improvements by the Company of  
7 certain equipment and items of personal property  
8 (the "Equipment", and collectively with the Land and  
9 the Improvements, the "Facility"); (D) the leasing  
10 of the Project back to the Company; and (E) the  
11 providing of financial assistance to the Company for  
12 qualifying portions of the Project in the form of  
13 sales and use tax exemptions and a mortgage  
14 recording tax exemption, consistent with the  
15 policies of the Agency, a partial real property  
16 tax abatement and a mortgage recording tax  
17 exemption with respect to a certain  
18 payment-in-lieu-of-tax-mortgage.

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

1 Company will purchase the Facility from the Agency,  
2 or if the Agency holds a leasehold interest, the  
3 leasehold interest will be terminated. The Agency  
4 contemplates that it will provide financial  
5 assistance (the "Financial Assistance") to the  
6 Company for qualifying portions of the Project in  
7 the form of sales and use tax exemptions and a  
8 mortgage recording tax exemption, consistent with  
9 the policies of the Agency, a partial real property  
10 tax abatement and a mortgage recording tax exemption  
11 with respect to a certain payment-in-lieu-of-tax  
12 agreement mortgage.

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

20 This public hearing is being  
21 conducted in accordance with Subdivision 2 of  
22 Section 859-A of the New York General Municipal Law.  
23 Dated February 13, 2013, Niagara County Industrial

1 Development Agency, by Samuel M. Ferraro, Executive  
2 Director.

3 I will now open the hearing for  
4 comments. Please remember to give your name,  
5 address, and the organization you may represent.  
6 Direct all comments to the Chair. And your comments  
7 should be made on this project only.

8 Does anyone wish to speak? Clara  
9 Dunn.

10 CLARA DUNN: My name is  
11 Clara Dunn. I live at 3075 Macklem Avenue in  
12 Niagara Falls, New York. I'm speaking on behalf of  
13 the City of Niagara Falls.

14 The City of Niagara Falls comments  
15 to the Niagara County Industrial Development Agency  
16 in regards to Indian Ocean, LLC. The City does not  
17 (sic) fully support Indian Ocean, LLC's proposed  
18 plans to renovate its property and operate a  
19 Courtyard Marriott Hotel; its plans to invest ten  
20 million dollars at its Niagara Falls property at 900  
21 Buffalo Avenue; its plan to hire twenty-seven new  
22 jobs; its plan to add an upscale flag in downtown  
23 Niagara Falls, which is desperately needed.

1                   However, in response to the  
2 application for the NCIDA incentives submitted by  
3 Indian Ocean, LLC, the City of Niagara Falls cannot,  
4 as a general rule, support any enhanced PILOT  
5 without clear economic justification. The City also  
6 cannot support PILOTs that diminish tax revenues.

7                   The twenty-year length of the  
8 PILOT is, on its face, for too long a period, and  
9 sets a bad precedent. The proposed five-year front  
10 end, in which no taxes are paid, is simply an overly  
11 generous tax abatement that is not justified.

12 Likewise, the addition of an extended PILOT from ten  
13 years to fifteen years is also unwarranted, without  
14 any properly vetted analysis.

15                   In addition, the City does not  
16 believe that the Opportunity Zone Program is  
17 applicable in this instance, given that the  
18 Opportunity Zone incentives are; one, targeted for  
19 assisting small retail businesses looking to expand  
20 or relocate in Niagara Falls; two, intended to help  
21 the cash flow problems of those small retail  
22 businesses; and three, only available in  
23 previously-identified distressed areas of the city,



1 which were targeted for those incentives, per the  
2 approved city map.

3 At this time, the City of Niagara  
4 Falls can support the standard ten-year PILOT for  
5 the proposed Indian Ocean in downtown Niagara Falls,  
6 New York.

7 You should be aware, we are  
8 working with Mr. Patel and Empire State Development  
9 in trying to find a more acceptable way to handle  
10 Indian Ocean, LLC's possible gap in financing.

11 Thank you. City of Niagara Falls.

12 MS. LANGDON: Thank you,  
13 Clara. Anyone else wish to speak?

14 RON ANDERLUH: I do.

15 MS. LANGDON: Sir.

16 RON ANDERLUH: My name is Ron  
17 Anderluh, that's A-N-D-E-R-L-U-H. I live at 151  
18 Buffalo Avenue, Unit 1207, Niagara Falls, New York.

19 I'm here speaking on behalf of the  
20 Niagara Street Business Association. And in our  
21 bylaws, the entire downtown area has always been in  
22 the boundaries of the Niagara Street Business  
23 Association. Although we have a Downtown Business

1 Association that was formed a couple years ago, we  
2 still -- it's still part of our boundaries.

3 I've known Mr. Patel since when he  
4 first got into town. He bought the Econo Lodge.  
5 He did a nice job on renovating the Econo Lodge.  
6 He's done a nice job on renovating the old Niagara  
7 Club, which he still is.

8 And now we're looking at the old  
9 Moore Business building, which has been there  
10 sitting empty for many years.

11 As a taxpayer and a business  
12 person, I'm never against development. We need more  
13 hotels in this city to attract bigger conferences.  
14 And hopefully, some day we'll have our convention  
15 hall, and we can fill all these hotels, and more.  
16 But Mr. Patel, to me, has you know, proven that he's  
17 been a good neighbor, he's been a good business  
18 person, and he's willing to invest money here in  
19 Niagara Falls.

20 And as I've mentioned many times  
21 at the Council meetings, I've always been in favor  
22 of business. Business creates jobs. I know that  
23 the tax abatement is for a number of years, but

1 eventually, it comes off the tax -- and it will be  
2 put back onto the tax rolls. And then he'll be at  
3 full assessment. So eventually, we're going to get  
4 those taxes; eventually.

5 Let's give -- anyone else in the  
6 town can come into town and get the same benefits.  
7 So we have a gentleman that's proven himself, and  
8 I'm a hundred percent behind the project. Thank  
9 you.

10 MS. LANGDON: Thank you.

11 Does anyone else wish to speak?

12 Okay. There being no other  
13 speakers, I will now close the hearing. It's 3:55  
14 P.M.

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