

Hillman Automotive Transcript of Public Hearing

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NIAGARA COUNTY CENTER FOR ECONOMIC DEVELOPMENT

In the Matter
of
HILLMAN AUTOMOTIVE

LOCATION: Lockport Town Hall
6560 Dysinger Road
Lockport, New York 14094

DATE: March 9, 2010

TIME: 3:30 p.m.

REPORTED BY: KELLY MAJCHRZAK

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Present: David Hillman
Ronald Hillman
Donald Hobel
David Kinyon

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David Mongiello
Mark Smith

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6 MR. KELSEY: It's a little past 3:30.
7 we'll get started. Everybody who is here -- I
8 think everyone signed in, but we have a sign up
9 sheet over there to see who was in attendance.
10 we'll start the public hearing.

11 Good afternoon. My name is Gary
12 Kelsey. I'm the manager of Finance for the
13 Niagara County Industrial Development Agency,
14 and I will be serving as hearing officer for the
15 public hearing. It is now 3:30 p.m.

16 The purpose of this hearing is to
17 solicit comments, both written and oral, on
18 Hillman Automotive, Town of Lockport, New York.
19 Comments can be in support or in opposition to
20 or on the nature of the location of the project.
21 All comments are to be limited to the Hillman
22 Automotive Project. This hearing is not for
23 accepting comments on environmental issues or

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1 environmental determination and this is not part
2 of the New York State SEQRA process.

3 I will be reading the public hearing
4 notification that was in the paper.

5 Niagara County Industrial Development
6 Agency, Notice of Public Hearing: Notice is
7 hereby given that a public hearing pursuant to

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8 Article 18-A of the New York General Municipal
9 Law will be held by the Niagara County
10 Development Agency on the 9th day of March at
11 3:30 p.m., local time, at the Lockport Town
12 Hall, 6560 Dysinger Road, Lockport, New York on
13 connection with the following matter:

14 Hillman Automotive, Inc., for itself or
15 on behalf of any entity formed or to be formed,
16 (the Company), has submitted an application to
17 The Agency, a copy of which is on file at the
18 office of The Agency requesting The Agency
19 consider undertaking The Project for benefit of
20 the company consisting of: (A) the acquisition
21 of or retention by The Agency of fee title to or
22 leasehold interest in approximately 2.3 acres --
23 a 2.3 acre parcel of land located at 6348

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1 Robinson Road Extension in the Town of Lockport,
2 Niagara County, New York, together with an
3 existing approximately 6,000 square foot
4 building, thereon, the construction of
5 approximately 14,000 square foot of the
6 building, which will be The Improvements, to be
7 used by The Company as a service and repair
8 center for recreational vehicles and fleet
9 vehicles, including but limited to, such
10 services as oil changes and New York State
11 inspections and wholesale tire distributorship,

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and the acquisition of and installation in and
13 around The Improvements of certain equipment and
14 items of personal property including, but not
15 limited to, auto repair machinery, equipment,
16 furniture and related fixtures (the Equipment
17 and collectively with the Land, the Existing
18 Improvements and the Improvements of the
19 Facility.)

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

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

15 A representative of The Agency will be
16 at the above-named stated time and place to

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17 present a copy of The Company's project
18 application and hear and accept any written or
19 oral comments from any persons with views in
20 favor of or opposed to or otherwise relevant to
21 the proposed Financial Assistance.

22 The public hearing is being conducted
23 in accordance with Subdivision 2 of Section

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1 859-A of the New York General Municipal Law.

2 I will open it up for public comment at
3 this moment. Please give your name, address and
4 organization you represent so the stenographer
5 can understand you and enter it into record.
6 Direct all comments to the Chair, that's me, and
7 your comments should be made on the Project
8 alone. I now open it up for any public comment.

9 MR. M: I'm David Mongiello. I own
10 Mongiello's Auto Specialities right up the road.
11 Does Dave and Ron deserve this? One hundred
12 percent. All small businesses deserve a tax
13 break and incentives to run a small business in
14 the community, but to selectively give one to
15 one person and not another is a form of
16 discrimination. Especially when there's
17 literally 30 other competing businesses in the
18 area that employ over 200 people that are
19 doing the exact same thing they are going to do.

20 I applaud them for doing the project,

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the size. It's going to be one of the largest
22 independent repair shops in the area. But why
23 give them an unfair advantage over the small

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1 guys? When I started in business 25 years ago,
2 I had nothing. I didn't have a penny. I didn't
3 have nothing. And I slowly built to where I am
4 now, and I'd still like to get bigger, yes.

5 But, in my opinion, these IDAs should
6 be set aside for more of a manufacturing-type
7 job, not businesses that compete with other
8 local businesses. Even manufacturing jobs it
9 has been offered to in the past to where you
10 give this incentive to one company that does the
11 same projects and does the same type of
12 manufacturing as another company does. They
13 move in, they reap the benefits for ten years.
14 Within five years that company can't afford.
15 To -- they're gone and that guy moves out in ten
16 years.

17 The benefits of these IDAs -- I have
18 yet to see any benefits of the past 20 years
19 these IDAs have been in this community and, you
20 know, help employment. We have lost so many
21 jobs in Niagara County, it's mind-blowing.

22 MR. KELSEY: Okay. It has to be
23 relevant to the Hillman Project. We're getting

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1 off on the evaluation of the IDAs in general.

2 MR. M: You're basically taking
3 taxpayer's money to fund a project that is going
4 to take jobs away from other people. By them
5 promising more jobs, the only way they're going
6 to get that extra work is by taking work away
7 from the 30 other repair shops in the area.

8 The benefit of this type of IDA, I
9 don't really understand. You're going to help
10 one guy out and say the heck with the rest of
11 the other 30 businesses that do the same type of
12 thing. He is not doing anything different than
13 we are going to do. It's the same type of
14 business.

15 One point two billion dollars in IDA
16 tax breaks have occurred in Niagara County.
17 That's in the 2010 budget. A billion dollars in
18 incentives that our taxpayers pay for. The
19 incentive you're giving to him, I'm going to be
20 paying for. Everybody pays for it. The
21 incentive you're giving to him I'm going to be
22 paying for.

23 You know, on top of it, there's -- this

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1 is a statement of facts from a bill that was
2 from New York State Government: New York State

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provided large loans and grants to private
4 businesses allegedly for economic development.
5 When many of these projects failed, taxpayers
6 were left with a financial unstable government
7 with much higher taxes to pay off loan
8 guarantees. To remedy this problem, the State
9 Constitution was amended to ban loans for
10 private firms and tax incentives. The voters
11 approved this amendment. I have the number and
12 here and everything.

13 Paragraph one states: The money of the
14 State shall not be given a loan to or aid of any
15 private corporation, association, the private
16 undertaking, nor shall the credit of the State
17 be giving a loan to aid any individual or
18 private corporation, association, the private
19 undertaking, but the foregoing provisions shall
20 not apply to any property now held through --
21 effort by the State; educational, mental health.

22 It basically says in our Constitution
23 that it's not right for government to get

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1 involved in personal private businesses.

2 MR. KELSEY: Okay. This is not
3 relevant to the Hillman Project.

4 MR. M: It's 100 percent relative to
5 it.

6 MR. KELSEY: You're looking at the
7 Constitution of the State of New York versus
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8 General Municipal Law. We're not attorneys. We
9 were not here to debate that. If you have
10 anything else that is relative to the Hillman
11 Automotive Project, that's fine. Otherwise --

12 MR. M: So the IDA is willing to ignore
13 the Constitution? The New York State
14 Constitution?

15 MR. KELSEY: I am here to take
16 comments. Not to debate.

17 MR. M: That's my comment. I have a
18 petition of over 65 owners --

19 MR. KELSEY: You can submit anything in
20 writing you'd like.

21 MR. M: Thank you.

22 MR. KELSEY: Anyone else?

23 MR. H: Donald Hobel, H-O-B-E-L, 3767

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1 Moyer Road, North Tonawanda, New York. And I
2 simply came here to probably second
3 Mr. Mongiello's statements. I'm aware of the
4 pending project and for myself, fortunately, I
5 didn't have to make a living running my own
6 small business. Anyone who is in business for
7 themselves today, I have great sympathy for
8 them.

9 To have one business selected for some
10 government benefit is definitely unfair to
11 everyone else. It's simply the fairness issue,

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as Mr. Mongiello said. He's paying taxes to
13 support a competitor. That's all I have to say.

14 MR. KELSEY: Thank you, Don. Anyone
15 else?

16 MR. S: Good afternoon. Mark Smith,
17 Supervisor for the Town of Lockport. I'd like
18 to go on record as supporting this project. It
19 will bring much-needed jobs to the area. It
20 will be adding new property assessment to our
21 community. It will be adding sales tax revenue,
22 all of which are a direct benefit to our
23 residents. It is not a selective process.

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1 People apply to the IDA and each project is
2 based on its merits. Thank you very much.

3 MR. KELSEY: Thank you, Mark.

4 That's it? Okay. I'll thank everyone
5 for coming. It is now 3:44. I will close the
6 hearing. Thank you again.

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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 March 9, 2010,
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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