

NORTH TONAWANDA: Rand developer offers update on renovations to canalside factory

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Manhattan-based developer Tony Kissling wants people in North Tonawanda to know change is coming.

At best, many who are tied to the conversion of Sweeney Street's former Remington-Rand factory building into 81 live/work apartment units hope that change means bringing business and cash-carrying outsiders into this cottage community.

For his part, Kissling is not hoping, but guaranteeing it will at least mean a long-dormant building is turned into something new.

"We've been going on for six years now and it's hard but we're able to get going on this thing," he said. "We've got the mortgage commitment and everything."

Cleanup of the site began in May, a groundbreaking ceremony was attended by local, state and national officials from the area, seemingly all of whom helped secure some kind of funding or tax credit for the project.

Since then, not much visually has changed as crews battled to clean up the contaminated state Brownfield property, working to satisfy groups like the Department of Environmental Conservation.

"The demolition plans took us a lot longer because there was a lot more asbestos than we thought," Kissling said.

A long-anticipated restaurant called 18-Mile is part of the first phase of work now set to begin. Last year, the restaurant was projected to be finished by next month. With cleanup only now wrapping up, however, Kissling said customers should be dining by April 30, 2010. That should coincide with the first paying tenants being offered 18 apartments, also included in phase one construction to be completed in June or July.

Asbestos work and work permit clearance is presently about two or three weeks from fruition, he said, "then, we'll be into this full time."

From that point the sledgehammers will be out in force; a bid for a contractor is scheduled to be awarded next week.

Then it's another two or three months of demo, all while other components of the first round of work, like brickwork on the protruding ground-floor section of the structure also takes place.

Phase one, at a glance, includes finishing plans for all the ground floor amenities as well as marketing 18 of the loft apartments (six on each of three floors). A sky-lit lobby, the restaurant, a health club and a hairstyling studio — Leon's Studio Salon — will all be ready in the spring and early summer. That along with a 70-car parking

lot, entrance in rear, and superintendents quarters will then be isolated from ongoing construction in the rear.

Kissling has good reason to get a portion of the project up and running immediately.

"We need 81 work/live lofts to rent to somebody who doesn't live here. You could do that in two seconds — demand is huge," he said. "Without really going after anything we've had 3,000 inquiries from this area and Canada. There are a lot of Canadian companies who'd love to have presence here but they don't want to rent an office and then go and rent an apartment."

And that's the idea behind the live/work units Kissling has seen firsthand explode and transform neighborhoods in his native New York City. The boom concept born in places like Soho beginning in the 1960s and later Cleveland is a proven bet for Kissling.

"I think this is one of the best deals I ever did," he said as he stood on the building's roof Thursday during a tour organized with the Tonawanda News.

He pointed to the view — where the Niagara River bends around toward Niagara Falls, where a high-rise is visible on the horizon on the Canadian side, across the falls.

"And this is where they have those concerts and things — there's going to be a rooftop garden — it'll be the best seat in the house," his wife Suzanne Kissling said.

That's a 5,000 square foot warm weather, uncovered garden he said is included in the plans. It is supposed to include things like barbecue pits, Adirondack chairs and the like.

But down a level, back on the top floor with Kissling, his wife, employees of Kissling Interests LLC and an intern from Oxford University in England tagging along, there's almost as much light pouring in through windows that are hoped to be a major selling point in the office/bedroom units the whole complex is based around.

"It's like a solarium," said Kissling's Scott LaCasse, pointing to the huge continuous, 24-pane windows standing more than 11 feet tall above a knee wall.

"It was a daylight factory so they came in when it was light out and went home when it was dark," Suzanne said.

At this point, the almost fatherly Kissling would also like you to imagine granite countertops catching the light streaming in, top-of-the-line appliances and the comfort of your own bedroom one hypothetical morning. Here's the catch: You never have to leave, unless you want to, because a large part of the 1,000 or 2,000 plus square feet you're renting is also your office.

"They lend themselves to wide open space. They're not chopped up into little rooms," he said.

Well, except for the bedrooms and wash rooms, of course.

In all, 27 apartments per floor are now all expected to be done by the first couple

months in 2011.

Of the first 18: "We're going to bring these things online by June or July. We're going to quarantine the 18 units — so the (ongoing) construction's going to be to a bare minimum," Kissling explained.

Each is going for about \$1.25 per foot, he said.

That makes renting one of them somewhere between \$1,200 and \$2,500 per month.

"There's no question," Tony said acknowledging the prices are higher than renters in the area are used to paying for residential apartments.

But to be fair — aside from the obvious chance for small-business owners to save the entire cost of office space — the same space in a major metropolitan city could be many times as much.

"The kind of people who lease these only think about work ... for certain people, this is the name of the game," Kissling said.

But seasonal summer rentals for boaters and snowbirds could also attract residents of any kind to the luxury, full service complex, with its own live-in superintendent.

Here are some numbers that make those numbers look small:

First Niagara just approved roughly \$15 million in financing for the total \$20 million project for construction costs. Of that, Kissling said it will be paid down to roughly \$9.5 million permanent mortgage.

After that, the significance of at least half a dozen public and private funding sources will start kicking in, hopefully to justify the money Kissling himself is putting up to renovate a building no one else in North Tonawanda could for many years.

Those sources include Assemblyman Robin Schimminger, D-Kenmore; State Sen. George Maziarz, R-Newfane; the Empire State Development Corp.; State Historic Preservation Commission; Erie Canal Corp.; Niagara County IDA and others.

The historic tax credits, over time, are expected to alleviate some of the long-term costs associated.

"Without those this thing couldn't happen," he said as LaCasse explained their obligations for the incentive, "the main concern is keeping it original — what it was back in the day," he said regarding the overall appearance of the structure's exterior.

They were a major incentive for Kissling to continue his six-year journey. When the state put a moratorium on applications for similar Brownfield credits the project relies on, fingers were crossed before the program was revived, rewritten and an old abandoned factory in North Tonawanda was back in line to again serve a purpose, whatever that may lead to. At the groundbreaking, politicians used words like "success," "rebirth," "model for revitalization" and "prime example."

Suzanne Kissling summed it up: "It's taking an old building and giving it new life. I hope people are excited by it — we are."

Contact reporter Neale Gulley at 693-1000, ext. 114.



090917 Remington-Rand /ton DAN CAPPELLAZZO/STAFF PHOTOGRAPHER North Tonawanda -Tony Kissling and his wife Suzanne stand on the roof of the Remington-Rand Building which they are converting into loft apartments
DAN CAPPELLAZZO/STAFF PHOTOGRAPHER / The Tonawanda News



090917 Remington-Rand2 /ton DAN CAPPELLAZZO/STAFF PHOTOGRAPHER North Tonawanda - Suzanne Kissling, Scott LaCasse, Tony Kissling and Carly Diesen tour

the fourth floor of the Remington-Rand Building which they are converting into loft apartments.

DAN CAPPELLAZZO/STAFF PHOTOGRAPH / The Tonawanda News