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Charles One Hour Heating & AC acquires competitor

BY ERIC REINHARDT

JOURNAL STAFF

SALINA — Charles One Hour Heating & Air Conditioning of Salina has acquired Duffy Heating & Air Conditioning Co. of Solvay in a deal that closed on Feb. 17.

The transaction gives Charles One Hour a west-side branch, called Duffy-Charles One Hour Heating & Air Conditioning. It will operate at Duffy's location at 2013 W. Genesee St., near Westvale Plaza and mere yards away from the city of Syracuse line.

Neither business is releasing financial terms of the transaction. Both companies specialize in the sale and service of heating, ventilation, and air conditioning (HVAC) equipment.

Daniel (Dan) Duffy, the sole owner of Duffy Heating & Air Conditioning, founded the company in 1992.

In attempting to devise a succession plan, Duffy spoke with his son, Daniel, and his daughter, Kelly, who both indicated they didn't want to take ownership of their father's business.

So, Duffy figured he'd attempt to sell the business.

"I felt, in my mid-50s, I should start thinking about a possible path for the future," Duffy says.

Duffy first listed his business with David Trust at Syracuse Business Advisors, LLC in the early part of 2009.

A few months later, a well-known local competitor expressed interest in an asset acquisition.

The economic recession played a major role in the decision to buy the Duffy business, says Michael (Mike) Charles, Jr., the sole owner of Charles One Hour Heating & Air Conditioning.

"I figured I needed to expand sales and revenue, and the fastest way is through [an] acquisition," says Charles.

In the deal, Charles acquired Duffy's 2,000-square-foot West Genesee Street facility and the firm's customer list, vehicles, and HVAC inventory.

The Duffy-Charles branch will use the Duffy building for a product showroom



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Pictured from left to right are Michael Charles, Jr., owner of Charles One Hour Heating & Air Conditioning, Daniel Duffy of Duffy-Charles One Hour & Heating & Air Conditioning, Lawrence (Larry) Mizro, a sales representative, and Michael Charles, III, manager of Charles One Hour. Charles One Hour recently acquired Duffy Heating & Air Conditioning.

and for a new call center to serve customers, Charles says.

The company is retaining all employees, Charles and Duffy say. Charles One Hour, which employs 32 full-time workers, added Duffy's six full-time employees in the acquisition.

The figure includes Duffy, who now handles commercial and residential sales of HVAC products for the Duffy-Charles division.

In the transaction, attorney John Marzocchi of Germain & Germain, LLP in Syracuse served as Duffy's legal adviser and Charles Kurtz of Kurtz Accounting Service in Clay was his accountant.

Attorney Robert Ventre of Coulter, Ventre, & McCarthy, LLP in Salina advised Charles in the deal and Frank Dicensa of Testone, Marshall, & Dicensa, CPAs of Syracuse was his accountant.

About the companies

Duffy Heating & Air Conditioning Co. served both residential and commercial customers. And while residential clients made up about 60 percent of the custom-

er base, both markets generated about same amount of revenue, Duffy says.

He declined to name any specific commercial clients, but said most are businesses serving the west side of the city of Syracuse and the western suburbs.

Duffy declined to disclose the company's annual-revenue figure for 2009, saying only that his sales are "steady."

The company's suppliers include the Bedford, Mass.-based F.W. Webb Co., Rochester-based ABR Wholesalers, Inc., and Whitman, Mass.-based Northeast Distributors, Inc.

Charles One Hour Heating & Air Conditioning operates from an 18,000-square-foot facility at 914 Old Liverpool Road in Salina. The space includes 15,000 square feet of warehouse and storage space and 3,000 square feet of office space.

Charles owns the building, he says.

He declined to disclose his annual-revenue total for 2009, but said the company's revenue grew 15 percent. He is projecting revenue growth of 10 percent in 2010.

The firm's customer base is 80 percent residential and 20 percent commercial. Charles won't name any of his commercial clients, but says many of those businesses have been "long-time" customers.

Charles buys most of its equipment from manufacturers that include Richardson, Texas-based Lennox International, Inc. and Rochester-based ABR Wholesalers, Inc.

The Charles company dates back to 1949 when Michael Charles, Sr. founded a plumbing and heating business in Solway. He moved the business to its

present location on Old Liverpool Road in 1956.

Charles, Jr. assumed control of the business in 1983 and renamed it Charles One Hour Heating & Air Conditioning. His son, Michael Charles, III, now manages the business.

The "One Hour" part of the business name means that if a Charles employee is one hour late for a scheduled appointment, the service call is free, says Charles, Jr.

Besides Duffy-Charles and Charles One Hour, the company also includes two other divisions, including Charles

Heating & Air Conditioning, which provides heating, air conditioning, and electricity for new construction projects, and Ben Franklin Plumbing, which focuses on plumbing and bathroom remodeling.

Services from Charles One Hour, Ben Franklin, and Charles Heating & Air Conditioning are available at the Old Liverpool Road office, while Duffy-Charles and Ben Franklin also operate at the West Genesee Street location, according to Charles. □

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