

**Amendment to COMM. 4E-7 (2013)**  
**February 21, 2013**

**Delete the Communication in its Entirety and Replace with the Attached.**



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

February 20, 2013

Erie County Legislature  
92 Franklin Street – 4<sup>th</sup> Floor  
Buffalo, New York 14202

## **IMMEDIATE CONSIDERATION REQUESTED**

**RE: Waterline for Welded Tube Project at Former Bethlehem Steel Site**

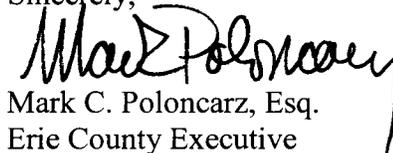
Dear Honorable Members:

Attached please find a memorandum and proposed resolution authorizing the County to enter into all necessary Agreements in order to allow for the construction and purchase of a waterline on the Former Bethlehem Steel Site. The proposed resolution also authorizes the County to enter into a Master Agreement outlining the roles and responsibilities of all necessary parties in relation to the construction, ownership, and operation of a site access road on the Bethlehem Site.

Specifically, we are proposing to enter into the referenced Master Agreement and any necessary Agreements with Welded Tube, the City of Lackawanna, and other necessary parties, whereby Welded Tube will construct and pay for the installation of a waterline, with the use of designs by the County's Consultant, Wendel Duchscherer Architects and Engineers, P.C. After construction is complete, the County will purchase the waterline and accompanying easement from Welded Tube. At a future date, the County will then transfer ownership, operation and maintenance of the waterline to the Erie County Water Authority.

Should your Honorable Body require further information, please contact Commissioner John C. Loffredo of the Department of Public Works. Thank you for your consideration with this matter.

Sincerely,



Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/CAS/cas

cc: John C. Loffredo, Commissioner of Public Works  
William Geary, Deputy Commissioner-Highways

## MEMORANDUM

COMPTROLLER'S  
RECEIVED

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**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Public Works  
**Re:** Welded Tube Project at Former Bethlehem Steel Site  
**Date:** February 19, 2013

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### **SUMMARY**

The County of Erie desires to facilitate the redevelopment of brownfields within Erie County. The former Bethlehem Steel site, located in the City Lackawanna, is the largest brownfield site in Erie County. The redevelopment of the former Bethlehem Steel site requires the rehabilitation of roads and construction of other related infrastructure.

The installation of a waterline and site access road, opposite Dona Street and parallel to Route 5 is required by one of the first major companies at the site, Welded Tube. The construction of this new access road will be accomplished in three phases. The first phase is the installation of a waterline, which must be completed by June 1, 2013 in order for Welded Tube to begin manufacturing. The second phase is railroad track relocation and the third phase is construction of the site access road.

Unfortunately the County's legal and ministerial requirements prevent it from completing the waterline work by June 1, 2013. In order to insure that Welded Tube has water service by June 1, 2013, the County will supply the plans and specifications to Welded Tube for their use to construct the water line. Construction is expected to commence by April 1, 2013. Upon completion of the work, the County will purchase the waterline and accompanying easement from Welded Tube. At a later date, upon completion of phase three, the construction of the new road, the County will transfer ownership, operation and maintenance of the waterline to the Erie County Water Authority.

It is recommended that your Honorable Body authorize the County to enter into Agreements with Welded Tube, and other necessary parties, in order to allow for the construction of the waterline, subsequent purchase by the County and the execution of the site access road Master Agreement.

### **FISCAL IMPLICATIONS**

Funds for this project will be available in the amount of up to \$1.9 million in bonds in the 2013 Capital Budget as approved in Comm. 3E-7, the 2013 consolidated bond resolution approved by the Legislature on February 7, 2013 (2013 Bethlehem Steel Redevelopment Project). The maximum cost for the waterline is \$600,000 and the 2013 bonds will be utilized for this project.

## **REASONS FOR RECOMMENDATION**

The installation of the subject waterline service by June 1, 2013 is necessary for Welded Tube to begin manufacturing. Unfortunately the County's legal and ministerial requirements will prevent it from completing the waterline work by June 1, 2013. However, Welded Tube can complete the waterline work by this date, upon the condition that the County subsequently purchases the asset.

## **CONSEQUENCES OF NEGATIVE ACTION**

If a resolution authorizing the County to enter into a site access road Master Agreement and water line Agreements with Welded Tube is not approved, design and construction of the waterline will be delayed beyond June 1, 2013, thereby jeopardizing startup operations of Welded Tube, potential funding sources, tax incentives and private investment. Companies seeking to build new facilities and create employment would find other alternative vacant properties outside of Erie County.

## **STEPS FOLLOWING APPROVAL**

Upon approval of the resolution, the Department of Public Works will direct Wendel Companies, to prepare plans and specifications for the waterline work. Welded Tube will then implement these plans and specifications to construct the waterline from Route 5 to their facility. After the project is completed, the County will purchase the waterline and accompanying easement from Welded Tube. Welded Tube will be reimbursed up to the maximum \$600,000 cost. At a later date, the County will then transfer ownership, operation and maintenance of the waterline to the Erie County Water Authority. In addition, the County will enter into a Master Agreement outlining the roles and responsibilities of all necessary parties in relation to the construction, ownership, and operation of a site access road on the Bethlehem site.

## **COMPTROLLER'S OFFICE REVIEW**

The proposed legislation has been reviewed by the Office of the Comptroller and is related to an authorized capital project for which there will be sufficient appropriations available for the action proposed when the 2013 bonds are sold by the Erie County Fiscal Stability Authority. In the interim, only if necessary until the funds are secured, the Comptroller's Office will be cash-advancing up to \$600,000 for the project. If the 2013 bond proceeds are received by the County prior to the reimbursement need, there will be no cash advance necessary.

  
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Stefan I. Mychajliw  
Comptroller  
Comptroller's Office

JCL/dab

**A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS**

**RE: Welded Tube Project at Former Bethlehem Steel Site**

WHEREAS, the County of Erie is interested in the fostering of business growth and job creation within Erie County; and

WHEREAS, Erie County desires to encourage the sound reuse of urban brownfields for productive use, be it industrial, commercial or recreational; and

WHEREAS, the former Bethlehem Steel site in the City of Lackawanna is now owned by Tecumseh Redevelopment Inc., and that Tecumseh Redevelopment Inc., the City of Lackawanna and the County of Erie entered into a Memorandum of Understanding on April 12, 2005, to work cooperatively toward the goal of the redevelopment of this underutilized site; and

WHEREAS, the County of Erie, City of Lackawanna, Lackawanna Community Development Corporation, Erie County Industrial Development Agency, South Buffalo Railway, Gateway Trade Corporation and Tecumseh Redevelopment Incorporated have worked and continue to work cooperatively toward achieving the redevelopment of the former Bethlehem Steel Site; and

WHEREAS, the installation of a waterline and site access road, opposite Dona Street, is required by one of the first major companies at the site, Welded Tube; and

WHEREAS, said waterline and site access road are vital to the redevelopment of the former Bethlehem Steel site for purposes of economic development; and

WHEREAS, the installation of the waterline by June 1, 2013 is necessary for Welded Tube to start productive operations; and

WHEREAS, the County intends to enter into a municipal cooperation agreements with Welded Tube, the City of Lackawanna, Tecumseh Redevelopment Inc., the Erie County Water Authority, and any other necessary party in order to aid in the construction and installation of a waterline and site access road; and

WHEREAS, the County's legal and ministerial requirements prevent it from completing the waterline work by June 1, 2013; and

WHEREAS, the County Legislature has previously approved the sale of the General Obligation Bonds for improvements at this site and funds for this project will be available through Comm. 3E-7, the 2013 consolidated bond resolution dated February 7, 2013 (2013 Bethlehem Steel Redevelopment Project) providing bond funds in the amount of up to \$1.9 million; and

WHEREAS, in order to meet the deadline of June 1, 2013, Welded Tube has agreed to perform the construction and installation of the waterline on the condition that the County purchase

said asset from Welded Tube once construction has been completed; and

WHEREAS, the County is willing to allow Welded Tube to construct the necessary waterline on the condition that Welded Tube follow all laws and regulations applicable to the County; and

WHEREAS, upon construction of the site access road, the County will transfer ownership, operation and maintenance of the waterline to the Erie County Water Authority.

NOW, THEREFORE, BE IT

RESOLVED, that the installation of a waterline and site access road are vital to the redevelopment of the former Bethlehem Steel site for purposes of economic development; and be it further

RESOLVED, that the County Executive is authorized to enter into Agreements with Welded Tube, the City of Lackawanna, and other necessary parties, in an amount not to exceed \$600,000, for the purpose of constructing, installing, and ultimately purchasing a waterline on the former Bethlehem Steel Site, across from Dona Street; and be it further

RESOLVED, that Welded Tube shall construct the waterline in accordance with plans and specifications supplied to them by the County of Erie's Department of Public Works and subject to all laws and regulations applicable to the County; and be it further

RESOLVED, that once construction of the waterline has been completed, the County will purchase the asset from Welded Tube; and be it further

RESOLVED, that bond funds for said purchase will be available through Comm. 3E-7, the 2013 consolidated bond resolution dated February 7, 2013 (2013 Bethlehem Steel Redevelopment Project) in the amount of up to \$1.9 million; and be it further

RESOLVED, that the County will transfer ownership, operation and maintenance of the waterline to the Erie County Water Authority after the site access road has been constructed; and be it further

RESOLVED, that the County Executive is authorized to enter into a site access road Master Agreement which will outline the roles and responsibilities of all necessary parties as they relate to the construction, ownership, and operation of a site access road on the Bethlehem Site; and be it further

RESOLVED, that five (5) certified copies of this resolution be sent to the Department of Public Works, Office of the Commissioner, and one copy each to the Office of the County Executive, the Division of Budget and Management, Department of Environment and Planning, the Office of the Comptroller and the Division of Budget.