



ECLEG JUL05'11 AM10:40

COUNTY OF ERIE

CHRIS COLLINS

COUNTY EXECUTIVE

June 30, 2011

The Honorable
Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, New York 14202

RE: 929 South Park Avenue – New York State DMNA Depot

Honorable Members:

On May 28, 2004 an Intermunicipal Exchange Agreement was entered into, by and among the State of New York, the State University of New York, the Frank Lloyd Wright Rowing Boathouse Corporation and the County of Erie to facilitate construction of a new rowing boathouse. Pursuant to the above stated agreement, the County of Erie is to provide the New York State – Division of Military & Naval Affairs (NYS DMNA) with a replacement parcel of land and construct a motor vehicle storage facility. The County has purchased a parcel of land known as 929 South Park Avenue in the City of Buffalo and has constructed the motor vehicle storage facility. The County is now obligated to convey usage of the land parcel with the improved vehicle storage facility to New York State. The County utilized fifteen year municipal bonds to purchase the property and construct the vehicle storage building. By the terms of the municipal bond agreement, the County is required to hold fee title of the property and improvements until the bond debt has been satisfied.

Should your honorable body require further information, I encourage you to contact the Department of Public Works, Division of Real Estate and Asset Management. Thank you for your consideration on this matter.

Sincerely,

CHRIS COLLINS
Erie County Executive

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Division of Real Estate and Asset Management
Re: 929 South Park Avenue – New York State DMNA Depot
Date: June 30, 2011

SUMMARY

On May 28, 2004 there was an Intermunicipal Exchange Agreement entered into, by and among the State of New York, the State University of New York, the Frank Lloyd Wright Rowing Boathouse Corporation and the County of Erie to facilitate the construction of a rowing boathouse in the City of Buffalo on the Niagara River. Pursuant to said agreement, the County is to provide for a replacement parcel of land and construct a motor vehicle storage facility. The County has purchased a parcel of land and constructed the vehicle storage facility. In order for the New York State Division of Military and Naval Affairs (NYS DMNA) to occupy the facility, a lease agreement between the County and the People of the State of New York is required since the County used fifteen year municipal bonds to purchase and improve the property and by the terms of the bond agreement, the County is required to hold fee title of the property and improvements until the bond debt has been satisfied.

FISCAL IMPLICATIONS

There are no fiscal implications.

REASONS FOR RECOMMENDATION

Pursuant to an Intermunicipal Exchange Agreement entered into on May 28, 2004, the County is to provide a replacement parcel of land and construct a motor vehicle storage facility for use by NYS DMNA. The County's obligations have been met and the County will need to lease the premises and improvements made for approximately fifteen years, or until the bond debt is satisfied, so the NYS DMNA can occupy and use the facility now.

BACKGROUND INFORMATION

On May 28, 2004 there was an Intermunicipal Exchange Agreement entered into, by and among the State of New York, the State University of New York, the Frank Lloyd Wright Rowing Boathouse Corporation and the County of Erie to facilitate the construction of a rowing boathouse in the City of Buffalo on the Niagara River. Pursuant to said Agreement, the County is to provide for a replacement parcel of land and construct a motor vehicle storage facility. Funds were provided in the 2009 BAN sale proceeds for this work and the County has constructed the required vehicle storage facility. The County is required to hold fee title to the property and improvements until the bond debt service is satisfied. In order for NYS DMNA to use and occupy the facility, a Lease Agreement is required.

CONSEQUENCES OF NEGATIVE ACTION

If the County of Erie does not enter into a lease agreement with the State of New York, the NYS DMNA will not be able to occupy the facility and the County will be in default of the Intermunicipal Exchange Agreement.

STEPS FOLLOWING APPROVAL

Upon Legislative approval, the County Executive will execute a Lease Agreement with the State of New York.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF PUBLIC WORKS
DIVISION OF REAL ESTATE AND ASSET MANAGEMENT

RE: 929 South Park Avenue –
New York State DMNA Depot

WHEREAS, on May 28, 2004 an Intermunicipal Exchange Agreement was entered into, by and among the State of New York, the State University of New York, the Frank Lloyd Wright Rowing Boathouse Corporation and the County of Erie to facilitate construction of a new rowing boathouse in the City of Buffalo on the Niagara River in the immediate vicinity of the West Side Rowing Club; and

WHEREAS, pursuant to the Intermunicipal Exchange Agreement the County of Erie has provided the New York State – Division of Military and Naval Affairs (NYS DMNA) with a replacement parcel of land and constructed a motor vehicle storage facility; and

WHEREAS, the County of Erie purchased a parcel of land and made the improvements utilizing bond sale proceeds and by the terms of the agreement, the County is required to hold fee title of the premises and improvements until such time the bond debt is satisfied; and

WHEREAS, the NYS DMNA cannot occupy the premises and use the vehicle storage building unless the County of Erie and the State of New York enter into a Lease Agreement for the duration of the bond debt; and

WHEREAS, the State of New York is willing to lease the premises and improvement from the County of Erie in consideration of \$1.00 annual rent payment. All buildings and grounds maintenance shall be the sole responsibility of the State of New York.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive be authorized to enter into a Lease Agreement with the State of New York for a term of approximately fifteen years, or until such time the municipal bond debt has been satisfied; and be it further

RESOLVED, that at the retirement of the municipal bond debt obligations with respect to this property, the County of Erie will transfer simple fee title of the premises and improvements to the State of New York pursuant to the Intermunicipal Exchange Agreement dated May 28, 2004; and be it further

RESOLVED, that the County Executive be authorized to execute the warranty deed and closing documents for conveyance of the premises to the State of New York; and be it further

RESOLVED, that two certified copies of this resolution be sent to the Department of Public Works, Division of Real Estate and Asset Management, and one copy each to the Office

of the County Executive, the Erie County Attorney, the Division of Budget and Management,
and the Office of the Comptroller.