



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

March 10, 2014

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

**RE: Leasing of Erie County Owned Rail Lines to the Erie County Industrial Development Agency**

Dear Honorable Members:

Enclosed please find a memorandum and proposed resolution seeking authorization for the execution of contract extensions to lease County owned Rail Lines to the Erie County Industrial Development Agency (ECIDA).

Should your Honorable Body require any further information; I encourage you to contact Kenneth J. Swanekamp, Director of Business Assistance at the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in blue ink that reads "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/cw  
Enclosure

## **MEMORANDUM**

To: Honorable Members of the Erie County Legislature  
From: Department of Environment and Planning  
Re: Leasing of Erie County Owned Rail Lines to the Erie County Industrial  
Development Agency  
Date: March 10, 2014

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### **SUMMARY**

The Department of Environment and Planning seeks authorization for the County Executive to enter into contracts with the Erie County Industrial Development Agency (ECIDA) allowing Erie County to lease two rail lines to the ECIDA. These lines are line 1242 in Depew-Lancaster and line 1246 which runs from South Buffalo to Gowanda.

### **FISCAL IMPLICATIONS**

No direct County funding is involved in the leasing of the rail lines to the ECIDA. Normal maintenance is the responsibility of the operator. The retention of firms on the rail lines that depend upon rail service creates a positive financial impact on the County.

### **REASONS FOR RECOMMENDATION**

These rail lines have been leased by Erie County to the ECIDA since 1985. ECIDA has contracted out daily operations to shortline rail operators. This has allowed operation of the railroads and service to Erie County industries in an area of operations that the major rail lines no longer want to participate in. A five-year lease is necessary to allow an operator to invest in the line and provide service to existing firms needing rail service.

### **BACKGROUND INFORMATION**

Erie County has owned Rail lines 1242 and 1246 since 1980. These are lines that were no longer viable for the mainline railroads to operate, but were important to maintain in order to retain businesses along them that rely on rail service for their operation. The lines have been an important economic development support service.

### **CONSEQUENCES OF NEGATIVE ACTION**

If authorization is not granted, the ECIDA will not be able to act as operating agent for the County. All activity that ECIDA performs for Erie County in operating the lines will cease. This includes grant writing, construction management and daily operations oversight. County staff would have to take over total responsibility for the lines.

### **STEPS FOLLOWING APPROVAL**

Upon approval of the resolution, contracts will be prepared and executed between Erie County and the Erie County Industrial Development Agency.

A RESOLUTION SUBMITTED BY:  
DEPARTMENT OF ENVIRONMENT AND PLANNING

**RE: Leasing of Erie County Owned Rail Lines to the Erie County Industrial Development Agency**

**WHEREAS**, the County of Erie holds an ownership interest in a railroad right-of-way in the Town of Cheektowaga and the Villages of Depew and Lancaster through a tax forgiveness agreement with the Erie-Lackawanna Railroad, with said right-of-way being designated Line 1242; and

**WHEREAS**, the County of Erie holds an ownership interest in a railroad right-of-way between the City of Buffalo and the Village of Gowanda through a tax forgiveness agreement with the Erie-Lackawanna Railroad, with said railroad right-of-way being designated Line 1246; and

**WHEREAS**, the County of Erie has leased these rail lines to the Erie County Industrial Development Agency (ECIDA) under a management agreement since 1985; and

**WHEREAS**, the most recent of the aforementioned lease agreements will expire by its own terms on September 15, 2014; and

**WHEREAS**, it is the desire of the County and the ECIDA to continue the operating relationship for Rail Lines 1242 and 1246 for an additional five years.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the County Executive is authorized to enter into any necessary agreements and other documents with the Erie County Industrial Development Agency for the leasing and ongoing operation for railroad rights-of-way being designated Lines 1242 and 1246, the term of which shall extend from September 15, 2014 to September 15, 2019; and be it further

**RESOLVED**, that certified copies of this resolution be sent to the County Executive's Office; the Director of the Division of Budget and Management; the Comptroller's Office; the Commissioner of the Department of Environment and Planning, and the County Attorney.