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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 29, 2015

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: Transfer of Property at 4111 River Road to the Buffalo and Erie County Industrial Land Development Corporation

Dear Honorable Members:

Enclosed please find a memorandum and proposed resolution requesting authorization to execute a contract to transfer title of a tax delinquent scrapyard at 4111 River Road in the Town of Tonawanda to the Buffalo and Erie County Industrial Land Development Corporation.

We are also requesting the Erie County Legislature to schedule and hold a public hearing on the transfer of the property to the Buffalo and Erie County Industrial Land Development Corporation as required by New York State Not for Profit Law section 1411, regarding Local Development Corporations.

Once foreclosed on by Erie County and transferred to the Buffalo and Erie County Industrial Land Development Corporation, the Erie County Industrial Development Agency staff will oversee demolition of remaining structures and clearance of scrap materials on the site.

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

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Mark C. Poloncarz", is written over a light blue horizontal line.

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw

Cc: Thomas J. Dearing, Commissioner

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Transfer of Property at 4111 River Road to the Buffalo and Erie County Industrial Land Development Corporation
Date: October 29, 2015

SUMMARY

The Department of Environment and Planning (DEP) is seeking authorization for the Erie County Legislature to hold a public hearing and then authorize the sale and transfer of the property at 4111 River Road in the Town of Tonawanda, SBL 64.08-1-5. This scrap yard has been investigated by Erie County and the Erie County Industrial Development Agency (ECIDA) and been found to be a brownfield and scrap yard/landfill in need of further cleanup and demolition to be suitable for re-use. If Erie County decides to proceed with a composting facility on this site, a portion will be transferred back to Erie County or put under license to allow such composting facility to proceed.

FISCAL IMPLICATIONS

Currently the 4111 River Road parcel is a tax delinquent parcel that has not generated any tax payments to Erie County for over ten years. During this time, the County has continued to guarantee the tax payments to the Town of Tonawanda and the Kenmore Tonawanda School District. This has been a drain on County resources with little chance of having the property become a productive, tax revenue generating parcel.

REASONS FOR RECOMMENDATION

The property has been in use as a scrap yard but not paying taxes for over ten years. The remaining buildings are in a dilapidated, blighted state of decay and are also preventing reuse. The transfer to the Buffalo and Erie County Industrial Land Development Corporation (ILDC) and the project management for complete site cleanup by the ECIDA will allow the property to be put back into productive reuse.

BACKGROUND INFORMATION

The parcel has over \$1,500,000 in back taxes, interest and penalties due. The DEP has provided approximately \$40,000 for environmental investigation of the site. The investigation has indicated that although contaminated as a former industrial site, there have not been confirmations of hazardous materials on site.

CONSEQUENCES OF NEGATIVE ACTION

Failure to adopt this resolution will result in the property sitting in a blighted state indefinitely. Erie County will continue to guarantee the town and school tax payments with no hope of the property being reused and generating any tax revenue or jobs.

Foreclosure action will not commence until the Erie County Legislature and the Buffalo and Erie County ILDC have approved the transfer of this property.

STEPS FOLLOWING APPROVAL

Upon the holding of a public hearing by the Erie County Legislature and approval of the resolution, a contract between Erie County and the Buffalo and Erie County ILDC will be executed. Assuming that Erie County forecloses and takes title of the property in 2015, the property will then be transferred to the Buffalo and Erie County ILDC. The ECIDA will then contract for and oversee the demolition and clearance of the structures on site as funds become available.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Transfer of Property at 4111 River Road
 to the Buffalo and Erie County
 Industrial Land Development Corporation

WHEREAS, the County of Erie desires to remediate brownfield properties and clear former industrial sites for productive reuse; and

WHEREAS, the property at 4111 River Road, the former I.N.S. Equipment Company site, has been a scrap yard not paying taxes for over ten years, has been a blighting influence on the area during this time and has accrued over \$1.5 million in back taxes, interest and penalties; and

WHEREAS, underutilized buildings, auto parts and concrete and construction debris still occupy portions of the site rendering it unusable in its current condition; and

WHEREAS, the Erie County Industrial Development Agency has expertise in the area of construction management and has agreed to manage the demolition and cleanup of the site; and

WHEREAS, the Buffalo and Erie County Industrial Land Development Corporation (ILDC), has as one of its goals and authorities, the ability to hold industrial property for management and improvement; and

WHEREAS, the Erie County Legislature has held a public hearing on the transfer of the 4111 River Road property to the Buffalo and Erie County ILDC; and

WHEREAS, it is expected that Erie County will foreclose on the 4111 River Road property; and

WHEREAS, Erie County may be interested in using a portion of this site for a composting facility in the future.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is authorized to enter into contracts with the Buffalo and Erie County IDLC, selling the 4111 River Road property to the Buffalo and Erie County IDLC for the sum of one dollar (\$1.00); and be it further

RESOLVED, that foreclosure proceedings will not commence until approval of the Erie County Legislature and the Buffalo and Erie County IDLC has been received; and be it further

RESOLVED, that the County Executive is authorized to execute any deeds necessary to transfer this parcel to the Buffalo and Erie County IDLC; and be it further

RESOLVED, that in the event that Erie County desires to use a portion of this site for a composting facility, that portion of the site shall be transferred back to Erie County or placed under license allowing such facility to operate; and be it further

RESOLVED, that the Clerk of the Legislature be directed to send certified copies of this resolution to the County Executive; the Director of the Division of Budget and Management; the

County Comptroller; the Director of Real Property Tax Services; the Commissioner of the Department of Environment and Planning, and the County Attorney.