

**Laws & Rules, Governmental Services, and Ways and Means Committees
Special Joint Meeting Minutes**

DATE & TIME: December 21, 2021 – 6:40 PM (or immediately following the Public Hearing)
LOCATION: Available via *vimeo* livestream at
<https://livestream.com/accounts/1512750/events/1824203>
PRESIDING OFFICER: Laws & Rules, Governmental Services Committee Chairwoman Bartels
LEGISLATIVE STAFF: Jay Mahler, Deputy Clerk
PRESENT LRGS: Legislators Bartels, Donaldson, Gavaris, Heppner, Roberts & Ronk
PRESENT WM: Legislators Bartels, Donaldson, Gavaris, Archer, Haynes, Maio, Parete,
Ronk & Walter
ABSENT: None
QUORUM PRESENT: Yes

OTHER ATTENDEES: Legislators Cahill, Corcoran, Criswell, Delaune, Fabiano, Litts, Lopez, Petit, Uchitelle & Wawro, Clerk of the Legislature Fabella, Legislative Counsel Ragucci, Legislative Counsel Cueva, Minority Counsel Pascale, Director Weidemann – UC Economic Development Department

Chairwoman Bartels called the meeting to order at 6:59 PM and asked Deputy Clerk Mahler to take the roll. See attached transcript.

Resolution for the December 21, 2021 Legislative Session of the Legislature

LATE Resolution No. 650: Authorizing The Required Steps For The Transfer Of Certain Real Properties Owned By Ulster County And Located At The Site Known As IBM Tech City East, Town Of Ulster, To The Ulster County Economic Development Alliance, Inc.

Resolution Summary: This resolution authorizes various steps required pursuant to sections of the Not-For-Profit Corporation Law of the State of New York (the “LDC Act”) to transfer county owned property at Tech City East acquired by Ulster County by tax foreclosure under Article 11 of the Real Property Tax Law to an LDC.

Motion No. 1: **Resolution No. 650 MOVED FOR DISCUSSION**
Motion By: Legislator Donaldson
Motion Seconded By: Legislator Ronk

Discussion: See attached transcript

Voting In Favor: Legislators Archer, Bartels, Donaldson, Gavaris, Haynes, Heppner, Maio, Parete, Roberts, Ronk & Walter

Voting Against: None
Votes in Favor: 11
Votes Against: 0
Disposition: **Resolution ADOPTED**

Chairwoman Bartels asked if there was any business. See attached transcript.

Adjournment

Motion Made By: Legislator Ronk
Motion Seconded By: Legislator Donaldson
No. of Votes in Favor: 11
No. of Votes Against: 0

TIME: 7:21 PM

Respectfully submitted: Deputy Clerk Mahler

Minutes Approved by Ways & Means Committee: February 8, 2022

Minutes Approved by Laws, Rules & Government Services Committee: February 10, 2022

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ABSENT: None
QUORUM PRESENT: Yes

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Chairman Donaldson

As you know, we're going to go right in, we're keeping the live stream open. We're going right into a joint meeting of Laws and Rules and Ways and Means and that will be chaired by legislative Bartels. So, let me hand this over to you Legislator Bartels.

Chairwoman Bartels

Thank you Chair Donaldson. Being as we're recording I'll call the joint meeting of laws and rules, governmental services and the ways and means committees to order. This is a special joint meeting for the purpose of considering resolution number 650. Clerk Mahler, I, you'll be clerking this joint meeting, can you please take attendance?

Legislator Ronk

I move that we accept the attendance of the public hearing as attendance of this meeting.

Chairwoman Bartels

Okay. [inaudible] I'm seeing a no.

Legislator Ronk

Vicky's saying no. I mean, we do that for public hearings and legislative meetings, but whatever.

Chairwoman Bartels

Then, let's, let's just go through the formality of the of the attendance, please. If you don't, if you don't mind withdrawing your motion?

Legislator Ronk

Already did.

Chairwoman Bartels

Thank you. Okay. So, Clerk Mahler.

Deputy Clerk Mahler

From the Standing Committee on Laws and Rules, Governmental Services, Chairwoman Bartels

Chairwoman Bartels

Here

Deputy Clerk Mahler

Deputy Chair Roberts

Legislator Roberts

Here

Deputy Clerk Mahler

Legislator Gavaris

Legislator Gavaris

Present

Deputy Clerk Mahler

Legislator Heppner

Legislator Heppner

Here

Deputy Clerk Mahler

And Legislator Ronk

Legislator Ronk

I'm still here

Deputy Clerk Mahler

And Legislator Donaldson

Chairman Donaldson

Still here

Deputy Clerk Mahler

From the Standing Committee on Ways and Means Chairman Gavaris

Legislator Gavaris

Present

Deputy Clerk Mahler

Deputy Chair Ronk

Legislator Ronk

I'm also still here

Deputy Clerk Mahler

Legislator Archer

Legislator Archer

Here

Deputy Clerk Mahler

Legislator Bartels

Chairwoman Bartels

Here

Deputy Clerk Mahler

Legislator Haynes

Legislator Haynes

Here

Deputy Clerk Mahler

Legislator Maio

Legislator Maio

Here

Deputy Clerk Mahler

Legislator Parete

Legislator Parete

Here

Deputy Clerk Mahler

Legislator Walter

Legislator Walter

Here

Deputy Clerk Mahler
Legislator Donaldson

Chairman Donaldson
Still present

Deputy Clerk Mahler
All of your members on both committees are present.

Chairwoman Bartels
Great. Thank you. So before us is a Late Resolution Number 650 authorizing the required steps for the transfer of certain real properties owned by Ulster County and located at the site known as IBM Tech City East town of Ulster to the Ulster County Economic Development Alliance. I'll entertain a motion for discussion

Chairman Donaldson
Move it

Legislator Ronk
Second

Chairwoman Bartels
Thank you. On, on the resolution. Are there any questions and I can't see ...

Chairman Donaldson
Um yes, could you [inaudible]

Chairwoman Bartels
Go ahead Chair Donaldson

Chairman Donaldson
Could that question that was asked by the gentleman that called in be answered?

Chairwoman Bartels
Absolutely. I believe we have director Weidemann here with us.

Director Tim Wiedemann
If I might Legislator Bartels

Chairwoman Bartels
You may

Director Tim Wiedemann

Yeah, I would hesitate to tread too deep into this territory as it's a legal matter that would be best answered by the county attorney. But I can state emphatically that in a foreclosure action, there is provision for notice to any lien holders or creditors on the property. And that that was performed in in due fashion at the beginning of the foreclosure process that the county entered into in July. And so that is a standard process that gives notice to those, those interested parties and gives them an opportunity to respond. And to my knowledge, there was no response in the redemption period to that notice. And therefore, those creditors and lien holders were provided with that ample notice as a standard practice in REM foreclosures. So, you know, beyond that, I would ask that we involve counsel in any further response, because it is a legal matter, but I just wanted to provide that clarification.

Chairwoman Bartels

Thank you. Legislator Litts, I saw your hand up a moment ago. Did you want to ask a question or make a comment?

Legislator Herbert Litts, III

No, I'm fine. Thank you.

Chairwoman Bartels

Okay. Are there any other questions or comments? Legislator Gavaris?

Legislator Gavaris

Thank you. So, I did have a conversation with Tim before about this. And I'm concerned over some of the language in the agreement that it's, if the property, if this, if National Resources doesn't do everything, and the reverter clause kicks in and it comes back, it says it comes back to UCEDA or the county. I would have felt more comfortable with it be coming back to the county not "or". But I don't know if Tim had any further on that.

Chairwoman Bartels

Go ahead Director

Director Tim Wiedemann

If I might. Yeah, sure. You know, I think I hear your, your question, and it was good to talk this through with you, Legislator Gavaris. I think the, the, the kind of terms of the agreement right now contemplate the widest range of options in order to respond to the conditions that might lead to a reverter. And I would just explain that if it says explicitly that the property is revert to the county, then in all instances, they would have to go back to the county. And that would entail a situation where the county would ultimately have responsibility for the maintenance and upkeep, for managing tenants and complying with the management agreement on the property, ultimately could risk additional environmental liability and cost to the county. And so, while I understand there may be some circumstances in which the county would want to reassert control and decide a different process forward, I think for closing the option of putting it to UCEDA in the event that there was an opportunity to make a quick additional sale in order to prevent the county or UCEDA from taking on additional cost and liability. That's the intent of the "or" condition here. And, you know, I think ultimately, this is the basis for hopefully, if this all moves through, future discussions between this body with some representatives on the UCEDA board, and UCEDA board of directors of what to do in the actual event, if it were to come to pass of a reverter.

Chairwoman Bartels

Chair Donaldson

Chairman Donaldson

In point of Legislator Gavaris, if it went back to the County, why wouldn't it be able to just, at that point if the county wishes to return, in fact, UCEDA then could just to do that.

Director Tim Wiedemann

If I might, in response, just you know, a reminder that that is a process that would require a further surplus resolution, with the attendant public hearing, and all of the steps that that takes, which ultimately takes some amount of time. And so that period of time, it would be a question of the responsibilities that the county takes on during that period of time, in terms of cost and liability.

Chairwoman Bartels

Chair Donaldson is that your [inaudible]

Chairman Donaldson

I mean, we're doing this thing pretty fast. And I, you know I have some concerns with, what is the need for this to be happening tonight? That's what I'm a little confused about. Because we have not, there's been no assessment of the property, there's been no, the agreement that you're having with them is not clear to the Legislature at all. That has not been made totally clear on that. And I'm concerned about, you know, the lack of us doing due diligence on this. And I understand this makes sense to do at this point. I mean, I'm kind of agreeing with it. But I have a lot of concerns that we haven't done enough due diligence on this. And I'm wondering what is the, what does it mean that this has to be done now.

Director Tim Wiedemann

So, I think the ultimate need is the fact that we have an opportunity to transition ownership to a responsible party that can complete the work that needs to be done. That is a precarious situation that, you know, I think we can all appreciate that things change fairly rapidly. They have a basically every other time, a deal has come before the current owner of the property, and he's found a way to undermine and not successfully complete that deal. So we're in that precarious moment now. And so, the urgency here is ultimately in response to the precarious situation that we're in and the opportunity ahead, as I think many of the callers pointed out. You know, and, and I think I'll just reiterate that there's a sequence of, there are a series of parties involved here, including the current owner, and then the future purchaser. But obviously, the county and UCEDA as well. UCEDA has requirements to perform certain due diligence, including an appraisal, and fully intends to do that prior to the transfer of any deeds. So, you know, I would just assure you that there are steps that in addition to the deliberations of this body, that UCEDA will be obligated to carry out before transacting the eventual sale.

Chairman Donaldson

But if, if by your assessment and the assessment comes out much higher than you're thinking, it, are we going, is the county going to get more money or that deals already a done deal?

Director Tim Wiedemann

So, I think we've talked this through in some past discussions, and there's two prongs that I would respond with. And if you'll humor me, one of them is just the reminder that an appraisal is an exercise to establish an estimate of fair market value. And that is, should be weighed against the actual market conditions that have held true for the site for 25 years, and that hold true still, and have before us and offer on the table. And so, I think we need to keep that in mind. But then I'll also say that in the event that the appraisal is higher than this \$12 million purchase price that we've been discussing, two other things to consider. That that ultimately that UCEDA as a Local Development Corporation is within its, its rights and within state statute to offer a property at below fair market value as long as it can justify that doing so is in furtherance of its mission. And pretty clearly the reactivation of this economic asset as a productive asset paying taxes, which it hasn't done for many years. And and providing jobs and providing an opportunity for further economic investment is in further into the of the Local Development Corporation's mission.

So, you know, I know that that's a hanging up and kind of sticking point. But I would encourage that we all think about the fact that the alternative here is to see nothing move forward and ultimately for the county to prevail in its foreclosure proceeding, which would put this property in County hands, which as I've mentioned before, entail significant liability and cost to the county until we can find that developer and that developer's in front of us right now.

Chairwoman Bartels

Are there other questions? Any anyone else have a question? Legislator Cahill.

Legislator Brian Cahill

Thank you, Chair Bartels. Um, so I just want to make a little comment here. You know, after finding out a little bit more about National Resources and their background and their history, and their ability to work on brownfield sites like the former IBM complex here, they really are a perfect partner. If you've toured their facility in Fishkill, or looked at some of the other things that they've done, they are directly in line with what this Legislature has supported as a vision for Ulster County going forward. That they are taking on substantial risk by taking over this property, and they're gonna spend a lot of money just to get it to a place where they can develop it, right? There have not been people lined up to look at this part of that parcel it to my knowledge in 20 years, right? They come in, they want to do smaller things, and they want to build, you know, in the parking lot, but I have not been aware of one person coming in here looking to take the whole place at once. I just think that this is really the best opportunity that we're going to have as a county to get that site back on its feet and be productive and bring some jobs to the area. Hopefully some, you know, nice living wage jobs to the area. Thank you.

Chairwoman Bartels

Thank you. Does anyone else, Legislator Petit.

Legislator Petit

Thank you. And thank you for sending me additional information. I mean, essentially, the contract has been determined, including the transfer to UCEDA as a non party participant through the court system. So I think at this point, it would make it difficult for us to make too many changes. I think the only concern I have, you know, we've looked at the, the assessed value of the properties and you know, 12-15 million as it's assessed tax wise seems to be pretty close.

But I did see that there's also the parcel ending in 110. That's along the railroad track. And that looks like it's worth closer to 15 million. I don't know if it was offered to the resource recovery agency prior to that, because they had looked at a form of rail removal for disposal when Seneca Meadows closes. And that would have also been a benefit to the community too

Chairwoman Bartels

For a point of information I know you're not, it's a comment not a question. But is the parcel that Legislator Petit is referencing the parcel, the parcel that sold separately from

Legislator Brian Cahill

Yes

Chairwoman Bartels

From Mr. Ginsburg to a private company.

Legislator Brian Cahill

Yes, it's not part of this transaction at all

Chairwoman Bartels

Not part of this transaction. And it's the portion that's sold to, to the other organization. [inaudible]

Legislator Petit

Protrack .110

Legislator Brian Cahill

Three buildings

Chairwoman Bartels

With three large buildings

Legislator Brian Cahill

Along the railroad tracks, parallel to the railroad tracks they're not part of this and they were part of a previous sale by Ginsberg about six months ago.

Chairman Donaldson

Do we know what the sale price for that was?

Chairwoman Bartels

I don't want to speak out of turn but director Weidemann, do you know? I think I feel I heard it reported 10 million? I don't know if that's accurate.

Director Tim Wiedemann

So, first I just want to make sure we're all talking about the same parcel. When, if I might?

Chairwoman Bartels

You may

Director Tim Wiedemann

Legislator Petit when you give this section block lot number.

Legislator Petit

Yeah

Director Tim Wiedemann

You may be referring to a building in that if you're talking about lot 29.110 That isn't along the railroad tracks that's Building 1 which is directly behind the clock tower building. So, are we talking about the same parcel or?

Legislator Petit

I am trying to find the number right now I apologize. It's a very long contract that we have here. If you want to move on, well I find that exact.

Legislator Brian Cahill

So, if I may Chairman

Legislator Petit

I'm sorry 48.7-1-29.110

Director Tim Wiedemann

So that is the Building 1. This is the building that's under a uniform administrative order under EPA to enforce its cleanup of asbestos containing materials. So, it's a very challenged building, which is ultimately one of the obligations that National Resources would take on to perform that cleanup which Mr. Ginsburg has been unable to complete.

Chairwoman Bartels

Thank you for the clarification. Are there any other questions or comments? Just scrolling through to make sure I'm not missing anyone. Wait another moment. Anyone else have any other questions or comments? Okay, I don't I don't see any hands raised. So on.

Chairman Donaldson

I got, I got one more question

Chairwoman Bartels

Yes, absolutely, Chair Donaldson go ahead

Chairman Donaldson

The cleanup that they're are going to take on is I believe they're committing \$7 million, I think it is for the cleanup. Is that correct?

Director Tim Wiedemann

Just point of clarification on that they're committing to complete the cleanup, regardless of the cost. If it's in excess of \$7 million, they will shoulder all of that excess. If it's under \$7 million, they would repay the difference to the county. But if it's \$7 million, they would receive a credit towards the purchase in that amount.

Chairman Donaldson

Now what happens if, you know, they, they apply for grants and such and they get those grants? And I mean, we would probably encourage them to do so. Would we be, in other words then we would get that money?

Director Tim Wiedemann

So, there's a few things to say about that. And I know that's a question that's come up before. You know, first off, there are none, to my knowledge, no grant programs that would allow for funding for an expense that is also getting a credit towards taxes. The grant programs that I'm familiar with that would involve a cleanup of a property like this would not allow for that. And so ultimately, I think the developer would be forced to choose between those grants or our credit.

There are historic brownfield tax credits that are available to any developer that undertakes a cleanup effort. That's a much more complicated process that has its own rules governing it, and this developer would probably be eligible for those in addition to our credit, but ultimately, I think as, as you said, Mr. Chairman, that the goal here is to catalyze the redevelopment and the cleanup of this site, which is going to have a substantial cost. In addition to the cleanup that's obligated with this credit, there's substantial work to improve the infrastructure to the site sewer, water, gas and electric service. So, every dollar that can be brought to this is really, you know, a vindication of this approach to get it out of the hands of somebody who's been able to attract that, that investment and one of the, as a result unable to redevelop the site.

Chairwoman Bartels

Chair Donaldson, do you have another question? Legislator Greene

Legislator Greene

I just want to be sure, this has come up several times, so I want to be sure that that the executive branch, and UCEDA and everyone who has a say in what's going to happen, is aware that we don't want to see double dipping, we don't want the taxpayers to be you know, paying through a grant and also be getting credit. So, I hope that you will hear us and try to include that moving forward. In spite of you know, I heard what you just said, but, for example, you didn't go into detail on the Brownfields. You said it was complicated and I think it is, but it's come up several times and I just want to restate it. Thank you.

Chairwoman Bartels

Any other questions? Okay, I just wanted to ask for the record. I don't I don't know if it was circulated. Did we ever get the final, the actual figures on the annual tax liability for the property can, can we state for the record?

Director Tim Wiedemann

I apologize that I didn't circulate this. I did get that information. And let me just bring it up quick. So, I get the exact numbers correct.

Chairwoman Bartels

Thank you

Director Tim Wiedemann

I'm recalling that in the current instance, where the county owns three of the parcels from prior foreclosure actions, foreclosure actions, those are exempt. So let me just cite the numbers. Give me a sec. Alright, so currently, the county makes the town and the school district whole for the portions of the assessment that are that are not exempt to the county. So that amount is \$780,000. It's actually \$778,190.67. And once these parcels transfer into a taxable entity, all of them, then the full tax liability that that entity would be required to pay going forward, is \$889,000 per year.

Chairwoman Bartels

And does that 889,000 include county taxes?

Director Tim Wiedemann

Yes, that includes County, town and school taxes.

Chairwoman Bartels

Do you know, and I'm sorry I didn't ask this specifically before, but do you know what the, what portion of that 889 is county taxes?

Director Tim Wiedemann

I don't, and I'm sorry, I don't have that figure in front of me.

Chairwoman Bartels

It's okay. That's fine. I didn't ask it earlier. And it's not critical, but

Legislator Ronk

It's the smallest

Chairwoman Bartels

It's the smallest

Director Tim Wiedemann

It's the smallest. Yeah, that's true

Chairwoman Bartels

It, it is tax revenue we haven't been receiving for an extraordinarily long time. So

Chairman Donaldson

Typically, about, about 15% of it.

Chairwoman Bartels

Okay

Director Tim Wiedemann

And, and a reminder that not only is the net effect of this transaction to get that 15% whatever that number is, but it's also to avoid what has been the case in previous years, which is that the county makes a transfer out to the town and school district in the amount of \$780,000. So, the net benefit to the county is fairly substantial over \$800,000.

Chairwoman Bartels

Okay, are there any other questions? All right, seeing none, speak up if I've missed you. The motion is on the floor. All those in favor of approving Resolution Number 650?

Committee Members

Aye

Chairwoman Bartels

Opposed? I hear no opposition. So unanimous cast for Resolution 650. Thank you all for your patience. I will entertain a motion to adjourn.

Legislator Ronk

So moved

Chairwoman Bartels

Thank you

Chairman Donaldson

Second

Chairwoman Bartels

Second, all those in favor of adjournment?

Committee Members

Aye

Chairwoman Bartels

Meeting adjourned.