

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: REAL PROPERTY TAX SERVICES

DATE: MARCH 27, 2006

Committee Members Present:	Michael Swan, Director, Real Property Tax Services
Supervisors Belden	William Thomas, Chairman
Monroe	Joan Parsons, Administrator
Champagne	Joan Sady, Clerk
Haskell	Paul Dusek, County Attorney
Bentley	Supervisor Gabriels
F. Thomas	Representing C.T. Male Associates, P.C.:
Geraghty	David Roecker
	Joseph Hyland
	Tony Hall, <i>The Lake George Mirror</i>
	Carlene A. Ramsey, Sr. Legislative Office Specialist

In the absence of Committee Chairman Belden, Vice-Chairman, Supervisor Monroe, called the meeting to order at 9:34 a.m.

Michael Swan, Director of Real Property Tax Services (RPTS), distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes.

Motion was made by Mr. F. Thomas, seconded by Mr. Champagne and carried unanimously to accept the minutes of the last meeting, subject to correction by the Clerk.

Mr. Swan began his report with Agenda Item 1, Corrections from the Treasurers Office. He briefly explained the majority of the corrections were to adjust for tax credits or water rents applied to the wrong tax parcel. He also noted the Great Escape Theme Park corrections were regarding the Town of Queensbury sewer credits.

Motion was made by Mr. Haskell, seconded by Mr. Champagne and carried unanimously to authorize the tax rolls be corrected as presented and to authorize a resolution be prepared for the April 13th Board meeting. A copy of the Tax Roll Corrections are on file with the minutes.

In response to Mrs. Parsons questions regarding the Town of Queensbury's sewer charges on the Municipal Center's tax bill, Mr. Swan agreed to verify the accuracy of the charges.

Mr. Gabriels entered the meeting at 9:35 a.m.

Continuing with the Agenda review at Item 2, Brown Fields Grant Program, Mr. Swan pointed out that Mr. Monroe had requested the topic be placed on today's agenda. He

explained one particular parcel along the Schroon River in the Town of Chester (tax map parcel number 122.-1-18) had formerly been an automobile junk yard. Currently, he said, an auto repair shop was located on the property where contamination was suspected. Even though the property taxes have been delinquent for quite some time, he stated, the County has never foreclosed for back taxes, due to the contamination threat. For the most recent taxes on said property, he mentioned, the County's portion was \$450.14 and the Town's portion totaled \$236.03.

Messrs. Bentley, Merlino and Caimano entered the meeting at 9:36 a.m.

Mr. Monroe explained, in the Fall of 2005, he had met with representatives from C.T. Male Associates, P.C., and Maureen Donovan (of Warren County Economic Development Corporation) regarding the above mentioned parcel. Following said meeting, Mr. Monroe stated, as Town of Chester Supervisor, he reported to his Town Board regarding possible clean up of the parcel. He further noted the Town Board was interested in getting the parcel back on the tax rolls, yet was reluctant to take independent action. He explained the Board would prefer to partner with the County and he acknowledged the C.T. Male Associates, P.C. representatives were in attendance today.

Privilege of the floor was extended to Mr. Hyland, of C.T. Male Associates, P.C. and he distributed a two-page handout to each of the Committee members (a copy is on file with the minutes). Mr. Hyland directed attention to the sheet on the NYS DEC (New York State Department of Environmental Conservation) Environmental Restoration Program (ERP). He stated the program was geared toward municipalities and he felt it may be of some benefit to Warren County.

Mr. Roecker, Environmental Engineer with C.T. Male Associates, P.C., addressed the Committee as he referred to a map of the subject parcel (copies are on file with the minutes). He reported the State had developed three general Brown Field Programs:

1. More for private individuals/volunteers who would come in and clean up the site;
2. Brown Fields Opportunities Area which was more of a regional, big picture study/planning program;
3. Environmental Restoration Program which was run by NYS DEC with 90% funding opportunities for eligible activities such as the investigation and clean up of detected contamination.

Mr. Roecker mentioned option #3 would apply to the Town of Chester parcel. He referred to the Agenda handout as he explained the eligibility requirements, as follows:

1. Meet the definition of a Brown Field (any piece of real property whose re-development or re-use is compromised by a perception of contamination being present;
2. Applicant must be a town, village, public benefit corporations, etc.; and
3. Site cannot be listed as a State Superfund or Hazardous Waste Site.

As for the application process, Mr. Roecker pointed out, the 10 page application would be supplemented with environmental background information. He noted the applicant would need to demonstrate the ability to take title to the property due to tax foreclosure.

Mr. Roecker acknowledged the largest hurdle any of the municipalities seem to wrestle with is the liability associated with foreclosing on contaminated properties and the environmental clean up. Recent changes have been made to the program, he said, to specifically address such concerns, and protects the municipality before it legally takes title to the property. He pointed out a municipality would submit an ERP Application and demonstrate the ability to foreclose by initiating the foreclosure action. At which time, he noted, a Judge would place a stay on the court proceeding, pending an environmental investigation and the site would be eligible for funding of 90% of the investigative activities. Once the investigative results are known, the municipality would then continue with the court proceeding and gain title to the property and begin the clean up process.

Mr. Roecker explained his firm was currently involved with a number of projects with co-applicants, as the Town of Chester had suggested. He noted the State's application review process may take three to four months until the Governor is ready to announce the projects approved for funding.

Regarding the funding and project costs, Mr. Roecker stated the investigation phase has varied between \$70,000 up to \$175,000 and he anticipated this project to be toward the lower end. He stated it was a reimbursement program which meant the County/Town would front the money and submit receipts to the State for 90% return.

Mr. Roecker explained one other significant change in the ERP would allow the municipality to obtain other funding sources to cover its responsibility for 10% of the costs. He stated the ERP was designed to assist municipalities to restore contaminated parcels without the liability for environmental issues that may arise. Such liability release, he said, was also transferable to future owners of the property, as an Environmental Easement that would run with the property as a deed restriction.

Mr. Monroe clarified the Town of Chester Town Board was neither willing nor able to fund the investigation/clean up costs and wait for the 90% reimbursement from the State. He said he felt the parcel could be returned to the tax rolls and generate tax revenue for both the Town and County, once cleanup was completed.

Mr. Dusek, as County Attorney, explained his recommendation to the Committee, had always been to avoid any foreclosure on suspected contamination sites, even though the taxes go unpaid. He stated, his reasoning was directly linked to the cost and liability factors associated to the owner of such contaminated sites. He declared, this particular ERP would not absolve the County/Town from all liability although it would

limit the liability, provided the application met all of the requirements. Therefore, he said, this program would "be an exception to the rule" of not foreclosing on contaminated tax parcels.

In addition, Mr. Dusek said he felt this program could provide a vehicle to restore contaminated parcels to the tax rolls with limited liability risks. He clarified the State would release the municipality from liability associated with contamination that occurred prior to initiation of clean up activities. For instance, he said, if the investigation reveals something was currently leaking, the State would expect the current leak to be remediated immediately, even though the costs would be reimbursed down the road. Therefore, he suggested a lead agency/project manager would need to be clearly designated at the inception of the project.

Mr. Dusek further clarified the ERP would indemnify against public and State liability, although it did NOT indemnify against Federal liability issues. However, he said he felt, one of the most positive aspects of this program was the ability to conduct an investigation and still have the option of halting any further action, without assuming any liability.

Mr. Roecker stated, under the ERP, the municipality could still be reimbursed for 90% of the investigative costs.

General discussion ensued.

Mr. Monroe reiterated the Town of Chester's request was that the County be a joint applicant on this particular project.

Mr. Haskell said he understood the Town of Warrensburg had already submitted applications for two separate parcels. He expressed his concern with how many other Brown Field sites existed within the County and whether or not the County should partner with each of the affected towns.

Mr. Champagne pointed out the Town of Warrensburg intended to use one parcel for a public park and the other parcel for the Town's use.

Following a brief discussion, Mr. Roecker estimated the Chester parcel may cost between \$100,000 to investigate the site, and possibly as high as \$225,000 for the clean up. He also clarified the prior owners of the parcel would be prohibited from receiving any financial gain as the result of the project. In addition, he said, the State retained the right to take legal recourse against the prior owners, upon completion of the project.

Motion was made by Mr. Haskell to table any further discussion, for a month or so, to allow time to determine what other projects existed within the County.

Mr. Dusek said he understood the Brown Fields issue was a matter listed on the Clerk of the Board's Pending Items. He acknowledged Mr. Haskell's request for additional information on other potential Brown Field properties within the County.

Mr. Swan resumed Agenda review at Item 3, Pending Items from the Clerk of the Board, as he explained 3a concerned State Land Assessments. Mr. Dusek acknowledged this matter had also been referred to his office. He pointed out the State's procedures fluctuate, dependant upon what classification is assigned to the particular parcel of State Land. For an example, on Forest Preserve Lands, he noted, the property values would be established by the local assessor's office, subject to approval by the State. On other classifications, he said, the State does conduct its own assessment.

Mr. Dusek asked for a more explicit description of the Committee's concerns.

Mr. F. Thomas, explained that most of time, the State comes in and lowers the assessment and the Town's residents end up picking up the tab.

Mr. Swan reported his understanding was the State provides the local assessor with a list of its parcels with its suggested values. If the assessor signs off and returns the list to the State, the assessor has indicated approval of the stated values.

However, once the Treasurer submits the tax bill to the State and the State feels a particular parcel is billed at a different value than what appeared on the assessor's list, then the State reduces the tax bill to the previously stated value.

Mr. Monroe commented that when the State acquires a piece of land and reclassifies it as Forest Preserve, it obliterates the development rights and drastically reduces the value of the property.

However, Mr. Swan repeated that, prior to the final tax roll, the State provides a list of the values it has determined its various parcels are worth. At which time, he stated, the list should ONLY be returned to the State IF the assessor agrees with the listed values. Otherwise, he said, the assessors should not sign and return the list to the State.

Mr. Dusek pointed out it, if the assessor agreed with the listed values, then the assessor should also adjust the assessed value accordingly, so as to avoid discrepancies with the tax bills. He said he felt the issue was more of an assessment issue, than a legal matter, since the County could legally challenge the State's determinations.

Mr. Dusek explained that if the assessor has signed off on the suggested State values, a municipality would ultimately lose any legal action brought against the State for payment based on the agreed upon value.

Following a brief discussion, Mr. Haskell suggested the assessors should be invited to a workshop to thoroughly discuss the matter. Mr. Swan agreed he would arrange for a half-day workshop with the some of the Town Supervisors, the local assessors and State representatives.

Mr. Tessier entered the meeting at 10:16 a.m.

Mr. Swan reported Agenda Item 3b) Installment Payments on Current School Taxes, had been listed as a pending item for a number of months. He said it had originated when the Town of Ticonderoga and Warrensburg had both expressed an interest in periodic payments. However, the matter appears to have been dropped at the moment and he suggested the item be removed from the pending items list, at this point.

Motion was made by Mr. Champagne, seconded by Mr. Haskell and carried unanimously to remove the installment payment matter from the pending items list.

Mr. Swan pointed out Agenda Item 4, Veteran's Exemption, was to have the official record show the Warren County Assessor's Association was in favor of the County's resolution (see Resolution No. 240 of 2006, Enacting Local Law 2 of 2006 to increase the ceiling on the Veteran's Exemption).

As for Agenda Item 5, 2006 foreclosure action, Mr. Swan reported the Treasurer's Office had processed a record number of property redemptions as of March 17, 2006. Therefore, he said, the list of delinquent parcels was at a record low and he did not anticipate the need for a public auction in 2006.

There being no further business to come before the Committee, on motion by Mr. Haskell and seconded by Mr. Bentley, Mr. Monroe adjourned the meeting at 10:20 a.m.

Respectfully submitted,
Carlene A. Ramsey, Sr. Legislative Office Specialist