

**Herkimer County Legislature  
Committee on County Properties  
Committee Meeting  
Friday, March 5, 2021  
Via Zoom**

**Follows Administration/Veterans' Affairs and Ways & Means**

**Persons Attending:**

Raymond Johnson (Chairman, County Properties)  
Mark Gaworecki (County Properties committee member)  
William Keeler, Sr. (County Properties committee member)  
William Weakley (County Properties committee member)  
Robert J. Schrader (County Properties committee member)  
Ray Donley (County Properties, committee member)  
Vincent J. Bono, Chairman of the Legislature  
Steve Billings, Personnel Officer  
Brandy Serow, Sec. to County Administrator  
Lorraine Lewandrowski, County Attorney  
Sheri Ferdula, Budget Officer

**(Non Committee Members signed in)**

Legislator Gregory Malta, Sr.  
Legislator Bob Hollum  
Legislator John L. Brezinski  
Legislator Peter F. Manno  
Legislator Raymond Smith  
Legislator Kurt J. Ackerman  
Legislator Peter Campione  
Legislator Patrick E. Russell  
Legislator Frederick J. Shaw, Jr.

**Absent:**

N/A

Mr. Johnson called Properties to order at 10:30 a.m.

**Items Discussed:**

**COUNTY PROPERTIES:**

1. Duofold tax issue
2. Other – Discussion of properties in Village of Herkimer

**Committee Vote Record**

**COUNTY PROPERTIES:**

Mr. Johnson: “On the agenda is the Duofold tax issue. I had Lorraine put together the five options that we have. She sent them out to everyone and they are on the agenda. How would the committee like to move forward? The IDA had a meeting with the Village to discuss the issue. I’m going to turn it over to Mr. Bono since he is the head of the IDA and how he would like to proceed on this issue.”

Mr. Bono: “Well, at the bequest of the Village, the attorney and the Village Mayor, they wanted a meeting with the County and the IDA to explain the situation with Duofold going forward and any type of agreement that we would have. Mr. Piseck and I believe Mr. Stephens were at that meeting and can verify that Mr. Rose wanted that meeting to take place. I had set up a meeting as Chairman of the IDA I

instructed John to notify everybody that they were inquisitive about this and set up a meeting. We set up a meeting. Prior to that meeting Mr. Rose reached out to Lorraine and worked it out where we understood what was going on and what they would like to see. What the Village would like to see based on those five options that Lorraine had presented. Now Lorraine is on I believe and if she wants to...Lorraine, are you on?"

Lorraine Lewandrowski: "Yes."

Mr. Bono: "If you could go through that. I believe they are leaning towards option two which we have done in the past. So Lorraine, if you could go through that please."

Lorraine Lewandrowski: "I sat down with Charlie Crandall for an hour to try and nail down the options that the Legislators have in their toolbox for any type of situation. So one option, and I did find one very similar in Rob's folder is where the taxes are forgiven. There is one that you guys did with the Village of Dolgeville in 2015. That would be where we agree to cancel the tax lien and in return the Village would reimburse the County for the amount that they had been given or in this case they were made whole \$6,900 was the base amount plus the 8% penalty. They were made whole \$7,549.76. With this agreement that is similar to Dolgeville the Village had already taken title of the property. So in this case, Mark Rose gave a little more of a presentation on how they came to take title. The Village took the title to Duofold on March 19, 2019. He explained that they were under extreme pressure to take title immediately. The Duofold building was owned by an LLC that was owned by another LLC based out of Scotland. The bankruptcy court and the EPA contacted the Village saying if you don't take this property, take title to this property immediately, like this week, it would just go into an abandonment and basically be tied up for years. So they took it and at the same time the County had made them whole for the \$7,500. It's a little bit of a unique situation in that the municipality owns the property same as the Village of Dolgeville. Initially the committee had discussed to talk with them about just having the Village make us whole now and then we would cancel the tax lien and also get in out of the In Rem. It's currently in the In Rem process because this was really not dealt with. This is where they came back with the counter proposal. It's up to the committee and the Legislature. I do have the sample agreement that Rob had drawn up for Dolgeville from the last time this was done so I wait the direction of the Legislature."

Mr. Johnson: "Okay. Thanks Lorraine. Mr. Schrader, you jumped in on one of the emails that you liked option two. I did speak to the Mayor on Saturday, he was going to get paperwork. I don't know if it's coming or not. I will make a motion that we proceed with option two which if the Village does sell it, we recoup our money. Discussion on that at all? Mr. Bono, is that alright with the IDA. I don't want to move forward with anything that upsets your plans."

Mr. Bono: "No Ray, that's not the point. The point here, the IDA's concern with whatever option you go with, whether if it's one through five, that there is no lien on the property. That's the only concern we had because we can't market that with a lien. Mark Rose agreed with us. If there isn't going to be a lien on it then that's fine and go ahead with option two and that can be written that way, correct Lorraine, the way it's..."

Lorraine Lewandrowski: "Yes. So we would have to...they have already taken title to it, we would agree to forgive the taxes on the property, then we would enter into an agreement with the Village of Ilion, they would reimburse us for that money if they sell the property down the road for an amount greater for what they have put into it and then at the same time we would also have to withdraw the Duofold building from the properties in the In Rem process because currently they are in our In Rem so I would have to draw up the appropriate agreement based on the one from Dolgeville. The In Rem process is still slow right now. We did get a little bit of progress yesterday. An RJI# was purchased by Legal Aide. They get an RJI# free

which that's a request for judicial intervention. With that we are anticipating a judge will be assigned so things are starting to loosen up a little."

Mr. Johnson: "I just had one question. Rob always told me if the Village spends more than our lien, we don't get anything if they sell it so I guess if the Village sells it they are only responsible for the \$6,900, right?"

Lorraine Lewandrowski: "Yes, plus the penalty. I think it's like \$7,500."

Mr. Johnson: "So they only have to show they spent more than \$6,900 on this property?"

Lorraine Lewandrowski: "Yes. I don't know what their budget is in all of this but..."

Mr. Bono: "And what about the school Lorraine? We would pay the school back also?"

Lorraine Lewandrowski: "The school was already made whole. We do not get that money back. These agreements are just with the Village. So in this case the school received \$6,300 but the school is not part of any of these agreements and they are also not the owner of the property."

Mr. Johnson: "Okay. That was my point."

Mr. Russell: "This is a little bit more unique right because we have made them whole prior to this or when were they made whole? Prior to them taking title?"

Lorraine Lewandrowski: "They were made whole on March 18, 2019."

Mr. Russell: "That was for the year 2018?"

Lorraine Lewandrowski: "That was for 2018, the year before."

Mr. Russell: "We aren't getting any of that money are we?"

Lorraine Lewandrowski: "Yes that's the money we are seeking back because they bought the property with a lien on it so just like any other tax payer, you buy a property, there is a lien affixed to the property, so this lien is affixed to this property and until it's taken care of it's still attached to the property."

Mr. Russell: "I understand that. The lien is for what years?"

Lorraine Lewandrowski: "2018."

Mr. Russell: "If they were entitled to that money in 2018, I'm trying to understand, and I understand why there is a lien on it but I'm trying to understand why we are trying to recoup this back since they were already entitled to that money?"

Lorraine Lewandrowski: "Us recouping the money puts us back in...somebody takes care of it. The prior owner could have paid it at a closing but that didn't happen since they were in bankruptcy. So until the day that somebody deals with it and gets rid of it, it remains as a lien."

Mr. Russell: "The lien is based on the 2018 taxes?"

Lorraine Lewandrowski: "Correct."

Mr. Russell: "Are we just talking about the lien amount of money which I guess is primarily what we paid in 2018?"

Lorraine Lewandrowski: "Yes. The \$7,500."

Mr. Russell: "Does that include the interest?"

Lorraine Lewandrowski: "The way it goes is the amount of the lien plus the Village charges an 8% penalty. It included just that penalty but not our interest in penalties."

Mr. Johnson: "All in favor to move forward with option two with the Village of Ilion on Duofold."

Item #1 - On motion of Mr. Johnson, seconded by Mr. Schrader for the County Properties Committee, Item #1 was voted on, approved and moved for Resolution. Unanimous.

Mr. Johnson: "Anything under other? I will turn it over to Mr. Schrader because I know you have properties that you want to bring forward."

Mr. Schrader: "The Village of Herkimer will be pursuing the old Soda Factory. I know it's going to be sort of the same thing. I know that we already voted on that prior. There is another one on Main Street also. Actually two of them on Main Street if I...Lorraine, can you jump in here and update us on..."

Lorraine Lewandrowski: "The Soda Factory which adjoins the Housing Authority is currently in our In Rem process. An agreement could be done the same way, where we would forgive the taxes but the Village would have to agree to take title to it too. We would proceed with the In Rem process but we would not take title unless we had an agreement ahead of time with the Village that they will indeed take title to it and they will take title to it as is. I have contacted the Village. We have talked about this in a prior meeting. I contacted the Village on January 6<sup>th</sup> and then again on February 4<sup>th</sup>. I sent emails to the Village Attorney saying this was discussed and what do you guys think of this but have not heard back from him yet. So if they want to go forward with this they should really get back to us. The other one you had was the Main Street one. That one is not in our In Rem process. It would have to be put in to the process. There was another one on Steele Street. That one is an abandoned house. That one has difficulties. It's abandoned and the State owns it and no person on the estate will even respond but I did tell the Village Attorney that one would be the perfect candidate for the abandonment process. It's a residence and the County probably wouldn't attest to it being abandoned going through this process and get title to it. What was the other one Mr. Schrader?"

Mr. Schrader: "On Main Street, the one that burned down."

Lorraine Lewandrowski: "I do not think that that one is in our In Rem process either so it would have to be put back in. The King Street one is perfect for doing something with because it is in our In Rem process. It's already on the runway to be taken and have a deal cut with the Village. I think the Housing Authority is going to do some work on it and I believe they got some grants. I did speak with the Housing Authority Executive Director. The State has done some environmental work on it and the Village can check it out and make sure it's not really bad but I would need to hear back from them Mr. Schrader on those ones. It could be done but they have to work with us."

Mr. Schrader: "Yes. Well we are voted to go forward with it."

Mr. Johnson: "Mr. Schrader, could you get an email or a letter from the Mayor to me. Also, can you include the IDA so there is no longer the confusion back and forth with them also? A letter request for the property?"

Mr. Schrader: "Just to let you know, the last time I knew Ray that was going under a PILOT also. It wasn't going to be totally tax exempt, it was going to be a PILOT."

Mr. Johnson: "Just move forward and get the letter so we can move forward with these properties."

Mr. Schrader: "Okay and also Lorraine, the Village is working on taking that with the same process the Land Bank was using. I have been working with Tina Cirelli and those guys and the one on Steele Street, They are actually currently working on three properties."

Lorraine Lewandrowski: "The filing for Lester Avenue would be the exact same procedures to the County and they could move forward on it right away."

Mr. Russell: "I'm a little concerned with this procedure because all of a sudden this showed up under other. You were obviously aware this was going on, Mr. Schrader was aware it was going on, I certainly wasn't aware it was going on. We could be sitting here making decisions based on something that is under other that I haven't even seen. I don't think it's practical for these type of meetings. Discussion is fine but..."

Mr. Schrader: "This was already brought up."

Mr. Russell: "Will you let me please speak. The one I understand. I 'm talking about the other ones. I would really like to see more information on what you are trying to accomplish here."

Mr. Schrader: "All three of these properties were brought up to the committee. At the meeting we were in the DSS room. All three of these properties that I mentioned Pat, were all brought up. Am I correct Mr. Johnson? You are the Chairman of the committee."

Mr. Johnson: "I can't tell you a day and I apologize but it was in the DSS room and I do have a letter from Mr. Netti back, and I again, I can't quote the dates."

Mr. Russell: "Okay. Well I wasn't aware that you were making plans to do it. I don't know why it wasn't on the agenda. That was my point. If you could send me that letter that would be good."

Mr. Johnson: "Okay."

Mr. Bono: "Bob, what were the plans for the Village on these properties?"

Mr. Schrader: "Which ones? The Soda Factory Jim? It's going to the Herkimer Housing."

Mr. Bono: "And there were two other properties?"

Mr. Schrader: "The two other properties I think were Steele Street and the apartment building that burned out prior."

Mr. Bono: "And what were the plans for the Village to do with that?"

Mr. Schrader: "I think they might be already speaking with John Piseck. Is Mr. Piseck on?"

John Piseck: “Yes, I am here.”

Mr. Schrader: “Didn’t she, I can’t remember her name off the top of my head, didn’t she talk to you already about doing something with that building.”

John Piseck: “Olive, yes, she wants to convert that into housing and the other one they are talking about Mr. Chairman, is the one on King Street that was like a play land type of place. I’m not sure Mr. Russell when those were brought forward but I know there had been conversations.”

Mr. Bono: “But were they for economic development or are they for housing?”

Mr. Piseck: “In my opinion, I consider housing to be economic development and the one on Main Street would be fantastic. And we also included in the Herkimer Housing Project now that the old bottling place would be excellent because they are also adding additional housing and assisted that we need disparately. So those two would be, the third I can’t answer for. I’m sorry.”

Mr. Schrader: “The other one is residential Mr. Bono.”

Mr. Gaworecki: “I believe we talked about these three properties several months ago when we had letters from residents that wanted to buy them and were asking for the taxes to be forgiven.”

Mr. Johnson: “Yes. You are younger than I am. Do you remember when?”

Mr. Gaworecki: “I will check my emails and get back to you.”

Mr. Johnson: “Thank you. Can I have a motion to adjourn Properties?”

Item #2 – Discussion only. No vote taken

On motion of Mr. Weakley, seconded by Mr. Schrader, the County Properties committee adjourned at 10:51 a.m.

The Ways & Means committee continued.