

FINANCE AND RULES COMMITTEE
March 21, 2023

Present: Tom Osborne, Chair; Phil Hathway, Vice-Chair; Jeffrey Nellenback; Jessica Moser and Josh Leviker.

Others present: Legislators Larry Dolhof, Lisa Virkler, Richard Chartrand, Andrea Moroughan and Ian Gilbert; County Manager Ryan Piche; Treasurer, Eric Virkler; Human Resources Director, Caitlyn Smith; and County Attorney Joan McNichol.

Committee Chair, Legislator Osborne called the meeting to order at 3:00 p.m.

Legislator Hathway moved to accept the February 21, 2023 minutes, seconded by Legislator Moser and carried.

Property Redevelopment Initiatives – Brittany Davis & Cheyenne Steria, Lewis County Development Corporation

Brittany Davis began by outlining the points being covered in her presentation as purpose of the presentation; how they got there; 3 pathways to property redevelopment and the solutions; process of the LCDC and County partnership; and future initiatives. The purpose of the presentation is to discuss the potential role of the Lewis County Development Corporation in Commercial Property Redevelopment in Lewis County, and to identify a path forward on a County-LCDC Partnership as a mechanism & solution to property redevelopment within the county.

Brittany went on to explain how they got here. They knew property redevelopment was going to be a priority, but didn't know in what way, shape of form this would work. An example of past efforts would be the Lyons Falls Mill demolition. Current efforts for property redevelopment are evident in the Glenfield School marketing, which is currently in process. The Vacant Property Revitalization Program which incentivizes current property owners to fix up their property. Lyons Falls School is an example of how a community cares and sees a property as an asset, however they cannot remediate until the County forecloses, which is what is required to get the process started and they cannot apply for grants until this is taken care of. Local Development Corporations were created under section 1411 of the NYS Not-For Profit Law, which basically states that allow allows us to construct, acquire, rehabilitate, and improve industrial sites or manufacturing plants.

The three identified property redevelopment pathways and solutions are property owners who are motivated to redevelop their property, properties that are not well maintained but should be, and "zombie" properties in foreclosure, or need remediation. The first pathway would fall under the Vacant Property Revitalization Program and the property owner could be empowered through grant opportunities, project planning and guidance, planning reuse studies, or to sell the property directly to developers.

The second pathway requires for other entities to get involved such as codes enforcement, Village zoning, and project planning expertise. Based on this information the project should be driven in either the direction of motivating the property owner to redevelop their property or over to “zombie” properties.

The third pathway is “zombie” properties in foreclosure and need remediation. This would require the LCDC/County partnership to remediate or demo the property and then remarket or determine the best use. The LCDC is trying to make this process quicker. Cheyenne went over her flow chart of the three pathways and questions to be asked. For the first pathway can the property owner self-fund a project, if they can then Naturally Lewis will coach them and if not, there are other resources that can assist. The second pathway would ask if the owner were motivated, if yes then it would defer back to pathway one, if not then it would defer to pathway three. In pathway three you could ask if the property is a priority and if the community/municipality is engaged. Based on the answers the property would either go to Planning for coaching or start the process of foreclosure and demo for redevelopment.

The LCDC role, using the naturally Lewis staff, would be to take ownership of properties; lead and assist in environmental clean-ups; and market properties to developers. The County role would be to provide planning assistance, and potential funding opportunities through general funds and or grant opportunities. This partnership and initiative are still developing but can be a solution to help revitalize our communities with short- and long-term solutions. There was further discussion on the details of the partnership. Legislator Virkler thought that some of the properties that are renovated could be used for low to moderate income housing.

Legislator Hathway questioned if the County would get any money back from the sale of the revitalized property, the response was that this would be a revolving fund so they money would go back in to fund future projects. Legislator Dolhof went on to explain that the fund could cover expenses and cover initial costs if grant is reimbursable. This would help municipalities who can't cover all the upfront costs of the grant. Ryan stated that this is a great initiative because without it the buildings will either collapse or burn down and then it becomes a burden on the taxpayers to clean it up.

Website update – Conner Biolsi, I.T. Director

Conner Biolsi brought up the new website to show the legislators and thanked them for their support and his team for working on this. The new website is at lewiscountyny.gov and is works much better on a cell phone. The new website is ADA compliant. He showed them where they would be able to go for departments. The legislative meetings lead someone into the agenda's, the minutes, and the recordings. It is a one stop for all information pertaining to legislative meetings. Legislative Dolhof questioned if this website will host other municipality websites, and Conner responded that they would work with Towns and Villages but that is in

the next phase. Conner asked everyone to go in and take a look when they have time to poke around more.

2024 NYS Executive Revenue Budget Part N – Candy Akin, Real Property Tax Director

Candy Akin began by explaining the RPTL 575-b was established as part of the 2021 Governor’s Budget Bill and set to begin for the 2022 assessment year. This section of law pertains to Solar and Wind energy systems with a capacity of one megawatt or greater. It mandates the assessed value of solar and wind energy systems be determined by using “the Model.” The Model was challenged in court and a stay was issued so the Model values were not used on the 2022 assessment roll.

The Governor’s Executive FY 2024 Revenue Budget includes Part N, which removes the requirement for the solar and wind energy systems appraisal model to comply with the provisions of the State Administration Procedures Act (SAPA), and amends §2 (viii) to add appraisal models and discount rates to the list of products that the state provides that are not required to comply with SAPA. There is pending litigation that argues that the State failed to promulgate the Model as required under SAPA. The State’s motion to dismiss the case was denied in December 2022 and the Court upheld the temporary stay. Part N was specifically written to amend the SAPA definition to not include the appraisal model and to be made retroactive to 2021 to make the amendment controlling and meet the time frame for creating the Model.

The State’s intention is clear by pre-dating the original Model, the current litigation will likely be a moot issue and the stay lifted. Part N was clearly created for the sole purpose of combatting the current litigation. On April 10th it will be decided if this legislation passes. In Lewis County there are four active IDA Wind PILOTs that create almost \$4.7 million in revenue; eight active IDA Solar PILOTs that generate about \$131,000 in revenue; and approximately \$158,000 is raised for fire protection taxes based on the current wind/solar assessments.

If our PILOTs are based on a per megawatt value and not an assessed value, it should have no impact on the county. However, if the PILOT change and go to an assessed value it will hit the Fire Districts hard and could significantly reduce the revenue for the County, Towns and School Districts. The Green Energy companies could decide to break the PILOTs if payments would be less using the assessed value. Green Energy is a high priority for New York State therefore making it as beneficial as possible for Green Energy companies is the objective. Legislator Dolhof voiced his opinion that it will end up being all of Upstate New York producing the electricity for New York City in the end. Ryan Piche chimed in stating that this whole thing is just a way of undermining the idea of PILOTs. There was further discussion on the litigation and rough estimates of how much this could reduce payments.

The following dockets were reviewed:

1. Setting a public hearing for Lewis County Microenterprise Assistance Program, NYS CDBG project #636ME980-21 administered by the Lewis County IDA, Homeownership Program, NYS CDBG project #636HO133-20 administered by Snow Belt Housing, and Housing Rehabilitation Program, NYS CDBG project #636HR134-20 administered by Snow Belt Housing to be held on Tuesday, May 2nd, 2023 at 5:00 p.m.
AYE 5 NAY 0

2. Requesting NYS Home Rule legislation to continue sales tax to county.
AYE 5 NAY 0

3. Awarding bid and authorizing agreement with Absolute Auctions & Realty, Inc. for professional auctioneer services for the County's In Rem tax foreclosure auctions.
AYE 5 NAY 0

4. Urging Governor Hochul and the NYS Public Service Commission to dismiss NYSEG and RG&E rate hike requests and to correct the billing problems before rate hikes are considered.
AYE 5 NAY 0

5. Opposing Governor Hochul's proposed Part N of the SFY 24 Executive Revenue Budget pertaining to ratification of the prior solar and wind energy system appraisal model published by the Department of Taxation and Finance in 2021.
AYE 5 NAY 0

The following motions were made:

1. Legislator Osborne moved to authorize the Insurance Renewal Package policy from NYMIR at an annual cost of \$240,786.16 from April 5th 2023 to April 5, 2024, seconded by Legislator Leviker.

2. Legislator Moser moved to ear mark \$10,000.00 from Legislative Contingency to reimburse individuals the costs of attorney fees in relation to pending litigation against the State on Part N of the SFY 24 Executive Revenue Budget, seconded by Legislator Hathway and carried.

There being no other business to come before the committee Legislator Nellenback moved to adjourn the meeting at 3:55 p.m., seconded by Legislator Moser and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board