



**ORANGE COUNTY
DEPARTMENT OF PUBLIC WORKS
DIVISION OF ENVIRONMENTAL FACILITIES & SERVICES**

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Edward A. Diana

County Executive

To: Orange County Legislature

From: Charles W. Lee, P.E., Acting Commissioner

Date: April 19, 2010

Subject: REPORT AND RECOMMENDATION ON THE EXTENSION OF ORANGE COUNTY SEWER DISTRICT NO. 1

This report addresses a proposal to create an extension of Orange County Sewer District No. 1 to include the property formerly known as the Central Orange Development Area, formerly known as Camp LaGuardia, and to recommend to the Legislature that the extension be approved. The property consists of approximately 258.3 acres located in the Towns of Blooming Grove, Chester, and the Village of Chester. Submitted with this report, and attached hereto, is a copy of the property description and a map depicting its location in relation to Orange County Sewer District No. 1.

Prior to the acquisition of this property by the County in 2007, the property was owned by the City of New York and operated as a 1000-bed single men's homeless shelter. The shelter was closed and the property was acquired by the County on February 27, 2007. Thereafter, a request for proposals for the development of the property was circulated. The RFP included in the description of the property the availability of sewer service to serve the property.

The three parcels comprising the property are located outside OCSD#1, however, all three municipalities within which the subject property is located are within the service area served by the Harriman Wastewater Treatment plant pursuant to a series of intermunicipal agreements between the County, OCSD#1, and the Towns of Chester, Blooming Grove, Monroe, Woodbury and the Village of Chester, often referred to as the Moodna Basin municipalities, and which currently are allocated 2.015 million gallons per day (mgd) of the total Harriman Plant capacity of 6.0 mgd. Pursuant to these agreements, the Moodna municipalities are each allocated a portion of the 2.015 million gallons per day of capacity.

Shortly after acquiring the Property, the County issued a Request For Proposals for the development of the Property. In September, 2008 the County Legislator selected Mountco

Construction and Development Corp as the preferred purchaser of the subject Property, and in April, 2009 the County Legislature authorized the County Executive to enter into a purchase and sale agreement with Mountco Development, Inc., which was signed in April 2009. The proposal consists of a mixed use development including residential, commercial and retail space with an estimated sewer treatment requirement of approximately 280,000 gpd.

At the time that the property was acquired by the County, it was anticipated that the sewer needs for this property would be provided through these allocations. Since that time, the three host municipalities have been unable to provide assurances that sewer treatment capacity can be made available to serve the proposed development of the property., now or in the future based on an engineering analysis of demand from projects already under review by the municipalities.

As an extension of OCSD#1, the Property will be served by the infrastructure already in place within the property and currently owned, operated and maintained by the host communities through local sewer districts and which feeds into the Harriman Plant. The Property is also served by a pump station owned and operated by the Town of Chester.

Under Article 5-A of the New York State County Law the cost of creating an extension to an existing sewer district is a County charge, to be paid back to the County by the property owner once the extension has been approved. Because infrastructure is already in place, there will be no cost to the County associated with the creation of the extension, other than nominal costs of the preparation of maps, plans and some minimal legal work. Any costs associated with the future construction of new infrastructure will be assessed to the Property owner, and not as a charge to the entire District.

Recommendation

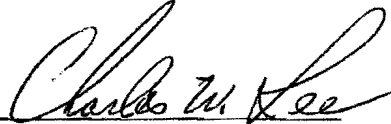
As Administrative Head of OCSD#1, I recommend that the Legislature vote to approve the creation of an extension to OCSD#1 comprising of the Property for several reasons.

First, this is a County property that does not have a reliable source of adequate sewer treatment capacity from the host communities, which have indicated that other proposed and pending projects make uncertain whether sufficient capacity exists for this property. The County interest in a reliable source of sewer capacity for its own property will be served by the creation of this extension, as addressed more particularly below. The proposed extension will insure that adequate sewer treatment capacity will be available to serve the Property by making OCSD #1 capacity available to it, whether it is developed as presently proposed, or otherwise.

Second, once the district is extended to include this property, the treatment capacity allocated to this property by the host municipalities may revert back to them. The potential exists, therefore, for Chester and Blooming Grove to utilize up to 160,000 gpd for other projects within those communities.

Third, the availability of reliable long term treatment capacity will increase the potential for development of the property which would increase the property and sales tax revenues for the municipalities and the County.

Fourth, once the district is extended to include the property, the County would no longer be obligated to pay operation, maintenance, and conveyance fees to the municipalities on the same basis as it does currently, potentially saving the County up to \$128,187.00 a year.

A handwritten signature in cursive script, reading "Charles W. Lee". The signature is written in black ink and is positioned above a horizontal line.

Charles W. Lee, P.E.
OCSD#1 Administrative Head

