



S&W Redevelopment of North America projects sales boost: To generate \$6 million during 2008

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A local company is playing a big role in the state's effort to clean up and redevelop abandoned industrial sites. It's leading to strong sales growth for S&W Redevelopment of North America, LLC. S&W said it remediated about one-third of the 24 NYS sites issued certificates of completion through the state's brownfield cleanup program in 2006.

"As S&W's expertise in the brownfield program continues to grow, it gradually takes on larger sites to redevelop. The large projects will account for its \$800,000 in projected sales growth in 2008," said Terence Maliga, manager of project development for S&W.

S&W generated \$5.2 million in sales in 2007 and it projects to generate \$6 million in sales this year. Maliga said the boost is due to the size of projects it plans to remediate. The company employs 12.

"As we get bigger, we get bigger deals. Our appetites as a business are larger," Maliga said.

S&W generates revenue through property acquisition and sales and its environmental-consulting services. Property acquisitions and sales account for 75% of revenue, while its environmental-consulting services generate the remaining sales, according to Maliga.

When S&W started in 1998, the company acquired smaller properties to remediate and resell. It now considers many projects worth \$1 million or more, Maliga said.

S&W, located at 430 E. Genesee St., acquires brownfield sites, remediates them, and redevelops them into usable properties. S&W holds an in-house real estate brokerage license and manages a portfolio of properties it owns, sells, rents, and leases.

David Stoner, Robert Petrovich, and Damian Vanetti equally own S&W.

An average remediation project can take two to three years to complete, so S&W conducts environmental consulting in between remediation projects. As a consultant, S&W guides a client through the state brownfield program and assures that its property receives a certificate of completion.

"Consulting helps create cash flow because our projects can take so long," Maliga said. "Our projects take an average two to three years which means we're taking on those costs. It's a nice balance because there's cash coming in the door."

Brownfield sites are abandoned or under-used industrial and commercial facilities where expansion or redevelopment is complicated by environmental contamination. The DEC started the program in 2003, but S&W began remediating sites prior to the program's start.

When the brownfield program started, Maliga said, "we made a decision as a company that puts us in a position to become leaders in this program."

S&W started in 1998 as a "spin off" of environmental-consulting firm Stearns and Wheler, LLC, based in Cazenovia. Prior to starting S&W, a division within Stearns & Wheler conducted hazardous environmental waste cleanup. It didn't officially break apart from Stearns & Wheler until 2006. Prior

to that, common ownership existed between the two parts of the company.

S&W first identified properties in the city that were tax delinquent and most likely contaminated. Maliga said at the time the city was reluctant to foreclose on these properties because the contamination then became the city's responsibility.

"That was a way for us to get into this business with not a lot of capital," Maliga said.

By 2001, S&W decided that it needed to move to a site it could redevelop and showcase the work the company does.

S&W acquired the 430 E. Genesee St. property through an LLC named Route 20/20 LLC. Maliga described the former property as a facility that needed a lot of work and renovations, but wasn't considered a brownfield site for the state program.

The six-story building is 108 years old and 47,952 s/f. S&W utilizes about 5,000 s/f and leases out the remaining space. Some of the space is currently vacant. The property was assessed at \$840,000, as of 2007, according to the Onondaga County Office of Real Property Tax Services.

Other NYS redevelopment projects completed by S&W include:

- * The former Syracuse Plastics facility located on 400 Clinton St., Fayetteville.
- * The former Axiohm facility site in Ithaca.
- * The Walgreens development site in Kingston.
- * The former Griffin Technology site located on 6132 Victor-Manchester Rd., Farmington.

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