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NASSAU COUNTY LEGISLATURE

NORMA GONSALVES,  
Presiding Officer

PLANNING, DEVELOPMENT AND THE  
ENVIRONMENT COMMITTEE

LAURA SCHAEFER, Chairwoman

1550 Franklin Avenue  
Mineola, New York

Wednesday, October 5, 2016  
2:31 P.M

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3     A P P E A R A N C E S:

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5     LAURA SCHAEFER,  
6         Chairwoman7     DENNIS DUNNE,  
8         Vice Chairman

9

10    DENISE FORD

11

12    STEPHEN RHOADS

13

14    SIELA BYNOE,  
15         Ranking

16    CARRIE SOLAGES

17    LAURA CURRAN

18    MICHAEL PULITZER,  
19         Clerk of the Legislature

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LIST OF SPEAKERS

KEVIN WALSH . . . . .	5
RICHARD SOMACK . . . . .	13
META MEREDAY . . . . .	19
DEBRA UBRANO DISALVO . . . . .	21

1 Planning & Development Committee/10-5-16

2 CHAIRWOMAN SCHAEFER: At this  
3 time I will call the Planning, Development  
4 and Environment Committee to order. I'll  
5 ask the clerk to please call the roll.

6 CLERK PULITZER: Thank you,  
7 ma'am. Planning, Development and  
8 Environment Committee, Legislator Curran?

9 LEGISLATOR CURRAN: Here.

10 CLERK PULITZER: Legislator  
11 Carrie Solages?

12 LEGISLATOR SOLAGES: Here.

13 CLERK PULITZER: Substituting in  
14 the Legislature, Siela Bynoe?

15 LEGISLATOR BYNOE: Here.

16 CLERK PULITZER: Legislator  
17 Steven Rhoads?

18 LEGISLATOR RHOADS: Present.

19 CLERK PULITZER: Substituting for  
20 Legislator Ford, Legislator Rose Walker?

21 LEGISLATOR WALKER: Here.

22 CLERK PULITZER: Vice Chairman  
23 Dennis Dunne?

24 LEGISLATOR DUNNE: Here.

25 CLERK PULITZER: Chairwoman

1 Planning & Development Committee/10-5-16

2 Schaefer?

3 CHAIRWOMAN SCHAEFER: Here.

4 CLERK PULITZER: We have a  
5 quorum.

6 CHAIRWOMAN SCHAEFER: We have to  
7 untable this item. Motion to untable.

8 LEGISLATOR RHOADS: So moved.

9 LEGISLATOR WALKER: Second.

10 CHAIRWOMAN GONSALVES: Moved by  
11 Legislator Rhoads, seconded by Legislator  
12 Walker. All those in favor of untabling  
13 signify by saying aye.

14 (Aye.)

15 Any opposed?

16 (No verbal response.)

17 We have one item on the agenda.  
18 The item is now on the floor, is there  
19 anyone here to testify on this item?

20 MR. WALSH: Kevin Walsh from the  
21 Office of Real Estate Services. You have an  
22 item before you, actually it's an ordinance  
23 for a few contracts, actually a contract of  
24 sale to sell property and an intermunicipal  
25 agreement with the Village of Hempstead.

1           Planning & Development Committee/10-5-16  
2   It's relating to 100 Main Street, a retail  
3   office building in Hempstead that the county  
4   acquired in late December 2014 for  
5   nonpayment of taxes.

6           The county worked with the  
7   village, worked out an intermunicipal  
8   agreement to take the building basically in  
9   foreclosure and hopefully will be sold.

10          We issued two RFPs and have  
11   recommended it be awarded to Namdar Realty  
12   Group who has owned many other similar  
13   buildings both on Long Island and nationally  
14   and we hope to get this building back to  
15   productive use and back on the tax rolls and  
16   move forward. Any questions?

17          CHAIRWOMAN SCHAEFER: Legislator  
18   Bynoe.

19          LEGISLATOR BYNOE: Thank you,  
20   Chair. Hi Mr. Walsh. I have some questions  
21   regarding the transaction and I want to  
22   start with getting some clarity on the exact  
23   amount that HUD would be paid out of the  
24   proceeds.

25          MR. WALSH: Yes. As of September

1           Planning & Development Committee/10-5-16  
2   15th, I guess an exact number as of that  
3   date, it should be pretty much the same.  
4   The principal is about \$2,944,000. The  
5   interest is just less than 200,199.

6           So the total payoff, I guess  
7   principal and interest as of mid September  
8   is \$3,143,432. Obviously that can change if  
9   we don't close. Our goal is to close in  
10   this month.

11           In the staff summary, you will  
12   see that I estimated the payoff, may be a  
13   little more, \$3,350,000. The reason for  
14   that is, in addition to the closing costs,  
15   which I don't think will be that  
16   significant, there are defeasance costs.

17           The HUD loan is part of I guess a  
18   pool of other loans just like any bond.  
19   There are costs -- HUD will have costs which  
20   we have not got exact numbers but we've been  
21   told it will be approximately \$200,000 to  
22   defease these bonds for this purpose.

23           LEGISLATOR BYNOE: That clears up  
24   my confusion because on certain documents I  
25   saw it as 3.1 and on other documents 3.3.

1 Planning & Development Committee/10-5-16

2 So the closing costs or the costs  
3 that the county has approximated as \$60,000,  
4 is that a close figure?

5 MR. WALSH: That's a close  
6 figure. I think what that is made up of is  
7 a combination of legal fees. We engaged an  
8 outside attorney as did the village to  
9 represent us in the negotiation of the IMA.

10 But, also, when we took title to  
11 this property in December of 2014 we did it  
12 through a treasurer's deed, a tax deed, we  
13 wanted to confirm that we had good  
14 marketable title so we can convey it free of  
15 liens. So we retained an attorney, acquire  
16 title, serve all the people that may have  
17 been interested in this building. This  
18 building has a long history with a lot of  
19 various tenants, people who were owners,  
20 interested in the building.

21 In addition to that, I'm hoping  
22 that I can -- the IMA spells out a lot of  
23 the details, things like if there are any  
24 fees for commissions or things like that.  
25 But I estimated it would be about \$60,000,



1           Planning & Development Committee/10-5-16  
2   also maybe like appraisal costs is about  
3   \$3,000.

4           Then the balance of the proceeds  
5   out of the \$4 million will be split between  
6   the county and village; 57 percent to the  
7   county, 43 percent to the village.

8           Just historically there were tax  
9   liens outstanding on this property over four  
10   and a half million to the county and I  
11   believe the village can speak to this but I  
12   think it was over 3 million to the village  
13   as well.

14           LEGISLATOR BYNOE:   So the  
15   approximate figures on that split, 57, have  
16   you done that number as well?

17           MR. WALSH:   I don't have a  
18   breakdown, but that is the percentage of the  
19   breakdown between the two parties we  
20   negotiated.

21           LEGISLATOR BYNOE:   So there are  
22   current tenants in there and a property  
23   manager that you are looking to extend the  
24   contract until which time this property is  
25   sold.

1 Planning & Development Committee/10-5-16

2 So there would have been rent  
3 collected up until the point of I guess the  
4 sale. So do we have an idea of what that  
5 amount is the property manager would have on  
6 the books or any account and how that would  
7 be split?

8 MR. WALSH: Yes. The property  
9 manager does have to account to us by  
10 quarterly reports each month and he insures  
11 the building, pays all the charges on the  
12 building.

13 Currently, the building I believe  
14 is only 37 percent occupied. We've lost a  
15 lot of tenants because what happened when we  
16 took title in December 2014, all the tenants  
17 became month-to-month tenants, so some  
18 tenants decided with the future being  
19 uncertain not to stay in the building.

20 The property manager collects all  
21 the revenues, pays out all the expenses.  
22 He's also held money because the building  
23 had been in receivership from about 2006  
24 through 2014. All those monies go into the  
25 pod and the intermunicipal agreement spells

1           Planning & Development Committee/10-5-16  
2     out how that money is disbursed; priority  
3     one, to pay off the HUD loan and all  
4     expenses.

5           Number two, the county closing  
6     costs.

7           And the third is the split  
8     between the county and the village.

9           LEGISLATOR BYNOE:   So it goes all  
10    into the same pool?

11          MR. WALSH:   That's correct.   The  
12    IMA.   And the IMA has been approved and  
13    executed by the village and the village CDA.

14          LEGISLATOR BYNOE:   Do we have an  
15    idea of exactly to this quarter or the last  
16    quarter what the property manager estimated  
17    the amount that was on account there?

18          MR. WALSH:   For rent?

19          LEGISLATOR BYNOE:   Yes.

20          MR. WALSH:   I believe the total  
21    rent for 15, I can give you a number there,  
22    maybe work from that, was approximately  
23    gross income was about \$900,000 for income.  
24    Obviously you have expenses, everything from  
25    the repairs, the maintenance, the insurance

1           Planning & Development Committee/10-5-16  
2   on the building.

3           The county is holding some of  
4   that money for reserve. We've made no major  
5   capital improvements to the building. We're  
6   not really -- the county doesn't hold many  
7   commercial buildings like this. This is  
8   kind of like a foreclosure workout.

9           All those monies have to be  
10   accounted for and work through the closing  
11   and distributed through the intermunicipal  
12   agreement which spells it out pretty clearly  
13   I believe.

14           LEGISLATOR BYNOE: I would like a  
15   copy of the last quarterly report that the  
16   county received.

17           MR. WALSH: I can get you that,  
18   absolutely.

19           LEGISLATOR BYNOE: I also want to  
20   talk about the tenants in the building at  
21   this point. I believe that some of the  
22   tenants that are there have, I know one in  
23   particular, has asserted that he has a lease  
24   that runs through 2018.

25           So I really have a concern as to

1           Planning & Development Committee/10-5-16  
2    what's going to happen to the existing  
3    tenants that are there and if there's been  
4    any communication between the county, and  
5    the prospective buyer relative to those  
6    tenants?

7           MR. WALSH:   Yes.   Obviously we  
8    don't have a contract that's executed yet so  
9    the prospective purchaser can't speak yet as  
10   an owner of the building.   The owner is not  
11   here today, he's traveling, like I said he  
12   owns many buildings, but I have his  
13   representative here.   Maybe he can answer  
14   that question.

15          MR. SOMACK:   My name is Richard  
16   Somack.   To answer your question regarding  
17   the tenants, I think what he wants to do  
18   initially is just assess what tenants are  
19   there, who wants to stay, who wants to go.

20          He's the type of owner that wants  
21   to keep the tenants, but he has not spoken  
22   to any of the tenants so he doesn't even  
23   know who he's got and what they are  
24   thinking.   I think that's what he wants to  
25   do once he gets ownership.

1 Planning & Development Committee/10-5-16

2 LEGISLATOR BYNOE: Good  
3 afternoon. So I understand that the sellers  
4 intent or it's his I guess best practice to  
5 attempt to work out I guess and new lease?

6 MR. SOMACK: Yes. There would be  
7 no reason why he would want to kick any of  
8 the tenants out. It would be the only  
9 revenue stream he's got. So I think that's  
10 what his intention would be.

11 LEGISLATOR BYNOE: What is the  
12 intended use of the property?

13 MR. SOMACK: That's a great  
14 question. I think he's going back and forth  
15 with a lot of different ideas. As far as  
16 maybe something in the medical, something in  
17 educational. There was a school in there.  
18 That would be his preference.

19 Any kind of office tenant. It's  
20 across the street from the courthouse. I  
21 think he wants to assess the damage first.  
22 See what he needs to do to get it.

23 Currently I would say it's a C  
24 minus to a D building quality wise. He  
25 wants to put the money into it to get it up

1           Planning & Development Committee/10-5-16  
2   and then start bringing tenants through.

3           LEGISLATOR BYNOE:   So we don't  
4   think that there will be any future requests  
5   for a variance or change to the local  
6   municipality?

7           MR. SOMACK:   At this point I  
8   don't think so.   Currently it's a zoned  
9   business which gives you a pretty broad --

10          MR. WALSH:   Correct.   It's a  
11   zoned business, a pretty broad spectrum.   I  
12   know that the village now has downtown  
13   overlay zones.   The way I read those to be  
14   very flexible.   The village still obviously  
15   has control of the zones and change of zones  
16   and so forth so they will clearly be working  
17   with the village, especially if there's any  
18   change.

19          First of all, the building is  
20   predominantly retail.   I believe there was a  
21   McDonald's there, now a Dunkin Donuts.  
22   Couple of small restaurants, couple of  
23   travel agencies, a sneaker place.

24          I know the second floor has been  
25   predominantly vacant.   Some of that space

1           Planning & Development Committee/10-5-16  
2   will be developed. Needs to be medical  
3   clinic up there, looks like an old dentist  
4   office, and clinic.

5           So the building does have a  
6   history of medical use as well. So it  
7   sounds like with the right money putting in  
8   the right way, it's going to attract tenants  
9   and help that part of the village.

10           LEGISLATOR BYNOE: Is there any  
11   anticipation for Pilots or request for Pilot  
12   to the local municipality?

13           MR. WALSH: That was a discussion  
14   we had when we were in negotiations and  
15   there is no condition in this contract that  
16   conditions the contract in any way in any  
17   kind of Pilot, IDA, or otherwise.

18           I would think it's his  
19   prerogative if the law would allow him to  
20   apply for something, but his indications to  
21   me is that he intends on -- he knows what  
22   the numbers were and to go forward with this  
23   on the tax rolls.

24           LEGISLATOR BYNOE: You've  
25   answered all of my questions. I have one



1           Planning & Development Committee/10-5-16  
2   other question, sorry.

3           I didn't have the privilege of  
4   touring the facility but a member of my  
5   staff and also of the senior staff did on my  
6   behalf, and so there was some concerns,  
7   potential environmental issues there.

8           Are you aware of those things and  
9   prepared to deal with those accordingly?

10          MR. WALSH:   Yes.   I walked  
11   through with your representatives and others  
12   and, yes, there were a lot of issues.  
13   Obviously we walked through the entire  
14   building, the roof, I think the basement and  
15   so forth.

16          I think that's something the  
17   buyer realizes he has to deal with right  
18   away.   As a seller, you sell property as is  
19   what's the level playing field.

20          One of the things we did in this  
21   process and one of the reasons it did kind  
22   of take a lot longer than we anticipated,  
23   and this has been kind of from our  
24   experience, we didn't want to do a contract  
25   that was subject to due diligence and

1           Planning & Development Committee/10-5-16  
2   environmental, we asked our short list of  
3   proposers to do that environmental  
4   investigation up front so it wouldn't linger  
5   on and on.

6           I don't want to be held up by  
7   closing because I'm still not sure what the  
8   environmental situation is, what it's going  
9   to cost me.

10           He's done his environmental  
11   investigation. He knows what he needs to do  
12   but, yet, whatever it could be, you know,  
13   lead paint, whatever it is. It is an older  
14   building. So that is not a condition for  
15   the county. It's going to be passed on to  
16   the buyer and the risks he takes on.

17           LEGISLATOR BYNOE: Great. It  
18   seems like you did a lot of upfront due  
19   diligence including, as you stated, title to  
20   insure there is no last minute liens that  
21   we're going to learn about at closing or  
22   anything like that.

23           We are hoping to close at the end  
24   of this month, correct?

25           MR. WALSH: Correct. He's trying

1           Planning & Development Committee/10-5-16  
2   to do a 1031 like kind of change. So we  
3   would like to see if we can get this done in  
4   October to close which is best for all  
5   parties.

6           LEGISLATOR BYNOE: I thank you  
7   for your time and answers.

8           CHAIRWOMAN SCHAEFER: Any other  
9   legislators have questions?

10           (No verbal response.)

11           Any public comment on this issue?  
12   Ms. Mereday.

13           MS. MEREDAY: Meta Mereday,  
14   Baldwin resident. I'm encouraged with the  
15   developments with this and the responses  
16   that were received are really the types of  
17   responses that I think you all, as elected  
18   officials, should receive from the  
19   individuals who are representing the  
20   interests of those in the community.

21           I have a lot of history with this  
22   particular property. So I'm very happy to  
23   see that there's some movement going forward  
24   and I do know there are some significant  
25   environmental issues.

1                   Planning & Development Committee/10-5-16

2                   I'm hoping that the new owners of  
3     the property look at that community in terms  
4     of getting the interests and needs and ties  
5     that into the whole downtown Renaissance  
6     process that's taking place in the Village  
7     of Hempstead. It's a very diverse  
8     community.

9                   I do hope that all those that are  
10    involved with the related projects reflect  
11    that diversity because unfortunately it's  
12    still something that I'm fighting diligently  
13    for in this county but particularly in that  
14    Village of Hempstead because it has a lot of  
15    history, and that property itself has a lot  
16    of history and that we are inclusive of,  
17    once again, service disabled veterans,  
18    veteran-owned businesses and minority and  
19    women owned firms and, once again, that the  
20    community has some input with regard what is  
21    going to go into that building and how it's  
22    going to be handled. Thank you.

23                   CHAIRWOMAN SCHAEFER: Thank you.  
24    Is there a Ms. Debra DiSalvo here to speak  
25    on this?

1 Planning & Development Committee/10-5-16

2 MS. DISALVO: My name is Debra  
3 Urbano DiSalvo, I'm the village attorney for  
4 the village of Hempstead.

5 This piece of property doesn't  
6 fall within the downtown plan overlay zone.  
7 However, it's adjacent to it.

8 I would hope that the purchaser  
9 of the property does what is expected of  
10 those people who are developing within the  
11 downtown plan and that's a minimum of 25  
12 percent minority hiring, minority  
13 contractors, minority workers, minority  
14 laborers. That's very important to a  
15 village like Hempstead.

16 Moreover, one of the questions I  
17 do have, have they applied for a Pilot in  
18 any fashion, either the county or town at  
19 this point.

20 Often times when people are  
21 anticipating the purchase, simultaneously  
22 they're looking for a Pilot, if the  
23 developer can respond to that I would  
24 appreciate that.

25 And when do we anticipate this

1           Planning & Development Committee/10-5-16  
2   property going back on the tax rolls? And  
3   has there been a discussion with your  
4   appraiser or my appraiser, because I'm not  
5   aware of one of what the appraised value  
6   will be when it does get back on the tax  
7   rolls given the fact that the current  
8   condition of the property, are they going to  
9   be filing for a tax certiorari?

10           These are things that are  
11   important to us because we're anticipating  
12   that this is going to be a property that's  
13   going to benefit the village of Hempstead  
14   and the village residents and not burden it.

15           CHAIRWOMAN SCHAEFER: Mr. Walsh,  
16   do you have any answers to any of those  
17   questions?

18           MR. WALSH: Yes. I just wanted  
19   to point out again, the prospective  
20   purchaser made clear he was not intending to  
21   pursue a Pilot. I believe his offer of  
22   price was based on that.

23           The property will go back on the  
24   tax rolls upon closing. It was taken off  
25   the tax rolls as since when the county took

1           Planning & Development Committee/10-5-16  
2     title in 2014. As soon as it closes, it is  
3     back on the tax rolls both for county and  
4     village purposes. Hopefully it will be this  
5     month.

6           The value of the building is in  
7     the neighborhood of \$4.4 million, we  
8     believe. We know tenants have left even  
9     since we have had the appraisal updated.

10           CHAIRWOMAN SCHAEFER: Thank you.  
11     There being no other comments on this  
12     ordinance, all those in favor of passing  
13     ordinance number 409-16 please say aye.

14           (Aye.)

15           Any opposed?

16           (No verbal response.)

17           The item passes unanimously. A  
18     motion to close Planning.

19           LEGISLATOR RHOADS: So moved.

20           LEGISLATOR DUNNE: Second.

21           CHAIRWOMAN GONSALVES: Moved by  
22     Legislator Rhoads, seconded by Legislator  
23     Dunne. All those in favor say aye.

24           (Aye.)

25           Any opposed?

1                   Planning & Development Committee/10-5-16

2                   (No verbal response.)

3                   Next is Public Works.

4                   (Whereupon, the Planning,  
5   Development and Environment Committee  
6   adjourned at 2:51 p.m.)

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C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and  
Notary Public in and for the State of New  
York, do hereby stated:

THAT I attended at the time and place  
above mentioned and took stenographic record  
of the proceedings in the above-entitled  
matter;

THAT the foregoing transcript is a true  
and accurate transcript of the same and the  
whole thereof, according to the best of my  
ability and belief.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 19th day of October, 2016.

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FRANK GRAY