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NASSAU COUNTY LEGISLATURE

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RICHARD NICOLELLO

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PRESIDING OFFICER

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12 PLANNING, DEVELOPMENT AND THE ENVIRONMENT COMMITTEE

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LEGISLATOR LAURA SCHAEFER

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CHAIR

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Theodore Roosevelt Building

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1550 Franklin Avenue

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Mineola, New York

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May 10, 2021

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3:02 P.M.

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2 A P P E A R A N C E S:

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4 LEGISLATOR LAURA SCHAEFER

5 Chair

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7 LEGISLATOR TOM MCKEVITT

8 Vice Chair

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10 LEGISLATOR STEVEN RHOADS

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12 LEGISLATOR DENISE FORD

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14 LEGISLATOR ARNOLD DRUCKER

15 Ranking member

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17 LEGISLATOR JOSHUA LAFAZAN

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19 LEGISLATOR SEILA BYNOE

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2 LEGISLATOR SCHAEFER: At this
3 time I would like to call the Planning,
4 Development and Environment Committee to order
5 and ask the clerk to please call the roll.

6 MR. PULITZER: Thank you madam.
7 Planning, Development and the Environment
8 Committee roll call. Legislator Carrie
9 Solages.

10 LEGISLATOR SOLAGES: Here.

11 MR. PULITZER: Legislator Siela
12 Bynoe.

13 LEGISLATOR BYNOE: Here.

14 MR. PULITZER: Ranking Member
15 Arnold Drucker.

16 LEGISLATOR DRUCKER: Here.

17 MR. PULITZER: Legislator Denise
18 Ford.

19 LEGISLATOR FORD: Here.

20 MR. PULITZER: Legislator Steven
21 Rhoads.

22 LEGISLATOR RHOADS: Present.

23 MR. PULITZER: Vice Chairman
24 Thomas McKevitt.

25 LEGISLATOR MCKEVITT: Here.

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2 MR. PULITZER: Chairwoman Laura
3 Schaefer.

4 LEGISLATOR SCHAEFER: Here.

5 MR. PULITZER: We have a quorum
6 ma'am.

7 LEGISLATOR SCHAEFER: There's one
8 item on the agenda today. It's clerk item
9 148-21. This item is an ordinance making
10 certain determinations pursuant to the State
11 Environmental Quality Review Act and
12 authorizing the county executive of the county
13 of Nassau to accept, on behalf of the county
14 of Nassau, an offer of purchase from Inwood
15 175 L.L.C. of certain premises located in the
16 Town of Hempstead, county of Nassau, state of
17 New York, said property known as Section 40,
18 Block 1, Lots 5, 55, 56, 57, 59, 117, 2579 and
19 2585 on the land and tax map of the county of
20 Nassau and authorizing the county executive to
21 execute a contract of sale, deed and all
22 pertinent documents in connection therewith to
23 consummate the sale.

24 May I have a motion. So moved by
25 Legislator Rhoads. Seconded by Legislator

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2 Ford. This item is before us.

3 MR. WALSH: Good afternoon
4 legislators. Kevin Walsh from the Office of
5 Real Estate Services.

6 This is a property, a Superfund
7 site. Many of you are probably aware of it.
8 It's been before this body before. It's an
9 approximately 3.6 acre parcel of vacant
10 property now located on Roger Avenue in
11 Inwood. The county demolished the building
12 which was in severe disrepair in 2018. It's
13 the former site of a Rockaway metals product
14 company and was used as a waste material drum
15 and tank storage facility. It is, as I
16 mentioned, a classification two New York State
17 Superfund site.

18 The county acquired this deed in
19 1994 for nonpayment of taxes. We've had a
20 contract on this for many years. A company
21 was trying to get through the DEC and to a
22 cleanup program to remediate and it did not go
23 through.

24 In late 2017 we issued a new RFP
25 and a committee selected, and we're

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2 recommending today, the developer AJM
3 Development will be purchasing the property
4 for \$3.7 million. The contract has a
5 condition of acceptance of a work plan by
6 DEC. The developer's mostly completed due
7 diligence. Done soil testing. Worked with
8 DEC. Has been accepted into the brownfield
9 cleanup program. And we're happy to say
10 actually the work plan has recently been
11 approved verbally and now is subject to a 45
12 day public comment period which we are in
13 midst of.

14 At the conclusion of that, we hope
15 we will be closing fairly soon. I actually
16 have with me today counsel from the county
17 attorney's office who worked on the contract
18 and the developer also is here today if
19 there's any specific questions especially
20 about the contamination and how the
21 contamination will be remediated. So open it
22 up to questions.

23 LEGISLATOR SCHAEFER: Thank you
24 Mr. Walsh. I have one question. When, like
25 in this situation, the developer is in a

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2 brownfield cleanup agreement, he's going to
3 expend I thought I saw from the backup about
4 \$6.5 million for the cleanup?

5 MR. WALSH: Actually, the cleanup
6 is projected to be -- I think he's expended
7 close to between four and \$500,00 already.
8 The additional cleanup will be approximately I
9 believe it is two million -- total
10 \$2,453,000. But that does not include the
11 ongoing maintenance.

12 Again, I'm certainly not an expert
13 in the environmental field of remediation but
14 I know what's involved here is likely going to
15 be soil removal, backfill, groundwater
16 monitoring that's going to be ongoing. So
17 this will be a property with DEC for many,
18 many years that will still be testing to make
19 sure it's safe. Because as a classification
20 two with DEC, this property is determined to
21 be a threat to public health and public
22 safety. Again, not due to anything from the
23 county but it's very close to the waterway.
24 I've been to the property many times. You are
25 literally looking at Jamaica Bay across the

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2 street and the far southwest corner of Nassau
3 County.

4 LEGISLATOR SCHAEFER: When you're
5 in a program like this is there any money
6 that's reimbursable?

7 MR. WALSH: There may be
8 brownfield tax credits available. They could
9 speak better to that than I would. But like I
10 said, this property also keep in mind been off
11 the tax rolls for many years. And upon
12 closing, the most important thing is it will
13 be back on the tax rolls and hopefully
14 creating jobs. There will be a facility
15 built. I think the plan is to build a
16 warehouse logistics kind of facility. The
17 location is in the proximity of JFK airport.
18 I think the zoning is industrial. But
19 whatever happens in that regard will also
20 obviously require approval from the Town of
21 Hempstead.

22 LEGISLATOR SCHAEFER: Thank you.
23 I thought when I looked at the calculations of
24 what the most recent appraisal was and what
25 will be expended it ended up being more than

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2 what the most recent appraisal was including
3 the cleanup fees?

4 MR. WALSH: I will tell you when
5 we started this process with the RFP we had
6 several proposals on this and this was
7 significantly the highest price proposal. But
8 actually we've had recent appraisals in the
9 range of 5.6, 6.2 to as much as seven.

10 But you're correct, this is a
11 property where somebody is taking on a
12 significant expense of cost to remediate
13 this. It's far enough along that a plan is
14 about to be approved where real remediation
15 will occur. Where years ago we did a
16 contract, process hadn't even started, it went
17 close to a decade and at that point the
18 purchaser basically walked away after
19 investing half a million dollars. They were
20 going to pay I think 3.9 roughly at that time
21 and walked away from the transaction.

22 LEGISLATOR SCHAEFER: I know you
23 said you may not have the answer to these
24 questions, but do you happen to know how many
25 years into the future they have to continue

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2 maintaining the remediation or whatever
3 measures they take to clean it up?

4 MR. WALSH: I believe as long as
5 there's positive test, I know at least five
6 years I believe for soil. The groundwater I
7 believe can go on in perpetuity if necessary.
8 That's my understanding.

9 LEGISLATOR SCHAEFER: That's all
10 the questions I have. Anyone else have other
11 questions? Legislator Drucker.

12 LEGISLATOR DRUCKER: Thank you
13 Madam Chairwoman. Kevin, nice to see you.
14 So, yeah, this transaction hasn't closed yet,
15 correct?

16 MR. WALSH: Correct.

17 LEGISLATOR DRUCKER: But the
18 buyer has already expended almost half a
19 million dollars?

20 MR. WALSH: Correct.

21 LEGISLATOR DRUCKER: They must be
22 very confident that they're going to be able
23 to close on this?

24 MR. WALSH: Yes. I would say
25 that this particular developer has significant

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2 experience working with these types of
3 properties. Remediation of these types of
4 properties and tax lien distressed properties
5 in the county. Another good example is the
6 Jackson steel, which is local here, right in
7 Mineola. Other sites in the county and the
8 city. They've really assembled a team of an
9 environmental consultant who has a lot of
10 experience with cleanup programs and a firm in
11 the city that also is engaged in this and is
12 committed to bringing this to fruition.

13 LEGISLATOR DRUCKER: Once we
14 approve of this the closing should be
15 scheduled forthwith, correct?

16 MR. WALSH: I believe it is.
17 Originally we thought -- sometimes it could
18 take a long time to get final approvals from
19 some -- you know, when you're dealing with
20 multiple state agencies, the state department
21 of health and DEC, but to our happiness the
22 DEC acted relatively quickly even considering
23 the circumstances of the pandemic in the last
24 year. And like I said, they've given an
25 approval that is now in a public comment

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2 period that members of the public and the
3 community can make comments about the proposed
4 plan which is all open to the public. And the
5 parties both are aligned to -- I'm hoping
6 we're going to close this as soon as we have
7 approvals by the summer. Or early mid summer
8 I hope.

9 LEGISLATOR DRUCKER: So their
10 remedial action work plan was approved by
11 DEC. Did they have to present like multiple
12 plans until it was finally approved or they
13 were pretty good at it and got approval fairly
14 quickly?

15 MR. WALSH: I think it was back
16 and forth. I could ask the developer to
17 provide more information. I believe he sent a
18 summary to be distributed to the legislature
19 of some of the cleanup plans. I think --
20 there was actually steps. The first step is
21 called a remedial investigation work plan
22 where based on testing, back and forth with
23 DEC, they determined what's known by that and
24 then how will it be addressed I guess is the
25 action work plan. So, that action work plan,

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2 which is really the last big step towards a
3 remediation like I said, after being accepted
4 in the cleanup program has been approved.

5 LEGISLATOR DRUCKER: It's
6 certainly commendable because I'm dealing
7 with, we're dealing with a site, a Superfund
8 site in my district that it's taken DEC a
9 couple of years to go through this process and
10 the developer finally just got some approval
11 on it now. So I know it's a long, drawn out
12 process. I guess it's encouraging that this
13 particular developer got the approval and are
14 prepared to go forward and clean up this site.

15 MR. WALSH: In two and a half
16 years, as I mentioned, the prior company, I
17 think well intentioned, tried to make the same
18 thing happen maybe without the same level of
19 background working with DEC and after many
20 years was hoping I would give them the
21 property because they thought they'd expended
22 so much money and tried to make it happen.
23 It's tough to work sometimes these programs,
24 you know, through the various approvals.

25 LEGISLATOR DRUCKER: Thank you

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2 for your presentation Kevin.

3 LEGISLATOR SCHAEFER: Any other
4 legislators? Legislator Rhoads.

5 LEGISLATOR RHOADS: Just so I'm
6 correct in my understanding as well with
7 respect to the appraisals, the appraisals make
8 the assumption that there are no subsurface
9 contaminants, correct?

10 MR. WALSH: That's correct. The
11 appraisals are just looking at really the real
12 estate comparables and the sales in the area.
13 They make no representations as to the
14 environmental conditions of the property.

15 LEGISLATOR RHOADS: The
16 appraisals, really the appraisal prices are
17 artificially high in that it doesn't take into
18 account the fact that there may be conditions
19 that have to be remediated at substantial
20 expense?

21 MR. WALSH: That's correct.

22 LEGISLATOR RHOADS: In this
23 particular instance we get a property back on
24 the tax roll, somebody else is footing the
25 bill for making the property safe so that the

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2 county doesn't have to spend the money to
3 actually do that because if we ever wanted to
4 use the property for something we would have
5 to spend the money to remediate, correct?

6 MR. WALSH: That's correct.

7 LEGISLATOR RHOADS: And we're
8 making \$3.7 million on the deal?

9 MR. WALSH: 3.7 yes.

10 LEGISLATOR RHOADS: Okay. Thank
11 you.

12 LEGISLATOR SCHAEFER: Any other
13 questions from any of the legislators? Is
14 there any public comment on this issue? All
15 those in favor of passing this item please
16 signify by saying aye. Any opposed? The item
17 passes unanimously. Thank you Mr. Walsh.

18 There's no other business before
19 this committee, so can I have a motion to
20 adjourn? Moved by Legislator Ford. Seconded
21 by Legislator Rhoads. All those in favor
22 signify by saying aye. Any opposed? The
23 committee is now adjourned. Public Works is
24 next.

25 (Committee adjourned at 3:14 p.m.)

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CERTIFICATION

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

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this 17th day of
May, 2021.

FRANK GRAY