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NASSAU COUNTY LEGISLATURE

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RICHARD NICOLELLO

9

PRESIDING OFFICER

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FINANCE COMMITTEE

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LEGISLATOR HOWARD KOPEL

14

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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January 10, 2022

23

5:34 P.M.

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

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4 LEGISLATOR HOWARD KOPEL

5 Chair

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7 LEGISLATOR JOHN FERRETTI

8 Vice Chair

9

10 LEGISLATOR TOM MCKEVITT

11

12 LEGISLATOR ROSE MARIE WALKER

13

14 LEGISLATOR ARNOLD DRUCKER

15 Ranking member

16

17 LEGISLATOR CARRIE SOLAGES

18

19 LEGISLATOR JOSHUA LAFAZAN

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2 LEGISLATOR KOPEL: Finance

3 Committee is called to order. Legislator

4 Drucker.

5 LEGISLATOR DRUCKER: Here.

6 LEGISLATOR KOPEL: Legislator

7 Solages.

8 LEGISLATOR SOLAGES: Here.

9 LEGISLATOR KOPEL: Legislator

10 Lafazan.

11 LEGISLATOR LAFAZAN: Here.

12 LEGISLATOR KOPEL: Legislator

13 Ferretti.

14 LEGISLATOR FERRETTI: Here.

15 LEGISLATOR KOPEL: Legislator

16 McKevitt.

17 LEGISLATOR MCKEVITT: Here.

18 LEGISLATOR KOPEL: And Legislator

19 Walker.

20 LEGISLATOR WALKER: Here.

21 LEGISLATOR KOPEL: And I am here,

22 so we have a quorum. We have one item which

23 is number 4-22, which authorizes and directs

24 the treasurer of Nassau County to assign

25 certain tax lien certificates in connection

1 Finance 1-10-22
2 with property located in school district 11
3 Town of Hempstead, Section 38, Block 400, Lot
4 465 and Section 38, Block 400, Lot 476.

5 Motion on that is made by
6 Mr. McKevitt. Seconded by Mr. Drucker.

7 Do we have anyone here from the
8 administration to speak on this item?

9 MR. SERANDIS: Nicholas Serandis,
10 deputy county attorney. This is an item
11 involving the assignment of --

12 LEGISLATOR KOPEL: One second
13 please. Go on. I'm sorry for the
14 interruption.

15 MR. SERANDIS: This is an item
16 involving the effective assignment of certain
17 tax liens held by the county on property
18 located in Oceanside. The taxes were overdue
19 from a period of 2012 through 2018 due to
20 nonpayment by the then owner of the property a
21 Mr. Irving Grossman. Then property was then
22 purchased by an organization Jaz Grand L.L.C.
23 controlled by -- some of the disclosure had
24 been submitted by Mr. Breslin and various
25 entities of his.

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2 LEGISLATOR KOPEL: Purchased from
3 Mr. Grossman?

4 MR. SERANDIS: Excuse me?

5 LEGISLATOR KOPEL: Mr. Grossman
6 sold the property?

7 MR. SERANDIS: Yes. Mr. Breslin
8 now owns the property under Jaz Grand L.L.C.

9 LEGISLATOR KOPEL: I'm sorry, who
10 owns it?

11 MR. SERANDIS: Wilbur Breslin
12 under the organization limited liability
13 corporation called Jaz J-A-Z Grand L.L.C.

14 LEGISLATOR KOPEL: Got it.

15 MR. SERANDIS: He had approached
16 us a couple of years ago in order to try to
17 purchase the tax liens so that he could
18 redevelop the property as senior housing or
19 assisted living or some similar activity.

20 An item that was presented prior to
21 this year raised some issues concerning the
22 ability to transfer the liens to him because
23 he is the current owner of the property.

24 He wants to pay the outstanding
25 taxes that were issued prior to his gaining

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2 ownership on December 29, 2017 by paying just
3 the base amount of taxes. The base amount of
4 taxes are forever adjusted by tax certs that
5 were pending on the property for the period of
6 time.

7 At that point, when we presented it
8 last year, first to the legislature or filed
9 it, we did not consider the issue of the taxes
10 that may have been owed from December 29,
11 2017, when he purchased the property until
12 such time that the taxes began fully being
13 paid, whether he could get such a relief
14 without the payment of penalties and
15 interest.

16 Under 5-45 of the Administrative
17 Code, it authorizes the legislature to assign
18 tax liens without recovering for an amount in
19 the best interest of the county and not
20 necessarily to collect the interest and
21 penalties and that provided that this
22 assignment is not made to an owner who caused
23 the, under our interpretation, who caused the
24 delinquency to occur.

25 After that was submitted, we did

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2 some further calculations with the treasurer's
3 office and we got some information regarding
4 tax cert assessment that would have been
5 paid -- settlements that were made by the
6 court -- which is in your package -- that
7 would have required the county to pay off some
8 refunds as well as interest on those refunds.

9 Based upon all the calculations
10 calculated by the treasurer readjusting the
11 base amounts and calculating the refunds and
12 the interest as well as our interest and
13 penalties, it was determined that the amount
14 that would be payable, which would include
15 payment from 2012 to 2017 taxes, at the
16 adjusted base amount without interest and
17 penalties and payments on the '17 and '18
18 taxes on the adjusted base amount with 40
19 percent interest, which is the maximum
20 interest that is allowable under the
21 administrative code on the sale of tax liens,
22 which is ten percent for six months for a
23 maximum of two years.

24 So, at that calculations that we've
25 done, rough calculation, figuring the

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2 assessment numbers and all of that and the
3 interest rate, is that the county would
4 receive approximately \$700,000 in taxes from
5 the period from 2012 to 2017 plus the adjusted
6 amount that were -- before he started paying
7 taxes, which was in the '18-19 year, and there
8 are no current taxes presently owed on the
9 property having been paid in full by Mr.
10 Breslin from the time he acquired the property
11 to date.

12 The amount of savings to
13 Mr. Breslin is approximately \$400,000. And we
14 have evaluated the proposed use of the
15 property and we have determined that it would
16 be in the best interest of the county to have
17 Mr. Breslin pay the amounts that are due of
18 \$700,000 plus to continue to pay the taxes so
19 that it would put the property back to
20 productive use as either assisted living or
21 senior housing or some similar development
22 which is proposed at this time.

23 This has been done in the past like
24 when we wanted to develop 100 Main Street in
25 Hempstead. We took less than the amount that

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2 we were owed taxes and sold it off to a
3 private entity. We paid off the government
4 housing loans that we owed to the federal
5 government instead of our taxes.

6 We also have done many bulk sales
7 of tax lien certificates in which we take a
8 smaller amount. The idea is that we put the
9 property to productive use. We get a tax
10 revenue ensured to be paid rather than to have
11 to sell tax liens on property that may or may
12 be difficult to develop.

13 LEGISLATOR KOPEL: We got the
14 picture. Let me ask you a few questions
15 please. The amount that the county would be
16 forgiving right now potentially is about
17 \$400,000, correct?

18 MR. SERANDIS: Yes.

19 LEGISLATOR KOPEL: Did you ever
20 evaluate the fair market value of this
21 property?

22 MR. SERANDIS: The --

23 LEGISLATOR KOPEL: In other
24 words, let's say, did you figure out what did
25 Mr. Breslin paid for it together with the

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2 taxes that would be forgiven now?

3 MR. SERANDIS: I think I
4 understand your question. Since this is a
5 back taxes that are owed it is not a budget
6 item.

7 LEGISLATOR KOPEL: I'm not asking
8 about that. I'm asking -- my questions aim
9 rather at whether or not this is something
10 that is necessary in order for this property
11 to be developed. In other words, what is the
12 fair market of the property? What did
13 Mr. Breslin pay for it? And will this
14 \$400,000 make much of a difference first of
15 all?

16 MR. SERANDIS: The present
17 assessed value of the property is about two
18 and a half million dollars.

19 LEGISLATOR KOPEL: The assessed
20 value. Which may or may not have any relation
21 to reality. But go on please.

22 MR. SERANDIS: At the closing, we
23 looked at the records of the county clerk and
24 we believe he paid something in the
25 neighborhood of two and a half million dollars

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2 for the property. Since that time, he has
3 also paid approximately half a million dollars
4 of taxes from when he bought the property to
5 date and he's willing to pay another 705,000,
6 which did not result in any monetary reduction
7 for the county who will be receiving the full
8 amount of the taxes that were assessed at the
9 time.

10 LEGISLATOR KOPEL: So, the
11 property, so far as you understand, is going
12 to be -- the proposal is to develop it for
13 senior citizen or assisted housing?

14 MR. SERANDIS: Yes.

15 LEGISLATOR KOPEL: How many units
16 would that be?

17 MR. SERANDIS: I don't think he
18 has really done a calculation or provided that
19 information as to how many units it would be.

20 LEGISLATOR KOPEL: Has the county
21 done any impact study as to whether or not
22 this is a real good idea for that
23 neighborhood? It's a very, very congested
24 area traffic-wise. The Atlantic I think at
25 Lawson right over there is a disaster of an

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2 intersection. Throwing a lot more traffic
3 into it might not be a terrific idea.

4 MR. SERANDIS: What we have asked
5 of the attorney for Mr. Breslin is to provide
6 all of that information, and I'd be willing to
7 at the full legislative meeting if this matter
8 is proceeding to have them here to go over and
9 see what additional information we can get.
10 This was an issue that was raised when the
11 matter was going to come before this body in
12 December and we are attempting to get the
13 information.

14 LEGISLATOR KOPEL: Legislator
15 Drucker has some questions but let me just say
16 that I would like, personally, I would like to
17 see that information before the meeting of the
18 full leg. In other words, we can pass it
19 through here just to tee it up for the full
20 legislature. However, I haven't seen anything
21 about this until right now and that's just not
22 enough. As I said, we've got some questions.
23 Legislator Drucker will have some more. I
24 think we'd like to get the information that we
25 need prior to the meeting not at the meeting.

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2 MR. SERANDIS: It's my intention
3 to give the legislature concrete amounts of
4 both the savings for Mr. Breslin and the
5 amounts there and to provide a detailed
6 explanation as to what he is intending to do
7 with the property prior to the next meeting
8 and hopefully I will have that information by
9 the end of this week.

10 LEGISLATOR KOPEL: And its impact
11 on the neighborhood. The traffic study. I'd
12 like to see the traffic study if he's done
13 one. If he hasn't that's interesting as
14 well. Okay?

15 MR. SERANDIS: That's fine with
16 me.

17 LEGISLATOR KOPEL: Thank you
18 Legislator Drucker.

19 LEGISLATOR DRUCKER: Thank you
20 Chairman Kopel.

21 Nick, I have a couple of
22 questions. There are some more dispositive
23 questions than Legislator Chairman Kopel's
24 concerns. For example, doesn't the
25 administrative code by its term and language

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2 preclude the assignment of liens to the owner
3 of the property by the county?

4 MR. SERANDIS: Can you repeat the
5 question please?

6 LEGISLATOR DRUCKER: Doesn't the
7 administrative code by its language and its
8 terms specifically preclude the assignment of
9 the liens from the county to the owner?

10 MR. SERANDIS: Do you mean when
11 the lien was first issued?

12 LEGISLATOR DRUCKER: Now.

13 MR. SERANDIS: You mean now?

14 LEGISLATOR DRUCKER: Yeah. You
15 can't assign the lien. I'm saying is that
16 something that can be done?

17 MR. SERANDIS: The lien that
18 exists is from 2012 to 2017.

19 LEGISLATOR DRUCKER: Right. But
20 the transfer of the property --

21 MR. SERANDIS: He's paid the
22 taxes since then.

23 LEGISLATOR DRUCKER: I understand
24 that. We have expressed even beforehand some
25 concerns, and I understand -- are you aware

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2 that the inspector general has opined on this
3 issue with respect to the county waiving
4 almost a half a million dollars in interest
5 and penalties?

6 And I see that the inspector
7 general has joined us today and she has
8 expressed in writing to us that the staff
9 summary doesn't explicitly advise the
10 legislature that the administration made a
11 determination of waiving the penalties and
12 interest was in the best interest of the
13 county. Chairman Kopel, maybe we can hear
14 from the inspector general who has joined us?

15 LEGISLATOR KOPEL: Absolutely.
16 If she's ready to talk about it.

17 MS. FRANZESE: Good evening
18 Chairman Kopel.

19 LEGISLATOR KOPEL: How are you.

20 MS. FRANZESE: I'm good. This is
21 Jodi Franzese, inspector general from the
22 Nassau County Office of the Inspector
23 General.

24 Agenda item number 4-22 is
25 essentially the matter that was filed last

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2 year as item 431-21. Our office submitted a
3 review statement regarding that item in
4 December of 2021, and as of right now there
5 has been no response at all to the three
6 points that we raised in that instance.

7 The three points being in order
8 to -- in the interest of transparency and
9 fully informed decision making -- we wanted to
10 know the total amount of funds that were
11 proposed to be waived. And whether the
12 administration is representing that this type
13 of waiver is in the best interest of the
14 county. And if so, what would be the rational
15 for that determination to waive approximately
16 \$400,000 in interest and penalties. And we
17 haven't received a response yet.

18 And at this point we submitted a
19 statement this morning, sorry, an item review
20 statement this morning indicating that our
21 office was going to review this further.

22 LEGISLATOR KOPEL: Legislator
23 Drucker, I think can we agree that --

24 LEGISLATOR DRUCKER: Maybe we
25 should be table this. I think it should be

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2 tabled. There's so little information here.

3 And the inspector general has clearly

4 expressed the lacking of information.

5 Nick, I'm going to read you the
6 language from the administrative code. Nick,
7 you there?

8 LEGISLATOR KOPEL: Why don't you
9 just go ahead, instead of belaboring the
10 point, why don't you make your motion and
11 let's see what everyone thinks.

12 LEGISLATOR DRUCKER: At this time
13 because of the lacking of information that
14 we've all, this body needs in order to fully
15 understand why we're waiving almost a half a
16 million dollars in interest and penalties, how
17 it serves the county's best interests. Until
18 that is delineated to the satisfaction of
19 ourselves and the inspector general, at this
20 time I make a motion to table this item.

21 LEGISLATOR SOLAGES: Second the
22 motion.

23 LEGISLATOR DRUCKER: Nick,
24 hello. I'm over here. Has the county
25 attorney -- we'd like to get an opinion from

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2 the county attorney. Because the language,
3 the specific language of Section 5-45 of the
4 Administrative Code says that "No such
5 assignment, sale or transfer for less than the
6 full amount of such unpaid taxes, interest,
7 penalties and expenses or for consideration
8 other than cash shall be made to any owner of
9 the affected property or any person having an
10 interest therein or any related person."

11 That's what the ad code says.
12 That's what the language says. It doesn't
13 permit. I'd like an opinion, we would like an
14 opinion from the county attorney's office as
15 to how you reconcile that language.

16 MR. SERANDIS: We have discussed
17 that with both the present county attorney as
18 well as last year when the item was first
19 submitted, and what we felt, because of other
20 previous precedent that we had regarding
21 places like other liens that have been sold,
22 that because of the property not being in
23 productive use for many years, because of the
24 fact that we'd be getting future taxes and
25 future benefits in terms of jobs, in terms of

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2 housing, in terms of benefits to the various
3 residents of our community, that this would be
4 in the best interest of the county because the
5 alternative would be that if Mr. Breslin and
6 any other owner of the property would walk
7 away from the property it would remain dormant
8 for many years because we would never be able
9 to assign these tax liens. And if we sought
10 title ourselves to the property we would incur
11 vast expenses in potential maintenance and
12 other factors.

13 The future tax revenue as well as
14 the business benefit to local businesses from
15 that property being occupied and the fact that
16 there would be other taxes paid and job
17 created and housing were sufficient to cover
18 that interest.

19 And the fact that we also said that
20 during the period of time that he was not the
21 owner of the property that is the only period
22 of time he's getting such benefit and that
23 while he is the owner of the property he is
24 going to pay the full amount plus the interest
25 for any of those taxes that were owed during

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2 that period.

3 LEGISLATOR DRUCKER: But, Nick,
4 you're carving our exceptions that don't
5 apply. That don't exist. You've made
6 exceptions in the past with this argument but
7 it's not allowed.

8 MR. SERANDIS: As I said earlier,
9 when I go back to discuss this further with
10 both Mr. Breslin and with Kevin Walsh from
11 Bureau of Real Estate as well as the county
12 attorney's office we will provide a full memo
13 and legal opinion as to whether or not this is
14 a proper item under the provisions and the
15 interpretations of the path of these
16 provisions of the code.

17 LEGISLATOR DRUCKER: Thank you.
18 I'd like that opinion.

19 MR. SERANDIS: And I cannot speak
20 for the county attorney in that regard or for
21 any other person, but we will endeavor to
22 supply the legislature with all those items
23 before there's a final vote on the matter.

24 LEGISLATOR DRUCKER: As well as
25 providing it to the inspector general too,

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2 okay? Inspector general.

3 MR. SERANDIS: Yes. We
4 understand that they had some issues as well
5 and that's why we modified some of the
6 provisions from the one that was filed prior
7 in early December of 2021.

8 LEGISLATOR KOPEL: So, we have a
9 motion on the floor. Let's just vote on that
10 motion if we may.

11 LEGISLATOR DRUCKER: I'm renewing
12 my motion to table this.

13 LEGISLATOR KOPEL: There's a
14 motion to table on the floor made by
15 Legislator Drucker. Seconded by Legislator
16 Lafazan. All those in favor of tabling please
17 say aye. All those opposed? Nay.

18 Now, let me just say that having
19 voted to pass this through, there's some very
20 serious questions over here.

21 The motion to table has been
22 defeated. All those in favor of passing this
23 through please say aye. Any opposed? We have
24 four to three.

25 Now, let me say again, and thank

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2 you Mr. McKevitt. We've got a lot of serious
3 questions here. I'm kind of skeptical that
4 we're going to get all the answers, both from
5 the attorney -- the inspector general, excuse
6 me, -- as well as to the questions raised,
7 that I've raised, I know that Legislator Ford,
8 who is not on the committee, and I have a
9 community to talk about this. So, the more
10 information you get to us, the faster you get
11 it to us, the more of a possibility there is
12 of making a decision.

13 MR. SERANDIS: As I stated
14 earlier, first thing when I get back to the
15 office we will discuss this among our office
16 staff including county attorneys, legal
17 counsel and provide the necessary memos.

18 LEGISLATOR KOPEL: I recommend
19 you get the transcript and make sure you get
20 all the questions. Thank you Nick.

21 We have no other business. So
22 there's a motion to adjourn made by Ms. Walker
23 and seconded by Mr. Solages. All those in
24 favor of adjourning please say aye. Any
25 opposed? We are adjourned. Thank you.

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2 (Committee was adjourned at 6:01
3 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 11th day of
January 2022.

FRANK GRAY