

Suffolk County Landbank Corporation Board Meeting
Suffolk County Department of Economic Development and Planning
H. Lee Dennison Building
2nd Floor, Planning Library Conference Room
Hauppauge, NY 11788

May 23, 2018 at 11:30 a.m.

Meeting Minutes

PRESENT:

Board of Directors:

Theresa Ward, Commissioner, SC Dept. of Economic Development and Planning
Peter Scully, Deputy County Executive for Administration, (Designee for County Executive Steven Bellone)
Hon. DuWayne Gregory, Presiding Officer, Suffolk County Legislature
Hon. Thomas Cilmi - Suffolk County Legislator - District #10
Cara Longworth, Regional Director, Empire State Development
Jason Smagin, Director of Real Estate, SC Dept. of Economic Development and Planning

Staff Present:

Sarah Lansdale, President/Executive Director, Suffolk County Landbank Corp.
Dorian Dale, Interim Executive Director, Suffolk County Landbank Corp.
Matthew Kapell, Project Manager, Suffolk County Landbank
Janet Gremler, SC Dept. of Health Services Coordinator
Mikael Kerr, Americorps/SC Landbank Corp.
Brian Petersen, CPA, AVZ
Colleen Badolato, Secretarial Assistant, SC Dept. of Economic Development and Planning

Not Present:

Hon. Rich Schaffer - Supervisor, Town of Babylon
Robert Braun, Lead Counsel, Suffolk County Landbank Corp.

Guests:

Mike Rosato, Vision Associates

CALL TO ORDER

The Landbank Board meeting was called to order by Theresa Ward, at 11:35 a.m. There was a quorum of 5 members present.

PUBLIC PORTION - No requests for public comment were made during the Public Portion.

NEW BUSINESS

- Review and Approval of Minutes: March 28, 2018 meeting - Exhibit A.
Motion to approve made by P.O. DuWayne Gregory; seconded by Jason Smagin. Motion approved 5-0-0.

STAFF REPORT - Sarah Lansdale and Dorian Dale

Tax-Delinquent Brownfield Transaction Updates

Properties closed since March 28, 2018 Landbank meeting:

- 405 Lakeview Ave., Bayport - Closed on Tax Lien Sale May 14, 2018 for \$256,700
- 95 Eads St., West Babylon - Closed on May 11, 2018 for \$50,000
- 1305 S. Strong Ave., Lindenhurst - Attorney for the Proposer would like to move forward with the closing.

Tax Delinquent Lien Payment Updates - Mikael Kerr

- ❖ Over \$5.5 million has been collected since the 2013.
- 1249 St. Louis Ave., Bay Shore - tax liens being paid - \$93K received by County
- 33 Dixon Ave., Copiague (Action Anodizing Site) - Property reportedly sold, and tax liens of \$492K paid off. EPA cleanup/removal underway since early 2017.
- 41965 Route 25, Peconic - Tax liens being paid in installments, \$14,500 received by County so far.
- 711 Harrison, Riverhead - Tax liens being paid, \$65K received by County to date
- 175 Brook Ave., Deer Park - Tax liens of \$79K paid off and property to be sold by owner
- 134 N. 8th St., Lindenhurst - Tax liens now being paid
- 339 Hallock Ave., Port Jefferson Sta. - Tax liens now being paid, \$25,600 received by County this year

All Landbank List (Do Not Take) Tax Lots - 169 - 11 new sites added since last board meeting

- Sold or Pending Sale - 12 Tax Lots
- Eligible and being investigated or marketed - 42 Tax Lots
- Lawrence Aviation Federal Superfund Site - 8 Tax Lots
- Either paid in full or being paid in installments - 92 Tax Lots
- Other type of status (i.e. legal or marketability issues preventing sale) - 15 Tax Lots

Tax Delinquent Brownfield Updates - Pipeline Properties - Janet Gremli

- ESO Sycamore Ave., Islandia - Phase II pending/NYSDEC remediation pending - adjoining sites added to the Landbank list
- 22 Munsell Rd., Medford - Phase II pending - owner stated he will pay taxes

2018 RFP Update - Sarah Lansdale

- New Request for Proposals issued April 3, 2018
- Proposal Due Date - Friday, May 11, 2018.

20 Bids received from 7 proposers

- All Proposals are in the process are being vetted; and staff has had interviews with all proposers
- Recommendation is to move forward on the consideration for 294B Old Northport Rd., Kings Park - the former Izzo Tire Dump
 - Received 4 proposals on this site ranging in value from \$150k, with no end use delineated, up to \$1.3 M with an end use defined as 800 self-storage units. That is the proposal made by *Pioneer*.
 - **Recommend advancing the *Pioneer* proposal at \$1.3M.**
The estimated clean-up cost is \$150,000, Zoning is Heavy Industrial; and they are proposing an 800-unit, climate controlled self-storage facility.
- The Board allowed public comment by Mike Rosato of Vision Associates (Guest) on 294B Old Northport Rd., Kings Park [Izzo Property] on the basis that the Powercrush team, a RFP applicant for the Izzo property, needs the Izzo property for drainage for the 25-acre Steck Philbin landfill site (2016 RFP awardee). Mr. Rosato requested that the Landbank to reconsider the staff recommendation to award the project to Pioneer. (EXHIBIT A)

Executive Session:

Jason Smagin made a recommendation under Section 105(h) of the Open Meetings Law to go into Executive Session at 11:58 a.m.; seconded by Peter Scully.

Peter Scully made a motion to exit Executive Session at 12:30 p.m.; seconded by Jason Smagin.

No Decisions were made in Executive Sessions

ARBOR/ZOMBIE UPDATE - Matt Kapell

- **CRI Round 2:**
 - 44 Magnolia St, Central Islip - Closed on 2/23/18.
 - 50 Magnolia St., Central Islip - in contract with 80% AMI qualified buyer.

- 495 Ralph Ave., C. Islip -Acquired 7/24/17 - currently being marketed.
- 725 Scherger Ave., E. Patchogue - currently in contract with 80% AMI qualified buyer
- 604 Doane Ave., N. Bellport - currently in contract with 80% AMI qualified buyer
- **CRI Round 3: Performance Period: 1/10/17-12/31/18 - 12 Deliverables**
Grant Amount: \$1,230,000.00 to be disbursed quarterly
 - **\$200,000 reprogrammed to do 8 additional Phase I's and Phase II's**
 - 23 Furman Ave., E. Patchogue (United Way) - Demolition completed, variance approved, construction in progress. Waiting 5 months for final approval from Brookhaven's Building Dept.
 - 9 Ditmas Ave., Mastic, - Acquired 10/20/17 - Transferred to Habitat for Humanity 5/4/2018
 - 507 Donegan Ave., E. Patchogue - Acquired 10/20/17 - Transferred to Habitat for Humanity 5/4/2018
 - 41 Arrowhead Dr., Shirley - Acquired 11/10/17, partnering with United Way - currently in permitting stage
 - 54 Adams Drive, Central Islip - Acquired 8/31/17, partnering with United Way - construction in progress
 - 5 Sunburst Ln, Bellport - Acquired - LIHP, predevelopment stage
 - 59 Pace Ave., Bellport - Acquired 3/5/18, CDCLI, construction more than 50% complete

BOARD ACTIONS REQUESTED

- **RESOLUTION SCLBC 2018-05 - ADDITION OF LAND, AIR, WATER ENVIRONMENTAL SERVICES (LAWES) TO PRE-QUALIFIED VENDOR LIST FOR ENVIRONMENTAL CONSULTANTS**
Motion to Approve made by Jason Smagin; seconded by Peter Scully. Motion approved 6-0-0.
- **RESOLUTION SCLBC 2018-06 - AUTHORIZING THE ACQUISITION AND DISPOSITION OF TAX LIENS FOR THE PROPERTY AT 294B OLD NORTHPORT ROAD, KINGS PARK, NY**
Motion to Table to June 27, 2018 meeting made by Hon. Thomas Cilmi; seconded by Cara Longworth. Roll Call was taken and there were no objections or abstentions. Motion approved 6-0-0.
- **RESOLUTION SCLBC 2018-07 - ACQUISITION OF COUNTY HOMES BY THE SUFFOLK COUNTY LANDBANK**
 Jason Smagin made a recommendation to add the symbol "±" after County Investment and Landbank Acquisition Prices in last two columns of Exhibit "A" to allow for additional expenses that may occur (board-up, lawn care, additional taxes, etc. prior to closing).
Motion to approve with change by Peter Scully; seconded by Cara Longworth. Motion approved 6-0-0.

NEXT STEPS

- **The next meeting of the Suffolk County Landbank Corp. Board is Wednesday, June 27, 2108 at 11:30 a.m..**

ADJOURNMENT

Theresa Ward made a motion to adjourn the meeting at 12:45 p.m.; *seconded by Jason Smagin. Meeting adjourned.*

EXHIBIT A – Mike Rosato – Public Statement to Board

Public Comment by Mike Rosato of Vision Associates, Powercrush, and KP Green Path (Guest) on 294B Old Northport Rd., Kings Park

Summary, full transcript below.

Mr. Rosato represents the Vision Associates/Powercrush team who won the 2016 RFP bid for the former Steck Philbin landfill site. He makes the claim that if the Steck Philbin landfill is to be properly capped and closed, the adjacent, 5 acre Izzo Tire site is needed for drainage. Mr. Rosato states that he and his team have come to believe the Steck Philbin site has a debris field that encompasses the entire 25 acres, which would make digging a drainage basin economically unfeasible for his team. He states that without the 5 acre Izzo site his team will not be able to move forward with their Steck Philbin proposal and runoff will continue to percolate through the Steck Philbin landfill and further contaminate Long Island drinking water.

Board Members, posed a question to Mr. Rosato, inquiring as to why this need for off-site drainage was not included in Powercrush & Vision Associates original Steck Philbin Proposal and what would happen if KP Green Path were not awarded the Izzo property. Mr. Rosato responded that recent construction on a neighboring property uncovered 40,000 yards of debris when workers accidently excavated on the Steck Philbin site. This has led Mr. Rosato to believe the entire site is compromised with debris. Mr. Rosato also stated that without the Izzo site, Powercrush and Vision Associates would be forced to walk away from the Steck Philbin deal.

Board Members then inquired as to the proposed end use Powercrush and Vision Associates envision for the Steck Philbin site. Mr. Rosato responded that ultimately, they would like to use the site for renewable energy, along the lines of solar or fuel cells.

****BOARD ENTERED EXECUTIVE SESSION TO DISCUSS INTERNAL FINANCIAL MATTERS AND CONTRACT NEGOTIANS****

****NO DECISIONS MADE****

Full Transcript

Mike Rosato (MR)
Dorian Dale (DD)
Peter Scully (PS)
Theresa Ward (TW)
Hon. Thomas Cilmi (TC)
Cara Longworth (CL)
Matthew Kapell (MK)
Sarah Lansdale (SL)
Hon. DuWayne Gregory (DG)
Jason Smagin (SM)

(MR) My name is Mike Rosato, I'm with Vision Associates, we formed an LLC called KP Greenpath to remediate and redevelop the Steck Philbin Landfill as most of you people are aware of. We put a bid in for this site because we need it for water drainage, if we're going to remediate the Steck Philbin landfill, from what we're being told, and the information we have on hand, is that the debris field on the Steck Philbin landfill is from one end to the other and there is no place on that landfill for drainage. So if we're going to properly close and cap the Steck Philbin landfill we're going to need the Izzo Tire site for drainage. So we spoke with the members of the Landbank yesterday, we explained that to them, we sent them a note this morning giving them more detail and yet...

(DD) I'm passing that email along to the board members

(MR) I see that you're just seeing that now. So if you want to do this properly you got to look at this area in a comprehensive way and that's, if you have a uncapped, unlined C and D tax-delinquent landfill on the former Steck Philbin site we have a 5 acre site right adjacent to the Steck Philbin landfill that would be perfect for drainage if we're gonna drain the water of this landfill so it doesn't percolate into the ground and continue to contaminate our drinking water, we have a perfect opportunity to do that and you have 3 members of the local community who are willing to put up their time and money to do this without no clear direction forward as to how we're going to get our money back, this is a charity project! We still haven't even gotten a contract from the county to do this and now we're moving forward to try to acquire this site so we can do the project correctly and properly to protect our drinking water and to get these properties back on the tax rolls and developed in a fashion that's going to be acceptable to both the local community, the Town of Smithtown, to Suffolk County. So I'm asking for your support, you should not go forward with this project to Michael Cox and Pioneer, he is a decent individual, he owns a business down the street but I think what we're trying to do is much more important for the long term health and economic and environmental conditions of the area going forward. So I ask you to put this aside, to discuss this a little bit further, try to understand what we're trying to do in Kings Park on the Steck Philbin site. If you walk away, if you walk away from the Steck Philbin site the county is going to be on the hook for the tax liens for generations to come because nobody else is going to come and clean that property up properly. So the 80,000, the 85,000 a year you're currently paying in taxes, on the Steck Philbin property will continue because we'll be forced to walk away because there'll be no place to put the water if we ever get an opportunity to go onto the site and to remediate it and cap it. So you please look at this project in a comprehensive way, don't just go for the big bucks off the bat because you're gonna lose in the long run, you're gonna get 1.3 million dollars, you're gonna pay 80,000 dollars a year in taxes on the Steck Philbin project for eternity! So don't do it, I'm asking you to reconsider this, try to understand what we're trying to do, appreciate the effort and the money and the time that we're putting in and let's move forward together because I think we can make a positive impact on the community in Kings Park.

(PS) So just let me be clear, you're team made a proposal for the Steck Philbin site, correct?

(MR) Yes

(PS) Did it include the use of this site; did your proposal include use of this Izzo site as part of your proposal?

(MR) No because it wasn't up for sale

(TW) And the Steck Philbin site is 15 acres?

(MR) 25

(TW) 25 acres and this is 5.

(MR) And it's adjacent.

(TC) Without this property the Steck Philbin proposal cannot move forward?

(MR) No, we don't think it can.

(TC) but yet you proposed without the use of this?

(TC) We haven't talked about the Steck Philbin site yet and that will come under old business, I don't know why that's held up and I don't expect you to answer that right now, we're not talking about that now but, why is it that this wasn't critical to the purchase of Steck Philbin before but it is now?

(MR) Yeah that's a good question, what happened recently was the property just to the east of Steck Philbin owned by a family called Santilli, they're in contract with a company called Prospect Sports to put a sporting complex on their 40 acre site just east of the Steck site. While that property was under development they cut into the Steck site about 25 feet and we found that where we wanted to put the drainage there happens to be debris in that corner where we had considered putting drainage for the site. So what we realized is that the debris field goes from one end to the other there's probably no place to put the put the drainage and that was all uncovered in recent months when the developer cut into the Steck site and unearthed about 40,000 yards of waste from the from the Steck site which they're gonna have to remove at a cost of about half a million dollars. So you could expect how much it would cost us to remove debris from the Steck site in order to build a drainage basin. If it's gonna cost them half a million dollars to remove about 40,000 yards of waste what it will cost us to remove waste from about 4 to 5 acres for a drainage basin. It's just economically not doable.

(TW) And what's the end use you're anticipating at the Steck Philbin site?

(MR) Ultimately we want to use it for renewable energy, that was our initial proposal unfortunately our solar partner lost their bid with PSEG LI and we were told they lost the bid because there wasn't enough capacity in the power lines in that area to handle another solar complex because one going up right now which my partner is actually involved in, he is remediating the site. It's a site that wasn't properly capped and there was...

(TW) But this site is, you're proposing renewable energy on this Steck Philbin site?

(MR) That's what we ultimately want to do with it, that's the, we feel that's the best reuse, absolutely.

(TW) Solar panels when you say renewable, wind turbines?

(MR) I don't think wind turbines would work but solar or some other type of renewable energy, whether its fuel cells, something along those lines. There's not a lot you can do with the Steck site, the debris field we're told is about 80 feet deep it goes from one end to the other at this 25 acre site so there aren't a lot of other reuses that that make sense for the Steck Philbin property. But if we finally want to cap it and make sure that the water doesn't percolate into the into our ground water, we need to address the issue and so our best option here is to drain the water from the Steck site onto this property which is right next door.

(CL) You can't carve away the 5 acres of the Steck site that's adjacent to this for your drainage?

(MR) Well ~~that that~~ that's the point I was trying to make, we believe the debris field goes from one end to the other, so there's so if we were to take the garbage, to take the garbage out of 5 acres of the Steck site, first of all it would be a nuisance to the residential community just to the north and it would be economically prohibitive, it's just too expensive it would cost millions of dollars to remove that that debris and discard it.

(TC) So, I'm just trying to understand this Mike, so had this piece of property that we're talking about now, not become available and had the deal been consummated between the Landbank and you guys for the Steck site, what then would have happened?

(MR) We would have had to walk away. If we were unable to find a clean piece of property, at least 4 acres for drainage on the Steck site we would have to walk away from the deal.

(TC) Ok so at that point you would have said, we weren't aware of this to begin with, we no longer can develop the property.

(MR) Right, and that's part of our contract we wouldn't we would not officially close, and this is in discussions we had with the members of the Landbank, until we find out exactly what we're dealing with. In order, to get to that point we first have to get into the brownfield cleanup program, and we have an application that's been ready for over 6 months. And we're unable to even submit it to the DEC because we haven't gotten a signed contract, which wouldn't be officially executed until we got into the brownfield cleanup program and until we do a Phase II on the property so we know exactly what we're dealing with. So before we know what we're dealing with we're not gonna close and we're not going to submit any other paperwork to the town until we know exactly what we're dealing with on the Steck site. And the only way to do that, first of all we need the protection of the brownfield cleanup program and then we have to make sure we know what's on the site and what type of cap actually is going to be needed to protect our ground water and that the DEC will accept.

(TC) And what was your bid for that site

(MR) It was \$100,000 an acre so it was a half a million dollars and then we also said if we find the clean piece of property on the Steck site to handle the water drainage we will double our bid.

(MK) It was also over 20 years

(MR) Yes

(MK) \$25,000 a year over 20 years

(MR) Well we're not making any money from it.

(DD) without any established interest which is comparable to the financial structure of the larger Steck deal, 20 years no interest.

(TC) Right, but the Steck deal we recommended.

(SL) Yes

(TC) And this is an upfront, lump sum payment?

(SL) Yes

(TC) And is that the reason that there's urgency on this, or is there no urgency on this. I know that somebody's bidding on it, I'm sure that they want us to do the deal but is there any reason why we couldn't table this and have a bigger conversation about Steck Philbin and what we want to do?

(DG) I don't know if I agree with that. I think that as a Landbank we have to look at how we move forward with a proposal. Conditions change, I hear a lot of ifs with Steck Philbin, if they get the brownfield designation, if they do a,b,c... if none of that happens then we possibly have two properties that aren't moving forward. Here we have a clear path forward, I'm not a developer, and I don't clearly understand how someone digging 25 feet into your property, into your potential property now requires you to have 5 acres of drainage.

(JS) Presiding officer could I just step in quick, I think we should make a motion to go into executive session because we're discussing the potential sale of property and I believe that's supposed to be done in executive session.

****BOARD ENTERED EXECUTIVE SESSION TO DISCUSS INTERNAL FINANCIAL MATTERS AND CONTRACT NEGOTIANS****

****NO DECISIONS MADE****