

Real Property Tax Committee Minutes  
March 9, 2020 – 2:30 p.m.

Present: Chairwoman Sandra Winney; Committee Members Tara Gaston, Jon Schopf, Tom Wood, Benny Zlotnick; Supervisors Phil Barrett, Ed Kinowski and Chairman of the Board Preston Allen; Chad Cooke, County Administrator; Steve Dorsey, County Attorney; Andrew Jarosh, Terri Wisley, Treasurer; Anna Stanko, Real Property Tax; Craig Hayner, County Clerk; Ed Keis, DeCresente Distributing.

Chairwoman Winney called the meeting to order and welcomed all in attendance.

**On a motion made by Mr. Wood, seconded by Mr. Zlotnick, the minutes of the February 10, 2020 meeting were approved unanimously.**

**A motion was made by Mr. Wood, seconded by Mr. Schopf, to authorize the acceptance of \$55,432.63 in pre-auction tender offers from the Towns of Ballston, Clifton Park, Edinburg, Halfmoon, Saratoga, Milton, and Waterford. Unanimous.**

Ms. Wisley distributed a handout detailing the tender offers.

Mrs. Winney said that Mr. Kinowski had asked to be added to the agenda. Mr. Kinowski said that at the last two meetings, he put forward suggestions on how to deal with properties that are blights in the townships and how to address proactively. Mr. Ed Keis, CFO for DeCresente Distributing, has submitted a proposal for one such property in the Town of Stillwater. Mr. Kinowski distributed a copy of an email between Mr. Keis and himself, and a spreadsheet detailing the offer proposed for the purchase of the Patenaude property in the Town of Stillwater. A copy of the email and spreadsheet is attached to these minutes. Mr. Schopf recused himself from the meeting upon being informed that the owner of the property being discussed was Patenaude.

Mr. Keis said that Patenaude was a local heavy duty spray paint company. Their loans were guaranteed by the New York State Business Development Corporation. The NYBDC foreclosed on the property however, have not yet taken title to the property. DeCresente's property is next door to the Patenaude property and would like to see it cleaned up. Mr. Keis said that the results of a Phase I environmental study showed that the property was clean however, DeCresente had a Phase II environmental study done and there is a lot of clean up that needs to be done. Mr. Keis said that the NYBDC does not want to take title on the company. The spreadsheet shows that the estimated cost of remediation would be close to \$1M for 2 acres of property. Mr. Keis said that Mr. Patenaude did not go to the Town Assessor to have the property assessment reduced and therefore the back taxes are currently approximately \$175K. Mr. Keis said that NYBDC has offered DeCresente the opportunity for DeCresente to take title for \$50K, and Mr. Keis said that DeCresente is asking for some relief on the owed property taxes as they have been over inflated in the past few years. The relief on taxes would put DeCresente in a better position to be able to clean up the property and put up a large building which would come back on the tax rolls at a value of almost \$3M. Mr. Kinowski said that the current property is getting more run down by the day and is an eyesore in the Town. Ms. Gaston expressed concern over how NYBDC would be able to transfer the property without taking title first. Mr. Dorsey confirmed that NYBDC would need

to take title prior to being able to sell the property. Ms. Gaston said that she would not want Patenaude to make any profit on the sale of the property however, is ok with a sum being transferred to NYBDC. Mr. Jarosh suggested that NYBDC may be conveying their right to foreclose on the property to DeCresente. Mr. Jarosh expressed concern over setting a precedent for people being able to dump hazardous waste on their properties, abandon the property and not pay taxes in the future. Ms. Gaston suggested possibly deferring taxes rather than wiping out taxes completely to ensure properties are cleaned up and re-developed. After further discussion, it was decided that Mr. Keis discuss the title issue with NYBDC and come back at a future Real Property Tax meeting for further discussion.

**A motion was made by Mr. Wood, seconded by Ms. Gaston, to approve the request for a second pull for a parcel in the Town of Clifton Park. Unanimous.**

Mr. Barrett said that the property owner came in today and met with Supervisor Winney. The property owner is on social security disability, apparently made more money than he was supposed to, and was fined a large sum by the IRS. The property owner has agreed to pay the current year taxes by auction date and the remainder will be paid off in April. Mrs. Winney said that the removal of the property from the auction is contingent on payment of the current taxes. The property in question is item #7 on the auction list. Ms. Gaston said that since the property owner is on social security disability, she would like to ensure the property owner is receiving the available appropriate deductions on taxes.

**On a motion made by Mr. Zlotnick, seconded by Ms. Gaston, the meeting was adjourned unanimously.**

Respectfully submitted,  
Therese Connolly  
Deputy Clerk of the Board

**Estimate of Patenaude Costs**

3/4/20

**Funds Needed to Purchase Patenaude property and remediate for parking lot**

Purchase price - payable to NYBDC	50,000	0
DDC payt of back taxes	175,000	0

Remediation

DDC payt for removal of barrels of Hazardous waste	100,000		
Soil removal & testing (approx 1,840 cu yards)	201,000		
Soil replacement - crushed stone mix	69,000		
Asbestos removal	14,000	384,000	384,000

Demo of 2 buildings	135,000		135,000
Removal & disposal of building debris	177,000		177,000
Environmental studies (50%)	15,000		15,000

	936,000	936,000	
Implied cost / acre	390,000	/ acre	
Less estimated value of 5,000SF building	(100,000)		

Implied value of land	836,000		
Implied cost / acre	348,333	/acre	

Paving	\$4 /sq ft		
Est SF to be paved	70,000	280,000	280,000
Fencing		150,000	150,000
Security cameras		26,000	26,000
What else		?	?

<b>Estimated Total Capital needed for Patenaude</b>		<b>1,462,000</b>	<b>1,167,000</b>
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**Possible new building**

Building cost say \$/sf	\$115		
Est SF	25,000		
		2,875,000	2,875,000
Total		4,337,000	4,042,000

Ed

I am circling back to our Friday conversation after you met with Steve Dorsey & Steve indicated that the County would not foreclose.

You mentioned that you could explore an arrangement where the Town could foreclose to facilitate a transfer & Steve was discouraging that also.

Our attorney indicates that the New York State Business Development Corp (NYBDC) was a guarantor of loans that were in in default.

NYBDC foreclosed on the property and acquired the rights to the property at auction, but NYBDC has not taken title to the property or had the deed transferred.

It is NYBDC that is offering the property to us for \$50,000 plus responsibility for all the remediation and associated costs, known and unknown.

Patenaude would not get any cash.

Given Steve's concerns on any foreclosure, I'm hoping that we can figure out a way to overcome some of the obstacles without an actual foreclosure, get the property into a productive state, remove a Stillwater eyesore along with environmental exposure and be able to get the property back on the tax rolls.

We are requesting that the County waive the past due taxes, interest and penalties.

Hopefully the County would not seek reimbursement for the taxes from the Town and the Mechanicville School District.

I would explain that if our construction of a new building would likely result in an assessment of about \$3.1mil, that would be almost 4 times the current assessment of \$790,000 that all agree is overstated.

And even if the County charges back part or all of the taxes to the Town and MSD, those entities and the County would likely recover more than that money as soon as the new building and remediated land is back on the tax rolls and then continue that increase forever after.

If we can clear the County back taxes hurdle, we will tell NYBDC that we will agree to the remediation responsibility but not pay them the \$50,000 they are requesting and give them the opportunity to walk away from this issue.

You mentioned that there is a Real Property Tax Committee meeting Monday afternoon at the County.

I would be glad to attend the appropriate portion of that meeting if you think that would be helpful.

Thank you for keeping this moving