

REAL PROPERTY TAX Transcript 4/26/2021

SPEAKERS

Ed Kinowski, Andrew Jarosh, Chris Schall, Bill Peck, Dan Pemrick, Michael Hartnett, Therese Connolly, Gary Bowich, Several Supervisors, Eric Connolly

Eric Connolly

It is 4pm on the dot. I'd like to begin this meeting of the Real Property Tax committee April 26 2021. And our first item up is attendance. Has that been taken Therese?

Therese Connolly

Yes, it has.

Eric Connolly

Thank you. Item number two approval of the minutes of the March 29, 2021 meeting. Can I get a motion?

Ed Kinowski

I'll make that motion.

Eric Connolly

Thank you Supervisor Kinowski. Can I get a second please?

Dan Pemrick

I'll second.

Eric Connolly

Supervisor Pemrick. And any discussion on the minutes? All in favor?

Several Supervisors

Aye.

Eric Connolly

Opposed? Motion passes. Next up, item number three Quarterly Report. Chris Schall, County Auditor. Chris, take it over.

Chris Schall

Good afternoon Supervisors. Attached you'll have the summary of the refunds and corrections for Quarter one of 2021. We had ten corrections for \$2,879.06 and six refunds for \$1,916.35 for a total of \$4,795.41.

Eric Connolly

Thank you. Any questions from any of the Supervisors or attendees? Okay, Supervisor, Pemrick. Moving the approval. Can I get a second?

Bill Peck

Second.

Eric Connolly

Bill Peck. Thank you. And any discussion on this? All in favor?

Several Supervisors

Aye.

Eric Connolly

Opposed? Motion passes. Item number four, County Treasurer Drew Jarosh.

Andrew Jarosh

Thank you, Chairman Connolly. Thank you to all the committee members. I have a couple of items that I'd like to discuss with you. Number one, I would like to propose to the Committee, after many meetings between myself and my staff and the County Attorney and the Director of Real Property. With several the changes that have occurred this year, most notably with the movement of the duties of Tax Enforcement Officer down to the County Treasurer, and with the retirement of the Legal Assistant that was responsible for all of the title searches for the County. And her retirement taking effect before her tasks were completed. Looking at the calendar and how we would have to get motions before the Court in order to foreclose by the end of the year, it appears it is infeasible for us to proceed with an in-rem process this year. Mostly because of the title searches that are outstanding. Many of the title searches that have already been completed are two years old, and they'd have to be updated for the last two years. We have we currently have a list of between 800 and 900 parcels. If we were to outsource that at \$300 to \$400 a pop, it would just be cost prohibitive for us to do so. So I am suggesting that we postpone the in-rem process this year, the mass in-rem process this year, until next year when we add a new Foreclosure Specialist on staff, when we have the process in place and we can make sure that we do all of this well in time to have a nice orderly in-rem process. And it will be a large one, we'll be pursuing years 2018, 2019 and probably 2020. But I think that is what's best for the County. It is what's most financially feasible. And with all of the questions in place stemming from the COVID pandemic and many of the Executive Orders, and the moratoriums on foreclosures and evictions, and the outstanding legal questions there. I think just every way we looked at this, the County Attorney, the Director of Real Property and myself have all come to the conclusion that this is in our best interest, to postpone the in-rem foreclosure process for this year. I don't know, and I'll ask the Chairman and County Attorney Hartnett if a vote of the Committee is necessary for that. Probably wouldn't hurt, but.

Michael Hartnett

Thank you. So it would be my opinion that a vote certainly wouldn't hurt so to speak, as Tax Enforcement Officer having the support of the Committee to delay the in-rem foreclosure proceeding. What I would say is I am supportive of that request for the reasons proffered by Treasurer Jarosh.

Important to note, in this context is that there is a current, soon set to expire, Executive Order preventing foreclosures on residential properties. By postponing it, you aren't necessarily waiving any rights to foreclose at a later date. And the discussions that Treasurer Jarosh and I had were about somewhat what I'm going to call a targeted in-rem foreclosure, where it would be select parcels, depending on the circumstance and nature of those parcels to pursue this year. And with the Executive Order, those would be commercial parcels. But there are a few that have been on our radar for quite a little while that we would like to pursue, but doing it en masse, from my perspective, this year is just it's not quite feasible with the May 1 deadline rapidly approaching for that process. Thank you.

Eric Connolly

Thank you.

Bill Peck

Mr. Chairman, can I ask a question? This is Supervisor Peck.

Eric Connolly

Yes, go ahead.

Bill Peck

So from Attorney Hartnett there, I'm just a little bit confused. Are you going to pursue foreclosure on some commercial properties or are you looking to forbear all these for another year?

Michael Hartnett

Supervisor Peck, from my perspective, it would be to pursue a select number of commercial parcels that have been on the County's radar. So it wouldn't be to delay all of them. It would be to delay most of them, including all of the residential.

Andrew Jarosh

And if I may also chime in Supervisor Peck, some of that is to, we would absolutely want to maintain our position, and our motion before the Court to foreclose on certain parcels to maintain our rights to those parcels. And some of the other things. In fact, one of the other items that we're going to talk about here in a minute, as well as some others, to make sure that our rights on those parcels are in place so that we can come to some other agreements with either other municipalities or other agencies of the State government.

Bill Peck

So looking at your background work here. So you'd still foreclose on them, but you wouldn't be having a Fall auction you're looking to postpone until Spring of 2022?

Andrew Jarosh

On those select targeted parcels, that might be the case. What I am proposing right now is that the mass in rem foreclosure that we usually do on several 100, upwards of 1,000 parcels, that that mass process, we are postponing this year, just due to lack of resources and lack of time.

Bill Peck

Yeah. Have you been able to produce, I guess I haven't seen, have you hired anyone for that position, or you are trying to put that together still?

Andrew Jarosh

That position was just approved by the Board last week, and I'm working with HR to post for it this week.

Bill Peck

Okay, very good. Thank you.

Andrew Jarosh

Thank you.

Eric Connolly

Any other discussion? Treasurer Jarosh, did you cover both B and C items as well?

Andrew Jarosh

No, I have not. So the second item, now again I don't know if the first item requires a vote of the committee or not.

Eric Connolly

Okay. We'll go ahead and take a vote on the first item, 4A if no one else has discussion.

Dan Pemrick

I'll move it.

Eric Connolly

Dan Pemrick. And second, please?

Ed Kinowski

I'll second, Ed Kinowski.

Eric Connolly

Thank you Ed. Any additional discussion on 4A? All in favor?

Several Supervisors

Aye.

Eric Connolly

Opposed? Motion passes. Motion 4B, can I get a motion to move that?

Andrew Jarosh

But do you want me to explain why, it's up you?

Eric Connolly

We can do it during discussion? Sure. I was probably doing things out of order earlier.

Dan Pemrick

Yes, I'll move it.

Eric Connolly

Dan Pemrick. Thank you. Can I get a second on moving 4B?

Ed Kinowski

Second. Ed Kinowski.

Eric Connolly

Thank you. And discussion, go ahead, Drew.

Andrew Jarosh

Thank you. So this one's a bit more straightforward. And it's not all that unique. In past, I actually don't know if it's official policy of the committee, but in past practice, for practical reasons we don't hold a property tax auction when we have fewer than 10 parcels up for auction, simply because of the resources required to do the auction which includes going out to the parcels and posting them doing the advertising. Coming to Treasurer with the online auction and having my office available to take deposits and whatnot. At 10 or fewer parcels, it's just not financially feasible and it's not going to be that benefit to the County to do that. Between the not solds at last auction, and the pulls from the previous auctions, I believe we're at six or seven parcels right now that we have available for auction. I think everybody's, seven I think. It's just not feasible to do that. So this means that we probably should not have a tax auction in 2021. If we do that, and we have all of the in-rem foreclosures next year that we just discussed, we are going to have the auction of all auctions in March of 2023. Just letting you know, it's gonna be a pretty amazing sight.

Eric Connolly

Treasure Jarosh, should you mean March of 2022?

Andrew Jarosh

Well we would do the foreclosure process next year in 2022, which means we'll probably have several, several dozen, I don't want to give an estimate even much higher than that, several, several dozen parcels available for auction in the following March. So that foreclosure would be completed, ideally in November of 2022. And then in March of 2023, we would have that auction of all auctions.

Eric Connolly

Thank you for clarification, any additional discussion on this?

Ed Kinowski

Ed Kinowski. Hey Drew, if you postpone an auction, and the parcel is extended out for two more years, as you would say to 2023, then does the homeowner have the opportunity, extra two years to purchase this property back?

Andrew Jarosh

Actually, I think that is the case. Yes, they have up until the date of a special meeting that this Committee would hold prior to the auction. They have until that time to submit their tender offer and then the Board would have to approve acceptance of the tender offer before title was passed back to them. But yes, that would be the case.

Ed Kinowski

Okay, thanks for the clarification.

Andrew Jarosh

Of course.

Eric Connolly

Any additional comments on 4B? Hearing none, we'll take a vote. All in favor?

Several Supervisors

Aye.

Eric Connolly

Opposed? Motion passes. 4C, can I get someone to move that please? Actually this is just a status update. Thank you though. Treasurer Jarosh, do you want to give a status update on that?

Andrew Jarosh

Of course. This is in regards to the Magnum parcel, what we commonly refer to as the Magnum parcel in the Town of Ballston. It's at the corner of Route 50 and Lakehill Road. Anybody who knows that area, you know you have a Stewart's, a CVS, and an ice cream stand. This would be kitty corner to the ice cream stand. It's currently the big pile of bricks with the tanks above ground, if you know where I'm talking about. Supervisor Connolly has been working quite a bit on getting a deal done between the County, the Town and the State DEC, and our outside counsel, Gary Bowich, who I believe is on the phone with us, has been hugely instrumental and valuable in getting the DEC to conceptually agree to terms. And we're finally, finally going to be able to clean up that parcel it looks like, and put it to good use for the Town. And I think Supervisor Connolly might be able to tell us what the Town's plans are for that. But Gary, if you'd like to provide the Committee with an update and the status that you were telling me about, that'd be great.

Gary Bowich

Thank you, Drew. Thank you to the Committee for giving me the chance to bring everybody up to speed. Yes, we're making a lot of progress on this. As some of you may know, it's an abandoned former gas station, auto body type or auto repair shop. The current owner, I can't remember his name off the top my head, but he had...

Eric Connolly

Nuri Ozbay.

Gary Bowich

That's correct. And the site was contaminated both from leakage from underground storage tanks and under the slab of the garage, where he had hydraulic lifts, there was also contamination. And so about two years ago he went in and hired a consultant, and dug out many many tons of contaminated soil in front of, in the parking lot, in front of the building. And also he dug out many tons of contaminated soil under the concrete slab, he took up the slab inside the building and took out the hydraulic lifts. And those two tanks that you see, those two fiberglass tanks, I think were intended to replace the old leaking tanks. But apparently he ran out of money or he decided he didn't want to go forward. So we're stuck with a site with an abandoned and rundown building, two tanks, and contamination still exists because when they dug out inside the building under the slab, they couldn't go too far because then the foundation would all collapse. So there's still some contamination left under the building. And the plan is this, is that the Town, well Eric if is okay, I'll jump in on the Town's piece too. The plan is to work out agreements with the State DEC and the oil spill fund. And between the County and the oil spill funds DEC and also between the County and the Town. Right now the intention is for the Town to use condemnation powers to go on the site and take down the building. That will now expose the contamination under the building. And DEC has agreed to come in once the building is down and clean that up as well. So, I'm having a little feedback, but so that's the plan, the Town will go in, it will take down the building and DEC will clean it out. But in addition to that, we want to have an agreement with the State oil spill fund, and the County takes title through in-rem foreclosure, but the State will immunize the County from any liability associated with petroleum on that site. That's very important. And that would be done in consideration of a payment to the City of \$7,000. Maybe that's too much detail, but \$7,000 is much less than the DEC will spend out there, considerably less. And then at some point after title is taken between in-rem foreclosure, the property would be transferred to Town, and then the Town will use it, Supervisor Connolly can say how the Town would like to use that property once it's transferred to you, to the Town.

Eric Connolly

Thank you Attorney Bowich. I'm not gonna really comment on that just yet. I don't want to put the cart before the horse. The plan is in action. It is working. There are some ideas floating around, but I'm going to take it a little slow with that part of it. The County would importantly be released from any liability, first, in addition to the Town, so when all the cleanup is done and the building is razed. It would be in position to be transferred to the Town, correct? Treasurer Jarosh.

Andrew Jarosh

I think that's exactly right.

Eric Connolly

So we definitely appreciate all the work from both Attorney Hartnett, Attorney Bowich, Drew Jarosh. Everybody's been really helpful. It was a tough one. But I think we're getting close to the end here.

Gary Bowich

Just to just to emphasize a point. So once the County gets a liability release from the State, and when they transfer it to the Town, that same liability release will be transferred to the Town. And so, I see this as a terrific win win, ultimately, a building is going to be down, the site is going to be clean, and then it can be reused for beneficial use. Rather than just sitting there. I think it's very exciting.

Eric Connolly

Absolutely. The residents of the hamlet of Burnt Hills will throw a celebration party once that is cleaned up I think. Anyone else have comments on this item? Item number five other businesses. Anyone have any other business to bring to the floor? Hearing none, item number six, can I get a motion to adjourn? Dan Pemrick. Can I get a second?

Bill Peck

Supervisor Peck.

Eric Connolly

Thank you Bill Peck. All in favor?

Several Supervisors

Aye.

Eric Connolly

Opposed? Our meeting is over. Thank you everybody for attending.