

NASSAU COUNTY LEGISLATURE

PETER J. SCHMITT,
PRESIDING OFFICER

RULES COMMITTEE

PETER J. SCHMITT,
CHAIRMAN

1550 Franklin Avenue
Mineola, New York

August 6, 2012
1:20 p.m.

REGAL REPORTING SERVICES
516-747-7353

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

PETER J. SCHMITT
Chair

HOWARD KOPEL

DENNIS DUNNE (Not Present)

RICHARD NICOLELLO (Sitting in for Dennis Dunne)

ROSE MARIE WALKER

KEVAN ABRAHAMS
Ranking

JUDI BOSWORTH

WAYNE WINK

LIST OF SPEAKERS

ROB WALKER 6
FRANK INTAGLIATA 8
KEVIN WALSH 18
CARNELL FOSKEY
BOB MCMANUS 73

2 CHAIRMAN SCHMITT: All members please
3 take their seats. We're having a microphone
4 problem that they're working on. But in the
5 interim, we're going to move forward.

6 I'd ask everybody to please rise for the
7 Pledge of Allegiance, led by Legislator Joe
8 Belesi.

9 (Whereupon, the Pledge of Allegiance was
10 recited.)

11 CHAIRMAN SCHMITT: Mr. Clerk, would you
12 call the role of the Rules, please?

13 CLERK MULLER: Yes, sir.
14 Legislator Wink?

15 LEGISLATOR WINK: Here.

16 CLERK MULLER: Legislator Jacobs?
17 (No verbal response.)

18 Do you have a substitute? Legislator
19 Bosworth, substituting for Legislator Jacobs?

20 LEGISLATOR BOSWORTH: Here.

21 CLERK MULLER: Ranking Member Abrahams?

22 LEGISLATOR ABRAHAMS: Here.

23 CLERK MULLER: Legislator Walker?

24 LEGISLATOR WALKER: Here.

25 CLERK MULLER: Legislator Nicoletto,

2 substituting for Legislator Dunne?

3 LEGISLATOR NICOLELLO: Here.

4 CLERK MULLER: Vice Chairman Kopel?

5 LEGISLATOR KOPEL: Here.

6 CLERK MULLER: Chairman Schmitt?

7 CHAIRMAN SCHMITT: Here.

8 CLERK MULLER: We have a quorum.

9 CHAIRMAN SCHMITT: Okay. Rules
10 Committee is in session.

11 I'll take a motion to suspend the rules,
12 please.

13 LEGISLATOR WALKER: So moved.

14 LEGISLATOR KOPEL: Second.

15 CHAIRMAN SCHMITT: Moved by Legislator
16 Walker, seconded by Legislator Kopel.

17 All those in favor of suspending the
18 rules please say aye.

19 (Aye.)

20 Any opposed?

21 (No verbal response.)

22 The rules are suspended.

23 I'm going to call E-176, which is a
24 contract between the Department of Parks and
25 Nassau Sports Events, LLC.

2 May I have a motion, please?

3 LEGISLATOR WALKER: So moved.

4 LEGISLATOR NICOLELLO: Second.

5 CHAIRMAN SCHMITT: Moved by Legislator
6 Walker, seconded by Legislator Nicoletto.

7 The item is in front of us.

8 Who is here to speak on this item? Chief
9 Deputy County Executive Rob Walker.

10 CHIEF DEPUTY COUNTY EXECUTIVE WALKER:

11 Good afternoon. I will try to be very, very
12 brief, and then Frank Intagliata will step
13 forward and give a very quick slideshow.

14 Going back probably about three months,
15 six months ago now, the county executive put
16 forward to the public an RFP by which we decided
17 to start looking at ways that we can approve upon
18 the HUB. One thing is certain, as the county
19 continues to reduce spending and reduce the
20 dollars, it's very important that we continue to
21 look at ways to enter into public/private
22 partnerships by which we can provide the
23 residents of Nassau County with great flexibility
24 and other opportunities, at the same time doing
25 what's most important, which is expanding upon

2 the tax base, expanding tax revenue and sales tax
3 revenue, the use and the need for hotel stays --
4 no air conditioner, no dollars, saves money. But
5 as we continue to look for ways, again, to expand
6 upon the tax base, expand opportunities for our
7 residents and to better utilities our facilities,
8 the RFP was submitted again looking for a private
9 investor that would entail zero dollars, zero tax
10 dollars to be spent on building and indoor sports
11 and exposition facility.

12 As anyone that may visit the Nassau
13 Coliseum, obviously the conditions of the
14 Coliseum, just being the above it is, over 40
15 years old, the Expo Center or the facility that's
16 used for an Expo Center really is not conducive
17 to holding events anymore. And if you look at
18 the pillars that are in place, you cannot get
19 bigger shows just because of the lack of
20 maneuverability and such that Nassau County is
21 losing several millions of dollars on people that
22 are traveling to other states or to just across
23 the county lines to Suffolk or to New York City
24 to actually host events or bring people here. So
25 this sports and recreation exposition facility

2 will actually dovetail the need to see this
3 happen and, more importantly, again, providing
4 opportunities, jobs, and things of that nature.

5 At this point, I would like Frank
6 Intagliata to come up, and he will run you
7 through this short presentation and then will
8 answer some questions.

9 MR. INTAGLIATA: Good afternoon. I'm
10 Frank Intagliata, acting director of Purchasing.

11 This project, as Rob stated, was brought
12 about by need. There were two responders to this
13 program. Can everybody hear me? Okay. We had a
14 five panel board that was established --
15 Commissioner Shah, Commissioner Foskey, Rich
16 Mallet, and Brian Nugent, Director of Constituent
17 Affairs, and myself. The county executive asked
18 me to spearhead the project, based on a
19 background in sports and entertainment. Also, I
20 was a very active participant and a former All
21 American baseball player. And I've been with the
22 department for 18 years in the capacity -- are we
23 back?

24 Okay. So this is a 100 percent privately
25 funded program. The company is Nassau Sports,

2 LLC. They will be the operator. They will be
3 granted the use permit. If we turn the slide,
4 we'll get an overview of where it actually will
5 be built. It's in that upper right coordinate.
6 And that field was formerly a baseball field that
7 rec and parks earned probably less than \$7,000
8 annually for use. The field has basically been -
9 - I hate to say rundown. It's been kept up to
10 the best of their ability. It's a lit field; the
11 lights are antiquated and no longer actually can
12 provide us with night revenue there. So the
13 business will be outlaid over that field, with
14 the potential of a dome going over the second
15 field, provided their start is according to what
16 their business plan says it will be.

17 As Rob covered, the projected estimate is
18 going to be \$35 million, over the next five year,
19 generation of income, and that's the economic
20 impact to the area. He will be subject to
21 providing a use permit that works in conjunction
22 with the Department of Rec and Parks. Because
23 this was a parkland, we had to go before the
24 various committees of OSPAC and then Planning and
25 we had to meet the SEQRA resolution, which was

2 attached for your review. The SEQRA said there
3 was no significant or adverse impact to the
4 environment, which allowed him to go forward.

5 He has hired -- a little bit about the
6 businessman himself.

7 He's a local businessman from Garden
8 City. He's a Notre Dame graduate and former All
9 American lacrosse player who is going to invest
10 over \$3.5 million of his own money in our
11 county's park program. The total project cost
12 would be in excess of 10 to \$11 million. So he
13 has a large stake in this. Go to the next slide.

14 It's a little bit about the center again.
15 We talked a little bit about the economic impact.
16 We talked about the expansion of what our program
17 will do. It might be out of order. Go to the
18 next one, which is the sports facilities advisor.
19 The next slide.

20 I want to talk to you about sports
21 facility advisory, SFA, who is his business
22 partner in this.

23 This program is a nationally recognized
24 full service sports facility planning and
25 management company. Through our business and

2 planning, they have many management services.
3 But they have served the portfolio of projects
4 totally more than \$2 billion in planned and
5 operational facilities. The FSA is going to be
6 called on to assist sports tourism, destination,
7 private developers, parks and recreations, and
8 work within our parks and recreational
9 department.

10 Commissioner Foskey put together and
11 elaborate parks facility schedule that marries
12 into the facility and gives us exclusive use of
13 over one-third of the facility, and there's an
14 attached schedule for your review.

15 If we go to the facility itself, we know
16 it's going to be 105,000 square foot;
17 approximately 60,000 square foot of synthetic
18 turf playing fields. We're going to bring in the
19 aspect of multi-sport, along with a climbing
20 wall. It is going to be a facility that's state
21 of the art. We are going to offer youth groups
22 and corporate groups alike, flexible meeting
23 space. It's going to host birthday parties. And
24 we're going to have a large volume of people
25 attending this.

2 Job creation. Economic impact, went
3 through that. Job creation.

4 Although we say unemployment continues to
5 be a staggering stat in many parts of the county.
6 Nassau Sports will create a multitude of full-
7 time, part-time, and per diem employment
8 opportunities. By hosting a large assortment of
9 classes, programs, and events, the facilities is
10 poised to create nearly 50 full-time jobs, with
11 hundreds of part-time employment opportunities.

12 Go to enhancement of Mitchel Park
13 Athletic Complex.

14 Some of the highlights on this have
15 already been stated. But we're going to be able
16 to host year-round events. The facility will
17 generate a large number of hotel room nights and
18 increase local retails and commerce. Nassau
19 Sports and Events will generate a large number of
20 full and part-time jobs, as previously stated.
21 And by creating a hub of recreation activities
22 and events, Nassau Sports and Events will
23 increase public use of Mitchel Park and Athletic
24 Complex.

25 Now, just going back a little bit, when

2 you looked at the package. It's interesting
3 enough that the original deed in 1968, for the
4 land, when the county went out and secured
5 Mitchel Park suggested that the facility be used
6 for this exact type of a program. They thought
7 that we were in desperate need of that. So it's
8 going to fulfill that obligation. In addition,
9 we are going to receive revenue from the
10 licensing agreement. The revenue will be, in the
11 first five years, a million one-twenty-five, and
12 the initial base fee will be after the first
13 year's completion, it will be \$250,000. It will
14 be some aggregate of over \$8.5 million throughout
15 the 30 year term.

16 At this point, I will turn it over to you
17 for questions.

18 CHAIRMAN SCHMITT: There's just been a
19 request that you repeat those last numbers again.

20 MR. INTAGLIATA: The licensing revenue?

21 CHAIRMAN SCHMITT: Yes.

22 MR. INTAGLIATA: It will be 1.125 after
23 the first five years. We're going to give them
24 an opportunity to built the project. And then at
25 the commencement of one year, collect \$250,000,

2 and thereon over the next four years.

3 It is estimated, through the upgrade in
4 the contract, that they will pay over \$8 million
5 after the 30 year term is complete. I shouldn't
6 say estimated, it's in the contract. But I don't
7 want to be quoted to an exact number. I know
8 it's eight million and change.

9 CHAIRMAN SCHMITT: That's it?

10 MR. INTAGLIATA: That's all I have on
11 this presentation.

12 CHAIRMAN SCHMITT: Is there anybody else
13 going to speak on this before we go into
14 questions?

15 MR. INTAGLIATA: If we have some legal
16 questions, I'll call upon Kevin Walsh. If you
17 have parks, recreation or schedule questions, I
18 believe Carnell is in the building here and he
19 can come forward. Commissioner Foskey, correct.

20 CHAIRMAN SCHMITT: I have a series of
21 questions but I'm not quite sure where to start.

22 This is -- first of all, it looks like a
23 wonderful presentation and something that's
24 sorely needed by the county and it generates
25 revenue and has no cost to the county, which is

2 all good and understood. Tell me about -- go
3 back to the beginning and tell me who is Nassau
4 Sports LLC. Who is it?

5 MR. INTAGLIATA: Nassau Sports is a
6 newly created company by businessman Mickey Blum.

7 CHAIRMAN SCHMITT: And who are the
8 principals?

9 MR. INTAGLIATA: As far as we know, he
10 is the sole principal of that.

11 CHAIRMAN SCHMITT: We need that --
12 that's not good enough, as far as we know. We
13 have a 17 year history here of requiring
14 financial backgrounds on companies. We need to
15 know who the principals are so that we can
16 ascertain if we're in conflict. For all I know,
17 this guy's got a partnership going on with my
18 brother-in-law. I don't have a brother-in-law.
19 Yes, I do have a brother-in-law. I don't know.
20 I've got to make sure who is the company before I
21 vote because I don't want to be in a conflict.
22 Who is Sports Facilities -- whatever the heck it
23 was called -- Sports Facilities Advisories. SFA,
24 who are they?

25 MR. INTAGLIATA: The criteria for the

2 RFP -- I understand what you're saying, Mr.
3 Schmitt. We'll have to look into that further.
4 But it is a private businessman who went forward
5 in an LLC and is going to pledge the money to do
6 this program and hire the necessary people behind
7 him.

8 CHAIRMAN SCHMITT: But who is he? Who
9 is the company? Is he here?

10 MR. INTAGLIATA: I don't know if Mickey
11 is in the building. He could go and explain a
12 little bit further about who backed him. But I
13 believe it's his money. That's all I know.

14 CHAIRMAN SCHMITT: What's his name?

15 MR. INTAGLIATA: Mickey Blum.

16 CHAIRMAN SCHMITT: Mickey Blum. Michael
17 Blum. See, now I don't know if he is the sole --
18 if he is Sports Facilities Advisory or if he's
19 got a board of directors, he's got partners,
20 whatever he's got.

21 MR. INTAGLIATA: The Sports Facility
22 Advisory is definitely his advisory company that
23 he is going to hire to run the facility and do
24 the startup of scheduling and advise him about
25 the business that he's partaking in.

2 CHAIRMAN SCHMITT: So he's not --

3 MR. INTAGLIATA: He is still Nassau
4 Sports.

5 CHAIRMAN SCHMITT: I got ya.

6 MR. INTAGLIATA: Right. He's not SFA.
7 SFA's wherewithal is established on over \$2
8 billion in projects.

9 CHAIRMAN SCHMITT: We need their -- we
10 get it from Exxon. We get it from anybody we do
11 business with. We need the backup -- not the
12 backup -- the disclosures. We need the
13 disclosure in principals and -- so we need those
14 two things. We need the disclosures of Nassau
15 Sports LLC and the disclosure of Sports
16 Facilities Advisory.

17 Now talk to me about the financing. I
18 understand that he has pledged or we're being
19 told that he's pledged \$3.5 million of his own
20 money. That means he must have a lot of money,
21 that's good. That thing is going to cost 11
22 million. Where is the other money coming from?

23 MR. INTAGLIATA: He has a private lender
24 and/or public lender. But he has the problem
25 that we all have here, that it has to go first

2 before your board to give him the wherewithal to
3 go forward and get his end financing. I'm not
4 certain if he's going to finance the entire
5 project himself or does have a lender. That's
6 where we are to date on this issue.

7 CHAIRMAN SCHMITT: Is there anything in
8 this contract that prohibits him from flipping or
9 selling?

10 MR. INTAGLIATA: Yes. Every assignment
11 that he wants to go through all comes through us.
12 He does not -- he is not allowed to assign --

13 CHAIRMAN SCHMITT: Who is us?

14 MR. INTAGLIATA: Maybe Kevin Walsh can
15 add a little bit better information.

16 MR. WALSH: Yes. Good afternoon. Kevin
17 Walsh, Deputy County Attorney.

18 There is a provision in the contract that
19 does contemplate financing. We don't know who
20 the exact lender is. His attorney has been
21 giving us documents the lender is looking at.
22 It's a little unique because since his structure
23 is a license agreement, the way we can do it
24 legally, there's not many models. Usually, a
25 lender's looking for security, like a mortgage,

2 obviously. In this case, all they're going to
3 get is collateral security. He would get the
4 rights of the permittee. But still, even if a
5 lender, in the worst case scenario, has to step
6 in his shoes, everything is still subject to the
7 terms of this permit agreement -- that was the
8 negotiation, but we really wouldn't give on that.
9 And at the end of the day, any assignment still
10 has to be authorized by the county.

11 CHAIRMAN SCHMITT: Authorized by the
12 who?

13 MR. WALSH: It's actually -- there's an
14 assignment clause. Whatever the approval process
15 is in the county, it has to go through the same
16 approval process.

17 CHAIRMAN SCHMITT: Does it come back to
18 the legislature or not?

19 MR. WALSH: Basically, for a new company
20 -- I guess it depends on the criteria of how it
21 happens. I think usually it's the consent of the
22 county executive for a new, you know, typical
23 assignment clause in our permit agreement is like
24 a major concession agreement. It still would
25 have to come back to the county exec's office.

2 CHAIRMAN SCHMITT: I don't think that's
3 sufficient. To be quite honest with you, I think
4 that has to be approved by the county executive
5 and then sent to the legislature, which approved
6 the contract in the initial instance. I think
7 that has to be changed, amended, whatever. If
8 there is that kind of situation where this
9 contract vendee, for lack of a better
10 description, is going to change and it's approved
11 by the county executive, it has to come back to
12 this committee to be approved by the legislature.

13 I am also concerned about the rest of
14 this financing.

15 Look. I understand what the project is.
16 I understand what a good thing this is, and I
17 want to vote for it. I understand all of the
18 implications of what it means to the county and
19 what it means to the development of the HUB. But
20 I do not understand, with all due respect, I do
21 not know this Michael Blum. And even if I knew
22 him, and this guy says I'm going to give \$3.5
23 million of my own money and I'm going to get the
24 rest of the money and build this thing, sounds
25 great. From where? Do we even know if he has

2 \$3.5 million? Has anybody done a Dunne &
3 Bradstreet on him? Do we have any of that
4 information?

5 Look. I know this is not the case. At
6 least I will assume that it is not the case. But
7 whenever I get something like this, as I told the
8 administration last week when we spoke about it,
9 Mitchel Field leases are paramount of my mind.
10 And I want to know what the safeguards are for
11 the county. I don't want to find out that we
12 got a half built structure out there and who
13 approved that, and it's us.

14 DEPUTY COUNTY EXECUTIVE WALKER:
15 Presiding Officer, just in respect to the
16 financials. We do have -- Mr. Blum is on his way
17 here today.

18 One problem that always -- that these
19 projects do face -- and I agree with you
20 wholeheartedly and that's why this process has
21 taken a rather long and cumbersome time in
22 dealing with the attorneys on both sides, meaning
23 the investor and ours, and conversations had
24 taken place with many of the banks. The banks
25 that we've had conversations through the

2 attorneys have given the approval, and their
3 approvals were always based upon our approval.
4 So we asked Mr. Blum, upon hearing this, to come
5 here. He's on his way here with some of those
6 financial commitments so you could actually see -
7 - as well, which I think is prudent, and that is
8 coming as we speak.

9 CHAIRMAN SCHMITT: So the bank's
10 commitment to finance the balance of the \$11
11 million is based upon the county's prior
12 agreement to the lease?

13 DEPUTY COUNTY EXECUTIVE WALKER: Yes. I
14 guess there are many of these types of facilities
15 that are taking place and a lot of interest
16 amongst many places here in both Nassau and
17 Suffolk, Long Island, and the City. So the banks
18 do not want to lend their approval to a project,
19 which then it becomes sometimes -- they're in a
20 game as well of being able to utilize their money
21 the right way. So some of them do not like to
22 get out there first and say, yes, we are
23 committed to this project fully knowing that
24 possibly the project may not get approved, and
25 now their money is wrapped up and tied up and now

2 other firms do not come and seek their dollars.
3 They, in fact, then will look elsewhere to other
4 financial institutions. So there is some, you
5 know, concern of the market and of the financial
6 lending institutions. And we've only learned
7 this during this process, that they do not like
8 to be the first ones to speak and get out there
9 ahead of the game to only possibly have their
10 project fall apart, and now some other investor
11 has gone to another financial institution,
12 received their dollars, they're in the ground,
13 they're up and running, and now they're out of an
14 opportunity.

15 CHAIRMAN SCHMITT: I understand that.
16 But there has to be a way to give the assurances,
17 I think, speaking for myself. There has to be a
18 way to give the assurances to the members of this
19 committee that it's real. I don't know. I'm
20 just going to make it up. CitiBank is the bank.
21 If whoever this guy is dealing with that's going
22 to give him \$8 million based upon the county
23 agreeing to this lease, ought to maybe come here
24 and we go in the back room and he gives us the
25 assurances that when we approve this lease

2 they're approving the \$8 million, something,
3 something. Being asked to vote for this without
4 any guarantees, I guess, that it's going to go
5 forward is really not -- we're kind of hanging
6 out there.

7 DEPUTY COUNTY EXECUTIVE WALKER: The
8 other guarantees that are in place -- because
9 irregardless of the approval today and even the
10 bank's approval. Prior to the construction
11 actually going forth, there are many safeguards
12 that are built into this contract for the very
13 reason as you just described. There are many
14 safeguards that are built into this. First, the
15 surety that needs to be taken. Basically, it's a
16 performance bond.

17 CHAIRMAN SCHMITT: In what amount?

18 DEPUTY COUNTY EXECUTIVE WALKER: The
19 amount of the project. The total amount of
20 construction. So, if all of a sudden we believe
21 it's 11 million, if it comes in at 14 million,
22 the surety has to guarantee the construction of
23 \$14 million. So the surety that's put into place
24 which, again, for all basic terms, the
25 performance bond --

2 CHAIRMAN SCHMITT: But is that part of
3 this contract?

4 DEPUTY COUNTY EXECUTIVE WALKER: Yes.
5 It's under Appendix - Section 18.1 and Exhibit B,
6 and 18.2.

7 CHAIRMAN SCHMITT: The contract is
8 passed, he gets all of his financing, he builds
9 his building, and the thing is up and running,
10 it's publicly owned or privately owned?

11 DEPUTY COUNTY EXECUTIVE WALKER: It's
12 publicly owned.

13 CHAIRMAN SCHMITT: So it's still tax
14 exempt.

15 DEPUTY COUNTY EXECUTIVE WALKER: Yep,
16 still tax exempt. They have a license agreement.
17 As per this contract, they'll have a license
18 agreement. At the end of the license agreement,
19 if it's extended or not extended and if it runs
20 30 years, 31 years, 32 years, it's a property of
21 the county and the county actually takes
22 ownership of the facility. The county at that
23 time can decide if they want an RFP for an
24 operator or run it themselves.

25 CHAIRMAN SCHMITT: Anybody have any

2 questions over here? Legislator Nicoletto.

3 LEGISLATOR NICOLELLO: In terms of the
4 parking, the parking issue, have there been any
5 studies --

6 DEPUTY COUNTY EXECUTIVE WALKER: Yes.

7 LEGISLATOR NICOLELLO: as to how much
8 additional parking is required, and are there
9 plans to add parking?

10 DEPUTY COUNTY EXECUTIVE WALKER: We
11 required the applicant to undergo actually a
12 whole SEQRA process, which was on his or the
13 company's dime. They spent that. That was
14 completed. That was part of the approval process
15 through OSPAC and through the Planning
16 Commission. There is going to be additional
17 parking added. As anyone up -- every one of the
18 legislators know the problem that we do have with
19 Mitchel, the lack of parking. There will
20 actually be a new parking lot and a dedicated
21 parking facility built for the use of this
22 facility.

23 LEGISLATOR NICOLELLO: And there was
24 some sort of coordination between the operation
25 of Mitchel Field and the operation of this

2 facility so that things don't conflict?

3 DEPUTY COUNTY EXECUTIVE WALKER: Yes.

4 The commissioner of parks has been involved
5 throughout this process. He was actually on the
6 committee and was also involved in the crafting
7 of the contract related to times and use and to
8 visit the actual overall usage of the facility,
9 which we have taken place.

10 LEGISLATOR NICOLELLO: Does Suffolk have
11 any similar facilities?

12 DEPUTY COUNTY EXECUTIVE WALKER: They
13 do. They actually -- at the community college
14 they actually built a tremendous facility with a
15 track and other amenities. There are also some
16 private indoor complexes.

17 LEGISLATOR NICOLELLO: I'd imagine it's
18 going to be tremendous to man for this,
19 especially during the cold weather months.

20 DEPUTY COUNTY EXECUTIVE WALKER: I would
21 agree.

22 LEGISLATOR NICOLELLO: Have we studied
23 any other facilities, in terms of how much
24 revenue they actually produce?

25 DEPUTY COUNTY EXECUTIVE WALKER: We

2 actually looked -- part of Nassau Sports and
3 Events LLC is they do have a, for lack of better
4 words -- SFA, Sports Facility Advisory, they
5 actually have built, they have over \$2 billion
6 worth of assets of building these indoor
7 facilities; every one of them have flourished.
8 Actually, the closest one is in Brooklyn. They
9 also have ones in Jersey. And we've had
10 extensive dialogue with them. Their revenue
11 numbers, their economic analysis is pretty much
12 right on target based upon the uses of those
13 facilities. And the demand that we receive just
14 from people in general that are calling up
15 looking for facilities, even with our turf
16 fields, just to be able to go on them in the
17 winter. If you don't have snow, they just want
18 to play. The demand is enormous.

19 LEGISLATOR NICOLELLO: I was curious as
20 to how you arrived at the numbers the county is
21 going to receive.

22 DEPUTY COUNTY EXECUTIVE WALKER: Based
23 upon how it's worked other places.

24 LEGISLATOR NICOLELLO: That makes sense.
25 This is not clear to me. After five

2 years, how much is the county getting on an
3 annual basis?

4 MR. INTAGLIATA: It starts after a year
5 of operation, 250,000 with the CPI increase. I
6 think a three percent increase every year in the
7 license fee. In addition, there is a gross
8 receipts schedule that we are requiring, gross
9 receipts of the revenue that they bring in, that
10 must be put back into the facility. It's got to
11 be put into a dedicated fund. It's sort of a
12 reserve fund. I've had an experience with some
13 other projects in the county, different kind of
14 projects, where they don't put into a reserve and
15 all of a sudden they're struggling looking for
16 financing because they haven't put the few
17 dollars away. I think the plan is to put it
18 away, but this kind of gives us a little more of
19 a hammer to make sure that it happens.

20 LEGISLATOR NICOLELLO: So the first year
21 is 125,000, then for the next four years it's
22 250, and then after that it's 250 plus CPI?

23 DEPUTY COUNTY EXECUTIVE WALKER: Yeah.
24 It varies on the years.

25 LEGISLATOR NICOLELLO: Okay.

2 Is that spelled out in the contract?

3 DEPUTY COUNTY EXECUTIVE WALKER: Yes.

4 It's spelled out in the contract. Gross
5 receipts, percentage fees will be 2.5 for year
6 one through ten, and then escalating years 11
7 through 20 will be 3.5, four percent from 21 to
8 30, 4.0 in 31 and 40 if it's renewed for the
9 additional.

10 LEGISLATOR NICOLELLO: What are those
11 percentages? Is that the money coming back to
12 the county?

13 DEPUTY COUNTY EXECUTIVE WALKER: It's
14 \$250,000 --

15 LEGISLATOR NICOLELLO: Right.

16 DEPUTY COUNTY EXECUTIVE WALKER: The
17 fees are \$250,000, will be due on the one year
18 anniversary of the term of the commencement date.
19 For each subsequent operating year, the base will
20 be increased by three percent, three percent each
21 year. And then, again, based upon the gross
22 receipts would be roughly -- the first 2.5
23 percent in the first one through 10 years, 3.5
24 percent for years 11 through 20, and then four
25 percent 21 through 30. Then, again, if the

2 extension is given, it's the four percent.

3 LEGISLATOR NICOLELLO: And those gross
4 receipts come back to the county or they get
5 reinvested into the facility?

6 DEPUTY COUNTY EXECUTIVE WALKER:
7 Reinvested back into the facility. For us, we've
8 all learned the problems that we face with no
9 reinvestment and then all of a sudden have a
10 facility that will be county owned where no
11 repairs are actually coming into it and you're
12 going to be left with something crumbling did not
13 make any sense for us. This requires that money
14 to then be put back into the facility to make
15 sure when the county does take ownership of this,
16 theoretically it owns it from day one, the county
17 can decide if we want to have an RFP for an
18 operator and/or not. We actually then have some
19 dollars that are put back in.

20 LEGISLATOR NICOLELLO: Is part of the
21 function going to be something of a convention
22 hall?

23 DEPUTY COUNTY EXECUTIVE WALKER: Yes.
24 One of the other opportunities -- and we've been
25 meeting with the Marines Trade Association. As I

2 said before, the Nassau Coliseum does not lend
3 itself to really hosting any type of expositions.
4 It's not in great shape. The way it's
5 constructed with the pillars and things of that
6 nature, there's not a lot of maneuverability.
7 You can't get certain shows because they
8 literally can't bring in the equipment and things
9 of that nature. This is going to be a wide open,
10 basically 100,000, 102,000 square foot facility
11 that literally -- and that's why the advent of
12 the parking, as you mentioned, as well, the
13 additional parking, so that vehicles can actually
14 taken place and come right. If they wanted to
15 have a dance or they wanted to have a convention
16 space where they can set up chairs, you can
17 actually roll out that type of flooring and you
18 could have a convention and things of that
19 nature.

20 LEGISLATOR NICOLELLO: This was asked
21 before. With respect to the Coliseum property
22 and that development, there are no exclusive
23 rights for these convention halls for this --

24 DEPUTY COUNTY EXECUTIVE WALKER:

25 Correct. No exclusive rights.

2 LEGISLATOR NICOLELLO: There won't be a
3 conflict coming, potentially?

4 DEPUTY COUNTY EXECUTIVE WALKER:
5 Correct.

6 LEGISLATOR NICOLELLO: Alrighty. Thank
7 you.

8 CHAIRMAN SCHMITT: Anybody else? Who
9 is going to be responsible for repairs once this
10 is done?

11 DEPUTY COUNTY EXECUTIVE WALKER: The
12 repairs is of the operator.

13 CHAIRMAN SCHMITT: Of the operator.

14 DEPUTY COUNTY EXECUTIVE WALKER:
15 Correct.

16 CHAIRMAN SCHMITT: Legislator Kopel.

17 LEGISLATOR KOPEL: Thank you, Presiding
18 Officer.

19 I'm afraid I'm going to be going over
20 some of the ground here because I'm just a little
21 bit confused, so forgive me.

22 LEGISLATOR KOPEL: There's a million one
23 twenty-five over the first five years; I get
24 that. After that, you've got 250,000 a year that
25 continues throughout the 30 years, plus you've

2 got -- tell me if this is right -- plus this
3 escalator, you called it a CPI but it's not
4 really a CPI.

5 MR. INTAGLIATA: That was my error. I'm
6 sorry to interrupt you. It's three percent each
7 year.

8 LEGISLATOR KOPEL: Three percent a year.
9 But that money goes into a reserve fund?

10 DEPUTY COUNTY EXECUTIVE WALKER: No, no.
11 That comes to the county.

12 LEGISLATOR KOPEL: That money comes to
13 the county.

14 DEPUTY COUNTY EXECUTIVE WALKER: Yes.
15 The 250,000 plus the three percent each year goes
16 directly to the county. That's basically a
17 license payment to the county.

18 LEGISLATOR KOPEL: Okay. Fine. Now,
19 where -- this reserve fund, that's over and above
20 that?

21 DEPUTY COUNTY EXECUTIVE WALKER: That's
22 over and above. That's a dedicated fund that has
23 to be put in for repairs.

24 LEGISLATOR KOPEL: Is that a percentage
25 as well?

2 DEPUTY COUNTY EXECUTIVE WALKER: 2.5 for
3 your one through 10; 3.5 for 11 through 20; and
4 then 4 percent for 21 through 30.

5 LEGISLATOR KOPEL: Now, that reserve
6 fund, how is that used? Who decides how that is
7 used and if it's used?

8 DEPUTY COUNTY EXECUTIVE WALKER: It's
9 going to be repairs that are going to into the
10 facility.

11 LEGISLATOR KOPEL: I would imagine that
12 just typical maintenance and repairs and this was
13 alluded to by some of the others, is going to
14 cost more than 2 1/2 to 3 percent a year. So
15 what does this do? In other words, is this over
16 and above regular maintenance and is that
17 defined?

18 MR. WALSH: Yes. This is really a
19 reserve fund, I guess, for down-the-line capital
20 improvements. And, you know, the percentages are
21 kind of comparable with some of the models I
22 looked at, similar to the City. They did a
23 similar project with the Douglaston Golf Course.
24 But, in addition, knowing he's financing, I'm
25 very confident that a lender also is going to be

2 looking for significant reserve funds for
3 maintenance, especially when in this agreement
4 all the repair maintenance obligations are on the
5 operator. We have a lot of reporting
6 requirements quarterly as well.

7 LEGISLATOR KOPEL: So what we're doing
8 is we're defining this reserve fund as for
9 capital expenditures only and it's over and above
10 normal maintenance.

11 MR. WALSH: I don't think it's that
12 specific, but that was the intention.

13 LEGISLATOR KOPEL: You kind of need to
14 be that specific, don't you think?

15 MR. WALSH: Let me find the language.

16 To maintain a separate account to contain
17 the gross receipt percentage fees derived from
18 the operation. They should be solely reinvested
19 back into the premises and the operations
20 thereon, including, without limitation, funding
21 public programs conducted at the premises,
22 provided that any such expenditure required the
23 prior written approval of the county, which shall
24 not be unreasonably withheld.

25 LEGISLATOR KOPEL: So I'm concerned that

2 that fund was really going to be just absorbed
3 into their normal maintenance that they would
4 have done anyway, and won't really be there for
5 major capital improvements because that wording
6 is overbroad. You may want to look at that.

7 Do you have a deadline for commencement
8 and completion of construction? That kind of
9 goes along with the presiding officer's questions
10 about financing. Must they start at a certain
11 time, finish by a certain time, and if those
12 deadlines -- assuming that you do indeed have
13 those deadlines -- what are the consequences of
14 not meeting them?

15 MR. WALSH: It contemplates at an
16 outside; we have a preliminary term for
17 substantial of 18 months. However, we fully have
18 authority, our DPW commissioner, over all the
19 construction. We have the unilateral right to
20 revoke it; it's a permit, not a lease. So, you
21 know, the reason kind of this thing ended up so
22 quickly, is it's taken us a number of months to
23 get through this agreement. Now, with the cold
24 weather coming, I think the developer was anxious
25 to make this calendar not have to wait until

2 September for the normal rules calendar. The
3 motivation has certainly been there. We've been
4 getting a lot of pressure; at least I have as
5 counsel.

6 LEGISLATOR KOPEL: If I understand you
7 correctly, there is a deadline for construction
8 and completion, and if these things are not
9 proceeding along you can simply revoke the
10 permit, take over the property even if it's half
11 way completed?

12 MR. WALSH: There's always -- we can
13 revoke. There are several provisions that would
14 address revocation. Revocation for cause, we
15 could revoke. We do have an opportunity to cure
16 within 20 days --

17 LEGISLATOR KOPEL: But the question was
18 -- the question was is there a deadline for them
19 to get this thing built? In other words, if they
20 started and take 12 years, no one is going to be
21 real happy about that; is that cause?

22 MR. WALSH: That would be cause, I would
23 say.

24 LEGISLATOR KOPEL: It's defined as
25 cause?

2 MR. WALSH: There is no firm start date,
3 it's obtaining approvals necessary to construct.

4 LEGISLATOR KOPEL: In other words, what
5 if they don't do anything in two or three years
6 and we have other opportunities and they're just
7 not getting it done? That kind of thing
8 happens.

9 MR. WALSH: We have a lot of provisions
10 in our capital improvements about delay, where
11 there's actually liquidated damages per day
12 penalty.

13 LEGISLATOR KOPEL: So there is a
14 deadline?

15 MR. WALSH: Yeah. 18.4, they have to
16 proceed in good faith and due diligence to
17 complete the capital improvements, with a
18 schedule attached. There is reasonable day. If
19 there is a force de jour -- you know, act of God,
20 strike, that kind of thing. However, then they
21 would be required -- if they fail to complete by
22 the date specified in Exhibit C, they are
23 required to pay a liquidated damages of \$200 per
24 day.

25 LEGISLATOR KOPEL: How much?

2 MR. WALSH: Two hundred dollars per day.

3 LEGISLATOR KOPEL: In other words,
4 nothing.

5 MR. WALSH: It adds up.

6 LEGISLATOR KOPEL: Not really. Thank
7 you.

8 CHAIRMAN SCHMITT: Legislator Walker.

9 LEGISLATOR WALKER: I just wanted to
10 reiterate what Legislator Nicoletto said as far
11 as the need and desire of a facility like this.
12 Obviously, we have some questions that do need to
13 be finalized and answered for us.

14 We have a very small athletic facility in
15 Hicksville where our PAL is housed. I could tell
16 you if that was a 24-hour use facility, it could
17 be used 24 hours. It is used constantly. The
18 desire to be there is just amazing. I know a
19 facility like this is going to be very beneficial
20 to all of our residents. I know it's going to
21 get the use. If we can get those other questions
22 answered for sure, hopefully if the powers that
23 be are there with us, we'll get it on our way.

24 CHAIRMAN SCHMITT: Legislator Abrahams.

25 LEGISLATOR ABRAHAMS: Thank you,

2 Presiding Officer Schmitt.

3 First, I would like to say that I think
4 some of the questions that have been brought
5 about by the presiding officer as well as Mr.
6 Nicoletto, Mr. Kopel and I believe Ms. Walker, we
7 share in the same concerns so I'm not going to
8 regurgitate the same concerns over and over
9 again, just where they apply to what we're
10 thinking.

11 I do want to start my line of questioning
12 -- I think I want to piggyback on what Mr. Kopel
13 was citing in regard to a deadline and timeframe
14 of when this would actually be done.

15 This is actually a facility that
16 neighbors my district. Obviously, if there is
17 something that is going to be erected, I think
18 the community deserves a timely timeframe of when
19 it will be done so it doesn't become an eyesore
20 as Mr. Bloom or Mr. Blum seeks further financing,
21 which to date we don't know where he's getting it
22 from.

23 What is the protections that the county
24 has in the contract, if any at all, and will Mr.
25 Bloom be open -- if he's not here already --

2 would he be open to amendments to this contract
3 at this time?

4 DEPUTY COUNTY EXECUTIVE WALKER: Just
5 with respect to Mr. Bloom, who is here? I know
6 there are other matters that needs to come before
7 the legislature today. He would be open to
8 discussing who those financiers are but would like
9 to do that in executive session for the reasons I
10 said before, which we could do after the fact or
11 before. He is getting also additional
12 clarification from the bank and putting some of
13 those things in writing. Again, that would also
14 be privileged and confidential. But he could
15 discuss all of his investors with you in
16 executive session later, again, for the reasons I
17 said before.

18 LEGISLATOR ABRAHAMS: And the timeframe
19 for completion of construction is 18 months, I
20 think I heard that.

21 DEPUTY COUNTY EXECUTIVE WALKER: It's 18
22 months. We put in the 18 months only because you
23 never know how the weather is going to be. Some
24 of this requires -- depending on when you get in
25 the ground. If you get in the ground -- the

2 contract is executed, depending on this winter,
3 you could start right away. Just look down the
4 block on Old Country Road and what took place in
5 Carle Place. That construction was very quick
6 and rapid because you had no weather conditions.

7 Usually, standard time for construction,
8 the county has always put in 18 months. You
9 could take One West for perfect example. We felt
10 18 months was taking into account all weather.
11 You could lose six months if it's snowing,
12 between December -- and because of the
13 foundation, you may not get back into the ground
14 until April or May. That's why we believe 18
15 months was a prudent time. Just to throw out a
16 number to get it done quicker where we know we
17 might not make it doesn't make any sense.
18 Eighteen months we believe is the best window of
19 construction, the time period for this type of
20 construction, and this was predicated on DPW's
21 thoughts.

22 LEGISLATOR ABRAHAMS: And you plan to
23 begin the construction upon approval of this
24 contract? When would construction commence?

25 DEPUTY COUNTY EXECUTIVE WALKER:

2 Approval of the contract, the money would be put
3 in place, the proper assurance, insurance, and
4 the bonding, the requirements that we put in
5 place are the exact requirements that we have in
6 all our DPW contracts for construction, so they'd
7 have to meet all those requirements, which again
8 is basically a performance bond, the dollars and
9 cents that they would have to have. They would
10 have to have full commitment from the bank, not a
11 commitment for \$2 million and let's see how it
12 progresses. No. They would need full
13 commitment, all the assurances, all the
14 performance measures, the bonding, things of that
15 nature they would have to have.

16 LEGISLATOR ABRAHAMS: That process,
17 performance bonds, how long will that take?

18 DEPUTY COUNTY EXECUTIVE WALKER: It's
19 really up to each individual. We have some
20 contractors that take six months. We have some
21 contractors that take two minutes. Literally,
22 the day the bond is awarded, they are ready and
23 they have it. So it's really up to the
24 individual not up to us. They have to go forward
25 and seek all those requirements.

2 LEGISLATOR ABRAHAMS: Is it safe to say
3 based on our history with DPW projects a standard
4 of 30 days it's possible to get that stuff done?

5 DEPUTY COUNTY EXECUTIVE WALKER: Yes.
6 As I said, I would believe it could even be done
7 -- 30 days is very fair. But it could be done
8 literally overnight and, again, some cases -- 30
9 days is an adequate number to put a guestimate
10 on.

11 LEGISLATOR ABRAHAMS: Is that something
12 that we could put into the contract?

13 DEPUTY COUNTY EXECUTIVE WALKER: We
14 could. I wouldn't just because, again, depending
15 on a process, it could sometimes take a little
16 longer. For all different reasons it could take
17 longer. We have some of our best contractors
18 that sometimes, again, because of other areas, it
19 just takes longer. Depending on who their
20 insurance company is -- I would not want to put
21 an amount on there only because then you are, you
22 literally are forcing something that possibly may
23 be out of the realm of anybody other than the
24 person they're actually seeking it from.

25 LEGISLATOR ABRAHAMS: I see. I see.

2 I do have questions for Mr. Foskey -- Mr.
3 Foskey put together the schedule that's before us
4 today in the packet. Before I get into that --
5 because I know Mr. Walsh is here. I'm sorry.
6 Rob, the gentleman behind you, is Frank?

7 DEPUTY COUNTY EXECUTIVE WALKER:
8 Intagliata.

9 LEGISLATOR ABRAHAMS: Contagliata.

10 DEPUTY COUNTY EXECUTIVE WALKER:
11 Intagliata.

12 LEGISLATOR ABRAHAMS: Intagliata.
13 Sorry.

14 I do have some questions for Mr. Walsh
15 first, and I guess Frank could probably answer
16 them as well, they tie more into this property.
17 I think Presiding Officer Schmitt talked about it
18 a little bit in greater detail in regards to our
19 due diligence in making sure that we receive the
20 right permissions from the U.S. Government --
21 example, such as the Interior Department,
22 Government Services, administration, to allow the
23 purpose that we're talking about today and being
24 proposed today, whether or not it would be
25 something that we can actually do. I'm looking

2 at my notes because I want to make sure I state
3 what's in the staff summary correctly.

4 It's quote and bolded in the staff
5 summary: The operator shall comply with and be
6 fully bound by the terms, conditions, covenants,
7 and restrictions contained in the quit claim
8 deed, the "deed" made by the United States of
9 America, the administrators of general services,
10 to the County of Nassau dated April 24, 1968,
11 recorded in the Nassau County Clerk's Office of
12 the Libber 7817, page 291.

13 Do you believe, Mr. Walsh, that there is
14 enough to simply state that in the contract and
15 are you familiar with the deed going back to
16 April 24, 1968?

17 MR. WALSH: Yes. You know, the deed has
18 basically a restriction that the property must be
19 used for public and recreational purposes. So,
20 you know, it's incorporated in the contract.
21 They're bound by the terms of it. You know, when
22 we look back at some of the history in the file
23 of the property -- and obviously the property is
24 much broader than just what we're building on, I
25 guess there might have been concerns probably in

2 68 that it would be used for some sort of a
3 commercial development, office buildings or
4 something that the Department of Interior, you
5 know, wanted to see this continue as parkland for
6 recreational enjoyment and use of the residents.
7 It's even noted in the application that was made
8 in 68 that there was a sore need in the county
9 for an indoor public facility.

10 LEGISLATOR ABRAHAMS: And has there been
11 any correspondence or contacts that you have --
12 were there any meetings being held between the
13 Department Interior? Have we met with them,
14 reached out with them to the ideas that we're
15 posing today?

16 MR. WALSH: I'm not aware that it's
17 happened yet, to my knowledge.

18 LEGISLATOR ABRAHAMS: Do we plan to?

19 DEPUTY COUNTY EXECUTIVE WALKER: We have
20 reached out to different Department of Interior
21 officials over the last, probably say, year with
22 respect to various ideas and concepts, one being
23 a minor league ballpark, one being the indoor
24 facility. Again, when it comes down to the
25 approval, the approval of an actual from the

2 County Legislature, we would actually then go
3 back to the Department of Interior again just to
4 make sure everything is done appropriately.

5 They do not like speaking in
6 hypotheticals. I'll go back to 2007 or 08 when
7 the parking lot was built --

8 LEGISLATOR ABRAHAMS: 2004.

9 DEPUTY COUNTY EXECUTIVE WALKER: That's
10 when it was, 2004, and they had some concerns
11 over that, what actually happened. It was
12 supposed to be used for parkland and it was not.
13 They actually enjoy the additional use that
14 actually now is taking place. The fact that
15 there were some concerns over the minor league
16 ballpark. The indoor facility was already
17 mentioned in the deed that was created. It was
18 an opportunity that the county would see back
19 when that deed was actually constructed. To now
20 have that additional parking space that we're
21 actually say it would be great, it's there, this
22 will be used for park use, I think they were
23 appreciative of that.

24 LEGISLATOR ABRAHAMS: I was about to
25 bring up the parking lot from 2004 because I

2 remember those concerns being talked about as the
3 proposal was going back and forth. From our
4 perspective, we want to make sure they are
5 included in the beginning of the loop rather than
6 at the end.

7 DEPUTY COUNTY EXECUTIVE WALKER: They
8 have been. I'll say this. Our first
9 conversation was very adversarial because they
10 didn't believe the parking lot was being used for
11 what the intended purpose was. Right now if you
12 don't have additional uses at the park, you then
13 see less people using the park. It goes hand in
14 hand.

15 LEGISLATOR ABRAHAMS: Are they familiar
16 -- I know we talked about a lot of different
17 things; you mentioned it yourself, a minor league
18 baseball park.

19 DEPUTY COUNTY EXECUTIVE WALKER: Yep.

20 LEGISLATOR ABRAHAMS: Are they fully
21 knowledgeable of this, though?

22 DEPUTY COUNTY EXECUTIVE WALKER: Yes.

23 LEGISLATOR ABRAHAMS: So they know that
24 MR. Bloom is -- I'm sorry -- I keep getting the
25 name mixed up.

2 DEPUTY COUNTY EXECUTIVE WALKER: I don't
3 know that they necessarily know of Mr. Bloom, but
4 they know of the concepts of what is going forth.

5 LEGISLATOR ABRAHAMS: How does that
6 relate to them, though?

7 DEPUTY COUNTY EXECUTIVE WALKER: Because
8 we talked about the indoor facility, we talked
9 about the minor league ballpark, and we had to go
10 back and do our due diligence, such as the
11 referendum, such as the RFP. They were fully
12 briefed as we keep on going in the process.

13 LEGISLATOR ABRAHAMS: When was this idea
14 created?

15 DEPUTY COUNTY EXECUTIVE WALKER: Back in
16 almost March.

17 LEGISLATOR ABRAHAMS: In March. So you
18 had conversations with the Department of Interior
19 between March and now about this idea?

20 DEPUTY COUNTY EXECUTIVE WALKER: No.
21 When we actually originate the process. When we
22 started the process of what we're going for, we
23 let them know that this is the process we're
24 going down. They want to see something bedrock.
25 They actually want to have this is actually what

2 you're doing and now it's approved, and you're
3 ready to move forward.

4 LEGISLATOR ABRAHAMS: I understand that.
5 If they have concerns, I think it would be
6 prudent to know their concerns so we can make
7 amendments to the contract.

8 DEPUTY COUNTY EXECUTIVE WALKER: No.
9 They had concerns about the parking lot. They
10 were upset the way the parking lot -- I'm saying
11 what they were concerned about is they were
12 concerned they did not like the fact that the
13 parking -- they felt that they got misrepresented
14 by certain people. I don't know who had those
15 discussions with them. That the parking lot was
16 being built for park use, whenever it was.
17 Again, the parking lot is not being used a lot
18 for park type activities; it's being used for the
19 Department of Social Services, for both employees
20 and visitors of the employees. The park is not
21 seeing additional people. We actually have less,
22 and less, and less people that are going to
23 Mitchel Park right now. This expands the use,
24 such that they said that's perfect. You're upset
25 the way the parking lot is not being used, now

2 it's going to be used because we're going to
3 bring in additional resources into the facility.
4 The concerns they really had was with the minor
5 league ballpark because they believed the minor
6 league ballpark was more of a professional
7 nature, the fact that you were going to have
8 professional athletes playing and not being used
9 for recreation uses, such as this is being used
10 for recreational use. They want to see
11 recreational use that keeps in mind and really
12 answers the thoughts of the deeds and the
13 restrictive covenants that were put in place.

14 LEGISLATOR ABRAHAMS: Not to belabor.
15 Are there letters of correspondence which talks
16 to the back and forth communication between you
17 and the Feds?

18 DEPUTY COUNTY EXECUTIVE WALKER: No.
19 This is dialogue and conversations with had with
20 them. Once we have an executed game plan as to
21 exactly what we're doing, then it's forwarded to
22 the Department of Interior and they give their
23 approvals.

24 LEGISLATOR ABRAHAMS: So --

25 DEPUTY COUNTY EXECUTIVE WALKER: In this

2 case --

3 LEGISLATOR ABRAHAMS: Go ahead.

4 DEPUTY COUNTY EXECUTIVE WALKER: In this
5 case, we are very confident in the approval
6 process because it's already mentioned in the
7 actual deed that the county received. This is
8 one of the intended uses that the county had.
9 The county could have did this, whenever they so
10 choose, back in the 60's, 70's; they didn't and
11 now we're moving forward with it now.

12 LEGISLATOR ABRAHAMS: Okay. I do want
13 to talk about the schedule. I just had some
14 quick questions in regards to some of the income
15 that's generated by the facility. And I noticed
16 before -- I think you had mentioned, Mr. Walsh,
17 that the money generated from the facility goes
18 into a reserve fund and because of the U.S.
19 Department of Interior letter, which is dated
20 9/3/1994, which I can provide to you, it's our
21 understanding that this income couldn't go into
22 our general fund, that it needs to go into a
23 designated reserve fund, which you highlighted
24 earlier. Is that correct?

25 DEPUTY COUNTY EXECUTIVE WALKER: It goes

2 actually into -- there's two funds. It goes into
3 a Mitchel grant fund to be used at Mitchel Park -
4 -

5 LEGISLATOR ABRAHAMS: Okay.

6 DEPUTY COUNTY EXECUTIVE WALKER: And
7 that's where the dollars -- that's where the
8 dollars from the \$250,000 would go. The
9 improvements, as Mr. Walsh mentioned, would go
10 into a separate improvement account, that those
11 are improvements that go directly into the
12 facility itself. The remaining dollars,
13 \$250,000, plus the incremental increases, that
14 goes into the grant account, the Mitchel Park
15 Grant Account.

16 LEGISLATOR ABRAHAMS: Okay. So neither
17 one could go into the general fund.

18 DEPUTY COUNTY EXECUTIVE WALKER:
19 Correct.

20 LEGISLATOR ABRAHAMS: Got ya.

21 DEPUTY COUNTY EXECUTIVE WALKER: All the
22 revenue received today at the facility goes into
23 the grant fund as well. So if you play on the
24 baseball field, that money doesn't go into the
25 general fund either, it goes into the grant fund.

2 LEGISLATOR ABRAHAMS: Good.

3 DEPUTY COUNTY EXECUTIVE WALKER: It pays
4 for their staff --

5 LEGISLATOR ABRAHAMS: I just want to
6 make sure that the money's going into the
7 facility that's actually is enhancing the
8 parklands.

9 If Mr. Foskey can come up, because I do
10 have some questions about the actual schedule,
11 which I'm trying to understand. From what I can
12 see, from September 2012, it's got turf field,
13 youth soccer. Am I to interpret that means
14 community groups, Mr. Foskey?

15 COMMISSIONER FOSKEY: It means time
16 that's allocated actually to County of Nassau
17 Department of Parks and Rec, whether it's
18 community group or some other group.

19 CHAIRMAN SCHMITT: Just -- excuse me.
20 I'm sorry.

21 COMMISSIONER FOSKEY: These are the
22 times that we actually control --

23 CHAIRMAN SCHMITT: Commissioner, just
24 sign in for the record, please. Tell them who
25 you are. Just tell them who you are.

2 COMMISSIONER FOSKEY: Carnell Foskey,
3 the Commissioner of the Nassau County Department
4 of Parks, Recreation and Museums.

5 CHAIRMAN SCHMITT: Go ahead. Sorry to
6 interrupt you.

7 LEGISLATOR ABRAHAMS: Basically, if I'm
8 looking, I'm just taking a look at September 4,
9 2012 where it has TF-UYS 6:00 p.m. to 9:00 p.m.,
10 that would be an allocation to the Department of
11 Recs where you can determine whether or not a
12 community group can come in and use a facility?

13 COMMISSIONER FOSKEY: Correct. Yes.

14 LEGISLATOR ABRAHAMS: Okay. And are you
15 -- you believe the times allocated for Nassau
16 County's purposes not for -- is it Nassau LLC or
17 Sports Facility Advisory -- you feel the time is
18 allocated for the actual park and recs is
19 sufficient?

20 COMMISSIONER FOSKEY: Yes. What we try
21 to do is amend the current schedule that we find
22 people use our field, facilities now. These
23 times are the times that works best for us.

24 LEGISLATOR ABRAHAMS: Okay. If you're
25 okay with it. Thank you, Mr. Foskey,

2 Commissioner Foskey. I don't have any more
3 questions.

4 CHAIRMAN SCHMITT: Legislator Bosworth.

5 LEGISLATOR BOSWORTH: Thank you,
6 Presiding Officer Schmitt.

7 Well, I have two things that I'd like to
8 speak about. One is -- and I know I'm not
9 usually on the Rules Committee but I am on it
10 today, and I find it somewhat disconcerting to be
11 addressing a project of this magnitude that I
12 know was filed on July 23 but put on as an
13 addendum just this past Friday. It's very
14 important. It just seemed to me that a number of
15 very important questions have been raised. I
16 don't think we're having the opportunity to get
17 the answers to those questions.

18 I would also say that as a legislator I
19 would like to have some input and a vote on how
20 this proceeds. And correct me if I'm wrong,
21 Presiding Officer Schmitt, but if this is voted
22 on today then that's it, it just goes ahead,
23 correct?

24 CHAIRMAN SCHMITT: That is correct,
25 Legislator Bosworth. This is a -- it's a Rules

2 Committee only vote.

3 LEGISLATOR BOSWORTH: Right. It just
4 seems to me that this is an important project
5 that certain deserves the public to understand
6 that it's happening so that they can make public
7 comment. I believe that all legislators should
8 be looking at this. This is my opinion and this
9 is what I'm saying.

10 The question that I have is -- so if we
11 enter into this contract and the Department of
12 the Interior disapproves do we have a liability
13 because of that?

14 MR. WALSH: No. The contract permit is
15 explicit that it's subject to any requisite
16 approvals. The county has no obligation to put
17 any money in and it's solely was the risk of the
18 operator.

19 LEGISLATOR BOSWORTH: So there's an
20 actual clause in the contract that holds us safe
21 from this, if the Department of the Interior says
22 this is not an appropriate use, we have no
23 liability?

24 MR. WALSH: Right. The permit is
25 explicit that it is subject to all requisite

2 approvals. It explicitly says the County
3 Legislature and the United States Department of
4 Interior.

5 LEGISLATOR BOSWORTH: Thank you.

6 CHAIRMAN SCHMITT: Legislator Wink.

7 LEGISLATOR WINK: How are you, Mr.
8 Walsh. Quick question.

9 Are there any alienation issues involved
10 here that requires state authorization?

11 MR. WALSH: No. That's the reason why
12 it's been difficult to get it structure. It's
13 really modeled, I think I might have mentioned
14 before, on projects that were done in the City.
15 It is a permit revocable at will, non-exclusive.
16 It must be a shared use. As Carnell I think just
17 described the shared use of the facility with
18 county programs, limited in term, revocable;
19 those are the key criteria in the case law.

20 LEGISLATOR WINK: Revocable at will and
21 yet we're looking for a \$11.5 million investment
22 here.

23 MR. WALSH: Yes. And if we unilaterally
24 without cause revoke, there is a provision in
25 there that allows him then to recoup, if we did

2 it without cause.

3 LEGISLATOR WINK: And what would -- what
4 would sufficient cause be? I'm sorry. I
5 understand sufficient cause to cancel on their
6 end. So if we do it without cause then we
7 basically have to buy the facility, is that it?

8 MR. WALSH: Basically. To the extent
9 its been -- whatever -- to the extent they've
10 constructed, say it's in the approval process, it
11 has to be basically determined and actually has
12 to be approved at that point by the comptroller.
13 That's explicit in the contract.

14 LEGISLATOR WINK: Okay. Now, look, I
15 don't claim to be any kind of expert on
16 alienation issues. But as I understand it, what
17 constituted alienation has evolved dramatically
18 in the last 20, 25 years.

19 I've been involved with a PILOT project
20 for a park-and-ride program up in Christopher
21 Morley Park that I told -- I was told might be an
22 alienation issue. This sounds like a lot more
23 permanent situation than something like that. I
24 guess my question is what happens if a court
25 rules this is alienation issue, where are we

2 then?

3 MR. WALSH: That's, you know, I guess at
4 that point we'd have to revisit and talk about,
5 you know, the then -- can we restructure it as a
6 lease, we'd have to come back for all the
7 approvals of the legislature, we'd have to get
8 new authority from the Department of Interior.
9 Hopefully at that point, you know, viable
10 recreation use.

11 And the other thing with alienation, keep
12 it in mind, most of the alienation cases tend to
13 be you're kind of getting away from a park use.
14 I've worked with the preserve, like Leeds Pond
15 Preserve, and you're looking to do something
16 totally different, a different use, some other
17 public use or private use. Here we're still
18 talking about essentially a park use. Even what
19 the private operator's conducting programs,
20 they're public recreational programs -- it's
21 basketball, volleyball, lacrosse.

22 LEGISLATOR WINK: Okay. But they're not
23 completely open to the public. You need to go
24 through the private operator in order to access
25 this land.

2 MR. WALSH: Right. But it's got to be
3 open to the public. And we've had many programs
4 open at the facility.

5 LEGISLATOR WINK: Okay. You know, as I
6 said, I think this is still an evolving area of
7 the law and I'm just hoping that we're not
8 getting too deep into something that we could end
9 up having to buy. Having said that.

10 Do we know what the value of this land
11 is? Have we done appraisals on this land?

12 MR. WALSH: Not that I'm aware of.

13 LEGISLATOR WINK: Okay. I guess the
14 question would be -- and I know this would be an
15 alienation issue. But I guess the question would
16 be, you know, are we getting a deal consistent
17 with if we had sold the land, you know, if we
18 were able to get the necessary authorizations and
19 we chose to sell this land, would we be getting
20 the same type of return from this otherwise?

21 DEPUTY COUNTY EXECUTIVE WALKER: First,
22 if we go to sell the land it's definitely a park
23 alienation.

24 LEGISLATOR WINK: I agree.

25 DEPUTY COUNTY EXECUTIVE WALKER: What we

2 looked at here was, first of all, you have no
3 indoor facilities basically in the county. We
4 currently receive about 20 to \$30,000 a year in
5 revenue from the ball field. You can't use both
6 ball fields while you're using the track because
7 you have balls that are flying all over and the
8 last thing you want to have is have somebody
9 running the 100 meter and then they wind up on
10 the floor because they get hit by a baseball in
11 the head. We look at avenues by which we can
12 improve.

13 I think Mr. Walsh summed it up. And they
14 looked at the alienation issue because obviously
15 it was a concern of ours as well. They believed
16 that we're on solid footing for the answers that
17 he gave. But the revenue, we went from having
18 about \$30,000 to having about \$250,000 a year and
19 now you could actually participate and use the
20 track while using the indoor facility, use the
21 indoor facility to drum up additional activity in
22 the hub area. You start to hopefully create some
23 excitement that we can continue and see the
24 Coliseum redeveloped, that it was a starting
25 point for that development. Obviously all the

2 concerns you have are the same concerns we have,
3 that's why those safeguards were put into place
4 in the contract. For the dollars and cents, we
5 believe it's much more money going back into the
6 facility, from having 30,000 a year to having
7 250,000 a year just for one field, and it all
8 goes back into improvements to the facilities is
9 a win-win for everybody. That's the direction
10 we're heading.

11 LEGISLATOR WINK: It was mentioned that
12 as many as 50 permanent jobs would be created by
13 this. First thing, construction jobs, is there a
14 requirement in this contract they be union jobs?

15 DEPUTY COUNTY EXECUTIVE WALKER: He is
16 going to use union but prevailing wage -- all the
17 state labor law requirements that are in put in
18 place, has to be prevailing wage, things of that
19 nature.

20 LEGISLATOR WINK: Okay.

21 DEPUTY COUNTY EXECUTIVE WALKER: Have to
22 live within the living wage laws of the county
23 and everything of --

24 LEGISLATOR WINK: Right. And all of
25 that would be irrespective of whether it's in the

2 contract.

3 DEPUTY COUNTY EXECUTIVE WALKER: That's
4 actually in the contract, yes.

5 LEGISLATOR WINK: Okay. And as far as
6 the permanent jobs go, is there any requirement
7 they be union jobs?

8 DEPUTY COUNTY EXECUTIVE WALKER: No.

9 LEGISLATOR WINK: Okay.

10 DEPUTY COUNTY EXECUTIVE WALKER: It's
11 the same, the Living Wage Law, all the
12 requirements, depending on what work needs to be
13 done. If you're coming in there and having
14 plumbing work done, you have to live within all
15 the laws, the applicable laws of the State
16 Department of Labor and in Nassau County, with,
17 again, the Living Wage Law, to pay the staff
18 those dollars.

19 LEGISLATOR WINK: And I guess it goes
20 without saying that those jobs would not be CSEA
21 jobs.

22 DEPUTY COUNTY EXECUTIVE WALKER: Nassau
23 County is not going to hire any of the staff; it
24 will be hired by the outside contractor.

25 LEGISLATOR WINK: Okay. Thank you.

2 CHAIRMAN SCHMITT: Mr. Walker, now you
3 want us to recess, awaiting the arrival of the
4 financials?

5 DEPUTY COUNTY EXECUTIVE WALKER: That is
6 fine.

7 CHAIRMAN SCHMITT: Okay. We're going to
8 recess. This is the Rules Committee. We are
9 recessing so that we can start, in five minutes,
10 the full session of the legislature.

11 (Whereupon, the Rules Committee recessed
12 at 2:26 p.m.)

13 (Whereupon, the Rules Committee
14 reconvened at 7:02 p.m.)

15 CHAIRMAN SCHMITT: We're reconvening the
16 Rules Committee meeting.

17 You have received the financial
18 information and the disclosures of the
19 corporation?

20 DEPUTY COUNTY EXECUTIVE WALKER: Yes, we
21 have them.

22 CHAIRMAN SCHMITT: And the financial
23 information is to be discussed in executive
24 session?

25 DEPUTY COUNTY EXECUTIVE WALKER: If you

2 would be so kind.

3 CHAIRMAN SCHMITT: Okay. We're going to
4 go into executive session.

5 I need a motion to go into executive
6 session.

7 LEGISLATOR NICOLELLO: So moved.

8 LEGISLATOR WALKER: Second.

9 CHAIRMAN SCHMITT: Moved by Legislator
10 Nicoletto, seconded by Legislator Walker.

11 All those in favor?

12 (Aye.)

13 We're going into executive session.

14 (Whereupon, the Rules Committee recessed
15 at 7:05 p.m.)

16 (Whereupon, the Rules Committee
17 reconvened at 7:55 p.m.)

18 CHAIRMAN SCHMITT: Chief Deputy County
19 Executive Walker, we had discussions about the
20 project labor agreement for this project. Could
21 you tell us?

22 DEPUTY COUNTY EXECUTIVE WALKER: Yes.
23 There will be a project labor agreement that the
24 respondent will enter into with the Building
25 Trades Council, and that meeting will be set up

2 with him and the Building Trades Council, which
3 will also involve DPW. It will follow through in
4 the same process that we follow through on all of
5 our DPW contracts.

6 CHAIRMAN SCHMITT: Okay. Anything else?

7 LEGISLATOR ABRAHAMS: At this time,
8 Presiding Officer Schmitt, I know we went into
9 executive session, we feel there are some
10 questions and concerns that we still need
11 answered. We like the concept of the proposal.
12 We wanted to thank Mr. Bloom for coming down
13 today because obviously the proposal does -- I'm
14 sorry - Blum -- sorry -- does have some good
15 concepts and ideas, but we think it wouldn't be
16 prudent to vote for it at this time with some of
17 the questions that are lingering, based off what
18 we learned in executive session, which we do not
19 want to share because we learned it in confidence
20 during executive session.

21 We would respectfully request this item
22 be tabled, and I would like to submit a motion to
23 table at this present time.

24 LEGISLATOR WINK: Second.

25 CHAIRMAN SCHMITT: We have a motion to

2 table, which is undebatable. It's been made and
3 seconded.

4 All those in favor of tabling please say
5 aye.

6 (Aye.)

7 All those opposed?

8 (Nay.)

9 The motion to table fails.

10 I'm going to call the question.

11 LEGISLATOR ABRAHAMS: That being said,
12 Mr. Schmitt, do you mind if I ask some questions
13 to Mr. Walker?

14 CHAIRMAN SCHMITT: No. Motion to table
15 ends debate.

16 Go ahead.

17 LEGISLATOR ABRAHAMS: Mr. Walker, you
18 had mentioned that there will be a PLA that will
19 be a part of this agreement. When do you
20 envision having that PLA to be signed?

21 DEPUTY COUNTY EXECUTIVE WALKER: I don't
22 know. I wouldn't want to give you a date or
23 speculate a date.

24 LEGISLATOR ABRAHAMS: Is it possible
25 that a PLA will not be a part of the agreement?

2 DEPUTY COUNTY EXECUTIVE WALKER: No. It
3 would be part of the agreement.

4 LEGISLATOR ABRAHAMS: Would be a part of
5 the agreement.

6 DEPUTY COUNTY EXECUTIVE WALKER: I just
7 won't speculate on dates.

8 LEGISLATOR ABRAHAMS: And based on your
9 conversations with Mr. Blum, a PLA is acceptable
10 and amenable to that entity?

11 DEPUTY COUNTY EXECUTIVE WALKER: Yes.

12 LEGISLATOR ABRAHAMS: As I said before,
13 Mr. Walker, we think the idea, the concept has
14 some merit. Providing that the documentation
15 that we wanted to learn from the executive
16 session was there -- I'm not saying that it
17 wasn't forthcoming, it's not available at this
18 time. That being said, without divulging what we
19 learned in executive session, I don't think we
20 can have unanimous support in this committee
21 because we like the idea of trying to develop the
22 concept of what they're trying to do at Mitchel
23 Field without the county putting out any money.
24 That's the greatest thing about it.

25 So, from that standpoint, again, we would

2 like to see it tabled but obviously we don't have
3 the votes to do that. But we do want to be
4 engaged and involved in the process as much as we
5 can, if it needs to be down the road.

6 That being said, I just wanted to
7 respectfully ask, obviously Mr. Blum, for giving
8 up his time and his evening to be here with us.
9 Thank you again.

10 This vote does not reflect any reflection
11 on you, in terms of your ability to get the
12 project done. We just feel uncomfortable as a
13 caucus at this time in supporting a proposal
14 which we don't feel we have enough documentation
15 to do.

16 Obviously, we want to see the county do
17 well and we want to see this project do well. It
18 might be the case that everything may turn out
19 well and we hope it does. That being said, we
20 will respectfully vote no on this particular
21 proposal.

22 CHAIRMAN SCHMITT: Can I call the vote
23 before you vote no?

24 LEGISLATOR ABRAHAMS: You can do
25 anything you'd like.

2 CHAIRMAN SCHMITT: Thank you so much.
3 I'm caught unaware and surprised by the actions
4 of the minority. Anyway.

5 E-176, all those in favor please say aye.

6 (Aye.)

7 Any opposed?

8 (No verbal response.)

9 Let the record show that the item carries
10 by a vote of four to three.

11 Mr. Blum, congratulations.

12 I'm going to call E-174, which is a
13 resolution authorizing the county executive to
14 execute a personal services agreement between the
15 county on behalf of the DA's office and PACE
16 After-School Program.

17 May I have a motion, please?

18 LEGISLATOR WALKER: So moved.

19 LEGISLATOR KOPEL: Second.

20 CHAIRMAN SCHMITT: Moved by Legislator
21 Walker, seconded by Legislator Kopel.

22 This is a renewal of a program. There is
23 somebody to speak about it. I'm sorry you had to
24 wait this long.

25 MR. MCMANUS: Thank you. Bob McManus,

2 Nassau County District Attorney's Office.

3 The PACE after school program is funded
4 by the district attorney's office as part of the
5 Terence Bedell Project, which is intended to
6 reduce crime in Hempstead Village. This program
7 will engage high risk youth in safe, productive,
8 and educational activities during the afternoon
9 hours, from 3:00 p.m. to 6:00 p.m. once the
10 school year starts.

11 This program is financed by federal
12 forfeiture funds and bears no cost to county
13 taxpayers.

14 CHAIRMAN SCHMITT: Any questions?

15 (No verbal response.)

16 Any public comment?

17 (No verbal response.)

18 All those in favor please say aye.

19 (Aye.)

20 Any opposed?

21 (No verbal response.)

22 The item carries unanimously.

23 MR. MCMANUS: Thank you.

24 CHAIRMAN SCHMITT: I'll take a motion to
25 adjourn.

2 LEGISLATOR WALKER: So moved.

3 LEGISLATOR NICOLELLO: Second.

4 CHAIRMAN SCHMITT: Moved by Legislator
5 Walker, seconded by Legislator Nicoletto.

6 All those in favor of adjourning please
7 say aye.

8 (Aye.)

9 We're standing adjourned.

10 (Whereupon, the Rules Committee adjourned
11 at 8:01 p.m.)

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C E R T I F I C A T E

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

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of August, 2012.

FRANK GRAY