

LONG ISLAND / NASSAU

Hempstead Town loses court bid to stop waterfront rental project



An undated artist's rendering of the proposed waterfront project in Harbor Isle.

By Sid Cassese

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The Town of Hempstead has lost a bid to stop a \$70 million housing project of mostly rental units in Harbor Isle.

The Appellate Division of the State Supreme Court, in Brooklyn, denied the town's appeal of a lower court's decision invalidating the town's attempt to force most of the housing units to be condominiums instead of rental apartments.

"The Supreme Court properly denied that branch of the Town's cross motion, which was for summary judgment, dismissing the complaint. The Town's remaining contentions are without merit," concluded the decision dated Oct. 5.

Town spokesman Michael Deery said Friday that "the town is reviewing the decision and has no further comment at this time."

After the lower court's decision in late



31 boat slips.

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rental housing project that would transform Harbor Isle in a profound and negative way.”

It was not clear if the town will appeal this latest decision.

The project by Blue Island Development LLC and Posillico Development LLC calls for 132 apartments, 32 condominiums and

In 2007, the developers applied to build the \$70 million project. In March 2008, the town granted the application, but it was subject to several restrictive covenants, including that all the units be sold as condominiums. Upon the developers’ request, the plan was twice modified — in 2010 and 2013 — saying condominiums were economically unfeasible in the wake of the 2008 stock market meltdown.

But the town was adamant, allowing only minor changes. The developers took it to the courts.

The Appellate Division noted that the developers had demonstrated that Hempstead’s restrictive covenant was “of no actual and substantial benefit to the Town,” and that Hempstead officials had “offered no explanation to rebut this showing.”

Michael Posillico, president of Farmingdale-based Posillico Development, said: “The lengthy legal proceedings finally have come to a conclusion and now we can begin to work with the town officials and develop our property and boost the local economy.”

A significant part of the proposed project is remediation of the nearly 11-acre site, which was formerly a fuel oil terminal. That remediation has a Dec. 31, 2017, completion date set by the state Department of Environmental Conservation.

Harbor Isle is an unincorporated community of about 6,000, just west of Island Park.

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