

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JULY 16, 2014

MEMBERS PRESENT: Frederick C. Braun, III  
Martin Callahan  
Felix J. Grucci, Jr.  
Michael Kelly  
Scott Middleton  
John Rose  
Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
James M. Tullo, Deputy Director  
Annette Eaderesto, Counsel  
Howard Gross, Weinberg, Gross & Pergament  
Jocelyn Brinka, Assistant  
Annmarie Hallock, Assistant  
Todd Shapiro, Todd Shapiro Associates  
Jim Bernstein, Todd Shapiro Associates  
Alan Wax, Wax Words, Inc.  
Ross Ain, Caithness Long Island  
Kevin Collins, Caithness Long Island  
Don Miller, Caithness Long Island  
Thomas Geiger, Oxman, Tulis, Kirkpatrick, Whyatt & Geiger, LLP  
Bruce Miller, Port Jefferson Village  
Bill Miller, Clearview Consultants, LLC

Chairman Braun opened the meeting at 8:00 A.M. on Wednesday, July 16, 2014, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

**MEETING MINUTES OF JUNE 13, 2014**

The Minutes of the Joint Governance Committee Meeting held on June 13, 2014 were previously sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor with Mr. Middleton abstaining.

**MEETING MINUTES OF JUNE 18, 2014**

The Minutes of June 18, 2014 were also sent in advance of today's meeting. The motion to approve these Minutes as presented was made by Mr. Rose, seconded by Ms. Scheidt and approved with Mr. Middleton abstaining.

**CFO'S REPORT**

Mr. Braun presented the Operating Statement for June 30, 2014 in Mr. Ryan's absence. Deposits included a closing fee of \$21,564 for Pallets-R-Us, numerous application fees, and administrative fees for the Ore-Lube re-financing and Pallets-R-Us mortgage. All PILOT payments have been deposited and disbursed with the exception of Precision Estates/Anorad who has not yet paid.

The motion to accept the Operating Statement for June was made by Ms. Scheidt and seconded by Mr. Rose. All were in favor.

**CAITHNESS II – INDUCEMENT RESOLUTION**

Mr. Braun read the following statement into the record:

Caithness' bid to build and operate a 700+ megawatt gas fired power generating plant was submitted in response to an RFP issued by the Long Island Power Authority A/K/A LIPA and based on capacity standards dictated by New York State. The status of all power generating plants on Long Island is under the control of LIPA and PSE&G and not the Industrial Development Agency. PILOT payments or payments in lieu of taxes are billed to Caithness but, are pass-through obligations paid by LIPA with any reductions benefitting Long Island's ratepayers. In addition, the Agency is not waiving the mortgage recording tax. We are not in control, nor should we be, of how the gas supply reaches the proposed plant with a purchase power agreement yet to be executed between Caithness and LIPA. However, we do not expect the plan to include any environmental exposure to the Carmans River and its surroundings. Whether that means an expansion of the existing gas supply used to fuel Caithness I or the possibility of utilizing the previously constructed Northville oil pipeline is a decision that LIPA must make, not Caithness. Members of the IDA's Board have been provided with a transcript of the public hearing held on July 10<sup>th</sup>. Inasmuch as the Village of Port Jefferson has made it known that it is considering taking legal action including the

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filing of an Article 78, I move that the Agency go into executive session to discuss the matter further.

Mr. Grucci seconded Mr. Braun's motion which was unanimously approved. The Board entered executive session at 8:05 A.M. and resumed the regular agenda at 8:39 A.M.

**DOWLING COLLEGE – UPDATE**

Mr. Braun informed the Members that there is a possibility of Stony Brook University renting the dorms at Dowling's Shirley campus. IDA approval would be required before this could occur.

**D & F PATCHOGUE**

It was reported in Newsday that Patchogue Village has entered into a PILOT Agreement for this IDA project. The Village does not have the authority to enter into a PILOT Agreement and Mr. Braun noted that once the IDA PILOT Agreement is in place all taxing jurisdictions must be treated equally. Ms. Mulligan added that there had been a misunderstanding regarding this project which has since been resolved.

**CAITHNESS II – REVISITED**

Mr. Braun detailed the resolution for this project; it includes exemptions from sales and use taxes in an amount not to exceed \$62 million dollars. This inducement resolution sets the PILOT schedule in place. A final authorizing resolution will be considered at a later date.

The motion to approve this resolution was made by Mr. Rose and seconded by Mr. Middleton. All were in favor. Mr. Braun requested a roll call on the vote:

Mr. Grucci: Aye

Mr. Rose: Aye

Mr. Kelly: Aye

Mr. Middleton: Aye

Ms. Scheidt: Aye

Mr. Callahan: Aye

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Mr. Braun: Aye

At 8:42 A.M. the representatives from Caithness excused themselves from the meeting.

### **RAIL REALTY – RESOLUTION**

Ms. Mulligan informed the Members that due to a power outage yesterday, the attorney representing Rail Realty was not able to review the resolution. This matter will be revisited at the August meeting.

### **RESOLUTION RATIFYING THE HIRING OF INTERN**

The Agency recently hired a new intern, Kyle McElhone. Kyle started work on June 30<sup>th</sup> and has proven to be quite helpful. Since this opportunity occurred after the last meeting due to summer break, a ratifying resolution is necessary to confirm his employment for a maximum of 20 hours per week at a rate of \$10 per hour.

The motion to ratify Mr. McElhone's employment was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

### **CEO'S REPORT**

#### **IPads**

Mr. Ryan and Ms. Eaderesto have researched the cost of purchasing IPads to replace paper meeting packets. The cost to purchase ten IPads is \$5,419.90. Ms. Eaderesto added that her office recently purchased IPads for their investigators and it has saved the staff a lot of time. The Town Board moved to paperless meeting packets and it has freed up a staff member entirely of copying duties.

The Board agreed to purchase IPads for board and staff members, along with a keyboard for the recording secretary to type the minutes.

Uniform Tax Exemption Policy (UTEF)

The recently created Adaptive Re-Use Policy requires that the current Uniform Tax Exemption Policy (UTEF) be amended. Agency staff will begin the process of posting this matter for a public hearing.

Off Track Betting Racino

Ms. Mulligan updated the Members that talks are ongoing with OTB about the construction of a racino. It is unknown if the IDA or LDC will play any role in this potential project.

LI Forum for Technology (LIFT) – Membership Renewal

The IDA's membership with the LI Forum for Technology (LIFT) is up for renewal. The cost to renew at the current bronze level is \$500.

The Board agreed to maintain the current level of membership.

Bond Allocation

The Agency received the annual notice of initial bond allocation from the State; the Brookhaven IDA was allocated \$8,142,061 for tax exempt bonds. Additional allocations will be needed for the EB at Holtsville project and Ms. Mulligan has already reached out to Empire State Development to begin that process. D&F may also pursue bonds to finance their project.

Annual Report on Public Authorities in New York State

This report was previously e-mailed to the members.

LI Angel Network

A request was submitted to fund the LI Angel Network in the amount of \$5,000. Ms. Scheidt provided some history on this group that fills the gap where venture capitalists don't invest. In response to Mr. Grucci's question, Ms. Scheidt informed the Board that this organization has no government involvement and donations would go towards paying the part-time administrative staff.

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The motion to approve this request was made by Mr. Grucci and seconded by Mr. Rose. All were in favor with Ms. Scheidt abstaining as she is the Executive Director of the LI Angel Network.

LI Business Development Council (LIBDC) Luncheon Meeting

Ms. Mulligan reminded the Members that the LI Business Development Council luncheon meeting is scheduled for tomorrow at the Courtyard Marriott in Ronkonkoma. The topic is Start-Up NY and Ms. Scheidt provided an update on this state program.

August Meeting

The August IDA meeting will be held on Thursday the 21<sup>st</sup> at Suffolk Transportation in Coram.

Commercial

Progress has been made on the commercial and it is close to being completed. The latest version has been sent to Jack Krieger in Public Information for his review. Ms. Eaderesto added that the Supervisor would like to see the commercial air on channel 18.

The motion to close the IDA meeting at 9:11 A.M. was made by Mr. Grucci, seconded by Mr. Kelly and unanimously approved.

*The next IDA meeting will be held **Thursday, August 21, 2014 at Suffolk Transportation.***