

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

OCTOBER 15, 2014

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

ALSO PRESENT: Lisa M.G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP (via phone)
Jocelyn Brinka, IDA Assistant
Annmarie Hallock, IDA Assistant
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 8:06 A.M. on Wednesday, October 15, 2014, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

MEETING MINUTES OF SEPTEMBER 17, 2014

The Minutes of September 17, 2014 were previously sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for September 30, 2014. A transfer of \$50,000 was made from the money market account to the operating account. The first installment of advertising expenses was paid to GVP Digital Media; there was a total of \$62,686.97 in expenditures for the month. All Treasury notes have matured which leaves the certificate of

deposit with Astoria Bank as the only investment. Investments are in the process of being transferred to Sorrento Pacific from LPL Financial. There was no activity in the PILOT account and Anorad/Precision Estates has still not made any payment towards their 2013/2014 tax bill. Counsel is terminating this project.

The motion to accept the Operating Statement for September was made by Mr. Grucci and seconded by Mr. Middleton. All were in favor.

UNIFORM TAX EXEMPTION POLICY (UTEP)

A small change was made to the Uniform tax Exemption Policy (UTEP) to include the Adaptive Re-Use Policy. Letters were sent to all taxing jurisdictions in the Town requesting they send comments prior to today's board meeting. No comments were received.

The motion to accept the resolution amending the UTEP was made by Mr. Grucci, seconded by Mr. Kelly and unanimously approved.

The updated UTEP will be posted on the website.

MEADOWS AT YAPHANK PHASE ONE – AMENDED FINAL AUTHORIZING RESOLUTION

An amended resolution is necessary due to a scrivener's error in the resolution involving the sales tax amount. The initial resolution allowed for an exemption of sales tax not to exceed \$256,000; the actual number is estimated at \$1,900,000. In addition, the mortgage amount has increased from a range of \$36 million to \$38 million to a range of \$45 million to \$48 million. An additional public hearing was held and no comments were received. It is hoped that this project will close by the end of the year.

The motion to approve this resolution was made by Ms. Scheidt and seconded by Mr. Grucci. All were in favor.

OMEGA MOULDING – FINAL AUTHORIZING RESOLUTION

Ms. Mulligan presented the resolution for the extension of benefits for Omega Moulding. This resolution extends the PILOT by five years, increasing by 20% per year until they reach full assessment, and will result in the retention of over 100 jobs. No comments were received at the public hearing. The full assessment is estimated to be \$250,000.

The motion to approve this resolution was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

PRO'S CHOICE/QUALITY KING – FINAL AUTHORIZING RESOLUTION

This final authorizing resolution is for an approximately \$8 million dollar picking system to be installed in the warehouse of the Quality King/Pro's Choice facility. Their New Jersey location will be closing since this system will allow them to streamline how their orders are filled. A public hearing was held with no comments received.

The motion to approve this resolution was made by Mr. Grucci and seconded by Ms. Scheidt. This motion was approved with Mr. Braun abstaining as his son began work in Quality King's Information Technology Department last week. Mr. Braun added that he has had no conversations with anyone at this company regarding his son's employment.

MAHARAM FABRIC RE-FINANCING & RATIFICATION OF SALE

Ms. Mulligan informed the Board that Maharam Fabric/Ms. Bobby sold their business to Herman Miller. The building is still owned by the IDA and Ms. Bobby. Herman Miller has not changed any of the operations and has kept the name Maharam Fabric. Approval of the sale is needed and the company has also requested to re-finance the mortgage.

The motion to ratify the sale of the business and approve the re-financing of the mortgage was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

BRIDGEHAMPTON NATIONAL BANK ACCOUNTS

Mr. Ryan requested the Board's permission to open four separate accounts at Bridgehampton National Bank (BNB) to handle legal fees and potential condemnation payments related to the Ronkonkoma Hub project. Tritec, the Master Developer of this project, will be providing the funds. Ms. Eaderesto noted that these accounts will not be opened with Agency funds and Tritec will pay all expenses.

The motion to authorize Mr. Ryan to open these accounts was made by Mr. Grucci and seconded by Ms. Scheidt. The motion was approved with Mr. Middleton and Mr. Kelly abstaining since they both conduct business with BNB.

CEO'S REPORT

Islandaire Request

Islandaire has requested an extension to their PILOT Agreement to allow for the installation of a new gas-powered powdered coating system. There have been some problems with the construction of the new buildings which Ms. Eaderesto detailed. This new coating system will cost an estimated \$1.3 million dollars which includes running a new gas line up Belle Meade Road. Islandaire expects to increase their job creation by an additional 30 employees over the next two years. Islandaire has requested ten additional years of 100% abatement on their property taxes. After much discussion, the Board decided to grant an additional five years on the PILOT Agreement, with the taxes increasing by 20% per year. If this gas line and coating system do not happen, the original ten-year PILOT will not be extended. Strict clawback provisions will be put in place to ensure the 59 jobs in total are created as promised. Ms. Eaderesto noted there would also be added value to neighboring companies if they wish to access the gas line.

The motion to grant an additional five years of abatement with a tax increase of 20% per year was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

Designs for Vision Update

Mr. Gross informed the Board that Designs for Vision has decided not to pursue the building they were considering. They are looking for an alternative site.

October 28th CEO/Presidents Conference

The CEO/Presidents Conference is scheduled for October 28th at the Courtyard Marriott in Ronkonkoma. The topic is “The Art of the IDA Deal” and the panel will consist of Ms. Mulligan, Mr. Weir, Michael Verrutto of Long Island Precast, and Keith Miller of Suffolk Federal Credit Union who financed the project. Mr. Braun will moderate the discussion. All members were invited to attend.

October 30th Building Business in Brookhaven Expo

The 10th Annual Building in Brookhaven Expo will take place on October 30th at Town Hall. Ms. Mulligan added that the drawdown for the BBAC is almost exhausted.

Dinner Meeting

The annual dinner meeting will be held on December 3rd at Savino’s in Mt. Sinai.

Articles

Numerous articles were included in the meeting packets for the Members to review.

At 8:55 A.M. Mr. Grucci made a motion to enter executive session to discuss matters relating to litigation. This motion was seconded by Ms. Scheidt and unanimously approved.

The motion to resume the regular agenda at 9:06 A.M. was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

The motion to close the IDA meeting at 9:06 A.M. was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

The next IDA meeting is scheduled for Wednesday, November 19, 2014.