

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MAY 13, 2015

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

EXCUSED MEMBERS: Martin Callahan
John O'Loughlin

ALSO PRESENT: Lisa M.G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP (via conference call)
Jocelyn Brinka, Assistant
Alan Wax, Wax Words, Inc.
Todd Shapiro, Shapiro Associates

Chairman Braun opened the meeting at 7:59 A.M. on Wednesday, May 13, 2015, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

MINUTES OF APRIL 15, 2015

The Minutes of April 15, 2015 were previously sent to the Members for their review. The motion to approve these Minutes as submitted was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for April 2015. There was a total of \$30,250 in deposits and the usual expenses were noted along with a \$16,500 payment to Albanese, Sini & Reeves for audit preparation. Investments will begin again as soon as the transfer of funds to Bridgehampton National Bank is complete. There was a small PILOT disbursement made due to

a project paying their second half early. Mr. Ryan will make a correction to the amount listed as funds belonging to the Agency in the PILOT account.

Mr. Middleton joined the meeting at 8:05 A.M.

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

T. MINA SUPPLY – APPLICATION

Ms. Mulligan presented the application for T. Mina Supply, a distributor of water and sewer pipes. T. Mina is currently located in Willets Point, NY and renting space in Holtsville. The property they are considering purchasing is 4 acres on the northwest corner of the Long Island Expressway and Old Medford Avenue in Medford. T. Mina would construct a 12,000 square foot building at a cost of roughly \$4.9 million dollars. They would retain 25 positions and create 5 additional jobs; some administrative offices will remain in Douglaston. This sale/leaseback would be financed through the First National Bank of Long Island. Mr. Braun noted that their financial statements indicate a very strong company.

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

LONG ISLAND COMPOST – APPLICATION

Long Island Compost is located on Horseblock Road, across the street from the landfill. Mr. Grucci noted that as Town Supervisor he brokered a deal involving the relocation of this company. Mr. Weir advised there was no conflict of interest involved with Mr. Grucci voting on this matter. Ms. Mulligan explained that this new project could potentially be the solution to odor issues that residents have complained of over the years. LI Compost would construct a 75,000 square foot building to house an anaerobic digester to process waste, which will be converted to clean energy and compost. This is a closed system so it catches the methane gas that is emitted and turns it into fuel, which will then be pumped across the street to a fueling station. Odors will be trapped inside the building due to negative pressure. Ms. Mulligan added

that the Town, the Department of Environmental Conservation and local residents are supportive of this project. Scott's Miracle Gro is on the property bagging and selling the compost. This would be a \$50 million dollar project and Mr. Weir is checking to see if they are eligible for bonds. Portions of this project (the solid waste disposal process) could be eligible for tax-exempt bonds, the production facilities for the end product would not be. Some of their existing operations will remain, some will move to the new facility.

The motion to accept the application was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

Mr. Weir noted that additional bond volume allocation would be needed so this project would need to submit a consolidated funding application to the Regional Economic Development Council. The Agency will also need to request additional allocation through the usual process.

J-CAD – APPLICATION

This application is for three companies that are purchasing an existing building. Two of the companies are relocating as a result of the Ronkonkoma Hub redevelopment. This project would fall under the Adaptive Re-Use Policy. Ms. Mulligan inquired if the Board would like to offer any additional incentive to assist the businesses moving out of that area. The building J-CAD is purchasing is 20,000 square feet and located on Blue Point Avenue in Holtsville. Project costs are estimated to be \$2.3 million dollars. Two of the three owners have businesses that will occupy the building: Mayne Construction, a general contractor, which will occupy 7,400 square feet; and Center Maintenance, an outside maintenance company will occupy 3,400 square feet. Keen's Machine Repair will be leasing 3,800 square feet and Prime Engineering, an architect will lease 2,600 square feet. The remaining 2,800 square feet will be leased at a later date. One of the investors will not be located in the building. Cumulatively, 33 jobs will be retained and 12 new positions will be created.

Ms. Eaderesto joined the meeting at 8:30 A.M.

IDA Meeting
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The Adaptive Re-Use Policy calls for the existing taxes (roughly \$50,000) to be cut by 30%. Had the building been located in the Empire Zone the decrease would have been 50%. The Board determined that since two of these companies are relocating out of the Ronkonkoma Hub area, a 50% reduction in existing taxes would be granted. This additional clause to the Adaptive Re-Use Policy will be discussed at the next Governance Meeting. Mr. Grucci made a motion to accept the application and grant a 50% reduction in existing property taxes. The motion was seconded by Ms. Scheidt and unanimously approved. Ms. Eaderesto updated the Board about the status of the Ronkonkoma Hub project.

PRESENTATION BY TODD SHAPIRO

Mr. Shapiro recently met with Mr. Braun to go over the public relations work that Shapiro Associates has performed. Mr. Shapiro would like to meet with the Board on a monthly basis. Recent activity included the groundbreaking of the Rail Realty project. Additional ideas include a quarterly newsletter, YouTube testimonials, increasing social media and a press conference at the site of the new Browning hotel. Mr. Shapiro suggested naming a business of the month that would be featured in Long Island Business News, holding more breakfast events and having a board member participate in a radio interview.

CEO'S REPORT

Closings

The closing for D & F Patchogue took place last week. Aarco Products and EB Farmingville are tentatively scheduled to close in June.

ESRI Mapping Project

Ms. Mulligan obtained an additional quote of \$5,000 from Applied Computer Technologies (ACT) for this mapping project. The \$5,000 amount is for the initial set-up; there would be additional continuing charges determined by usage.

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Mr. Grucci made a motion which was seconded by Ms. Scheidt to authorize the cost of this project. All were in favor. Additional language will be incorporated into the existing contract with ACT to include this project.

Selden Sports Center

It has come to the attention of the Agency that Selden Sports Center has been hosting festivals at their facility without permission. Once informed that this was a violation of their lease agreement, these festivals have stopped. Selden Sports has now requested the Board consider amending the closing documents to permit them to use the facility for special events and conferences. Mr. Weir explained the procedure that would be involved with this change and the parameters for the IDA to assist a retail location. The consensus of the Board was this was not an appropriate action.

Precision Estates/Anorad

This project has not paid their PILOT for two years. The bank started foreclosure proceedings and has put the building up for lease, not sale. Since the building is vacant some vandalism has occurred such as broken windows. Mr. Weir informed the Board that the bank reached out to the Agency about paying the outstanding balance but declined to pay it off when they learned the abatement had ended. Mr. Weir questioned if the Board would consider extending the PILOT by five years if the bank agrees to pay the balance so they would be able to better market the property. No action was taken at this time. Mr. Braun brought up Mr. Gross's suggestion of having the Agency take first position on the collateral to protect against situations like this. This may start with new closings such as Aarco or EB at Farmingville. The Members discussed potential ways to resolve situations such as this including a mortgage to secure the PILOT.

LIBDC Luncheon – June 19, 2015

This IDA sponsored luncheon will take place on June 19th from 12:00 to 2:00 at the Courtyard by Marriott Hotel in Ronkonkoma. Kevin Law will be speaking.

IDA Meeting
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Board Assessment Results

The averages from the IDA and LDC board assessments were distributed. Mr. Braun requested that staff review the BST Compliance Plan to ensure we have completed all of their suggestions. Ms. Mulligan will submit the results to the Authority Budget Office as required.

At 9:18 A.M. Mr. Grucci made a motion to enter executive session to discuss personnel and contracts. This motion was seconded by Ms. Scheidt and unanimously approved.

At 9:23 A.M. Mr. Braun excused himself from the meeting to attend to other matters.

At 9:33 A.M. Mr. Kelly made a motion to resume the regular agenda. Mr. Middleton seconded this motion and all were in favor.

AMENDING HOURS & PAY RATE FOR CLERICAL EMPLOYEE

Mr. Kelly made a motion to increase the pay rate for Terri Alkon to \$15 per hour and increase her hours to 25 per week. Mr. Middleton seconded this motion which was unanimously approved.

The motion to close the IDA meeting at 9:34 A.M. was made by Mr. Kelly and seconded by Mr. Middleton. All were in favor.

The next IDA meeting is scheduled for Wednesday, June 17, 2015.