

TOWN OF BROOKHAVEN  
**INDUSTRIAL DEVELOPMENT AGENCY**

MEETING MINUTES

AUGUST 19, 2015

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

EXCUSED MEMBER: John O'Loughlin

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
James M. Tullo, Deputy Director  
Annette Eaderesto, Counsel  
William Weir, Nixon Peabody, LLP  
Howard Gross, Weinberg, Gross & Pergament  
Jocelyn Brinka, Assistant  
Terri Alkon, Assistant  
Alan Wax, Wax Words, Inc.  
Victor Ocasio, Newsday

Chairman Braun opened the meeting at 7:58 A.M. on Wednesday, August 19, 2015, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

**MEETING MINUTES OF JULY 15, 2015**

The Minutes of July 15, 2015 were previously sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

**MEETING MINUTES OF JULY 15, 2015 – JOINT GOVERNANCE & FINANCE COMMITTEE**

The Minutes of the Joint Governance and Finance Committee were also sent the Members prior to the meeting. The motion to approve these Minutes as presented was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved.

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**SPECIAL MEETING MINUTES OF JULY 28, 2015**

The Minutes of the Special Meeting were sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

**CFO'S REPORT**

Mr. Braun presented the Operating Statement for July in Mr. Ryan's absence. Closings were recently held for EB at Holtsville and J-CAD Realty totaling approximately \$130,000 in fees. Agency funds are still at Suffolk County National Bank due to a delay with the collateral agreement with M & T Bank for investments. This topic will be discussed further at the September meeting. The Precision Estates/Anorad building is officially back on the tax rolls.

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

**GROVE HOTEL - APPLICATION**

Ms. Mulligan presented the application for the Grove Hotel, a hotel located on Fire Island, which burned down earlier this year. The hotel had been two separate 5,000 square foot structures; the proposed new hotel would consist of two 6,800 square foot buildings. This application is being considered as a tourism destination. The nightclub located onsite is still in operation and debris from the fire has been removed. Mr. Weir noted a feasibility study is necessary to prove that this is a tourism destination.

The motion to accept the application was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved. The owner hopes to reopen by next summer.

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## **CEO'S REPORT**

### LIA Luncheon

The Agency has purchased tables for this event in the past. This year's luncheon is scheduled for October 28<sup>th</sup> at the Crest Hollow Country Club.

The motion to approve a \$3,600 payment to purchase a table was made by Mr. Grucci and seconded by Mr. Kelly. All were in favor.

### Investment/Cost Affidavit

Ms. Mulligan explained that audits conducted by the Comptroller and the Authority Budget Office call for a signed investment/cost affidavit from the project once construction is complete as a way to balance cost projections with the actual expenses. While this is not required of the Agency, Mr. Weir and Mr. Gross will put a draft affidavit together for the Board's review at a future meeting. An explanation would be requested if the costs were over or under by 10% or more.

### Fee Schedule

A set fee of \$250 per hour or a minimum fee of \$250 for document processing was discussed at the Joint Governance & Finance Committee Meeting.

The motion to approve this fee schedule was made by Mr. Kelly, seconded by Ms. Scheidt and unanimously approved.

### Wi-Fi

The new wi-fi service is up and running in the office so iPads should replace paper meeting packets in the near future. The cost for the wi-fi is \$115 per month.

Ms. Eaderesto joined the meeting at 8:18 A.M.

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### Adaptive Re-Use Case Study

Two Adaptive Re-Use projects have now closed and a third is in the process of closing. All have received a 50% property tax reduction due to either locating in the former Empire Zone or from relocating from the Ronkonkoma Hub area. Mr. Weir noted that other IDAs have a standing policy that a public hearing notice can be posted prior to the Board's review of an application. The application is sent to the Members, the public hearing is posted, and the vote to approve or induce can be held at the next meeting. This policy would only be enacted when there is a time issue.

The motion to grant Ms. Mulligan the authority to post public hearings in this manner with input from the Chairman was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

Mr. Grucci made a motion to amend the Adaptive Re-Use Policy to allow a 50% reduction in existing property taxes for anywhere in the Town of Brookhaven. The motion was seconded by Ms. Scheidt and unanimously approved.

### Project Overview Update

A breakdown of benefits granted (PILOT, sales tax and mortgage recording tax) has been added to the project overview spreadsheet. The fees that are collected by the Agency will also be included. So far this year there has been \$135 million dollars in capital investment in exchange for \$22 million dollars of benefits. It was noted that this Agency's cost benefit ration is on the lower end in the state.

Mr. Braun informed the Board that James Ryan will be retiring from his position as Assessor but will remain as the Chief Financial Officer of the IDA.

### Projects Relocating from Ronkonkoma Hub

It was the consensus of the Board to grant a 50% reduction in existing property taxes to businesses relocating from the Ronkonkoma Hub area.

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#### Community Development Corporation Annual Luncheon

The annual luncheon is scheduled for October 16, 2015 at the Crest Hollow Country Club.

Mr. Kelly made a motion to purchase a table for this event as the Agency has done in the past. The motion was seconded by Mr. Grucci and approved with Ms. Scheidt abstaining.

#### Long Island Business Development Council (LIBDC) Montauk Conference

The Agency previously approved a gold level sponsorship for this conference being held September 30<sup>th</sup> through October 2<sup>nd</sup>. Four registrations are included with the sponsorship and so far seven people will be attending.

#### St. Joseph's College Termination

This project is being terminated at the Agency's expense. As soon as the deed has been recorded all of these fees will be charged to St. Joseph's.

#### Dowling College

The bonds for Dowling have been downgraded. Mr. Weir explained that Dowling defaulted on their bond payments earlier this year for both Brookhaven IDA bonds and Suffolk County IDA bonds. The trustees will take whatever action is necessary. Mr. Weir will check if the agreement has been renewed for Stony Brook University to utilize Dowling's dorms in Shirley.

#### Spec Buildings

Historically this Board has not considered spec buildings. This was discussed at the recent Governance/Finance meeting and the determination was to consider these projects on a case-by-case basis.

#### Articles

Several articles were included in the meeting packets.

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The motion to close the IDA meeting at 8:50 A.M. was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

***The next IDA meeting is scheduled for Wednesday, September 16, 2015.***