

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MARCH 24, 2016

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

EXCUSED MEMBER: Michael Kelly

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
James Ryan, Chief Financial Officer  
James M. Tullo, Deputy Director  
Annette Eaderesto, Counsel  
William Weir, Nixon Peabody, LLP  
Jocelyn Linse, Assistant  
Terri Alkon, Assistant  
John Moran, S Power

Chairman Braun opened the meeting at 8:21 A.M. on Thursday, March 24, 2016 in the Work Session Room, on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

**Note: See Joint Audit Committee Minutes for approval of audit.**

**MEETING MINUTES OF JANUARY 13, 2016**

The Minutes of the January 13, 2016 meeting 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.

**S POWER – RESOLUTION**

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Mr. Weir explained the resolution for this project which was finalized and closed in the end of February. For financing purposes, S Power is seeking federal tax credits for solar power. This involves leasing the property to a special purpose entity, FTS Master Tenant 2, LLC. This new entity will be required to sign the Agency Tenant Compliance Agreement and indemnify the IDA.

The motion to approve this resolution was made by Mr. Grucci and seconded by Ms. Scheidt. The resolution passed with Mr. Middleton abstaining.

At 8:28 A.M., Mr. Moran of S Power left the meeting.

### **CFO'S REPORT**

Mr. Ryan presented an amended Operating Statement for December 31, 2015. The December statement was amended to reflect a \$100 check that was not cashed from the Brookhaven Industrial Group and a check that was voided from FedEx.

Mr. Ryan presented the Operating Statement for January 31, 2016. Numerous administrative and closing fees were collected resulting in deposits of \$158,982.81. PILOT payments were collected and disbursed. A transfer of \$3,000 was made from the PILOT account to the operating account for administrative fees. The investment accounts have been transferred to Greco and a treasury note has been purchased.

The Operating Statement for February 29, 2016 shows deposits of administrative fees as well as a PILOT payment from Crestwood, which was then paid to the Tax Receiver. The usual expenses were noted. All PILOT payments have been collected and disbursed. A transfer of \$100,000 was made to the investment account from the money market account which will appear in next month's statement.

The motion to accept the Operating Statements for December, January and February was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

**D & F PATCHOGUE – RESOLUTION**

Mr. Weir informed the Board that D & F Patchogue is entering into a new mortgage that will increase to \$21 million from \$20 million dollars. D & F is also asking for assistance in a 1031 exchange. Mr. Weir detailed how the leases would be structured and added that the IDA would be indemnified and held harmless for this transaction. Construction just began on this project that closed roughly a year ago. In response to Mr. Grucci's question, this exchange does not impact any clawback provisions, the terms remain the same it is just adding a new entity.

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

**FRANK LOWE RUBBER & GASKET – RESOLUTION**

The owner of Frank Lowe Rubber & Gasket is doing some estate planning and transferring some ownership of the company. This change requires Agency approval as well as approval from the bond holder. The motion to approve this resolution was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

Ms. Mulligan added that she expects a subtenant application from Frank Lowe in the near future; Luitpold Pharmaceuticals may lease some space in the building.

**CHECK SIGNING AUTHORIZATION – RESOLUTION**

Ms. Mulligan explained to the Members that this resolution is needed to make our records agree with the bank. This resolution clarifies the individuals authorized to sign checks are the Chairman, Treasurer, Assistant Treasurer, Chief Executive Officer, Chief Financial Officer and Deputy Director. Two signatures are required if the amount is over \$2,500, except for the PILOT account. In most cases, PILOT checks are signed by two people, but due to the 30-day disbursement deadline a single signature is the requirement. Ms. Mulligan will look into how other IDAs handle this matter.

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

### **SHOREHAM SOLAR COMMONS / INVENERGY – APPLICATION**

Ms. Mulligan presented the application for this \$85.5 million dollar project that involves the installation of solar panels on 150 acres of the former Tall Grass golf course in Shoreham. It is estimated that 24.9 megawatts of power will be generated by this project and 175 construction jobs will be created. The only long term employment expected is a few maintenance positions. The applicant has been very proactive with the community and has relocated some equipment farther in on the property in response to feedback from residents. The existing clubhouse may be used for staging purposes but is not part of the financing.

Denise Pursley of Nixon Peabody represents Invenergy; Howard Gross will be representing the Agency. A waiver is in place from Nixon Peabody. Planning and zoning approvals have been granted.

The motion to accept the application was made by Mr. Grucci and seconded by Ms. Scheidt. The motion passed with Mr. Middleton abstaining.

### **CEO'S REPORT**

#### Dowling College

The Agency received a letter that BNY Mellon was being removed as trustee and being replaced with UNB Bank. No action needs to be taken and the bonds are not in default. Stony Brook University is still leasing space at the Shirley campus.

#### United Rentals

A letter updating their IDA application was submitted. The location initially chosen fell through; they are making progress on moving to the Shirley Tech Park.

#### Ethics/Financial Disclosures

The annual financial disclosure forms are due to the Ethics Board. This is also an Authority Budget Office requirement.

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#### New York State Economic Development Council (NYSEDC) Annual Meeting

The New York State Economic Development Council (NYSEDC) annual meeting is being held May 25<sup>th</sup> through the 27<sup>th</sup> in Cooperstown. The Agency has given \$5,000 in the past to support this conference. The motion to approve \$5,000 for this year's conference was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

#### Job Growth Numbers

The Annual Report was changed this year to ask for the number of full-time equivalent employees rather than full-time and part-time employees. An explanation was also requested if the project failed to meet the promised number of jobs. Only one company did not respond; this company is already in the process of being terminated.

Clawback language has been included in our closing documents since roughly 2005. It was noted that the Brookhaven IDA was the first to require recapture agreements on all projects.

#### May Meeting

Mr. Grucci made a motion to move the May 18<sup>th</sup> meeting to May 11<sup>th</sup>. Mr. Callahan seconded this motion and all were in favor.

#### WHTB Glass

WHTB recently sent a letter further explaining their project. This letter was distributed to all of the members.

#### NYS Legislation

Letters that were sent to local state representatives regarding new legislation were included in the meeting packets.

#### Cortland County IDA Audit

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The Cortland County IDA was recently audited with a very positive outcome. A large reason for that were manuals that were distributed to the Board Members. This is a practice that the Brookhaven IDA will start.

#### Newspaper Articles

Numerous articles were included in the meeting packets for review.

#### Year in Review Advertisement

The 2015 Year in Review advertisement will be running in the Long Island Business News soon. All projects that closed with the IDA are featured in the advertisement.

At 9:17 A.M., Mr. Gucci made a motion to enter executive session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Ms. Scheidt and unanimously approved.

At 9:43 A.M., Mr. Gucci made a motion to return to the regular agenda. The motion was seconded by Ms. Scheidt and unanimously approved.

#### **CORRECTION TO RESOLUTION APPOINTING CHIEF FINANCIAL OFFICER**

Mr. Gucci made a motion to correct the end of the CFO's term to August 31, 2016. Ms. Scheidt seconded the motion and all voted in favor.

Mr. Pollakusky made a motion to close the meeting at 9:45 A.M. The motion was seconded by Mr. Gucci and unanimously approved.

*The next IDA meeting is scheduled for Wednesday, April 20, 2016.*