

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

APRIL 20, 2016

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

EXCUSED MEMBERS: Scott Middleton

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
Terri Alkon, Assistant
Jocelyn Linse, Assistant
Todd Shapiro, Todd Shapiro Associates
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 8:04 A.M. on Wednesday, April 20, 2016, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF MARCH 24, 2016

The Minutes of the March 24, 2016 IDA meeting and Joint Audit Committee 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.

TODD SHAPIRO ASSOCIATES PRESENTATION

The Agency has retained Todd Shapiro Associates for public relations and marketing efforts for approximately two years. Mr. Shapiro detailed the experience he and Alan Wax have in this field.

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Mr. Kelly joined the meeting at 8:08 A.M.

Ideas for marketing the IDA include increasing our social media presence, a weekly radio show, a golf outing and hosting a Brookhaven 101 seminar that would include presentations and a tour of our projects. Focusing on areas like Queens where rents have increased substantially was also discussed. Mr. Braun noted that the majority of our activity comes from attorneys and real estate agents. The Brookhaven 101 seminar could help educate the local brokers on how the IDA can help their clients.

A quarterly electronic newsletter was also mentioned; Mr. Braun suggested participating in the NYSEDC weekly update as an alternative option. Mr. Pollakusky requested tear sheets of all print, digital, radio, television and web video that was actually placed in 2015. Mr. Shapiro said that news items are blasted out to publications online. Mr. Wax added that virtually all releases are picked up by Real Estate Weekly, LIBN and Newsday. Mr. Pollakusky clarified that he is looking to see the earned media from the money spent on marketing, as well as a tactical plan to target new projects.

At 8:40 A.M. the presentation ended and Mr. Shapiro left the meeting.

CFO'S REPORT

Mr. Ryan presented the Operating statement for March 31, 2016. A transfer was made in error to the Ronkonkoma Hub account which was reversed in April. Expenses for the month included audit fees. A treasury note matured and a transfer was made from the money market account to Greco Investments to purchase two additional notes. Mr. Ryan informed the Members that he has been unable to access the Greco account online since January; he has a call scheduled with a representative from Greco later this morning.

Mr. Ryan explained how the Ronkonkoma Hub escrow account is set up and the chain of approvals before an invoice is paid. The PILOT account holds only interest and the

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initial investment. Amended operating statements for January and February were distributed to correct a few errors.

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

PENN FABRICATORS – FINAL AUTHORIZING RESOLUTION

Ms. Mulligan presented the final authorizing resolution for Penn Fabricators, a manufacturer of granite countertops and wall cladding. Penn will be constructing a new 30,000 square foot facility on 3 acres on Platinum Court in Medford at a cost estimated to be between \$3.6 to \$4 million dollars. A public hearing was held on April 19, 2016 with no comments received.

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

ANHEUSER BUSCH / BLUE POINT BREWERY – APPLICATION

Mr. Gross informed the Board that he represents the land owner of where Blue Point Brewery is currently located. Mr. Weir will be representing the Agency on this project. Ms. Mulligan explained that Blue Point Brewery is still deciding if they will stay at their River Avenue location in Patchogue or move to the Briarcliffe building. This application is based on a move to the Briarcliffe building. The project is expected to cost approximately \$35 million dollars and would expand Patchogue's downtown area to the west. Blue Point currently produces 10,000 barrels of beer annually; this expansion would increase the amount to 60,000 barrels annually. They have 37 employees now and anticipate they would hire 25 to 30 more. The building, that looks much like their facility in St. Louis, would need to be retrofitted to fit the vats. A second building may also be constructed for a tasting room. Flo's Diner is currently on the site and may remain.

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For the record, Mr. Braun noted that Island Outreach, which is owned by the Knapp family, owns the Briarcliffe building. Mr. Braun and Mr. Grucci both serve on the Board of Directors with Michelle Knapp at Brookhaven Memorial Hospital.

Discussion continued on the possible retail component of this project. As long as the retail portion is less than one third of the total project cost, the Agency can support it. If it is over one third the retail portion can be carved out. This project would also fall under the Adaptive Re-Use Policy so the current assessment would be reviewed, adjusted if necessary and generally a 50% reduction would be applied.

The motion to accept this application was made by Mr. Kelly and seconded by Mr. Grucci. All were in favor. It was stressed that no benefits are currently being offered, the Board is only accepting the application.

CEO'S REPORT

Long Island Business Development Council (LIBDC) Luncheon

This year's IDA sponsored LIBDC meeting topic will be about the Arboretum project. While this is not an IDA project it is a very exciting redevelopment for the Town. The date and location have not yet been finalized but speakers are hoped to include Councilman LaValle, Mr. Kelly and Mike Wentz of the Farmingville Chamber of Commerce.

Tombstone Ad

The annual tombstone ad of projects completed in 2016 ran in the March 25th edition of the Long Island Business News. Both this year's and last year's ads will be framed and displayed in the IDA offices.

Minimum Wage

Ms. Mulligan recently attended a meeting at FramERICA with Senator Croci about the new minimum wage increase. The current state minimum wage is \$9 per hour; the federal

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minimum wage is \$7.25. Nassau, Suffolk and Westchester counties will increase to \$10 at the end of 2016, then \$1 per year until it reaches \$15 by 2021. The State will perform an analysis of the impact of this increase in 2019.

Framerica is concerned that they can't compete with a company outside New York with this increased cost. Their argument is that if an industry such as fast food establishments is all subject to this increase; it will impact all of them equally. A manufacturer in New York will be at a disadvantage to manufacturers in other states and countries that don't have such high labor costs. Framerica has cancelled plans to install solar panels on their roof since they are not sure if their company will stay in New York. Ms. Mulligan noted that this also means that employees earning \$12 per hour now will also have to be increased to a rate over \$15 an hour so they are not making the same amount as a new employee.

The PILOT for Framerica was extended a few years ago but it is scheduled to increase substantially in 2018. Mr. Braun requested a chart that shows their current employee wages and the impact expected over the next two years. Senator Croci has expressed plans on putting together a bill that would carve manufacturers out of the minimum wage increase so they can compete in the global market.

At 9:34 A.M. Mr. Grucci 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 9:48 A.M. Mr. Grucci made a motion to return to the regular agenda. The motion was seconded by Mr. Kelly and all were in favor.

Mr. Grucci made a motion to amend organizational resolutions #1, #2, #4 and #5. The motion was seconded by Ms. Scheidt and unanimously approved.

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At 9:50 A.M., Mr. Grucci made a motion to close the IDA meeting. Ms. Scheidt seconded this motion and all voted in favor.

The next IDA meeting is scheduled for Wednesday, May 11, 2016.