

TOWN OF BROOKHAVEN  
**INDUSTRIAL DEVELOPMENT AGENCY**

MEETING MINUTES

MAY 11, 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  
James M. Tullo, Deputy Director  
Annette Eaderesto, Counsel  
William Weir, Nixon Peabody, LLP  
Howard Gross, Weinberg, Gross & Pergament  
Jocelyn Linse, Assistant  
Terri Alkon, Assistant  
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 7:59 A.M., on Wednesday, May 11, 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 APRIL 20, 2016**

The Minutes of April 20, 2016 were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Mr. Callahan. All were in favor.

**CFO'S REPORT**

Mr. Ryan presented the Operating Statement for April 30, 2016. There was a total of \$37,706.08 in deposits made to the operating account. Expenses included a payment to the Internal Revenue Service; the accountant is in the process of sorting out this issue.

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Mr. Ryan is now able to view the Greco investment account online; a treasury note matured.

Mr. Kelly joined the meeting at 8:02 A.M.

Quality King paid their second-half PILOT payment which will be disbursed this month. Aside from this payment, the PILOT account holds only interest and the initial investment. This payment was not included in the report; Mr. Ryan will correct it next month. An expense was paid for the Ronkonkoma Hub out of the escrow account. Mr. Braun requested that Mr. Ryan order checks for this account so all payments and deposits will be separate from Agency funds.

The motion to accept the Operating Statement for April was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

### **PRESENTATION ON CHANGES TO GENERAL MUNICIPAL LAW**

Mr. Weir detailed the recent changes to New York State General Municipal Law meant to standardize practices of all IDAs. Most of the new requirements are already in place at the Town of Brookhaven IDA and have been for some time. All of the IDAs on Long Island have met to review drafts of the new application and policies that meet the new requirements. Changes to the application include more detail on estimated capital costs and projected full-time equivalent employees (FTEs), both created and retained and assigns them into categories: salaried, hourly, commissioned and contract employees. Applicants must also certify that the project would not be completed without the IDA's assistance, and, if moving within the state, that the move is necessary to preserve a competitive position. The applicant will also have to certify that they are in compliance with all taxes and worker protection laws under the penalty of perjury. These changes are effective June 15, 2016; they are for discussion and review today. The changes will be adopted at the next meeting.

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A Uniform Project Evaluation Criteria Policy is also required. Mr. Weir explained that it is difficult to create a policy that would cover all projects; solar projects for example don't create many permanent jobs, but have other benefits to the community. A Termination and Recapture Policy is a new requirement, which we already have in our agreements. Benefits being granted to the applicant need to be spelled out more. The Agency has moved to set PILOT amounts but since each jurisdiction must get their pro rata share, the amounts for each jurisdiction can change every year. If benefits are recaptured they must be distributed to the appropriate taxing jurisdictions. Recapturing benefits are still at the Board's discretion.

An annual assessment of project compliance is necessary; this is already done with the annual report. The CEO of the taxing jurisdiction (ie Town Supervisor or City Mayor) that an applicant is leaving is to be notified when a company is relocating prior to final IDA Board approval. Applicants will be required to initial all of these policies when they complete their application. Mr. Weir reiterated that most of these new requirements are already in place at the Town of Brookhaven IDA.

Mr. Braun thanked Mr. Weir for all of his work in connection with these legislative changes. Drafts of the application and policies will be e-mailed to the Members so they can fully review them prior to adoption at next month's meeting.

#### **APPLICATION – FRANK LOWE SUBTENANT**

Frank Lowe has been an IDA project for some time and has had subtenants in the building before. Luitpold Pharmaceuticals, a former IDA project, is their proposed subtenant.

The motion to approve Luitpold as a subtenant in the Frank Lowe facility was made by Ms. Scheidt, seconded by Mr. Grucci and unanimously approved.

At 8:52 A.M., Mr. Braun excused himself from the meeting to attend to other matters. Mr. Grucci presided over the meeting in Mr. Braun's place.

## **CEO'S REPORT**

### Rail Realty Sales Tax Extension

Ms. Mulligan informed the Board that this apartment building project is taking longer to complete than anticipated. The second phase of construction has yet to begin and they have requested an additional year on their sales tax extension. No additional allocation is needed, only time.

The motion to approve extending the sales tax exemption for Rail Realty was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

### NYS Minimum Wage Increase

Ms. Mulligan received more information from Frameric about the impact they will face with the minimum wage increase. The figures they provided do not include all of the employees currently earning \$10 to \$15 per hour who would also be increased so they would earn more than a new hire. Frameric has expressed that they are seriously considering leaving Long Island. They have 47 local vendors that would also be impacted by the increased minimum wage, but would also be impacted if Frameric left. A solar panel project planned for the roof of their facility has already been canceled since it would take 10 years to realize any savings from it. Nothing specific has been requested in terms of assistance.

Frameric has 184 employees which is roughly 70% of the 225 jobs they promised. The Members requested a breakdown of how these increased wage numbers were determined. Ms. Mulligan will go back to the company for more information.

Ms. Scheidt invited the Members to attend a showcase of incubator tenants at CEWIT on June 2<sup>nd</sup>.

### Special Meeting

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A special meeting is necessary for the Board to vote on the Invenergy project. This meeting will be held on June 8<sup>th</sup> at 12:00 and will replace the regularly scheduled meeting of June 15<sup>th</sup>.

Ms. Scheidt made a motion to close the IDA meeting at 9:09 A.M. The motion was seconded by Mr. Callahan and unanimously approved.

*The next IDA meeting is scheduled for **Wednesday, June 8, 2016.***