

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JULY 27, 2016

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Michael Kelly
Scott Middleton
Gary Pollakusky

EXCUSED MEMBER: Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Terri Alkon, Assistant
Jocelyn Linse, Assistant
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 8:05 A.M. on Wednesday, July 27, 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 JUNE 8, 2016

The Minutes of June 8, 2016 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 Mr. Pollakusky. All were in favor.

FINANCIAL REPORT

Ms. Mulligan presented the Operating Statement for June 30, 2016. Agency staff has compiled this report as a new Chief Financial Officer has not yet been hired. There were a number of deposits including two from the US Treasury that are related to an overpayment made at the end of 2015. Bank fees were refunded for the month and the usual expenses were noted along with a new expense from Shelter Point Life Insurance, which was approved at the last meeting. Mr.

IDA Meeting
July 27, 2016

Braun suggested asking our auditor to perform a six-month review if a new CFO is not in place soon. A treasury note matured in June, and there have been no investments made since early June. Mr. Braun suggested \$5,000 as an estimated cost to have a six-month review completed. Mr. Grucci made a motion to approve this expense. The motion was seconded by Mr. Callahan and all were in favor. At Mr. Grucci's suggestion, the LDC will receive a similar review.

Numerous PILOT disbursements have been made; the final disbursement for 2015-2016 was done two weeks ago. The Holtsville Fire District never deposited their check from a prior disbursement; it has been resent. There has been no activity in the Ronkonkoma Hub account. Tritec has said they will be sending a check to replenish the escrow account. Tritec believes a double payment was made for legal fees; this matter will be corrected. All invoices that are paid out of this account are approved by Tritec.

The motion to accept the Operating Statement for June was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

AMNEAL PHARMACEUTICALS – SALES TAX EXTENSION RESOLUTION

This project that began approximately five years ago is close to completion, but has requested an additional sales tax exemption on \$40 million dollars of purchases. A public hearing was held with one person in attendance but without comment. Also included in this resolution are changes to the project description; the area where they will conduct hormonal research is not in a separate building, it has been incorporated into the floor plan of the facility.

Ms. Mulligan, Mr. Tullo and Supervisor Romaine met with Amneal recently about their future plans involving the additional 20 acres they own south of the facility. Their job creation numbers are substantially above what they promised, and they are moving their administrative offices to Yaphank from Hauppauge.

The motion to approve the resolution for Amneal Pharmaceuticals was made by Mr. Grucci and seconded by Mr. Kelly. All were in favor.

FOUR KEYS – AUTHORIZING RESOLUTION

A public hearing was held for this project with no comments or participants. It is hoped that this project, involving the relocation of companies from the Ronkonkoma Hub area, will close quickly. Four Keys is the real estate holding company, United Fence and Guard Rail is the operating company, and Master-Halco will be a subtenant. The new 25,000 square foot facility will be located on the corner of Horseblock Road and Zorn Boulevard in Yaphank. The financing for this project is going through First National Bank of Long Island.

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

FRAMERICA – PILOT EXTENSION

Framerica approached the Agency for additional assistance when New York State increased the minimum wage. The Board decided to extend their PILOT Agreement for five years at full abatement; it will then increase at 20% intervals for the next five years. Their PILOT will end in 2025/2026. A public hearing was held with a representative from the school district in attendance; however, he provided no comment.

The motion to approve the resolution extending the PILOT for Framerica was made by Mr. Grucci and seconded by Mr. Kelly. All were in favor.

UNCLE WALLY’S – PILOT EXTENSION

Uncle Wally’s also approached the Agency for additional assistance when New York State increased the minimum wage. The Board decided to extend their PILOT Agreement for five years at full abatement; it will then increase at 20% intervals for the next five years. Their PILOT will end in 2025/2026. A public hearing was held with no one in attendance.

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

IDA Meeting
July 27, 2016

The Board's consideration of these PILOT extensions is as a result of the New York State minimum wage increase and the threat of these businesses moving out of New York.

CEO'S REPORT

Closings

Ms. Mulligan informed the Members that the documents for Invenergy's closing have been signed, and that it is hoped that the two American Capital Energy projects and the Ronkonkoma Hub project will close in the next month.

Long Island Business Development Council (LIBDC) – Montauk Conference

The annual LIBDC conference will be held September 21 – 23, 2016 at the Montauk Yacht Club. The Agency sponsored this conference last year at the gold level at a cost of \$3,500. Mr. Kelly made a motion to continue sponsoring this event at the same level this year. Mr. Callahan seconded this motion and all voted in favor.

Authority Budget Office Report

The Authority Budget Office released their report which utilizes data entered into the PARIS reporting system. Some of the information on our IDA and LDC reports appears inaccurate, but our cost per job created is generally low.

Project Updates

The September IDA meeting may be held at Wincoram where people have begun to move into this multi-phase project. Mr. Tullo recently attended a ribbon cutting at Meadows at Yaphank as well as the grand opening of Rail Realty with Mr. Braun. All units have already been rented at Rail Realty and the foundation is in for the second building. Steel is going up at the D & F Patchogue site.

October Meeting

The Town of Brookhaven Building Business in Brookhaven Expo is scheduled for the evening of October 18, 2016, the day before the October IDA meeting, creating a hardship for staff. The

IDA Meeting
July 27, 2016

Board agreed to move the October 19th meeting to 12:00 P.M. from 7:45 A.M. to accommodate for the late night.

At 8:43 A.M., Mr. Callahan made a motion to enter executive session to discuss proposed, pending or current litigation. Mr. Kelly seconded this motion which was unanimously approved.

At 9:00 A.M., Mr. Callahan excused himself from the meeting.

At 9:05 A.M., Mr. Middleton made a motion to return to the regular agenda and close the IDA meeting. Mr. Grucci seconded this motion and all voted in favor.

The next IDA meeting is scheduled for Wednesday, August 17, 2016.