

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MONDAY, JANUARY 11, 2010

MEMBERS PRESENT: Frederick C. Braun
Vincent R. O’Leary
Ann-Marie Scheidt
Peter G. Moloney
John Rose

EXCUSED MEMBERS: Ron LaVita
Joseph R. Kessel, Jr.

ALSO PRESENT: Lisa M. Giannusa, CEO
James Ryan, CFO
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament LLP
Kathleen Walsh, Town Councilwoman (8:50 A.M.)

Chairman Braun opened the meeting at 8:08 A.M. on Monday, January 11, 2010 at Brookhaven Town Hall, One Independence Hill, Farmingville, NY in the Town Council Work Session Room on the Third Floor.

MINUTES OF NOVEMBER 16, 2009

One sentence on Page 2 was asked to be deleted, under Insurance Matters of the Agency. The motion to approve these Minutes was made by Ms. Scheidt, seconded by Mr. Rose, and unanimously approved.

TREASURER’S REPORT

Mr. O’Leary spoke about his letter of January 4th to Assemblyman Michael J. Fitzpatrick asking for his assistance in establishing the IDA’s scholarship programs. He is also sending a letter to State Senator Brian X. Foley thanking him for his co-sponsorship of this Bill. If this Bill passes, Mr. O’Leary said it will provide much needed benefits for the young people in the Town of Brookhaven.

Mr. O’Leary then asked about the status of the repayment of money owed the IDA by the Parr Organization as per the Industrial Access Program Agreement. IDA CFO, Jim Ryan, included in

the members' packets the letter he is sending to Ron Parr with the enclosed schedule from the State with repayment amounts. This letter and enclosure will be sent out shortly by Certified Mail. Mr. Ryan explained the payment arrangements agreed to earlier.

Mr. O'Leary had requested a Cash Flow Statement at the last meeting and Mr. Ryan presented it. Mr. O'Leary mentioned that Capital One Bank is offering 1 ½% on Savings Accounts and encouraged the IDA to look into it. However, we are about to move monies from our accounts at Bank of America into the Suffolk County National Bank. Once all the documents and signature cards are received and copies of drivers' licenses are provided by the IDA members, the transfer of funds will be finalized.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for November and a Preliminary Statement for December 2009. Once he receives the bank statements, he will finalize December's Statement for the next meeting.

There followed a discussion on PILOT bill amounts and how they are pegged to the number of jobs. Mr. Ryan explained that some projects' Annual Report information showed fewer jobs than required by the PILOT Agreements. Instead of changing bill amounts for this year, Mr. Braun suggested that a letter be sent requesting current job levels and then making adjustments in their PILOT bills for the next tax lien year. It was felt that forewarning these companies would be a fair way to handle any adjustments that may need to be made to their PILOTs.

The Khosla/Warwick PILOT issue was discussed at length. Khosla's operation has closed, but they still have an active PILOT. Mr. Ryan said that their Assessed Value will be increased based on the PILOT Agreement and the fact that jobs were not created, as neither Warwick Industries or Twin Panes ever occupied the building. It is now just a real estate investment for rental purposes. Mr. Braun suggested conveying the property back to Khosla.

The motion to approve the Khosla increase in their Assessed Value was made by Mr. Moloney, seconded by Mr. Rose, and unanimously approved.

A motion to accept the Treasurer's and CFO's reports was made by Ms. Scheidt, seconded by Mr. Moloney, and unanimously accepted.

At this point, Mr. O’Leary read the resolution to be presented to Yves R. Michel acknowledging his efforts and accomplishments while working with the IDA. The motion to approve this Resolution was made gladly by Mr. Moloney, seconded by Ms. Scheidt, and unanimously approved. Mentioned at this time was the celebration for Mr. Michel this Friday evening at the South Shore Restaurant.

CEO’S REPORT

Ms. Giannusa asked Mr. Gross, who is representing this company, to present the following resolution:

SPLICE TECHNOLOGIES/AUTERI PROPERTIES – AUTHORIZING RESOLUTION

This company’s application was approved five or six months ago and a Public Hearing will take place at 9:00 A.M. this morning. This company deals in fiberoptics and is considered a good quality small operation. Ms. Eaderesto discussed the letter sent by Attorney Richard Nolan who objects to tax abatements adversely affecting fire and ambulance districts and this project is in the Manorville Fire District, which he is representing. Mr. Nolan included a FOIL request, citing #858 of the General Municipal Law, which Ms. Eaderesto explained. She has responded to Mr. Nolan’s concerns. Ms. Eaderesto said that Mr. Nolan is against any deviations in the Uniform Tax Exemption Policy and she added that our PILOTs are still being reviewed with our Governance Committee.

There were no objections voiced at the Public Hearing and the motion to approve the Authorizing Resolution for Splice Technologies was made by Mr. Moloney, seconded by Ms. Scheidt, and unanimously approved.

Ms. Giannusa listed the Project Closings that have recently taken place, and she followed this with the potential IDA project: Country View Estates in Ridge. This would be an affordable and subsidized complex. She stated that rentals would be capped for 15 years. Mr. Ryan said that he would have to tax them on what is actually paid, the reduced rent, and not on actual worth. Mr. O’Leary added that this is quite similar to the Woodcrest project. Ms. Eaderesto compared it to the Art Space project in Patchogue where the Town Board handled the exemptions, leaving the

IDA out of it. Ms. Giannusa will set up a conference call to discuss this project and the #577, or 581A, exemptions and will bring those results back to the Board.

Ms. Giannusa then opened a discussion for the Recovery Zone Bond Program. Mr. Braun explained that bonds allocated under the program must be issued by December 31, 2010. There was also an explanatory memo in the packets. The purpose of this program would be to assist those projects in economically depressed zones as designated by the Town Board; there are seventeen (17) such zones where these projects would have to be located. There is an allocation of \$27 million for private activity (IDA bonds) and the Town has \$17-18 million of economic recovery bonds for allocation within communities as previously designated by the Town Board. Mr. Braun was concerned that there was no mention about the number of jobs which is important to the IDA, whether they are retained or to be created. Bill Weir was on the conference call with others regarding this National Recovery Program. Ms. Giannusa will start contacting those projects that might be good candidates, some of which have already been approved by the Planning Board or any existing projects in the Zone. Ms. Giannusa will provide the members with an updated list of the 17 designated areas.

Also discussed was the upcoming Albany Conference on January 19-20. Messrs. Braun, Ryan and Ms. Giannusa will be attending for PAAA training and the IDA conference.

Ms. Giannusa discussed the Mapping Project and the Website update. She included in the packets a page from the IDA website which she thought was embarrassingly outdated. She would like to hire someone to perform the necessary data entry. Councilwoman Walsh suggested we contact the Webmaster in our IT Department. Ms. Giannusa explained that she already did contact IT, but they cannot access the IDA portion of the website, only the Town's.

She then informed the members of the addition of Jim Morgo to the Division of Economic Development. All were pleased that he would be with the Town beginning on January 25, 2010.

Ms. Scheidt said that the Governance Committee meeting would be scheduled after the Albany trip and before the next meeting. No dates were determined.

The motion to go into Executive Session at 9:20 A.M. was made by Mr. O'Leary, seconded by Mr. Rose, and unanimously approved.

(Finalized Organizational Resolutions for 2010 will be filed in the Office of Economic Development.)