

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

AUGUST 21, 2013

MEMBERS PRESENT: Frederick C. Braun, III
Gasper C. Celauro
Felix J. Grucci, Jr.
Ronald J. LaVita
Peter G. Moloney
John Rose
Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer (via conference call)
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, IDA Counsel
William Weir, Nixon Peabody, LLP (via conference call)
Jocelyn Brinka, Assistant
Annmarie Hallock, Assistant
Todd Shapiro, Todd S. Shapiro Associates, Inc.
Marla Massey, Todd S. Shapiro Associates, Inc.
Alan J. Wax, Wax Words, Inc.
John Callegari, Long Island Business News

Chairman Braun opened the meeting at 8:08 A.M. on Wednesday, August 21, 2013, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

MEETING MINUTES OF JULY 17, 2013

The Minutes of July 17, 2013 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. Moloney. All were in favor.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for July 31, 2013. An application fee for Island Aire was deposited. A bank transfer was made from the PILOT account to the operating account for an administrative fee that was paid along with Drive Train's final 2012-2013 PILOT payment. Mr. Ryan informed the Board that he will be transferring \$100,000 from the LPL

account to the money market account to bolster the operating account. All projects have paid their PILOT bills in full and all disbursements have been made.

Mr. Braun inquired about the lack of investments recently; Mr. Ryan responded that since the operating account is running rather low, he elected to hold off until the end of the month. He will purchase two treasury notes and make the transfer mentioned earlier to the money market account. ****Subsequent to this meeting Mr. Ryan learned the interest rate in the LPL account is 1% while the interest rate for treasury notes is currently .25%. Funds will remain in the LPL account.**

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

Mr. Grucci noted that a number of years ago the IDA embarked on an aggressive ad campaign to assist the staff in bringing new business to the Town, and asked if the Board would consider re-engaging in a marketing campaign involving radio, television and print advertisements. Mr. Braun replied that there will be an update from Todd Shapiro & Associates, the recently hired public relations firm, later on in the meeting.

INSURANCE PROPOSAL

Mr. Ryan informed the Members that the Agency insurance policies are up for renewal. The policies consist of a Directors and Officers policy for \$5 million with excess liability of \$5 million, an umbrella policy, a commercial package policy and automobile insurance. The cost for renewal of all of these policies is \$21,490. Premiums have increased by roughly \$932 from last year and Mr. Ryan added that paying for these policies in full up front avoids paying any finance charges. While payment has not been made on these policies yet, Mr. Ryan has had Industrial Coverage Corporation (the insurance broker) bind them since the coverage would have lapsed prior to today's meeting.

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

MELCONIAN ENTERPRISES – SUBTENANT APPLICATION

Mr. Tullo presented the application on behalf of Melconian Enterprises that seeks permission to sublease half of their 13,000 square foot building to an organization that assists individuals that have experienced head trauma. A \$750 application fee is still required for this request. Ms. Mulligan provided some further background on this application: this is a well established subtenant who moved into the building without the IDA's knowledge and has not provided insurance covering the Agency. Melconian is technically in breach of contract and their abatement is expected to end this December.

It was the determination of the Board a few months ago when initially alerted of this tenant, to allow the abatement to end as planned. Melconian has now asked if an extension of benefits would be entertained since there are so many more employees in the building. Ms. Mulligan has informed them that no extension would be considered until the subtenant application was submitted and insurance certificates were provided.

The motion to accept the subtenant application was made by Ms. Scheidt, seconded by Mr. Moloney and unanimously approved.

Melconian Enterprises must still pay the \$750 application fee and provide the required insurance documentation. This motion does not offer any extension of benefits. Mr. Gross will be asked to draft the proper agreements for this subtenant.

CEO'S / DEPUTY DIRECTOR REPORT

Luitpold Pharmaceuticals – Road Dedication

Ms. Eaderesto explained that authorization is required to allow the Agency to sign off on a road dedication for Luitpold Pharmaceuticals. The Town is requiring the road to be widened as a condition of Luitpold's 90,000 square foot expansion.

The motion authorizing Mr. Tullo to execute this document was made by Mr. Rose and seconded by Mr. LaVita. All were in favor.

Quality King – Extension of Benefits

Mr. Tullo informed the Board that he recently spoke with Garrett Gray, the attorney representing Quality King Distributors (QKD). The Board offered QKD an extension of benefits at last month's meeting for five years on a declining scale of 20% per year, pending they provide the necessary employment information. The Agency has received the requested information but QKD is now requesting five years of property tax exemptions at 100% and an additional five years on a declining scale. QKD has also yet to close on the office space conversion. It was the determination of the Board that there will be no further negotiations and the original offer stands.

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

DiCarlo Distributors – Solar Panels

DiCarlo Distributors has sent a letter expressing their desire to install solar panels on the roof of their facility. DiCarlo has not requested benefits for this project; they are simply looking for approval.

The motion to approve this request was made by Mr. Celauro and seconded by Mr. Rose. All were in favor.

Intercounty – Update

Intercounty Appliance should close in mid-September. Construction is ongoing.

Maharam Fabric

Mr. Tullo has spoken with Michael Caputo of Maharam Fabric, an IDA project in Yaphank. Maharam sold their business to Herman Miller. The same people are in the building and still retain ownership of the building. Ms. Mulligan added that there were discussions with Maharam roughly 4 months ago about this sale but the information on Herman Miller was not provided to the Agency. Mr. Tullo will follow up with Mr. Weir on this matter. Mr. Braun noted that the new owners need to be informed of the clawback provision if any existing jobs are cut back.

Caithness

Caithness was recently selected by the Long Island Power Authority (LIPA) to construct the new 702 megawatt power plant in Yaphank. Mr. Tullo met with Ross Ain, the CEO of Caithness, a few weeks ago and an IDA application is expected at some point. Mr. Braun noted that more gas will be needed to power the new plant. It is hoped that Mr. Ryan will be able to work on the PILOT Agreement before his expected retirement at the end of this year.

Spirit Pharmaceuticals

Mr. Tullo met with representatives of this generic drug manufacturer that is located in Centereach with a distribution facility in Islip. Spirit is considering relocating one of their out-of-state operations to the Yaphank area. Ms. Scheidt added that the Bio-Technology Center at Stony Brook could possibly be of assistance to this company at some point.

Freedom of Information (FOIL) Request – South Shore Press

The South Shore Press has submitted a FOIL request regarding the Agency's publication of legal notices in Newsday. Ms. Eaderesto will take care of this matter.

At 8:46 A.M. Mr. Rose made a motion to go into Executive Session to discuss personnel related matters. This motion was seconded by Ms. Scheidt and unanimously approved.

At 9:08 A.M., Ms. Scheidt made a motion to return to the normal agenda. This motion was seconded by Mr. Rose and unanimously approved. No action was taken during Executive Session.

PRESENTATION BY ALAN WAX ON BEHALF OF TODD SHAPIRO ASSOCIATES

Mr. Wax provided an update on recent publicity the IDA and LDC have received. The recent LDC closing on the Mather project was reported on by Newsday, the Long Island Business News and a weekly Port Jefferson paper. A group photo of the Board will be taken at the September meeting for the newly created Facebook page. Twitter and Instagram accounts are also being created. JVC Broadcasting has offered the IDA a spot on a half hour radio show to discuss business in the Town and an Open House is also being considered to help bring in attorneys and the real estate community. Mr. Wax will look into a panel on IDAs being hosted by The Long

Island Real Estate Group, and suggested the Agency join the Commercial Industrial Brokers Society (CIBS).

Mr. Braun brought up the topic of a television commercial; Ms. Mulligan informed the Board that the BBAC is currently producing a commercial that will run on channel 18, perhaps this could be aired on other stations? A line will be added to the IDA application asking how the applicant heard of the IDA. Google Analytics will also be used to track visitors to the IDA website.

The motion to close the meeting at 9:23 A.M. was made by Mr. Grucci and seconded by Mr. Rose. All were in favor.

The next IDA meeting is scheduled for Wednesday, September 18, 2013.