

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

OCTOBER 17, 2012

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

EXCUSED MEMBER: Joseph R. Kessel, Jr.

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
Yves R. Michel, Deputy Director
James M. Tullo, Deputy Director
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody (via conference call)
Jocelyn Brinka, IDA Assistant
Annmarie Hallock, IDA Assistant

INVITED GUESTS: Marianne Garvin, Community Development Corp. of Long Island
Frank Davis, Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana

Chairman Braun called the meeting to order at 7:55 A.M. on Wednesday, October 17, 2012 in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

MEETING MINUTES OF SEPTEMBER 19, 2012

The Minutes of September 19, 2012 had previously been sent to the Members for review. The motion to approve these Minutes as presented was made by Ms. Scheidt and seconded by Mr. Rose. All were in favor.

CFO'S REPORT

Mr. Ryan presented the Operating Statement for September 30, 2012. There was a \$2,000 application fee from Quality King and payments for renewals of various insurance policies made. Rent to the Town of Brookhaven was also paid for the past several months. Mr. LaVita inquired about the crime package policy. Mr. Ryan explained that the Agency purchases the 3-year policy since that is the most

cost-effective. Ms. Mulligan added that Drive Train made a \$5,000 payment toward the balance of their 2011-2012 PILOT. They still owe roughly \$5,000.

The motion to accept the Operating Statement for September was made by Mr. LaVita, seconded by Mr. Moloney and unanimously approved.

Mr. Braun requested that Mr. Ryan clarify the details of the crime policy for the next meeting.

WINCORAM COMMONS – PRESENTATION

Mr. Braun invited Marianne Garvin and Frank Davis to speak about the details of this project. This mixed-use three phase project to re-develop the blighted former United Artist Movie Theater on Route 112 in Coram has received a lot of support from the surrounding community. It involves a blend of residential (176 workforce rental units), commercial and retail development. Ms. Garvin noted that the 5-year Strategic Plan for this area called for more workforce rental housing and that this is a Smart Growth, transit-oriented development with a walk-able design. The sewage treatment plant at nearby Bretton Woods will be expanded to accommodate this new development for which approvals from the Suffolk County Departments of Public Works and Health are already in place, as well as approval of the Wetlands Mitigation Plan from the NYS Department of Environmental Conservation. This site is a challenge since it is surrounded by wetlands and partially hidden from view of major roads. There will be a connector road constructed to help alleviate traffic pressure and also to create a Main Street. The present access point on Route 25 will be closed and more wetlands will be created in that location. Wincoram Commons will also be connected to nearby Avalon Bay, a luxury apartment community.

Ms. Garvin detailed the three phases of this project: the first being infrastructure and 98 residential units, the second phase is 78 additional units and the third phase is 13,300 square feet of retail space. Ms. Garvin also explained the relationship between her not-for-profit organization, Community Development Corp. of Long Island (CDC), and their partner, Conifer Realty, a for-profit company and the different projects they have completed across Long Island. Since a for-profit company is involved Wincoram has applied to the IDA rather than the LDC. A new limited liability company will be formed that will own this project. Mr. LaVita inquired of the impact on existing local retail businesses to an area where there are already vacant businesses. Ms. Garvin replied that the initial study for this project called for 50,000 square feet of retail space and has been pared down. The 13,300 square feet will be smaller community types of stores such as coffee shops which will not compete with the larger retailers in the area. Conifer Realty will hold the financial responsibility for the retail portion.

Ms. Garvin explained the way the rents will be structured to keep them affordable, as well as how any profits are made involving various tax credits. In response to Mr. Rose's question about any environmental impact due to the new density, Ms. Garvin informed the Board that they have received preliminary approvals from Suffolk County Planning Commission and the Town of Brookhaven Planning Board. There are also two acres of Pine Barrens on site which will be left undisturbed. Different potential benefits were discussed including a 20-year fixed amount PILOT and exemptions from sales and mortgage recording taxes. Mr. Michel added that the taxes on the land now are roughly \$30,000. Ms. Eaderesto noted that the Town owns the pond that is on the property. Mr. Tullo inquired if the access road will have vehicles enter on Route 112 and egress off onto Route 25 and if there are any pre-construction leases for the retail component. Ms. Garvin responded that yes, the ingress and egress will follow that route and there are no national retailers in contract. Retail leases will begin after the groundbreaking.

Ms. Garvin responded to various questions about income requirements for the affordable housing apartments (up to 90% of the median income) and any impact to the school district (studies have shown these developments do not tend to generate as many additional school enrollments as assumed). Ms. Mulligan requested that Ms. Garvin clearly outline the relationship between all the entities involved in their final application. At 8:37 A.M., Ms. Garvin and Mr. Davis were thanked for their presentation and excused from the meeting. Mr. Braun informed the Members that he is the Chairman of the CDC Advisory Committee. Ms. Scheidt sits on the CDC's Board of Directors and will recuse herself from any votes on this project.

SUFFOLK TRANSPORTATION SERVICES (STS) – APPLICATION

Ms. Mulligan presented the application for Suffolk Transportation Services (STS) noting that the Agency only received the application the afternoon before and that it has not yet been reviewed by Mr. Gross. Mr. Tullo performed the cost benefit analysis for this potential project and explained the details of their proposed relocation. STS has purchased 7 acres on Route 112 in Coram that was previously used by United Bus Corp. The company plans to build a 20,000 square foot facility and add up to 150 more employees to their already 100 employee workforce. These would be new jobs as they are keeping their other locations active. STS operates para-transit buses, public transit buses, most school buses in the Town of Brookhaven, as well as some other school districts in Suffolk County. This would be the hub for their transportation operations. Mr. Braun added that he has reviewed the financials for STS and they are quite fiscally sound. This \$9.5 million dollar project involves

demolishing the two existing buildings on site, and currently there will be no mortgage recording tax exemption since the company owns the property outright and no financing is anticipated. Ms. Mulligan interjected that STS has already purchased this property and started the Town of Brookhaven approval process but has not broken ground yet. Mr. Gross also noted that \$3 million dollars of the equipment cost is for buses, and we do not grant sales tax exemptions for motor vehicles. There was discussion on how the PILOT could be set up since it is the intention of STS to erect the new 20,000 square foot building before the other two structures (2,500 sq. ft. and 5,000 sq. ft.) are demolished. Since this would most likely take place after March 1st, there may be an exemption on the current buildings. A new fueling station will be part of this project. The Board directed that a Phase One Environmental Review be completed, if any issues are found, a Phase Two will be required. Mr. Braun added that special environmental insurance would be required due to this fueling station.

The motion to accept the application was made by Mr. Moloney and seconded by Mr. Celauro. All were in favor.

CEO'S REPORT

Precision International

Ms. Mulligan reminded the Members that Precision International recently installed solar panels on the roof of their facility. They are now seeking approval to construct a roughly 6,000 square foot mezzanine space. They are not requesting a sales tax exemption, only the approval to perform the construction.

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

Suffolk County IDA (SCIDA)

Ms. Mulligan informed the Board that the Suffolk County IDA (SCIDA) recently accepted an application for PK Metals, a project in the Town of Brookhaven. Ms. Mulligan and Mr. Michel met with PK Metals and they had already purchased the building, the job creation numbers were rather low and there were no planned renovations. Mr. Tullo added that the building located at 140 Corporate Drive in Holtsville is the old Bonded Brakes facility, a former Brookhaven IDA project. SCIDA is proposing cutting the existing property taxes by 50% with no expansion or rehabilitation of the

building. The taxes on this site were roughly \$80,000 last year; if this is approved it will be \$40,000 next year. Mr. Braun is aware of SCIDA reducing taxes on a parcel in another township by 60%.

Ms. Mulligan and Mr. Braun will be briefing the Town Board about this matter tomorrow and Ms. Mulligan will also be meeting with representatives from SCIDA later this week. The public hearing for this project is October 23rd. Mr. Gross explained that in the past SCIDA usually works with projects where there is no local IDA and also would not grant more benefits than the local municipality's IDA would offer. Ms. Eaderesto suggested obtaining a sense resolution from the Brookhaven Town Board.

Mr. LaVita made a motion to direct Mr. Braun and Ms. Mulligan to oppose this project including attending the public hearing and notifying the Town Board of the potential loss of tax revenue. This motion was seconded by Mr. Moloney and all were in favor. Ms. Eaderesto will draft this resolution.

At 9:12 A.M., Mr. Moloney excused himself from the meeting to attend to other matters.

Authority Budget Office (ABO)

The Authority Budget Office (ABO) accepted our updated Mission Statement.

Amneal Pharmaceuticals

The closing for this project is scheduled for tomorrow.

Board Assessments

Ms. Mulligan reminded the members that their board assessments are due.

Quality King Update

Ms. Braun updated the members about Quality King's 70,000 square foot mezzanine. The bids they received for this project have been too high so this project is on hold. They are proceeding with the 10,000 square foot conversion of storage space to office space for which they were granted a sales tax exemption at last month's meeting.

The motion to close the IDA meeting at 9:24 A.M. was made by Mr. LaVita and seconded by Mr. Celauro. All were in favor.

The next meeting of the IDA is scheduled for November 14, 2012.