

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

OCTOBER 16, 2019

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Gary Pollakusky
Ann-Marie Scheidt

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Scott Middleton
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William F. Weir, Nixon Peabody, LLP
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Alan Wax, Todd Shapiro Associates
Karen White, Bloom Energy
Andrew Komaromi, Harris Beach, PLLC
Matthew Howe, Long Island Avenue Holding, LLC
Yuliya Viola, Certilman Balin, LLP

Chairman Braun opened the meeting at 12:14 P.M. on Wednesday, October 16, 2019, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MINUTES OF SEPTEMBER 18, 2019 FINANCE COMMITTEE MEETING

The Minutes of the September 18, 2019 Finance Committee Meeting were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Ms. Scheidt and seconded by Mr. Callahan. All voted in favor.

MINUTES OF SEPTEMBER 18, 2019

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The Minutes of the September 18, 2019 meeting were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Ms. Scheidt, seconded by Mr. Callahan and unanimously approved.

ORBIT BLOOM ENERGY, LLC – APPLICATION

Karen White of Bloom Energy and Andrew Komaromi of Harris Beach were present to discuss this 6-megawatt fuel cell project application. Bloom Energy has a Power Purchase Agreement (PPA) in place with PSE&G for this 5,000 square foot facility to be constructed on Horseblock Road in Medford at an approximate cost of \$32 million. A 20-year PILOT has been requested as well as a sales tax exemption; a mortgage tax recording exemption has not been requested. One full-time job is expected to be created. Ms. White explained to the Board how fuel cells work by efficiently converting natural gas to electricity. The PPA with PSE&G is for 10 years which could be extended at a later date. Construction is anticipated to begin in the fourth quarter of this year and 15 local contractors are expected to be hired.

Mr. Braun inquired how National Grid's moratorium on gas hook-ups for new commercial and some residential projects until a new pipeline is installed will affect this endeavor and questioned if a 20-year PILOT is necessary for the feasibility of this project. Ms. White responded that gas permits were applied for prior to the May 15th decision so they have access to gas on an interruptable basis. As far as the 20-year PILOT requested, Bloom hopes to extend the PPA after the initial 10-years expires so they would like the option of running the project for 20-years.

Ms. White provided further specific details on how the chemical process works to produce this electricity. Construction is expected to take several months. There are approximately 450 megawatts of fuel cells in place at various locations and cells will be installed at 23 Stop and Shops on Long Island.

The motion to accept the application was made by Mr. Pollakusky and seconded by Ms. Scheidt. All voted in favor.

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Ms. White and Mr. Komaromi left the meeting at 12:28 P.M.

LONG ISLAND AVENUE HOLDINGS, LLC – APPLICATION

This application is for a 15,000 square foot spec building. The intention is to create 6 units that will be just over 2,000 square feet each with warehouse and office space. This project is anticipated to cost approximately \$2.9 million and although the project itself will only have 1.5 full-time employees, a minimum of 13.5 jobs are expected to be created depending on who rents the space. Yuliya Viola of Certilman Balin who represents the applicant provided the Members with further details on the project. Each of the 6 units will feature 375 sq. ft. of office space and it is the applicant's intent to lease out all units to manufacturing, distributing, warehouse and miscellaneous office space users. The facility is limited to dry storage only per a Zoning Board of Appeals decision in April of 2018. Mr. Braun noted that in similar types of projects certain thresholds have been required to be met by the applicant.

The motion to accept the application was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

Ms. Viola and Mr. Howe left the meeting at 12:35 P.M.

Mr. Braun made a motion to enter executive session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Ms. Scheidt and all voted in favor.

Mr. Callahan made a motion to exit executive session at 12:58 P.M. and resume the regular agenda. The motion was seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT

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Ms. Mulligan presented the Operating Statement for the period ending September 30, 2019. Deposits included a closing fee from Brooks Partners, an application fee from Wallace Oakland Trust and \$50.93 in unclaimed funds from the Comptroller's Office. The annual insurance payment was made. There was a disbursement for legal fees from the Ronkonkoma Hub escrow account. All payroll taxes, retirement and deferred compensation payments have been paid in full.

The motion to accept the Operating Statement for September was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

Ms. Mulligan informed the Board that Empire National Bank has decreased the interest rates by .0005% as a result of the Fed reducing rates; Empire did not decrease the interest rate when it was lowered last time.

Budget

The budget is due to the State by November 1st, it has been sent to the Town Supervisor and will be sent to the Town Clerk for posting.

The external auditors will be in the office at the end of the month rather than in December to reduce disruption in the office at a very busy time of year. Ms. LaPonte will begin transitioning to new operating statements next month.

Board Members will be required to take sexual harassment training; if they have already completed this training at their workplaces a confirmation will be accepted.

CEO'S REPORT

Uniform Tax Exemption Policy (UTEP)

Ms. Mulligan will send the latest version of the Uniform Tax Exemption Policy (UTEP) to the Members that includes Mr. Weir's comments. This matter will be revisited in November when the draft UTEP can be adopted, a public hearing can be scheduled, and

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final authorization is planned for December. Mr. Weir added that there may be legislation that will require amending the UTEP and the application for assistance.

T. Mina Request

This project located at the corner of Old Medford Avenue and the Long Island Expressway was originally unsure if they would be taking out a mortgage on the facility. Options were included in the PILOT Agreement for taking a mortgage, but they have missed the deadline to make the decision. They have now decided to get a mortgage and are not requesting a mortgage recording tax exemption.

The project at the corner of Old Medford Avenue and the Long Island Expressway intended to obtain a mortgage by September 30, 2018, but, in lieu of receiving a mortgage recording tax exemption, the Agency granted an extended PILOT schedule. Due to project completion delays, the Company was unable to close on its mortgage financing by September 30, 2018 and has requested an extension of time to March 31, 2020 to close on the mortgage and thereby continue to qualify for the extended PILOT. The motion to approve was made by Mr. Callahan, seconded by Ms. Scheidt and unanimously approved.

Top Golf

Progress has been made with this application. Ms. Mulligan and Mr. Braun recently met with the company to review their financial statements; Mr. Braun made a note for the file. Mr. Gross added that Top Golf may sell the project to a real estate investment trust, but Top Golf will continue to operate the facility.

Discover Long Island

Discover Long Island will be hosting their annual awards dinner at the Fox Hollow Country Club on December 10th. The IDAs are collectively being honored at this event and a sponsorship request has been received. Work on the joint IDA marketing effort is moving forward.

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The motion to sponsor this event at a cost of \$2,500 was made by Ms. Scheidt and seconded by Mr. Callahan. All voted in favor.

Insurance Risk Manager

The Insurance Risk Manager has informed the Agency that she has a conflict of interest as she works with Tritec who is constructing the Ronkonkoma Hub project. All agreements with Ronkonkoma Hub and Tritec were already established before the Risk Manager was hired. Ms. Eaderesto will review insurance for this project if additional assistance is needed.

JVC Broadcasting

The Town had signed a contract with JVC Broadcasting for air time but realized that the timing was too close to the upcoming election. The Agency was asked to step in for the month of October at a cost of \$3,600. Ms. Mulligan has been on the air promoting the Expo and ads are being run for the IDA, LDC and the CEO's conference next week.

The motion to ratify this payment was made by Mr. Callahan, seconded by Ms. Scheidt and unanimously approved.

Board Assessments

The Board Assessments were distributed to the Members.

Authorities Budget Office (ABO) Report

A recent report from the Authorities Budget Office was included in the meeting packets.

Land Use Institute

The Agency was invited to sponsor an all-day conference at Touro Law Center on November 7th. Topics include housing, economic development, recreation, open space and transportation among other items.

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The motion to sponsor this event at a cost of \$2,500 was made by Mr. Callahan and seconded by Ms. Scheidt. All voted in favor.

PRESENTATION – TODD SHAPIRO ASSOCIATES

Mr. Wax said there has been activity on Facebook and our posts have reached 7,300 plus people and 75 people listened to Ms. Mulligan's radio show.

Mr. Braun noted that the New York State Economic Development Council is hosting an IDA Academy on November 14th at the Melville Marriott. All Members were encouraged to attend. There will be a session that will qualify as Public Authorities Accountability Act (PAAA) required training.

The motion to close the meeting at 1:24 P.M. was made by Mr. Callahan, seconded by Ms. Scheidt and unanimously approved.

The next IDA meeting is scheduled for Wednesday, November 20, 2019.