TOWN OF BROOKHAVEN

INDUSTRIAL DEVELOPMENT AGENCY

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GOVERNANCE COMMITTEE MEETING

HELD VIA ZOOM VIDEOCONFERENCE

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November 10, 2021
12:03 p.m.

TRANSCRIPT OF PROCEEDINGS

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A P P E A R A N C E S:

MEMBERS:
FREDERICK C. BRAUN, III
MARTIN G. CALLAHAN
FELIX J. GRUCCI, JR.
LENORE PAPROCKY
ANN-MARIE SCHEIDT
FRANK C. TROTTA

ALSO PRESENT:
LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
LORI J. LaPONTE, CHIEF FINANCIAL OFFICER
JAMES M. TULLO, DEPUTY DIRECTOR
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP
BARRY CARRIGAN, ESQ., NIXON PEABODY

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MS. MULLIGAN: This is the November 10, 2021 IDA Governance Committee meeting. It is 12:03 p.m.

This meeting is being conducted electronically via Zoom in accordance with Part E of Chapter 417 of the laws of 2021 which amended the New York Open Meetings Law to allow for electronic meetings due to COVID-19 and there is a quorum present.

MR. BRAUN: Wonderful.

MS. MULLIGAN: So we have a couple of things on our Governance Committee agenda, so we'll just take them in order. You know what, maybe we should take them out of order because I think Bill should probably be here, if he's going to be able to join us, for the UTEP discussion.

MR. CALLAHAN: Okay.

MS. MULLIGAN: So let's go to renewable energy PILOT's first because Barry is on and Barry and I have been working on this for a while now and I just -- I don't want us to get too far down a path and then have you guys say no, not at all what we were thinking.

So what Barry and I have been discussing is that because there were changes through NYSERDA that regulate what an assessor can charge in PILOT's -- I'm sorry, in taxes on a renewable energy project and I think, Barry, correct me if I'm mistaken, it's limited right now to solar and wind.

MR. CARRIGAN: Correct.

MS. MULLIGAN: Okay.

And wind is sort of off on the side for us right now, but we realize that our 300,000 per 9.5 megawatt model that we've been using for all these years is probably not going to work anymore and so we had to sort of revamp this and at the same time, we started getting calls from small scale solar projects that that same 300 -- $300,000 per 9.5 megawatts, which works out to about $31,500 roughly, it's an odd number, per megawatt, that was making those projects nonstarters.

So Barry and I have been working together on this and we've been working with NYSERDA and what we've come up with is basically that we need five different segments kind of.

We need to come up with a PILOT plan for battery energy systems and some of them might end up being the same, but battery energy systems, fuel cells, solar projects that are over five megawatts and then what they call community solar, which is five megawatts and under; is that right, Barry, it includes five?

MR. CARRIGAN: Correct. Yeah, it includes five.

MS. MULLIGAN: So five megawatts and under.

And for those community solar projects, I think we should have two segments of those, one for just under five megawatts -- hi, Felix -- an under five megawatt project and then another one for less desirable land so that we incentivize these small scale solar installations on like Superfund sites, but I think we should have a whole list of less desirable properties, maybe it will be a small acre that's landlocked and there isn't really anything that's going to go there ever, so we should probably incentivize those further.

We a few months ago came up with an idea to have a thousand megawatts per -- I'm sorry, a thousand dollars per megawatt for our BESS project, the battery energy storage projects and in the research that Barry and I have been doing with NYSERDA, it seems like that's not in line with what the rest of the State is doing.

So I don't have actual numbers to come to you and present. Barry and I have -- even this morning we had a conference call because we just the other day got some follow-up; I guess NYSERDA didn't include PSE&G or they didn't have the PSE&G numbers when they put together their most recent round of things, so we were in there trying to make it work and we realized that there isn't even a calculator for Long Island. They told us what to do to make it work, but that was just even this morning.

So what I'm presenting or suggesting is that anyone who's interested in the deep dive on this, feel free to get involved and Barry and I can get you up to speed if you're so inclined, but if not, basically that Barry and I come up with sort of like four segments: community solar with the two pieces of it, fuel cell PILOT's, over five megawatt solar and BESS systems.

I know that was a lot.

What do you guys think?

MR. BRAUN: Barry, a quick question as it relates to NYSERDA, can they really force the assessor to establish these values?

MR. CARRIGAN: So as part of the governor's latest budget that was adopted in April, they changed the assessment methodology for solar and wind projects, so now it's part of the real property tax law that a discounted cash flow model has to be used to set the assessment for solar and wind projects over one megawatt, so it's no longer, Fred, NYSERDA's recommendation, it is now changed into a real property tax law that will go into effect next year, so it will be required going forward for all of these properties above one megawatt.

MR. BRAUN: So it's effective January 1st of 2022?

MR. CARRIGAN: Correct.

MR. BRAUN: And when you say discounted cash flow, does everything fit into the grid or is each project we have to ask for a discounted cash flow and go according --

MR. CARRIGAN: So certain information -- the model has been released officially, but certain information will be required to utilize the model that the assessor will have to ask for from each developer on a project specific basis.

MR. BRAUN: So we'll need to ask that as part of the application?

MR. CARRIGAN: Yes. I mean we could ask for it just so we could see the ceiling, but that discounted cash flow method would be what they would pay as of right without an IDA PILOT, so that would be separate.

MR. BRAUN: Okay.

MR. CARRIGAN: So that would be without, you know, any benefits, that's what they would pay.

MS. MULLIGAN: What I'm suggesting is that we -- sorry, Frank -- we get a couple of examples together and maybe come up with a set -- it might not work for all four of them, maybe some of them are going to have to get project specific numbers, but if we can get a plan like we had with our -- for solar previously and just say, you know, it's $10,000 per -- and I'm making up numbers -- but $10,000 per megawatt if you're going to do an over five megawatt solar installation and if it's under, then it's $3,000, but if it's in a less desirable piece of property, then it's $2,000 per megawatt.

I'm hoping that we can come up with something so that it's a set dollar amount so we're not doing case by case on every single one, although if we have to, we will and then yes, Fred, we would have to get more information from these projects.

MR. BRAUN: I know time is short and the rest of November, December are going to be busy, but are we hoping to have this in place by January 1st or shortly thereafter?

MS. MULLIGAN: Well, I'm wondering if this is the type of information that should be incorporated into our UTEP or if this should be something separate and I defer to counsels on that.

MR. CARRIGAN: So I think -- and this is just Barry speaking first, I'll go first -- I think part of that on the UTEP, I mean you could provide for these types of projects and you know, then say that it will be done. I don't think you have to put the specific values into your UTEP is what I'm saying and then you could have a policy that you could amend from time to time that could have the values if you wanted it to be sort of public for a period of time, you know, that may work, but I'll defer to Bill and Howard.

MR. WEIR: You know, the UTEP -- and again, I apologize, I don't have it in front of me with the Zoom screen -- but I think we have enough flexibility in how we do the PILOT's right now, I'm not sure it needs to be amended, but I'll take a look at that because that could be something, you know and then when the prevailing wage goes into effect, we'll probably going to have to change the UTEP anyway, so . . .

MS. MULLIGAN: Yes.

Frank, you were going to ask a question?

MR. TROTTA: Could you explain discounted cash flow? I know it's a basic, but I don't know what you're talking about.

MS. MULLIGAN: Hold on.

Barry, let me just jump in here for a second.

I don't -- and Barry can certainly explain it, but I don't think we need to understand it. That's what the assessor uses to determine what your assessment is; in other words, one of the tools that they need.

MR. TROTTA: Got you. Okay.

How do other IDA's deal with this issue or it's so new that nobody's really dealt with it?

MR. CARRIGAN: So other IDA's in New York have prepared like a fixed number per megawatt for --

MS. MULLIGAN: Like we did.

MR. CARRIGAN: -- certain sizes of projects. Some have a sliding scale based on size and others have -- some have provided for what Lisa's recommending where there's an incentive to use less desirable land and/or a penalty if you're using like prime farmland, which is obviously more abundant upstate New York and so those have been, you know, different approaches that IDA's have taken, but I think the ones that have been successful in sort of . . . in having the economic activity related to these projects have been ones that have been flexible and not put them -- the hard number directly into the UTEP because the industry's evolving very quickly on these points and so what numbers you use, you know, this year may be different.

So going back to 2017, the PILOT numbers were higher because the State incentives were higher, but those have now burned off and so the State incentives have burned off and we're now waiting to see what happens with the federal benefits for the, you know, tax credits and so all of those things could have a dramatic effect on sort of each one of these projects and so I think having a guideline number is the best way forward to sort of give some certain to these projects, but also know that it needs to be flexible on a case-by-case basis.

MR. TROTTA: Got you. Thank you.

MS. SCHEIDT: Lisa and Bill, I have the UTEP in front of me, the section on electrical power generating facilities, storage facilities, blah, blah, blah, blah, blah and it looks like we have immense flexibility with those projects are termed 1-25 years following blah, blah, blah with a fixed PILOT -- with fixed PILOT payments determined by the agency in its sole discretion and subject to periodic escalation in determining the blah, blah, blah, the agency may consider the total amount of power generated, stored or transmitted and the assessed value of such project and I suppose if we really wanted to make it -- open another door, we could add to that and such other factors as it may deem relevant or something like that.

MR. WEIR: Thank you.

Again, my recollection, we left it very wide open --

MS. SCHEIDT: Very wide open, yup.

MR. GRUCCI: I apologize for signing on a couple of minutes late, but what are we trying to accomplish?

MS. MULLIGAN: So, Felix, what I'm asking is that we come up with PILOT thresholds, I guess, for our -- basically right now we have four different types of renewable energy projects. That might change tomorrow, they might come up with a whozeewhatzits, something we've never heard of and we're going to have to come up with -- that is a technical term everyone -- we'll have to come up with a PILOT for something else, but right now we have community solar, which is five megawatts -- under five megawatts; regular old solar, which is over five megawatts; battery energy storage systems and fuel cells.

So what I'm asking is that we come up

with a plan of how we're going to handle those four types of renewable energy projects because the PILOT's that we have been using, the law's changing, the numbers we have are no longer in line with the law, we have to adjust.

MS. EADERESTO: Right, but I think what everybody's saying is our UTEP is so open-ended right now, are you just looking for guidance or do you want to change the open-ended --

MS. MULLIGAN: No, no, I'm good with leaving the UTEP alone as far as renewable energy is concerned.

MS. EADERESTO: Right.

MS. MULLIGAN: I just want to make sure that I'm not out in left field doing this and everybody goes no, we don't want it, this isn't what we want to do. I just want to make sure that everybody knows the path that I'm going down.

MS. EADERESTO: No and we also have to be careful because of Sunrise Wind, too, so we don't want to put anything in here that's going to upset that apple cart.

MR. WEIR: Yeah, but the Sunrise Wind is different because that's only the power line.

They're really coming up in connection with a couple of new applications and we wanted to make sure that we were not -- we're not under basically assessing the projects for purpose of our PILOT and you know, we had one group --

MS. EADERESTO: You think we're underassessing them? I think the State thinks we're overassessing them, no?

MR. WEIR: We had one where they came in and said we want to pay, you know, X dollars per kilowatt, that's what everybody else was paying and we're saying well, we need to review it. So we want to make sure we're not either -- our PILOT's are either not too high or too low and for some of the smaller projects, it may be too high and for small of the larger ones, it may be too low, so that was really the genesis of this, that Lisa really needs, with input from Barry and I and the State, a little more guidance, but where we had one size fits all for everybody may not be the best way to do it.

MS. MULLIGAN: It's not working anymore.

MR. WEIR: And that was the genesis of it.

MR. GRUCCI: With the change in the law --

MR. WEIR: And that has nothing to do with the ones that are on Town owned property, which are totally unique. But if somebody, you know, somebody's coming in and doing fuel cells, solar, battery storage, whatever, you know, Lisa needs a little more structure in it so when she's talking to applicants, she's either not charging them too much or giving away the store.

MR. GRUCCI: Bill, with the change in the law that's coming in January, did the State offer any recommendations or suggestions on how to handle it?

MR. WEIR: Barry, you want to answer that one?

MR. CARRIGAN: Yeah.

So the short answer, Felix, is no.

They have -- NYSERDA has an RFP out to hire consultants to, you know, update models and do all of these sorts of things, but they haven't filled that RFP or done anything yet in regards to that, so I think a lot of what we've been doing lately, Lisa and I have been working with NYSERDA to, you know, get some of the technical expertise that we need to sort of evaluate some of these project requests and they do plan to come out with guidance allegedly, but there are large gaps in the guidance that they've produced currently, so as Lisa mentioned, the solar calculator that they have out there that they point us to to use doesn't include the region of Long Island.

MR. GRUCCI: That's wonderful.

MR. TROTTA: God bless the State.

MR. GRUCCI: With the proposed RFP that's out there, are we able to function as we are right now since we have an open-ended UTEP language and wait for their recommendation before we make any permanent changes?

MR. CARRIGAN: To the UTEP, yes. I think you could function your existing UTEP and still allow us to sort of deal with each of these project segments on their own. I don't think that would be an issue. And if the State comes out with more guidance, obviously we would be very quick to review that and share it with Lisa and make sure it's consistent with any findings that we make for each of the categories.

MR. GRUCCI: Are you running into any difficulty operating that way right now; the way you're operating now, are you running into any difficulties or obstacles?

MS. MULLIGAN: Yes.

Barry, we right now have -- we have a couple of community solar applications that want to go onto (inaudible) that I don't have a PILOT that makes any sense. If I tell them --

MS. EADERESTO: Well, but, Lisa, your UTEP allows you not to just follow that PILOT we're talking about.

MS. MULLIGAN: I know.

MS. EADERESTO: You know what I'm saying? So I think that's --

MR. WEIR: You at least need guidance --

MS. EADERESTO: I understand you need guidance, but I think the board needs you -- us to say okay, we have these two projects, this is what would make sense and we should treat them the same; if we have two community solar projects, they should be treated the same obviously.

MS. MULLIGAN: Annette, that's --

MS. EADERESTO: Right.

MS. MULLIGAN: That's what Barry and I have been working on, is to come up with some numbers that we can present to the board.

MS. EADERESTO: Right.

MS. MULLIGAN: I just -- we're not at the point to present those numbers, we're getting close, I think, but I just figured since we were having Governance, I would let everybody know what we were thinking about doing and what we're working on so that I don't get too far down and come up with a number and have everybody say no, that's not the direction we wanted you to go in.

So this is mostly -- I don't expect us to leave this with a hard and fast or four or five answers and numbers, I just want to make sure that everybody understands what we're up against and what we're working on and I want to make sure that we have robust numbers so when I go to those two community solar projects, I don't tell them, you know, it's 3,000 per megawatt and then in six months, go that number made no sense, we got to redo this. So we're trying to get some good information to give them and it's not just community, don't misunderstand me, it's battery energy, it's fuel cells, it's regular old solar.

MR. GRUCCI: What happens to the ones that we already have granted our benefits to that are out there existing, are they going to be --

MS. MULLIGAN: Grandfathered.

MR. GRUCCI: They're grandfathered in?

MR. WEIR: Yup.
MS. MULLIGAN: Yup.
Does anyone have any questions on that, is everybody good with this approach?
MS. SCHEIDT: Yes. Makes great sense.
MR. GRUCCI: Just for clarification, the approach is that we're going to continue to operate the way that we're operating until we hear from the State what their recommendations are or are you proposing something different than that?
MS. MULLIGAN: I think we need to come up with some numbers.
The State's program is a cap, it's a ceiling. We're not going to -- we have to make sure that we're below that ceiling, but we should come up with -- obviously we have to be below that ceiling because if we're above the ceiling, then we're not an incentive and also, if we're above that ceiling, it's against the law anyway, but I want us to come up with numbers that actually incentivize these projects. I don't think we really can wait, the projects have been patient, but we

need to come up with something even if -- because if we wait for the State, it might be next year before they get this stuff together.

MR. GRUCCI: And that's what you --

MS. MULLIGAN: Fell into next year.

MR. GRUCCI: And that's what you and Brian (sic) are working on now, are the numbers and you'll present them to us at a later date?

MS. MULLIGAN: Yes.

Barry, do you disagree?

MR. GRUCCI: Okay. I wasn't clear on what we were doing, I'm sorry.

MR. CARRIGAN: Yeah, no, I agree.

I think the plan is to develop numbers for each one of these distinct sort of segments now based on the best information we have, compare it against the State's assessment model and then, you know, present them to the Governance Committee.

MS. SCHEIDT: And that will be in the form of a policy that associates numbers with these different categories of energy systems, recognizing that we may have to change them down the road?

MS. MULLIGAN: Yes.

MR. CARRIGAN: Yeah. I think that's the best approach, you know.

MS. SCHEIDT: A policy is a lot easier to change than the UTEP.

MS. MULLIGAN: Yeah.

MR. CARRIGAN: Yeah. And you know, as I mentioned before, you know, this market's still evolving and so, you know, it may have to be revisited annually.

MS. SCHEIDT: Sure.

MR. GRUCCI: Are you looking for a resolution on this or are you looking just for a consensus?

MS. MULLIGAN: Just consensus.

MR. GRUCCI: Sure. For me for one, I'm okay with what you've just outlined.

MS. SCHEIDT: Keep doing what you're doing, Lisa and Barry.

MR. BRAUN: I'll ask the question.

Would anybody prefer that we go in a different direction?

(No response.)

MR. BRAUN: No. Okay. We're good then, Lis.

MS. MULLIGAN: Okay. Great, thank you everybody and we will come back with more information. This is an evolving reality and it's cool and interesting, but it keeps changing on us.

Okay. So now that Bill is on the call, I'm going to flip back into our UTEP.

There were a couple of items on -- in our UTEP that I think need attention, I think need us to consider and if anyone has the UTEP in front of them, it's basically in the PILOT -- on page ten, the PILOT agreement section, which is (D) (1) (a) and basically what it says is that industrial, manufacturing -- or exactly what it says is: Industrial, manufacturing, research and development, commercial, warehousing, distribution facilities, retail (subject to retail restrictions in the Act), and corporate office facilities are all eligible for the standard exemption.

It goes on to say: Speculative office

projects may be eligible for the standard exemption if they are projected to provide economic benefits in terms of jobs, involve significant capital investments in the Town, repurpose existing vacant or nearly vacant buildings, or will stimulate the local economy. So -- it continues on. But we spent -- the last time we redid our UTEP, which was in 2020, we spent a lot of time on thinking about and honing our housing, the housing portion of our UTEP and I think we got it to a pretty good place. I have a couple of things I want to ask you about in that, but we left this sort of industrial warehousing section of it just very broad and I think for the most part that's probably good, except for that we find ourselves in a situation where we have a whole bunch of speculative warehouse distribution facilities coming in, so that's one thing that I want to mention and then we also have had a decent amount of retail rec facilities, so I'm wondering if we should consider maybe giving different benefits for warehouse facilities, warehouse distribution facilities, if and when they create jobs over a certain threshold or just in general, maybe we should -- you know, warehousing should be looked at a little bit different and then also the retail and rec facilities I think maybe should have . . . maybe like a little bit of a different approach to them.

Bill, do you want to add to that?

(No response.)

MS. MULLIGAN: I don't think you're muted, Bill, but I can't hear you.

(No response.)

MS. MULLIGAN: Nope.

MR. BRAUN: Not yet.

MS. MULLIGAN: I think we can hear you now.

MR. WEIR: There was a period when and again, we're back with (inaudible) here, we were doing warehouses and we were not giving them the standard (inaudible) exemption. We were doing equivalent of like double 485-b down to single 485-b depending on the number of jobs and this kind of got back into the normal exemption, again, I'm not sure it was deliberate, but, you know and the issue of -- some of the warehouse distribution centers have lots of employees and they're really good jobs; others you could have a, you know, six or 700,000 square foot building with ten people working there and so we were trying years -- number of years ago to come up with a formula to be a little more ad hoc on the (inaudible), but if the facility and he was trying to do it like so many jobs per square foot or something like that, but where a warehouse that had a small number of jobs should not get the full exemption the way something like Quality King, which has lots of people working there, is a far different -- that's also corporate headquarters, you know, it's a much different operation and it's coming out some of these large projects that we're looking at, some may have lots of people working there and some may have very few, so just raising, you know, the philosophical question as to whether or not we need to have these type of hundred percent exemption, standard exemption for ten years for a warehouse distribution center.

No other IDA in the State that I'm aware of does that and again, I'm not sure, you know, again, Fred can give you the real history of this, when this policy was adopted probably 50 years ago, it was, you know, Brookhaven was so far east, the Long Island Expressway didn't even go out that far, it only ended at, you know, Route 111 in Smithtown and so you had to do something to get people to come that far east.

I'm not sure even for any project the standard exemption is necessary anymore because there's not a lot of land to the west of Brookhaven that can be developed.

MR. GROSS: If I can make one small comment.

It seems to me another metric when you're looking at that should also be the level of salaries they're paying.

MR. WEIR: Correct.

MR. TROTTA: Good point.

MR. GRUCCI: I got a question.

If the core mission of the IDA is to

create jobs and opportunities and good paying jobs in the Town of Brookhaven, why would we incentivize a person to put something up on spec? Why wouldn't we wait till they had a user for the warehouse and then come in and apply, so we know that the mission that the IDA is set out upon will be accomplished?

I wouldn't want to see us give the incentives and have, as Bill just said, a 600,000 square foot warehouse sitting there waiting for somebody to come in and use it.

MR. WEIR: Well, when we have done spec buildings, we have put -- held them to a fairly short leash to get them rented up and we have put in numbers, so, you know, you think about like the one for Suffolk Industrial, you know, again, that was done on a spec basis and has been fairly successful.

MS. MULLIGAN: Bill, at your suggestion.

MR. WEIR: Yeah, at the board's suggestion that we held them to a short leash.

You know, probably the one that we did spec that didn't work so well was Triple 5, but, you know, that's terminated and will not be redone until they have real people coming in. But for some of the warehouse distribution centers, companies won't sign the lease -- the subleases if the building's not ready to move in because a lot of those companies say hey, I need the space now, I'm not looking two years from now, so I think for some of that space doing it on spec works, we have to keep the developers on a short leash.

MR. GRUCCI: And Lisa, as the political people say, I've evolved on that issue.

MS. MULLIGAN: No, no. Felix, you told -- you said you were uncomfortable with us doing spec, you wanted it to be tightened up a little bit and we said to the spec projects we'll incentivize you, but you must have this percentage of the building leased up by this date or you're not getting the full benefits and so you -- I hear you saying the same thing that you said when we were meeting in person way back when.

MR. GRUCCI: Well, you see, that just shows how short spanned my mind is.

MS. MULLIGAN: It is a good point.

MR. TROTTA: You're consistent anyway.

MR. GRUCCI: I thought you meant, Lisa, that I was endorsing putting them up on spec.

MR. WEIR: No.

MS. MULLIGAN: No.

MR. GRUCCI: I wasn't.

MS. MULLIGAN: No and we heard you say I want a shorter leash and we tightened it up and it's been effective, I think.

MR. BRAUN: There are a number of IDA's that have done spec buildings, I think of in Deer Park where ADP, most of those buildings were originally put up by spec.

The ones that -- the big ones that we're kind of looking at now, whether it be AVR or NorthPoint, NorthPoint's probably going to be a significant rail customer, which to me means you're taking a lot of trucks off the roads just like BRT did with the distribution center for Home Depot. So to me, there are other considerations other than just jobs and investment, which are made wells and also as it relates to NorthPoint or whoever else goes in there, you know, there's no information about this, although Annette might smile, I got to believe somewhere along the line, one of these organizations is going to be our solution to the garbage off Long Island. I don't know how you do that, look at that or discount that up front, but it's important.

MS. MULLIGAN: Since we brought up that one particular project, I will let you know that although, you know, we haven't had the public hearing, it's scheduled for next week, I've been working on a PILOT for them and it's an unusual project, too, it doesn't really fit into our typical schedule, but what I did was I gave them years of land only and then I ramped it up following the 485-b formula. So ten percent, so they're headed towards full assessed value in ten percent increments.

So that, although it's not exactly . . . you know, our UTEP gives me a lot of flexibility. I felt like for this particular project, it made sense to move them along that way, but I will also say as far as jobs are concerned, Felix, their application, I think they told us 1,100 jobs, they would have 1,100 jobs when all filled out or just shy of 1,100, so --

MR. WEIR: And again, we're really doing that one as like a master lease agreement, a master PILOT and as they develop each project, you know, you get divided them up among different projects, but really what Lisa was proposing was almost equivalent of a double 485-b, you know, with phase in for five years and then going up ten percent a year plus two percent cap increase over the course of ten years.

MR. BRAUN: Bill, I don't know, must be a commercial industrial version of Tritec in terms of the master --

MR. WEIR: Yeah, exactly, but -- well, not quite because with Tritec, we had a very low PILOT payment because, you know, we did not do a tax increment financing, a PILOT increment financing, this is more akin to what we did in Suffolk County at Gabreski Airport, you know, where again, that's been phased in over about 15 years now as we (inaudible) did that first initial master lease (inaudible).

MR. GRUCCI: A project like what we're talking about, the municipal -- solving the garbage problem, as Fred indicated, I would think that there'd be a lot of municipal input in that from various towns and the likelihood of that being a spec building is pretty remote at that point, so I wouldn't classify that necessarily as a spec building.

MS. EADERESTO: Yeah, but that's only one little piece, that's 50 acres of the 220 acres on parcel D and the spec buildings are going to be the two ginormous warehouses on D and probably three on B and C and by the way, we settled that whole case and --

MR. BRAUN: I'm very happy personally to hear that, thank you.

MS. EADERESTO: Yeah, me, too and NorthPoint paid me back all my attorneys' fees and consultant fees of $600,000 and they own B and C and D and they have an option on A.

MR. BRAUN: Lisa, didn't you say they are the largest or one of the largest (inaudible) of rental buildings in the United

States?

MS. MULLIGAN: Yes.

MS. EADERESTO: Yes, they're huge.

MS. MULLIGAN: Yes, that's what they told me, that they have either more leases or more rental square footage than anybody else in the U.S. They have some very significant end users, you know: Ford, Chewy, GM, but --

MS. EADERESTO: They also, they're like I think number one with rail supported warehousing and you see how, you know, where shortage of all these truck drivers, so . . .

MS. MULLIGAN: And they're one example.

We have, you know, AVR has an application into the board for spec warehouse. We're hearing that we're going to be getting a bunch of other applications, whether they come to fruition or not, I don't know, I don't have them yet, but we expect that we're going to get additional applications for spec warehouse distribution centers. So I want to make sure that we're -- we have a plan, we're doing it with our eyes open and that we're consistent and maybe we don't have to change it in the

UTEP, maybe we can leave it broad the way it is right now, but I just want to make sure that you guys don't think that I'm doing one thing when, in fact, I'm doing something else.

You know, the other piece of that, not just spec, it could be warehouse in general, maybe it's spec and warehouse use, it could be spec for anything, it could be warehousing for anybody. Retail and recreation facilities, also. Right now we give land only property taxes if it's a recreation center. I don't know if that's appropriate or not, I'm not saying it is or it isn't --

MR. WEIR: In general, though, ten years of land only just doesn't make sense and you know, in this day and age, you know, it was needed 30, 40 years ago, I don't think it's needed today and I'm not sure it's really fair to the Town, the school districts and the County to do that kind of a PILOT anymore.

You know, Fred, you've been around for the longest on this call, I don't know if you have a different view on that.

MR. BRAUN: No, I do not. No,

definitely not. Times have changed and as you said, not a lot of land around other than what we have.

MR. WEIR: So it's in my view an overly aggressive PILOT that's no longer necessary and I think that section, the so-called -- what we define as a standard PILOT should probably be changed.

MS. MULLIGAN: And do you think that should be for all projects; what if somebody who's a core manufacturer, a core industrial project, if they come in?

MR. WEIR: I think the idea of land only for ten years --

MS. MULLIGAN: Is outdated.

MR. WEIR: -- is absolutely obsolete and should no longer be the policy. That's my recommendation. I don't think it's needed.

MS. SCHEIDT: I haven't been around quite as long as you two guys have, but a fair amount of time and I absolutely concur.

MR. WEIR: Yeah.

MR. GRUCCI: So by doing away with land only, Bill, we're saying we're not going to give a project any kind of consideration on their property tax?

MR. WEIR: No, but, you know, so you . . . the standard policy has been like if they're paying a hundred thousand dollars a year in taxes, they're going to pay 100,000 -- or say 10,000 in taxes on the land, they would do that. You know, if you look at even housing, we start at the land and then ramp up over a certain number of years.

Every other agency takes into effect the value of the new property and you would do something like, you know, Suffolk County, their standard is 485-b and that's been forever and hasn't prevented them. Other agencies do more the equivalent of double 485-b, they phase it in over ten years and that's what, you know, I think would be fairer to the taxing jurisdictions and still yet provide the incentive for the . . . you know, the developers to come in and develop. I think giving away ten years on the new construction hundred percent abatement is not needed.

MS. MULLIGAN: And Bill, correct me if I'm mistaken, but I think Suffolk has a caveat in there that if you have over maybe 50 jobs being created, that they give you an enhancement.

MR. WEIR: Well, yeah and they use the equivalent of double 485-b, that's their enhancement.

MS. MULLIGAN: Okay.

MR. WEIR: Yeah.

And then what they (inaudible) to, over the years when they've done that, if you don't meet your jobs, they can cut you back down to single 485-b.

MR. BRAUN: Bill, that follows --

MR. GRUCCI: I was just going to ask, Fred, I got to apologize, I don't know what 485-b is.

MR. WEIR: 485-b is a provision that's been forever in the tax law, but the trouble is municipalities have the option to opt out of it and so every school district in the state has opted out of it, but if you build a commercial industrial project in New York

State, you would get basically a 50 percent abatement year one, you know, 45 year two going down, so you would phase out your abatement over ten years.

Virtually a lot of towns and almost every school district in New York State opted out of 485-b, but that was the basis for the IDA PILOT's to use that. So then we came up with, you know, starting with Suffolk, doing what they call significant projects, we did a ten-year or what we call double 485-b in that you got, you know, year one hundred percent abatement, year two 90 percent, then you decline by ten percent a year instead of starting at 50 goes and going down five percent a year and that's been a pretty standard abatement over the years and you know, some agencies have done it by percentage, Suffolk County still does it on a percentage basis and others have taken a percentage basis, like Brookhaven and Hempstead and quantified it to a dollar amount. Riverhead just approved a couple of PILOT's where again, they use that equivalent of a double 485-b, hundred percent abatement year one and declining ten percent a year over ten years.

MR. GRUCCI: Thank you, Bill.

I apologize, Fred, I didn't mean --

MR. WEIR: No problem, Felix. Sometimes we talk in code and people -- we assume everybody knows what we're talking about.

MR. BRAUN: Bill, sometimes does that piggyback off a say three-year land only?

MR. WEIR: Suffolk, no, does not do, you know . . . Hempstead does like land only for a couple of years and then phases it in. Suffolk just starts, you know, hundred percent abatement year one, 90 percent year two.

MR. BRAUN: Got it.

MR. WEIR: Hempstead only does it during the construction period. Once the construction is over, then you start paying (inaudible).

MR. BRAUN: Once they get the CO, it kicks in?

MR. WEIR: Yup.

MS. MULLIGAN: So again, I don't know that we necessarily need to make changes today and I don't know that we necessarily need to change the UTEP today, especially with prevailing wage coming that we're going to have to change the UTEP once we figure out what that is, but these are things that I'm a little bit concerned about and are happening now, so I want your input.

MR. WEIR: Yeah.

So maybe what Howard and I and Barry can work with Lisa and Fred and looking at these issues, the energy issues and the potential impact of prevailing wage and we'll come back to the board, first to the Governance Committee, then to the full board, with some concrete suggestions of where we can make amendments to the UTEP going forward and probably start kicking in early 2022.

MR. BRAUN: Bill, I'd be a little concerned if we box it in too much with salaries and/or square footage.

MR. WEIR: Yeah.

MR. BRAUN: I just think it pigeonholes

us a little bit too much.

MR. WEIR: Yeah.

MS. MULLIGAN: And it also gives us a crazy amount of analysis that we'd have to do every year to figure out what PILOT people are getting.

MR. WEIR: Yeah.

I would rather, you know, again, you get a large warehouse and there's only going to be 20 workers there, they only get to call in a single 485-b; if it's a large warehouse with lots of employees, they get the equivalent of double and not go back and forth the way we used to where there was a period we had four different PILOT schedules attached and it was a nightmare.

MR. BRAUN: And any public purpose such as the garbage issue could be carved out of that.

MR. WEIR: Depending on how it's going to work, yeah.

MR. BRAUN: Okay.

MR. WEIR: I mean if it's just a pure commercial transfer station taking garbage from everybody, you wouldn't necessarily give them the same benefit if it was a transfer station that was entered into a contract with the Town because, you know . . . I've done a lot of these solid waste disposal facilities under a municipal contract and so, for example, you know, like the Covanta plant where you guys send your garbage and they send you ash, that was built on Town owned land for the benefit of the Town of Hempstead originally and -- but the service agreement between Covanta and the Town said, you know, (inaudible) real property taxes. So when we financed it through the IDA, we made sure there are no real property taxes because otherwise the Town and their (inaudible) fee would be paying taxes to not only themselves, but the County and the school district.

So again, if we were to do a transfer station at NorthPoint/Winters Bros. for the benefit of the Town, it might -- and the Town had to pay, you know and that was a pass-through cost, we would make it a hundred percent exempt. If on the other hand, you know, every town, you know, eastern half of Long Island was sending garbage there on a purely commercial basis and you might not give them a generous PILOT, so it really depends, Fred, on what they're doing and who's obligated to pay and obligated to pay what.

MR. BRAUN: Okay.

MR. WEIR: If commercial haulers are bringing it there, we're not going to give Winters Bros. a significant break. If the Town is taking the whole bit, we might, we'll see.

MR. BRAUN: So as Lisa and I frequently say, to be continued.

MR. WEIR: To be continued, yup.

MS. SCHEIDT: Absolutely. The spirit of recognizing that we've been working with policies that were established years ago when we were the ugly duckling and now Brookhaven has become the swan on Long Island and there's much more --

MR. WEIR: You guys were not the ugly duckling, you were just out in the hinterlands, that's all.

MS. SCHEIDT: Okay.

The remote duckling?

MR. WEIR: The remote duckling.

(Inaudible comments.)

MS. MULLIGAN: Did anyone have any other questions or things that they wanted to bring up about the UTEP?

MR. CALLAHAN: Trust the attorneys.

MS. MULLIGAN: Okay. So we just have two other items on the agenda, I think they're going to be pretty quick.

I know you guys know last year we ramped up and got together a ton of resolutions and got us up to speed since we went from having a few part-time employees to everyone -- I'm sorry. We went from having a few part-time employees to a big change last year that we had all full-time employees.

So I know I mentioned to everyone that I've been working with an HR company to do some things to further professionalize us.

One of the things that I am bringing to guys to see if this is something that you would like me to pursue -- and if it is, then

I can work our HR company and do some research and see what some other companies do, too, I've been talking to Fred about this -- is a tuition reimbursement program.

So just basically if one of the staff people wants to take some classes that are preapproved by us and dovetail with their roles and responsibilities, that the IDA would consider reimbursing them for the cost of the course and there's all different ways to do it, it can be on a sliding scale, it can be as per grade, it can also be, you know, dependent on your longevity, so you get this degree and then -- or you'd get these credits and then the next day you separate your employment, then you would have to pay it back, you wouldn't get the reimbursement. Things like that is sort of what I'm thinking about, but I want to know if the board is supportive of this concept in general; if you're not supportive of it, then I'm not going to continue to pursue it, but I do think it's something -- it's a nice perk that we can offer to our staff to help them grow, which in turn helps the agency.

MR. WEIR: Yeah. Just one caveat to that under the federal tax law.

It can't be the employee saying gee, I'd like to take this class, it would help me because then your reimbursement would be taxable income to the employee. It actually -- you have to frame it the other way around where you would say that -- so you would have a direction from the agency to the employee of we feel that as a condition of your employment, you should take this course because this can help you serve the agency better, so it's got to be . . . I mean it's the same issue, it's just how you phrase it.

If the employer's saying we want you to take this course, we'll pay for it, it's tax-exempt to the employee. If the employee says gee, I'd like to take this because it makes me better, then it's taxable, so you've just got to be careful how you actually pay for it.

MS. MULLIGAN: Okay.

MR. BRAUN: Bill, there's no issue

about time, let's say a potential liability of the employee of whatever the cost of that credit or credits have been to continued employment; in other words, could they burn off the liability over a period of time?

MR. WEIR: I don't know the answer to that, Fred, it's been -- I actually did research on this years ago when I was young associate, but it's been a while, you know, but typically it's the employer saying to the employee, you know and it came up in the context of, you know, actually a university MBA program where employers were sending the person there to get an MBA and it had to be that the employer was the one who said to the employee we want you to get an MBA.

I don't know the issue of like you get your MBA and you quit the next day, whether that would be taxable or not.

MR. BRAUN: We're going to check that with our HR consultant anyway.

MR. WEIR: Yeah. Really more of a tax issue than an HR consultant issue, but still and they may have seen that.

MR. BRAUN: Right.

MR. GRUCCI: Lisa, does the Town have a program like this?

MS. MULLIGAN: Yes.

MR. GRUCCI: How --

MR. TROTTA: How many people have taken advantage of it when you were part of the Town?

MS. MULLIGAN: In our office?

MR. TROTTA: Yes.

MS. MULLIGAN: One did, she hasn't -- she's no longer an employee, she's -- she retired probably eight years ago, ten years ago, but she did take advantage of it through the Town --

MR. TROTTA: So there's no burning desire going on among the staff right now or is there?

MS. MULLIGAN: I think that there might be some opportunities. I don't have like an exact, but I think that there's people who have been thinking about, you know, taking some courses, but I think that it's the type of thing that sure, it would certainly help their roles and responsibilities here and I think it would be -- it would benefit them, but maybe they're just not in the place right now to do it.

MR. TROTTA: Okay.

I mean my two comments -- Butch, I jumped in there, you finish and then I'll talk. I'm sorry.

MR. GRUCCI: No, that's all right, finish your thought, Frank.

MR. TROTTA: I mean two things.

You know, we just took on a whole bunch of employment issues and everything goes along with it, you know, in light of what's happened with the Town and whatnot, which I think is working out well for us, but, you know, if there's no burning desire right now going on, you know, my feeling is stabilize the ship, make sure everything's going well, we have the funds to support what we're doing and now and throughout the rest of the year and whatnot, I don't know.

MS. MULLIGAN: If we don't offer this, nobody's going to take advantage of it. You know, it's the chicken and egg situation and --

MR. TROTTA: No, I get it, I get it. I just -- you know, I always worry about money, you know, I'm --

MS. MULLIGAN: Part of your job.

MR. TROTTA: Yeah, exactly.

So, you know, we just took on a major chunk is what I'm saying, maybe we ought to stabilize the ship for a little while and relook at it in a period.

How long has the new employment situation been in effect?

MR. WEIR: Since January 1st.

MS. MULLIGAN: Yeah. This year.

MR. TROTTA: So we're coming up on a year?

MR. WEIR: Yeah, January 1st and the agency's had a good year and there are sufficient revenues (inaudible). Your balance sheet is strong.

MR. BRAUN: Frank, I agree and I think whether somebody's raised their hand for a course now or we've suggested rather that they take a course, I mean if we're in a position where we had to place somebody or Lisa had to hire somebody, at least she doesn't have to say we'll discuss it down the road. I think it's an easy policy to put in place and as Bill said, we've had a great year, I think the ship is pretty well stabilized short of just buttoning up a couple of HR things between now and the end of the year.

MR. TROTTA: Okay.

MS. SCHEIDT: Let's look into it, Lisa and Fred, with the HR consultant, what would it look like, how much would it be likely to cost us. Of course, I am always happy to plug the public university system, which offers significantly lower tuition than the private sector; no quality judgments intended there.

MR. TROTTA: The courses should be at Stony Brook, is that what you're saying? I support that.

MS. SCHEIDT: That's right, Frank.

MR. WEIR: Think about it, right now there's only two colleges left in the Town, St. Joseph's College and Stony Brook, so . . .

MS. MULLIGAN: Online gives you a whole world.

MS. SCHEIDT: Whole world --

MR. WEIR: Oh, online, shimeline.

MS. SCHEIDT: Take a look at it, see what it would look like, come back to us in a couple of months, we could still put something in place in time for the new academic year next September.

MR. GRUCCI: Lisa, also when you do that, could you look at what the Town -- how the Town operates their program and prepare like an analysis for us so that we can see how close we are to what the Town -- how close we are replicating what the Town is doing?

MS. MULLIGAN: Sure. The Town offers -- I know it actually.

You have to get preapproved, it has to be -- which I think we should follow along -- has to be preapproved, it has to relate to your jobs -- your roles and responsibilities, so although I would love for you guys to pay for me to take a stained glass making glass, I don't think it's going to fly.

MR. TROTTA: You know never, though. You just never know, Lis.

MS. MULLIGAN: You never know.

MS. SCHEIDT: Yeah.

MR. TROTTA: Maybe we'll try to encourage that industry in the Town and --

MR. BRAUN: And Lisa, we have a glass manufacturer, actually it might fit.

MS. MULLIGAN: Okay. But --

MS. SCHEIDT: I have to drop off at this point, I'm sorry, I scheduled a 1:00 Zoom, so --

MS. MULLIGAN: That's okay.

MR. TROTTA: You're late, Ann-Marie.

MS. SCHEIDT: I'm already late.

MR. WEIR: I apologize, I'm a half hour late for a meeting, too, so I got to --

MS. MULLIGAN: Don't worry guys. We're very close to being done.

MS. SCHEIDT: Thank you.

MS. MULLIGAN: Thank you.

MR. CALLAHAN: Take care. See you later, Ann-Marie.

(Inaudible comments.)

MS. MULLIGAN: Felix, just to answer your question, it has to be preapproved, it has to be aligned with your roles and responsibilities and then there's a sliding scale. I think for the Town, if you get an A, they give you 75 percent of the tuition back, I'd have to double check that; B is 50 and a C is 25 percent. If you get a D or you fail, you're responsible for paying for it, but that's the -- I just have to check those percentages, but that's basically the concept.

We were thinking about taking it a little bit further in that you have to remain employed, but like Fred said, we need to see if that's even allowable.

MR. CALLAHAN: You don't want them to take the class and then two months later they go somewhere else on our dime.

MS. MULLIGAN: Right. Or you graduate, you get this degree, you have this certification, you have these skills and you go thanks so much, I'm out.

MR. CALLAHAN: See you.

MS. MULLIGAN: Yeah.

MR. CALLAHAN: Yeah.

MS. MULLIGAN: So, you know, I think so far for the first three items on the agenda, the consensus is come back with more information --

MR. CALLAHAN: That sounds right.

MS. MULLIGAN: -- so I'll follow up with this one, too.

Then the last item on the agenda, two things I just want to say, prevailing wage, it's coming. That's basically all I have. I don't have any answers, there's a lot of questions, but it appears to be coming. There's some discussion that it might get postponed, but that's all hearsay and rumor.

As it stands right now, we are operating as if it is, in fact, going to happen January 1st and Nixon Peabody is working on edits to our application because there's things that we're going to have to add to our application and they're already incorporating into closing documents certifications that people acknowledge that they will follow prevailing wage if it -- if they have to, if it applies to them.

MR. BRAUN: Two comments from me.

I talked to somebody last week who is very close to the governor who supports a postponement of this by at least six months, perhaps a year. The problem with -- couple of problems. One, the board has not been established yet and the board is the one that has to define a number of items within the prevailing wage legislation, not the least of which is what comes under the category of costs because as I understand it, if we have a project that's in excess of $5 million and the sum total throughout the PILOT life is greater than 30 percent of "costs", then you've got to adopt prevailing wage.

Couple of the other issues, everybody thought initially that as long as you closed the deal with the IDA before January 1st, you were grandfathered in. Well, I think the opinion now and I'll let Barry comment on this, is that not only do you have to close with the IDA before January 1st, if that date holds, you also have to have signed contracts with some of your vendors to make it work to stay out of the prevailing wage legislation and costs.

Does that sound about right, Barry?

MR. CARRIGAN: That is correct.

MR. BRAUN: So more -- I think Bill may have dropped off.

MS. MULLIGAN: Yeah, he did.

MR. GRUCCI: Oh, he did, okay.

Well, then I guess this would be for either of the other two attorneys that are left.

If the prevailing wage is an obligation of the developer, how does that affect us giving them the benefits?

If we gave benefits to a developer, for example, who's building, I don't know, we'll go back to the warehouse, he's building a warehouse and we incentivize that builder, but the builder through the course of the development stops paying prevailing wage, how does that affect us?

MS. EADERESTO: I think and correct me if I'm wrong, Barry, but prevailing wage on the Town level, we have to get certified payrolls. So although they didn't -- they don't have this committee and everything set up for this law, I would have to think that they're going to put some onus on our entities to make sure that these people are getting paid prevailing wage.

So when there's a project at the Town that requires prevailing wage, for instance, if it's on Town property, we must get certified payrolls and that show the prevailing wage being paid.

MR. GRUCCI: But that was -- my question was what happens if we get that certified payroll at the beginning of the process and they're paying prevailing wage and they're paying it -- they got a ten-year abatement, they pay it for the first three years and then they stop paying it and pay whatever wage that they want to pay, what is our obligation and our responsibility at that point?

MS. EADERESTO: I would think we're going to have an ongoing obligation to see that the prevailing wage is maintained, but we don't know yet, I don't think there's enough on this . . . but it wouldn't make sense otherwise. If no one's watching the store, then why pass a law?

MS. MULLIGAN: So --

MS. EADERESTO: For the life of that contract, let's say it's our garbage carters, okay, we certify pay -- that's a ten-year deal. We certify the payroll. We have to get those certified payrolls all the time. It doesn't stop after one year.

MR. GRUCCI: Okay.

I know that we're not going to stop getting them. What I'm asking is what happens --

MS. MULLIGAN: Terminate.

MR. GROSS: If I may --

MS. EADERESTO: What our action would be? You have to terminate them because they're not complying with the law.

MS. MULLIGAN: And recapture.

MS. EADERESTO: It's going to be right in our agreements that they have to comply with the law, so it becomes a --

MR. GRUCCI: So then we would have to embark upon a clawback of all of the benefits we gave them?

MS. MULLIGAN: I think you would have --

MS. EADERESTO: At least for when they stop paying prevailing wage.

MS. MULLIGAN: Yeah.

MR. GRUCCI: Okay.

MR. BRAUN: Felix, a couple of other things, too, is when we talk about benefits, it's not just the benefits from the IDA, it's any grants they may have gotten from the State and there's a whole host of other things under that definition when it's defined, plus if it is prevailing wage, all of their subcontractors have to adopt prevailing wage as well.

MS. MULLIGAN: So to Fred's point, why is it us, why wouldn't it be New York State? If New York State gives a grant, why are we the ones that are certifying payrolls? I don't think it's been well-defined and I'm not raising my hand to certify payrolls.

MR. BRAUN: Felix, there will be, you know --

MS. EADERESTO: You know, Lisa, I don't see how you don't, though.

MS. MULLIGAN: I agree.

MS. EADERESTO: If we're saying they have to comply, we can't just put that language in an agreement --

MS. MULLIGAN: No, but my --

MS. EADERESTO: -- and look the other way.

MS. MULLIGAN: -- point is if New York State's giving them a grant, are we certifying and New York State's certifying?

MS. EADERESTO: No, no. I'm talking about if you give them IDA benefits.

MS. MULLIGAN: Right. But a lot of our projects are getting benefits from multiple entities.

MS. EADERESTO: Listen --

MS. MULLIGAN: It's a mess.

MS. EADERESTO: -- if one of these blows up, I'm just telling you from a standpoint of --

MS. MULLIGAN: Yes, it's going to be our point -- our fault.

MS. EADERESTO: -- it's going to be on you whether you're looking or not.

MS. MULLIGAN: A lot of unknown.

MR. GRUCCI: (inaudible) development in our Town, in all the towns.

MS. EADERESTO: We're all guessing, but there has to be an enforcement arm, otherwise why pass a law?

MR. BRAUN: Imagine if it was this year, would PPE be considered a benefit if it were forgiven?

MS. MULLIGAN: Yes. It's a loan. Loans are listed in there and you pay back a loan.

MR. BRAUN: Well, I don't think a loan would be included.

MS. EADERESTO: Yeah, but that was federal money, too --

MR. BRAUN: I know.

MS. MULLIGAN: Fred --

MS. EADERESTO: -- not State money.

MS. MULLIGAN: -- public subsidies including grants, tax incentives, loans.

MR. BRAUN: Loan is an obligation. If you pay it back, where's the benefit?

MS. EADERESTO: You got to get into the detail.

MR. BRAUN: Yeah. Too many weeds.

MS. MULLIGAN: Yeah.

MS. EADERESTO: Yeah.

MR. BRAUN: So again, to be continued when we find out more.

MS. MULLIGAN: But we just wanted to make sure you guys know.

Barry, did you have anything you wanted to add?

MR. CARRIGAN: No.

The law has a lot of information about sort of keeping payroll for six years and providing it to the comptroller of the State. It doesn't go into who's responsible for certifying, to Annette's point, but because it's vague, I think there might have to be some regulations and/or guidance provided as to whose responsibility it is to have ongoing monitoring.

MR. BRAUN: Hopefully PARIS doesn't get involved in this.

MS. MULLIGAN: It's going to.

MR. CARRIGAN: Yeah.

MS. MULLIGAN: If they can figure out how to add to it.

MS. EADERESTO: One of our requirements, it probably is.

MR. CARRIGAN: I'm sure the ABO will say that this is a responsibility regardless of what the Public Subsidy Board says.

MS. MULLIGAN: So true.

MR. TROTTA: Guys, I got to go.

MS. MULLIGAN: Thank you, Frank.

(Inaudible comments.)

MS. EADERESTO: (Inaudible) you don't want to have it blow up after (inaudible) and it comes out and then you're going to have the unions all on us and everything else. No.

MS. MULLIGAN: I agree. It's a mess.

MS. EADERESTO: Yup.

MS. MULLIGAN: So before we go, I just want to remind everyone that your board assessments are due, so if you can take a minute; if you need, I can have them sent out again.

I'm seeing nods, okay, yes. We'll send them around again.

MR. CALLAHAN: Yes. I thought I sent mine out already.

MS. MULLIGAN: Other than that --

MR. GRUCCI: Did we sign those board assessments because I don't remember if I sent mine in or not?

MS. MULLIGAN: We haven't received yours.

MR. GRUCCI: Because I haven't sent it in.

MR. CALLAHAN: Sure. Kill him.

MS. MULLIGAN: Doesn't mean you didn't send it in, it just means we haven't received it.

MR. BRAUN: Joce, have you gotten anybody including mine?

MS. MULLIGAN: Ann-Marie is the only one who sent hers in so far.

MR. BRAUN: Okay.

MS. MULLIGAN: Don't forget, we need one for the LDC and the IDA.

MR. TROTTA: So you'll send us those?

MS. MULLIGAN: Yes, we'll send it out again.

Howard, did you have anything you wanted to add?

MR. GROSS: Probably not to talk.

MS. MULLIGAN: Okay. Keep that up, Howard. Try to keep the talk to a minimum.

If nobody has anything else, I think that's all.

MR. GRUCCI: All right. Thank you all.

MR. BRAUN: Thank you.

MS. MULLIGAN: Do we need a motion to close the meeting?

MR. BRAUN: We probably do because we opened it.

MR. GRUCCI: So moved.

MR. BRAUN: I will second it.

MR. CALLAHAN: Third it.

MS. MULLIGAN: All in favor?

(Undiscernible ayes.)

MS. MULLIGAN: Okay. Cool. See

everybody on Tuesday at 3:30.

(Time noted: 1:12 p.m.)

I, JOANN O'LOUGHLIN, a Notary Public for and within the State of New York, do hereby certify that the above is a correct transcription of my stenographic notes.

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JOANN O'LOUGHLIN