

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

NOVEMBER 20, 2019

MEMBERS PRESENT: Frederick C. Braun, III  
Martin Callahan  
Felix J. Grucci, Jr.  
Scott Middleton  
Gary Pollakusky  
Ann-Marie Scheidt  
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
James M. Tullo, Deputy Director  
Annette Eaderesto, Counsel  
Howard Gross, Weinberg, Gross & Pergament  
Barry Carrigan, Nixon Peabody, LLP  
Jocelyn Linse, Executive Assistant  
Alan Wax, Todd Shapiro Associates  
Tim Shea, Certilman Balin  
Brian Sinsabaugh, Certilman Balin  
Michael Goldfarb, 180 Rail Road Avenue, LLC

Chairman Braun opened the IDA meeting at 12:08 P.M. on Wednesday, November 20, 2019 in the Economic Development Conference Room on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

**MEETING MINUTES OF OCTOBER 16, 2019**

The Minutes of October 16, 2019 were previously sent to the Members for review. The motion to accept these Minutes as presented was made by Ms. Scheidt and seconded by Mr. Grucci. All voted in favor.

**CFO'S REPORT**

Ms. LaPonte presented the Operating Statement for the period ending October 31, 2019. Deposits included fees for applications and a sales tax exemption increase. The typical expenses

were noted including a payment to the insurance risk manager and a few sponsorships. There was a small disbursement from the Ronkonkoma Hub escrow account and the only activity in the investment and PILOT accounts were bank interest. Ms. LaPonte informed the Members that Empire National Bank will be merging with Flushing Bank next year.

Mr. Pollakusky joined the meeting at 12:10 P.M.

The external auditors from Albrecht, Viggiano, Zureck & Company were in the office the last week of October to begin their interim test work; no issues have been identified. A phone call was received yesterday from the Authorities Budget Office (ABO) who is reviewing 2018 PARIS reports and checking for website compliance; a minor change may need to be made to the website but otherwise everything is in order.

The motion to accept the Operating Statement for October was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

### **180 RAIL ROAD AVENUE, LLC – APPLICATION**

This application was received some time back, but the applicant decided to hold off until the project was more organized. The project site in Center Moriches was purchased a few years ago and they are requesting help in expanding by adding additional buildings. This project is expected to cost approximately \$5 million, they currently have 38 employees and expect to increase employment to 89 jobs. They have a facility in East Moriches and plan to move their 38 employees to the Center Moriches site.

Michael Goldfarb of 180 Rail Road informed the Board that they have been in business since 1990 performing heavy road construction. Their business has grown substantially over the years and they have outgrown their current site. Ms. Eaderesto inquired if all Certificates of Occupancy are in place and if there are any violations on the Center Moriches site; Mr. Goldfarb responded that all certificates are in place and there are no violations\*.

\*Subsequent to the meeting, staff learned that there is a pending site plan, which will bring any existing violations into conformance with Town Codes.

Mr. Goldfarb explained that they do some work in New York City but 95% of their jobs are on Long Island.

The motion to accept the application was made by Mr. Trotta and seconded by Mr. Callahan. All voted in favor.

Mr. Goldfarb left the meeting at 12:17 P.M. and the IDA meeting was recessed.

The IDA meeting resumed at 12:20 P.M. Mr. Braun and Mr. Grucci stepped out of the meeting to recuse themselves from the discussion regarding Brookhaven Memorial Hospital / LI Community Hospital.

**BROOKHAVEN MEMORIAL HOSPITAL / LI COMMUNITY HOSPITAL –  
RESOLUTION**

A request was received from the hospital to approve a change in their trustee. People's United Bank has decided to transfer their trust accounting practice to US Bank.

The motion to approve this resolution was made by Mr. Trotta and seconded by Ms. Scheidt. All voted in favor with Mr. Braun and Mr. Grucci recusing themselves.

At 12:21 P.M., the IDA meeting was recessed.

Mr. Middleton joined the meeting at 12:22P.M.

The IDA meeting was resumed at 12:30 P.M.

**CEO'S REPORT**

Job Creation Numbers

Brookhaven Memorial Hospital / LI Community Hospital has projects with both the LDC and IDA and has not met their job creation numbers.

The hospital sent a letter explaining that they have been negotiating with Stony Brook University Hospital for a long-term acquisition/affiliation which has not yet been formally approved. If this were to go through, Mr. Carrigan stated the hospital would have to re-finance the bonds or get a consent from the bondholders to transfer assets. The hospital's job creation numbers are at 71% of what they promised. The 14 Glover project has no jobs and is not occupied because expected subtenants never signed leases.

After much discussion, Mr. Pollakusky made a motion to revisit this matter in six months which was seconded by Mr. Trotta. All voted in favor.

Mr. Braun and Mr. Grucci returned to the meeting at 12:31 P.M.

#### **TOP GOLF USA HOLTSVILLE, LLC – RESOLUTION**

The cost benefit analysis, feasibility study and proposed PILOT were included in the meeting packets. A public hearing was held a few days ago; the only comments were from the project attorney, Mr. Shea, which was that site work has started on the property. If benefits are not approved, Mr. Shea stated that the project site would be sold and the work that has started will make the property more valuable.

Mr. Shea and Mr. Sinsabaugh of Certilman Balin joined the meeting at 12:34 P.M. Ms. Scheidt left the meeting.

Mr. Shea reminded the Members of the specifics of this project that is a recreational / entertainment facility. It will be a three-story building with numerous bar and restaurant areas. The main feature is a driving range and there will be hitting bays that have skyboxes with waitress service. There will be convention / meeting space, a pool room and accessory games. This project is expected to create 158 new jobs and the sales tax estimated to be generated once operating is \$2 million per year. There will be \$20 to \$25 million in improvements made. There are fifty of these facilities operating in the United States, two in England and one in Australia.

A fiscal analysis and a marketing analysis have been provided that outline the benefits to the Town. Top Golf may transfer ownership of the property at some point; Top Golf would still operate the facility. Mr. Trotta inquired about the buffer zones and the immediate neighbors to the project. Mr. Shea explained that the property was originally zoned light industrial and that they worked with the Planning Department to locate the building as close to the Long Island Expressway as possible. The building will be approximately 109 feet from the Expressway and 329 feet away from the nearest residential property line. Due to the design of the building there should be no glare from the lights and there are native tree plantings in the back of the property, as well as a LIPA right-of-way so there should be no disturbance to the surrounding neighbors. The project recently received Health Department approval and they are moving towards a building permit. Top Golf hopes to be open for business by the end of 2020.

The motion to approve this resolution was made by Mr. Pollakusky, seconded by Mr. Trotta and unanimously approved.

Mr. Shea and Mr. Sinsabaugh left the meeting at 12:42 P.M.

#### **T. MINA SUPPLY / 924 OLD MEDFORD, LLC – RESOLUTION**

Ms. Mulligan presented the resolution for T. Mina Supply / 924 Old Medford, LLC. This is a current project located at the corner of Old Medford Avenue and the Long Island Expressway in Medford that distributes pipes for sewer lines. Construction on their building is complete. When the project closed, they were given a time limit on when they could take a mortgage and pay the mortgage recording tax exemption and then have an alternative PILOT. That deadline has passed, and they have now requested an extension of that deadline. A public hearing was held with no comment received. An updated cost benefit analysis was included in the meeting packets that assume a longer PILOT and the payment of the mortgage recording tax.

The motion to approve this resolution was made by Mr. Grucci and seconded by Mr. Pollakusky. All voted in favor.

#### **LONG ISLAND AVENUE HOLDINGS, LLC – RESOLUTION**

The cost benefit analysis and proposed PILOT were included in the meeting packets. This is a \$2.9 million project that consists of constructing a 15,000 square foot building featuring six 2,125 square foot warehouse units with office space to be located at 109 Long Island Avenue in Yaphank. The six units will be leased out to third parties. No comments were received at the public hearing. Job creation requirements will be included in the closing documents with milestones that need to be set by certain dates. A total of 13 jobs are anticipated. There will be one full-time equivalent employed by Long Island Avenue; the rest of the jobs will be from the subtenants.

The motion to approve this resolution was made by Mr. Grucci, seconded by Mr. Pollakusky and unanimously approved.

**WALLACE OAKLAND UNIFIED CREDIT TRUST – RESOLUTION**

The cost benefit analysis was included in the meeting packets. Wallace Oakland Unified Credit Trust is assuming the Four Keys project on Zorn Boulevard in Yaphank. Wallace Oakland is a related entity to Four Keys.

The motion to approve this resolution was made by Mr. Grucci and seconded by Mr. Callahan. All voted in favor.

**FRANK LOWE RUBBER & GASKET CO., INC. – RESOLUTION**

This project has been in the IDA's name for quite some time. Their PILOT was scheduled to end this December, but an extension was requested. A public hearing was held with no comments received and the cost benefit analysis was included in the meeting packets, which included that there are currently 38 employees at the facility. Members discussed the offer made by South Carolina wooing the company to their State and the need to retain this manufacturing company. This resolution extends the PILOT for five years with 20% increases per year.

The motion to approve this resolution was made by Mr. Grucci, seconded by Mr. Pollakusky and unanimously approved.

## **CEO'S REPORT – CONTINUED**

### American Organic Energy

Ms. Mulligan informed the Members that the American Organic Energy project will not be closing this year and will forfeit their bond allocation. It is expected that this project will be back next year for a straight lease transaction.

### On the Common PILOT Request

This applicant has requested a 15-year PILOT. An outside entity will recommend the PILOT for this housing project. Preference will be given to veterans for these 600 square foot units. No action is needed.

### United Rentals

United Rentals has requested an increase in their sales tax exemption. The original exemption was based on purchases of \$2.6 million, they have now said purchases will increase to \$4.4 million. A fee will be charged for this increase. Final costs will be reviewed once the project is completed. Mr. Tullo added that they received their demolition permit last week and are ready to move forward. A public hearing will be scheduled.

### Uniform Tax Exemption Policy (UTEP)

The most recent draft of the revised Uniform Tax Exemption Policy (UTEP) was included in the meeting packets. Revisions include new legislative changes and amendments to the housing section. Discussion followed on what types of housing projects will be considered. A public hearing will need to be scheduled before the UTEP can be amended. There is pending legislation that could require public hearing notices be sent to the affected school board in addition to the school superintendent.

Mr. Middleton made a motion to accept the draft version of the UTEP and schedule a public hearing. Mr. Callahan seconded this motion and all voted in favor.

### Job Creation Numbers – Continued

In addition to Brookhaven Memorial Hospital / LI Community Hospital which was discussed earlier, both Aarco projects have failed to meet their job creation numbers. Aarco Horseblock has 50% of the jobs promised and Aarco Old Dock has 79% of their job numbers. The owner of both locations has communicated that he is having difficulty locating employees. Ms. Mulligan has put him in touch with Rosalie Drago of the Workforce Development Institute to assist. An 80% or 85% threshold has typically been accepted for job creation numbers. Since this has been an ongoing issue for a few years, the Board directed that a letter be sent informing them that job numbers need to improve by March 31, 2020 or the PILOTS for both projects could be increased.

#### Legislative Update & Assembly Public Hearing

The New York State Assembly will hold a joint committee public hearing in New York City on November 22<sup>nd</sup> regarding IDAs and LDCs. This hearing will be livestreamed; Ryan Silva of the New York State Economic Development Council is expected to testify.

Nixon Peabody provided a memo outlining recent legislative changes including required amendments to the UTEP. A question also needs to be added to the application as to what extent the project will be energy efficient. Ms. Eaderesto noted there are thresholds for incentives for energy efficiency in the Town Code. Work is ongoing to prepare for the live streaming of meetings to start in January. The recordings will need to be maintained on the Agency website for five years. Mr. Pollakusky will assist in the logistics of this endeavor.

#### Sexual Harassment Training

All Board Members are required to participate in sexual harassment training once a year. A certificate of completion will be accepted if a Member has already completed this training through another entity. There is an online training that can be purchased for \$20 per person.

#### Long Island Association (LIA) State of the Region Executive Breakfast

The Long Island Association (LIA) is holding their State of the Region Executive Breakfast on January 10<sup>th</sup>. If anyone wishes to attend seats can be purchased.

**PRESENTATION – TODD SHAPIRO ASSOCIATES**

Mr. Wax provided an update on marketing efforts for the month. There is a new person working on social media; 4,000 people have looked at our posts in the last month.

At 1:39 P.M., Mr. Grucci 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 Mr. Callahan and all voted in favor.

At 1:58 P.M. Mr. Callahan made a motion to exit executive session. The motion was seconded by Mr. Grucci and unanimously approved.

**RESOLUTION TO JOIN NEW YORK STATE HEALTH INSURANCE PROGRAM**

Mr. Grucci made a motion for the Agency to join the New York State Health Insurance Program (NYSHIP) to provide health insurance for Agency employees and CSEA for other benefits. The motion was seconded by Mr. Callahan and unanimously approved.

The motion to close the IDA meeting at 2:00 P.M. was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

*The next IDA meeting is scheduled for Monday, December 2, 2019.*