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TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING
HELD BY ZOOM VIDEOCONFERENCE

- - - - -x

November 20, 2020
12:08 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 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 J. LaPONTE, CHIEF FINANCIAL OFFICER
JAMES M. TULLO, DEPUTY DIRECTOR
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
AMY ILLARDO, ADMINISTRATIVE ASSISTANT
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP
PETER L. CURRY, ESQ., FARRELL FRITZ, P.C.
JIM TSUNIS, OVERBAY, LLC

* * *

1

2

MR. BRAUN: We will now open the
meeting for the Industrial Development
Corporation.

3

4

5

Members in attendance -- I suppose we
ought to do this for the record because there
is a quorum -- Mr. Grucci, Mr. Pollakusky,
Ms. Scheidt, Mr. Middleton --

6

7

8

9

MS. MULLIGAN: Peter, will you mute
yourself?

10

11

Joce, will you mute Peter?

12

Thank you.

13

MR. BRAUN: -- Mr. Callahan, Mr. Trotta
and Mr. Braun are all present.

14

15

The minutes of our meeting of
October 21st have been sent to everyone.

16

A motion to accept those?

17

MR. CALLAHAN: So moved.

18

MR. BRAUN: Second?

19

MS. SCHEIDT: Second.

20

MR. BRAUN: Questions, corrections?

21

(No response.)

22

MR. BRAUN: Hearing none, on the vote,
Mr. Grucci?

23

24

MR. GRUCCI: Yes.

25

1

2

MR. BRAUN: Mr. Pollakusky?

3

(No response.)

4

MR. BRAUN: Mr. Middleton?

5

MR. MIDDLETON: Yes.

6

MR. BRAUN: Ms. Scheidt?

7

MS. SCHEIDT: Yes.

8

MR. BRAUN: Mr. Callahan?

9

MR. CALLAHAN: Yes.

10

MR. BRAUN: Mr. Trotta?

11

MR. TROTTA: Yes.

12

MR. BRAUN: And Mr. Braun votes yes.

13

We're going to take this out of order a

14

little bit.

15

Lisa, do you want to talk about

16

Overbay?

17

MS. MULLIGAN: Sure.

18

As you see, we have guests from Overbay

19

on the call. We got a request letter asking

20

us to -- hold on, let me back up.

21

To remind the board members, this is a

22

project in Port Jefferson, on the west side of

23

Port Jefferson closest to the water, I'm

24

sorry, I can't think of the name of that road

25

right now, but actually --

1

2

MR. CALLAHAN: West Broadway?

3

MS. MULLIGAN: Is it West Broadway?

4

MR. TSUNIS: Yes, 217 West Broadway.

5

MS. MULLIGAN: Thank you.

6

7

I was going to say, Peter or Jim, do you guys want to give the board a very brief

8

overview of the request?

9

(No response.)

10

MR. TSUNIS: You want to unmute Peter?

11

MS. MULLIGAN: I can just do it, too,

12

sorry.

13

14

Basically as the letter that we received indicates, there were cost overruns,

15

it's taken a little bit more time than

16

anticipated to complete the project and

17

Overbay has negotiated a new mortgage for the

18

facility of 15 million, which will take out

19

the existing \$11.5 million financing. They're

20

requesting \$3.5 million in additional mortgage

21

and a mortgage recording tax abatement on that

22

amount.

23

Peter, Jim, did you have anything that

24

you wanted to add?

25

MR. CURRY: No, I mean it's really all

1

2

in the letter and basically COVID and a bunch

3

of other issues have not only kept this

4

project from being done as quickly as Jim

5

would have liked to have it done, but have

6

also resulted in cost overruns. I think

7

everybody on the board is aware of the

8

increased cost of construction materials as a

9

result of the last couple of years and

10

especially as a result of the supply line

11

issues that we've had, supply chain issues

12

that we've had with COVID.

13

MR. BRAUN: Jimmy, occupancy is

14

expected to be mid spring?

15

MR. TSUNIS: Yes.

16

We already -- we just started leasing

17

about a week ago, we already preleased six

18

units.

19

MR. BRAUN: Out of a total of how many?

20

MR. TSUNIS: Fifty-two.

21

MR. BRAUN: Thank you.

22

MR. TSUNIS: Here's what the

23

community -- that's what it looks like right

24

now (indicating).

25

MS. MULLIGAN: That's screen sharing.

1

2

MR. CURRY: And Jim anticipates taking down the fence prior to certificate of occupancy.

3

4

MR. GRUCCI: Lisa, I missed it, what was the request for, how much?

5

6

MS. MULLIGAN: For the original mortgage is 15 million and -- I'm sorry, the original mortgage is 11.5 million and the new mortgage is 15 million, so it's a \$3.5 million difference that results in a mortgage recording tax of about \$26,000 savings.

7

8

9

10

11

12

13

MR. GRUCCI: Got it.

14

15

MR. CURRY: And again, we would continue to pay the point three percent that is the MTA portion.

16

17

MR. BRAUN: Correct.

18

MS. MULLIGAN: You have no choice.

19

MR. BRAUN: I need a resolution, please.

20

MR. TROTTA: I would make a resolution.

21

MR. BRAUN: Is there a second?

22

MR. GRUCCI: Second.

23

MR. BRAUN: On the vote, Mr. Grucchi?

24

MR. GRUCCI: Yes.

25

1

2

MR. BRAUN: Mr. Pollakusky?

3

(No response.)

4

MR. BRAUN: Mr. Middleton?

5

MR. MIDDLETON: Yes.

6

MR. BRAUN: Ms. Scheidt?

7

MS. SCHEIDT: Yes.

8

MR. BRAUN: Mr. Callahan?

9

MR. CALLAHAN: Yes.

10

MR. BRAUN: Mr. Trotta?

11

MR. TROTTA: Yes.

12

MR. BRAUN: Mr. Braun votes yes.

13

MR. POLLAKUSKY: I said yes as well.

14

MR. CURRY: Thank you. Thank you

15

members of the board for this assistance and

16

we look forward to the beginning of next year

17

or early spring having a ribbon cutting and

18

letting everybody see this great new building

19

that's going up in the Village of Port

20

Jefferson.

21

MR. BRAUN: We look forward to it.

22

MR. TSUNIS: Thank you. Have a nice

23

Thanksgiving. Thank you.

24

MR. GRUCCI: You, too. Good luck.

25

MR. TSUNIS: Thank you.

1

2

MR. BRAUN: Lori, why don't you pick up the CFO report?

3

4

MS. LaPONTE: I just wanted to present the October operating statement versus budget year-to-date actual.

5

6

7

So I just want to point out, it's included in your packages, I just want to point out that we had two application fees received in the month of October for two projects. We had one closing for Brightview. We had a termination fee, that was for Blue Diamond. A PILOT extension fee, document processing fee and then the housing study looks a little weird, it's a pass-through, so one month it's in income, next month we have the expense, so it nets to zero year-to-date and the subtenant application fee, so for the month of October, revenue brought in 186,000. Our expenditures are in line with what we budget from month to month.

10

11

12

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22

So are there any questions on the year-to-date and the monthly October budget versus actual report?

23

24

25

MR. GRUCCI: Lori, I'm looking at the

1

2

report on my phone and the next column over
from October 2020 is January to October.

3

4

MS. LaPONTE: That's our year-to-date.

5

MR. GRUCCI: And we go into a loss --

6

MS. LaPONTE: Yes. Yes.

7

MR. GRUCCI: -- if I'm reading this

8

right?

9

MS. LaPONTE: Correct. Net loss of

10

\$36,000 down at the bottom, correct.

11

MR. GRUCCI: What caused the loss; I

12

don't know, can you hear me or am I choppy?

13

MS. LaPONTE: Yes. No, I can hear you;

14

can you hear us?

15

MR. GRUCCI: I do, but I hear every

16

couple of words, it must be on my end.

17

MS. LaPONTE: Okay.

18

MR. GRUCCI: Briefly, what caused the

19

loss?

20

MS. LaPONTE: So it's really when a

21

project closes, it could close, you know, we

22

set forth a budget, it's not firm when it will

23

close, if it will close in January, it could

24

close in December, it could close in November,

25

so there's -- our expenses are pretty much in

1

2

line with what we budget, but what caused most

3

of the loss is just a decrease in revenue.

4

MR. TROTTA: So it's a timing issue.

5

MR. GRUCCI: All right. Thank you.

6

MS. LaPONTE: Thank you.

7

Any other questions?

8

MR. BRAUN: Felix, I would just say

9

that, you know, based on what our monthly

10

expenses are and what we think will come in

11

between now and the end of the year, it's

12

possible that we will be in the red for the

13

calendar year 2020.

14

MR. GRUCCI: Okay. Thanks, Fred.

15

MR. BRAUN: Lori, you had one other

16

item or two other items?

17

MS. LaPONTE: Two other items. Okay.

18

So also, as mentioned previously,

19

Empire Bank closed their merger with Flushing

20

in the month of -- actually October 31st it

21

started, all the new accounts were set up on

22

November 16th, so we're just going through

23

updating all the requirements that Flushing

24

has. Some of the authorized signers, the

25

treasurer, may need to sign additional

1

2

documents because the collateral agreements are in line with what we need, they're just talking about changing them.

5

6

7

8

9

10

11

12

13

The full effect and the full transfer when I have to get everything done, we have three months, but I just want to make you aware of it. Interest rates haven't changed and so far the service hasn't changed, although today was the first time I heard from someone from Flushing, nobody's reached out to us directly other than just receiving letters in the mail.

14

15

16

MS. MULLIGAN: We got a phone call. We had a gentleman call and helped us with a couple -- a little bit of setup.

17

18

MS. LaPONTE: Right, but was that instigated on your end?

19

MS. MULLIGAN: No, they reached out.

20

MS. LaPONTE: Okay.

21

22

MR. TROTTA: What is the name of the new bank going to be?

23

MS. LaPONTE: Flushing Bank.

24

MR. TROTTA: Flushing Bank. Okay.

25

MR. BRAUN: Obviously by the name they

1

2

were in Flushing for many, many years. They

3

now have their headquarters in what used to be

4

called the EAB Plaza in Uniondale, I'm not

5

sure if that's still the name of it or not.

6

MS. MULLIGAN: Let's take a quick

7

break.

8

(Short recess taken.)

9

MR. BRAUN: I think I need a motion to

10

accept Lori's initial report.

11

MR. POLLAKUSKY: So moved.

12

MS. SCHEIDT: Second.

13

MR. BRAUN: Any questions?

14

(No response.)

15

MR. BRAUN: Gary, how do you vote?

16

MR. POLLAKUSKY: Yes.

17

MR. BRAUN: Mr. Middleton?

18

MR. MIDDLETON: Yes.

19

MR. BRAUN: Ms. Scheidt?

20

MS. SCHEIDT: Yes.

21

MR. BRAUN: Mr. Callahan?

22

MR. CALLAHAN: Yes.

23

MR. BRAUN: Mr. Trotta?

24

MR. TROTTA: Yes.

25

MR. BRAUN: And Mr. Braun votes yes.

1

2

We need a motion on the engagement

3

letter for the accounting firm as well for --

4

MR. POLLAKUSKY: So moved.

5

MS. SCHEIDT: Second the motion.

6

MR. BRAUN: I have a motion for the

7

2020.

8

Mr. Grucci is not with us yet.

9

Mr. Pollakusky, how do you vote?

10

MR. POLLAKUSKY: Yes.

11

MR. BRAUN: Mr. Middleton?

12

MR. MIDDLETON: Yes.

13

MR. BRAUN: Ms. Scheidt?

14

MS. SCHEIDT: Yes.

15

MR. BRAUN: Mr. Callahan?

16

MR. CALLAHAN: Yes.

17

MR. BRAUN: Mr. Trotta?

18

MR. TROTТА: Yes.

19

MR. BRAUN: Mr. Braun votes yes.

20

I need a motion to go into executive

21

session.

22

MR. POLLAKUSKY: So moved.

23

MS. SCHEIDT: Second.

24

MR. BRAUN: Mr. Pollakusky?

25

MR. POLLAKUSKY: Yes.

1

2

MR. BRAUN: Mr. Middleton?

3

MR. MIDDLETON: Yes.

4

MR. BRAUN: Ms. Scheidt?

5

MS. SCHEIDT: Yes.

6

MR. BRAUN: Mr. Callahan?

7

MR. CALLAHAN: Yes.

8

MR. BRAUN: Mr. Trotta?

9

MR. TROTТА: Yes.

10

MR. BRAUN: Mr. Braun votes yes.

11

MR. GRUCCI: Mr. Grucci's on the line.

12

Yes.

13

MR. BRAUN: Thank you, Mr. Grucci.

14

MS. MULLIGAN: Okay. Thanks everybody.

15

(Short recess taken.)

16

(Mr. Middleton left the meeting.)

17

MS. MULLIGAN: There was no action

18

taken, no vote taken during executive session

19

and I think we need a motion -- Bill, correct

20

me if I'm mistaken or Howard -- to come out of

21

executive session.

22

MR. GROSS: Yes.

23

MR. TROTТА: I would make the motion.

24

MR. BRAUN: Is there a second?

25

MR. CALLAHAN: Second.

1

2

MR. BRAUN: On the vote, Mr. Grucci?

3

(Mr. Grucci gives a thumbs-up.)

4

MS. MULLIGAN: We got a thumbs-up from

5

Felix.

6

MR. BRAUN: Gary?

7

(Mr. Pollakusky gives a thumbs-up.)

8

MR. BRAUN: Mr. Middleton?

9

MS. MULLIGAN: Scott is off.

10

MR. BRAUN: Ms. Scheidt?

11

(Ms. Scheidt gives a thumbs-up.)

12

MR. BRAUN: Mr. Callahan?

13

MR. CALLAHAN: Yes.

14

MR. BRAUN: Mr. Trotta?

15

MR. TROTTA: Yes.

16

MR. BRAUN: And Mr. Braun votes yes.

17

Thank you.

18

We need a couple of resolutions --

19

MR. CALLAHAN: Gary's waving, he's

20

muted, so I don't know why.

21

MR. POLLAKUSKY: Thank you.

22

MR. BRAUN: We saw his wave.

23

We need a resolution to adopt a new fee

24

schedule.

25

MR. POLLAKUSKY: So moved.

1

2

MS. SCHEIDT: Second.

3

MR. BRAUN: Thank you.

4

On the vote, Mr. Grucci?

5

MR. GRUCCI: Yes.

6

MR. BRAUN: Mr. Pollakusky?

7

MR. POLLAKUSKY: Yes.

8

MR. BRAUN: Mr. Middleton, is he gone?

9

MR. CALLAHAN: He's gone, he had to

10

leave.

11

MR. BRAUN: Okay.

12

Ms. Scheidt?

13

MS. SCHEIDT: Yes.

14

MR. BRAUN: Mr. Callahan?

15

MR. CALLAHAN: Yes.

16

MR. BRAUN: Mr. Trotta?

17

MR. TROTTA: Yes and this is on the fee

18

schedule, correct?

19

MR. BRAUN: That's correct.

20

MR. TROTTA: And that is effective

21

January 1st giving -- correct?

22

MS. MULLIGAN: Well, no, it's effective

23

today, but for the projects that are already

24

in the hopper, so to speak, we're going to

25

give them a grace period until January 1st.

1

2 So someone new comes in after, next week, it's
3 the new fee schedule.

4 MR. TROTTA: Okay. Understood. Thank
5 you for clarification.

6 MR. BRAUN: We also need a resolution
7 to purchase the car unless upon investigation
8 a lease makes more sense for the agency of
9 approximately 36, can we kick it up to 38,000
10 just to cover it?

11 MR. CALLAHAN: So moved.

12 MS. SCHEIDT: Second.

13 MR. BRAUN: On the vote, Mr. Grucci?

14 MR. GRUCCI: Yes.

15 MR. BRAUN: Mr. Pollakusky?

16 MR. POLLAKUSKY: Yes.

17 MR. BRAUN: Ms. Scheidt?

18 MS. SCHEIDT: Yes.

19 MR. BRAUN: Mr. Callahan?

20 MR. CALLAHAN: Yes.

21 MR. BRAUN: Mr. Trotta?

22 MR. TROTTA: Yes.

23 MR. BRAUN: Mr. Braun votes yes.

24 On the personnel, we need a resolution
25 that the IDA will pick up the expenses for the

1

2

employees whose salaries and compensation were

3

formerly shared between the IDA and the Town

4

as a result of the Town's action last night

5

eliminating the division of Economic

6

Development.

7

MR. TROTTA: I'll make that motion.

8

MR. POLLAKUSKY: I'll second that.

9

MR. BRAUN: On the vote, Mr. Grucci?

10

MR. GRUCCI: Yes.

11

MR. BRAUN: Thank you.

12

Mr. Pollakusky?

13

MR. POLLAKUSKY: Yes.

14

MR. BRAUN: Ms. Scheidt?

15

MS. SCHEIDT: Yes.

16

MR. BRAUN: Mr. Callahan?

17

MR. CALLAHAN: Yes.

18

MR. BRAUN: Mr. Trotta?

19

MR. TROTTA: Yes.

20

MR. BRAUN: Mr. Braun votes yes.

21

MS. MULLIGAN: Thank you everyone.

22

I just wanted to take a second and say

23

thank you. I know I speak for the whole staff

24

when I say this has been a stressful time and

25

I appreciate all of your support and kind

1

2

words and recognition of all that the staff

3

does, so I just, I wanted to make sure that I

4

said thank you to all of you.

5

MR. CALLAHAN: You're welcome.

6

MS. SCHEIDT: We appreciate all that

7

you do.

8

MR. TROTTA: Yeah, we do and I'm glad

9

we're able to keep the team together and in

10

its present format.

11

MS. MULLIGAN: Thank you. Thank you.

12

MR. BRAUN: I certainly echo those

13

thoughts.

14

MS. MULLIGAN: The next item on the

15

agenda is 14 Glover.

16

Howard, do you want to give an

17

overview?

18

MR. GROSS: Fourteen Glover, they're

19

submitting a request on behalf of 14 Glover to

20

amend the PILOT schedule so that they will not

21

pay any taxes because they have applied to the

22

assessor to be totally exempt from taxation

23

because they're a not-for-profit entirely.

24

When they originally started the project, they

25

anticipated that a portion of the project

1

2 would be used for for-profit purposes, they no
3 longer are expecting that and so they've made
4 the application to the assessor for that
5 purpose.

6 Effectively, they could simply take the
7 property back from us and they would be paying
8 no taxes anyway, so it's not as if we're
9 giving them something more than they wouldn't
10 otherwise be entitled to in any event.

11 We will have to hold a public hearing
12 and then adopt a resolution and if Mr. Weir
13 has anything to add to that, I would
14 appreciate it.

15 MR. BRAUN: Howard, we need Lisa to
16 schedule a public hearing; is that correct?

17 MR. GROSS: Yes.

18 MR. BRAUN: Okay.

19 MR. WEIR: Howard very eloquently
20 explained the request from 14 Glover, so thank
21 you.

22 MS. MULLIGAN: Okay. So we will
23 schedule that public hearing.

24 The only other thing in the agenda is
25 we sent around a spreadsheet from New York

1

2

State EDC. We just wanted you to be aware of

3

some of the legislation that's out there,

4

specifically focused on IDA's and if you take

5

a minute to look at it, it's a little bit

6

overwhelming that there's so much attention

7

being paid to us and I do believe there's even

8

updates since then that we have not yet

9

received, but I've heard that there's

10

additional legislation either proposed or

11

being proposed, so just for you to be aware

12

and also to be aware that this is one of the

13

things that New York State EDC does for us on

14

a regular basis, they keep us alerted to the

15

things that staff doesn't have the time to

16

constantly watch all of the legislative

17

changes. They watch it for us.

18

MR. BRAUN: The CEO of that

19

organization is very effective in being able

20

to reach out to the State legislators to

21

explain some of the things about what IDA's do

22

and we'll see. We've been able to knock down

23

things in the past, there are a couple of

24

things that we still need to worry about

25

specifically on that list and we'll let you

1

2 know as it develops.

3

4

5

6

7

8

MS. MULLIGAN: We don't have anything else on the agenda. Just be aware that our next meeting is scheduled for December 9th and it looks like it's going to be a pretty full agenda as I expect us to have probably about six applications, maybe more.

9

MR. CALLAHAN: Nice.

10

11

12

13

14

15

16

MR. BRAUN: Let me just close by saying I appreciate all of your patience and cooperation today, none of our training I don't think ever covered what happened today and hopefully it will never happen again, but I very much appreciate all of you and what you have done today and for the past.

17

18

On that happy note, I'll entertain a resolution to adjourn.

19

MR. CALLAHAN: So moved.

20

MS. SCHEIDT: Second.

21

MR. BRAUN: I'll make it official.

22

Mr. Grucci, how do you vote?

23

MR. GRUCCI: I vote yes and I

24

appreciate those comments, Fred.

25

MR. BRAUN: Thank you.

1

2

Mr. Pollakusky?

3

MR. POLLAKUSKY: I vote yes, too.

4

MR. BRAUN: Thank you.

5

Ms. Scheidt?

6

MS. SCHEIDT: I vote yes and wish

7

everyone a Happy Thanksgiving.

8

MS. MULLIGAN: Yes, thank you; you,

9

too.

10

MR. BRAUN: Mr. Callahan?

11

MR. CALLAHAN: Yes, Happy Thanksgiving

12

to everybody as well.

13

MR. BRAUN: Mr. Trotta?

14

MR. TROTТА: Yes and Happy Thanksgiving

15

and stay healthy everybody.

16

MR. BRAUN: Thank you and Mr. Braun

17

votes yes and enjoy the weekend and Happy

18

Thanksgiving.

19

(Time noted: 1:39 p.m.)

20

I, JOANN O'LOUGHLIN, a Notary Public

21

for and within the State of New York, do hereby

22

certify that the above is a correct transcription

23

of my stenographic notes.

24

25

JOANN O'LOUGHLIN