TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

BOARD MEETING
HELD VIA ZOOM VIDEOCONFERENCE

December 16, 2021
8:04 a.m.

TRANSCRIPT OF PROCEEDINGS

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APPEARANCES:

MEMBERS:
FREDERICK C. BRAUN, III
MARTIN G. CALLAHAN
FELIX J. GRUCCI, JR.
LENORE PAPROCKY
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

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MR. BRAUN: This is a special meeting of the Town of Brookhaven Industrial Development Agency. It's Thursday, December 16th. It is now 8:04, a quorum is present.
Lisa?

MS. MULLIGAN: Today's meeting has been convened in accordance with Chapter 417 of the laws of 2021 effective September 2, 2021 through January 15, 2022 permitting local governments to hold public meetings by telephone and videoconference.

(Inaudible comments.)

MS. MULLIGAN: So the first item on the agenda is a resolution for T. Mina Supply. I think there's some guests that . . . maybe raise your hand if you want to have us join -- have you join if you have anything that you want to add to this, but while they decide, basically T. Mina Supply is the project down at the north service road of the L.I.E. and Old Medford Avenue, it's just actually right down the street from Town Hall -- Joce, I see Gary is in the waiting room, also, thank
you -- and the real estate holding entity is staying the same and the operating company is changing.

Howard, did you have anything you wanted to add to that?

MR. GROSS: Yeah, just very briefly.

They're doing some complex reorganizations in order to sell the company. The principals, Mr. Mina, who's been running it, will continue to be involved and continue to run it, so from the agency's viewpoint, even though it's being acquired, the company effectively, same people will still be there, they'll be still guaranteeing us the employment, et cetera, so from that perspective, it won't change, essentially it's a change of ownership and as a consequence, they need to separate the responsibilities of the two companies, which is very common in acquisitions of this kind. The new company does not want to be responsible for the old company's responsibilities. Nevertheless, they will be responsible to us for the normal things that we expect occupants of our
facilities to be responsible to us for sure; insurance, environmental, things of that kind, employment, they're going to continue to do, et cetera, so I'm comfortable.

MR. TROTTA: Nothing's really changed on our end, correct?

MR. GROSS: Correct. We'll still see everything the same way, it's just different people will be behind it.

MR. TROTTA: Okay.

MR. BRAUN: Any other questions?

(No response.)

MR. BRAUN: Counsel for the company's on the phone as well or on the call. Howard I think explained it very well. If you read the letter, it's a complicated transaction, but as Frank just said, basically, you know, it's the same as it relates to our project, so if there are no questions, I'll take a motion.

MS. SCHEIDT: So moved.

MR. BRAUN: Thank you, Ann-Marie.

Second?

MR. CALLAHAN: Second.

MR. BRAUN: Thank you, Marty.
On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

MR. BRAUN: Mr. Braun votes yes.

The motion passes.

MS. MULLIGAN: Thank you.

I am going to . . . thank you, Cathy.

I am going to suggest that we go into executive session to discuss pending lawsuits.

I think we need a motion to go into executive session.

MR. TROTTA: Motion to go into executive session for litigation.

MR. BRAUN: Thank you.

Second?

MR. GRUCCI: Second.

MR. GROSS: Before you leave to go into
executive session, am I correct that some of
this I will be on and then I'll get off for
the rest of it?

MS. MULLIGAN: Yes, yes, Howard, that's
correct, I need you in there for part of it.

MR. GROSS: Okay.

MS. MULLIGAN: Joce just sent the Zoom
link, so if you would come out of this and go
into the next one.

Joce, leave this open.

MR. BRAUN: And on the vote for the
resolution, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Ms. Scheidt?

MS. SCHEIDT: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.
Motion carried.

MR. GRUCCI: Is Joce sending a new link?

MS. MULLIGAN: She just sent it.

MR. GRUCCI: Okay, great, thank you.

MS. SCHEIDT: See you soon.

(Short recess taken.)

MR. BRAUN: Come out of executive session.

MR. POLLAKUSKY: So moved, Gary Pollakusky.

MR. BRAUN: Second?

MR. GRUCCI: Second.

MS. MULLIGAN: That was a motion to come out of executive session, I just don't know if the recording started in time to catch that.

MR. BRAUN: Okay.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

(No response.)
MS. PAPROCKY: I see a thumbs up.

MS. MULLIGAN: Lenore has no mike.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Ms. Scheidt?

(No response.)

MR. BRAUN: She's not with us at this point.

Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

We are out of executive session.

There are two resolutions that we need to consider; one to set a public hearing for the Ronk Hub project, which will be on January 10th at ten in the morning.

May I have a resolution?

MR. POLLAKUSKY: So moved.

MR. BRAUN: Second?

(No response.)

MR. BRAUN: Is there a second?

MR. GRUCCI: Second.

MR. BRAUN: Thank you.

On the vote, Mr. Trotta?
MR. TROTTA: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Ms. Paprocky?

(No response.)

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Braun votes yes.

That is passed and the second resolution is to initiate termination of the IDA's benefits for Macedo Construction, Incorporated.

MR. TROTTA: Yes.

MR. BRAUN: Mr. Trotta.

Is there a second?

MR. CALLAHAN: Second.

MR. BRAUN: Thank you.

MS. MULLIGAN: Howard, do we need anything else in that statement?

MR. GROSS: Sorry, I missed that. I was -- I just got an email from one of the attorneys and I was reading it, I apologize.
MS. MULLIGAN: So we have a resolution in front of the board to initiate termination for Macedo Construction, Inc.

Do we need to include clawbacks, do we need to expand on it at all?

MR. GROSS: May as well holding the project, yes and to assert our clawback rights and to take such actions as may be necessary to do so.

MS. MULLIGAN: So Howard added on Meso Holding Corp.?

MR. GROSS: Yes, that's the real estate entity.

MS. MULLIGAN: Yes. Okay.

MS. EADERESTO: Redo the motion as amended Frank by Howard.

MR. BRAUN: To include what Howard just said.

MR. TROTTA: Motion to the amendment.

MR. BRAUN: Thank you. And the second was?

MR. CALLAHAN: Marty Callahan.

MR. BRAUN: Thank you. Okay.

On the vote, Mr. Trotta?
MR. TROTTA: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Braun votes yes.

That motion is carried as well.

Thank you.

MS. MULLIGAN: Thank you.

The next items on the agenda is an amended application from Scalamander Cove. It was included in your packets.

Just to remind everybody, this is a roughly 13-acre project in Middle Island. It's north of 25 and east of Rocky Point Road, I believe. They are dedicating some of those 13 acres and about six, roughly six and a half will be -- is proposed to be developed into residential -- 96 residential units. They've agreed to our ten percent affordable, ten
percent workforce requirement. They plan to have 72 two-bedroom apartments and 24 one-bedroom apartments.

The cost of the project has gone up since we received an application in 2020, so now it's roughly a $27.4 million project. They're planning on creating six jobs. They've requested mortgage recording tax exemption, sales tax exemption and a 15-year PILOT.

Keep in mind in a project like this, we send the PILOT analysis to a third party to come up with a PILOT for that, so although they've requested a 15-year PILOT, we'll see what flushes out as the third party does the analysis.

So does anyone have any questions?

MR. WEIR: Lisa, under the revised UTEP -- because this is still market rate -- the 15 years would not be the norm, correct?

MS. MULLIGAN: I think we --

MR. WEIR: I thought we did seven to ten on market rate.

MS. MULLIGAN: You might be right
because this doesn't have -- you're right, Bill. This doesn't have a -- it's not a downtown, it's not -- it doesn't fit any of those caveats.

MR. WEIR: No.

MS. MULLIGAN: I'll make sure that the third party, I assume we're going to use Camoin, that they are aware. I always send them the section of our UTEP that has to do with it, so they have that.

MR. WEIR: Yeah. A 15-year PILOT would be a deviation.

MS. MULLIGAN: Okay.

MR. WEIR: And probably not one we want to start, you know, this would be one of the first ones that would be a housing like this that would, you know, be out of the box (inaudible).

MR. TROTTA: It should be 20?

MS. MULLIGAN: No, seven to ten.

MR. TROTTA: Seven to ten? Oh.

MR. CALLAHAN: That's the new UTEP, correct?

MR. WEIR: Correct. Right.
MS. MULLIGAN: Yeah. Is it new still?

MR. CALLAHAN: Well, since (inaudible) 19.

MR. WEIR: We did it, we finalized it back in the summer of 2021. It was June of 2021.

MS. MULLIGAN: I thought it was 2020 the last time we did it. Okay.

MR. BRAUN: So we need a resolution --

MR. WEIR: We started talking about it (inaudible) July of 2020; I can't remember when we actually finalized it.

MR. BRAUN: We need a resolution to accept the amended application for Scalamander Cove.

(No response.)

MR. BRAUN: Don't everybody jump at once.

MR. CALLAHAN: So moved.

MR. BRAUN: Is there a second?

MS. MULLIGAN: And to set the public hearing.

MR. BRAUN: I'll second it.

On the vote, Mr. Callahan?
MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

The motion is carried.

MS. MULLIGAN: Thank you.

The next item on the agenda is WHTB Glass.

We received a correspondence that they are looking for your consent to a $3 million loan with East West Bank.

Howard, is this yours or Bill --

MR. GROSS: No, I think it's Bill's.

MS. MULLIGAN: Bill, did you have anything you wanted to add?

MR. WEIR: No, they're just doing a refinancing.

MR. CALLAHAN: Okay.
MS. MULLIGAN: So they're just looking for consent, they're not asking for any new benefits.

MR. WEIR: Yup.

MR. BRAUN: Motion, please?

MR. TROTTA: Motion.

MR. POLLAKUSKY: So moved.

MR. BRAUN: Second?

Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

Motion passes.

MS. MULLIGAN: Thank you.

The next item on the agenda is Four L. I just want to let you know that it came to our attention that North Shore -- that
one of their subtenants, North Shore Sprinkler Supply, was purchased by another entity and they actually didn't come to us in a timely fashion, but from what I understand, it happened kind of quickly. They have subsequently started to get all the documents together for -- to get the subtenant -- the subtenant application to this board, so --

MR. TROTTA: So are they in violation of anything?

MS. MULLIGAN: Yes.

MR. TROTTA: Okay.

So what actions or potential actions are possible? Howard?

MS. MULLIGAN: Howard?

MR. GROSS: Well, we've had -- unfortunately we've had this situation more than once on many projects where they come after the fact and ask for approval because they didn't realize they were supposed to come to us in advance.

The lawyer who represented the seller and I understand the principal's still there, working there, it's not like they're not and
it was a large (inaudible), but the lawyer
who's representing the seller, the subtenant
seller, was very apologetic to his credit and
he said we didn't realize it, we should have
and by the same token, Jones should have
realized it, too, they should never have
approved the transfer of the lease, the
assignment of the lease. They've been
apologetic as well and their lawyer kind of
fell on the sword and apologized because he
said it's really his fault that he missed
that, he didn't realize it.

So in the past you have, to my
knowledge, you've said okay, if they've been
good citizens in general, you'll allow them an
accommodation to retroactively approve the
transaction, let them apply to us, let them
enter into a new (inaudible) with us and pay
our fees, et cetera and you've done it.

If -- I suspect that if they were not
good citizens and they weren't a good project,
you might take a different approach.

MR. TROTTA: You said this happened
before?
MR. GROSS: My recollection, it's happened a couple of times.

MS. MULLIGAN: Not with this project.

MR. GROSS: Not with this project.

MR. TROTTA: Oh.

MR. GROSS: Just in general it has -- my recollection is it's happened and this is just my personal recollection. Lisa would probably know -- would know better than I would, Bill would probably know better than I would, but I could think of a couple of projects I recall sitting in these meetings and hearing that they had leased the property, they leased the property to somebody and after the fact were coming to us. I remember a couple of instances.

MR. BRAUN: Howard, you're in touch with their attorney?

MR. GROSS: Yes.

MR. BRAUN: We have a meeting I think January 12th. Just make sure they get everything to us by that date.

MR. GROSS: Yes.

MR. BRAUN: Okay.
MR. GROSS: We'd need a tenant agency application, you know, a sublease application so we know what we're dealing with and what they're about and we get comfortable. I'm not anticipating a problem based on the conversations I had, it doesn't sound like it's a problem. They very pointedly kept saying Howard, it's a much larger company, does the exact same thing we do, they acquired us, which, you know, that's not unusual, so . . .

MS. MULLIGAN: So I don't think we need a resolution, that's just an FYI just so that you're aware.

The next item on the agenda is UI Digital. They are refinancing, there's no new money and they're merely looking for a consent.

Howard, is there anything?

MR. GROSS: Yeah.

I haven't spoken to the bank attorney yet, so I don't know how it's being structured exactly. It may be that we need not even sign anything other than a subordination, but --
because we're not extending any mortgage
recording benefits to them, so they may do it
that way. If we have to join in it, it would
be fine, I mean from my perspective it would
be what we normally do with usual disclaimers
in our documentation, but it would be one of
those two ways most likely.

MR. BRAUN: Questions?

(No response.)

MR. BRAUN: Okay.

MS. MULLIGAN: I think we need a
consensus on the consent.

MR. BRAUN: Do we --

MR. GROSS: Yeah, I think we need a
motion, don't we?

MS. MULLIGAN: Yeah.

MR. BRAUN: Is it the same amount,
Howard; do --

MR. GROSS: Essentially the same
amount. They're not taking -- the lawyer
pointed out that they're not taking any new
money out. I don't know that that's totally
accurate. Very often it's a few dollars
difference or maybe they take a little bit
more out just to cover expenses, but it's not as if they're taking out a half million dollars and putting it in their pocket.

MR. BRAUN: All right. Then we should have a resolution just to the refinancing then.

(No response.)

MR. BRAUN: Somebody? Step up.

MR. TROTTA: Motion.

MR. CALLAHAN: So moved.

MR. BRAUN: Thank you, Frank.

Second?

MR. CALLAHAN: Second.

MR. BRAUN: Thank you.

MS. MULLIGAN: Thank you, Marty.

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

MR. TROTTA: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Callahan?
MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Braun votes yes.

That motion is carried.

MS. MULLIGAN: So the only other item, I apologize, is not on the agenda, but I did want to add it, I got an email late last night, United Meat is requesting an extension to their completion date. They're still having some issues. Some work was done, but it wasn't done to what they actually need, so they have to have that removed and new put in. So they didn't give me a date, let me just see if he's emailed since we've been in this meeting. He hasn't.

So he didn't give me a date of how much longer it's going to take, but I think his completion date actually expires and his sales tax expires at the end of this month, so I think that we should probably extend both the sales tax and the completion date or at least give me that authority because I don't know exactly what he's going to need.

Howard, what are your thoughts?

MR. GROSS: You know, can I make a
suggestion that you allow Lisa to do so up to six months?

This gentleman, from what I understand, has run into problem after problem not . . . so after -- and he hasn't -- as Lisa said, she only heard from him last night and he hasn't responded to her questions this morning yet from what I understand, which I can understand that, too, so once she learns what his difficulties are and how much time he needs, then allow her the latitude to give -- to provide the time that he needs and I would say up to six months should be adequate, but that's what I would suggest.

MR. BRAUN: Then I need a resolution to extend the completion date to June 30th of 2022.

MR. POLLAKUSKY: So moved.

MR. BRAUN: Thank you, Gary.

Second?

MS. PAPROCKY: Second.

MR. BRAUN: Thank you.

On the vote, Mr. Callahan?

MR. CALLAHAN: Yes.
MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

The motion is carried.

MS. MULLIGAN: Thank you everybody.

I don't have anything else on the agenda.

MR. POLLAKUSKY: Lisa, I'm going to have to pop off now.

MR. BRAUN: Thanks, Gary.

MS. MULLIGAN: Perfect timing, Gary.

Gary, Merry Christmas, happy holidays.

MR. POLLAKUSKY: Thank you all. Have a great holiday everybody.

MR. TROTTA: Merry Christmas, happy holidays everybody.

MS. MULLIGAN: Does anybody have anything else?
(Inaudible comments.)

MR. BRAUN: A motion to adjourn while we still have a quorum?

MR. GRUCCI: So moved.

MS. PAPROCKY: Second.

MR. BRAUN: On the vote, whoever's left, Mr. Callahan?

MR. CALLAHAN: Yes.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Ms. Paprocky?

MS. PAPROCKY: Yes.

MR. BRAUN: Gary's left. Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Mr. Braun votes yes.

We are adjourned. Thank you very much.

MS. MULLIGAN: Thank you everybody.

(Time noted: 8:57 a.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