

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

DECEMBER 7, 2016

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Scott Middleton
Gary Pollakusky

EXCUSED MEMBERS: Michael Kelly
Ann-Marie Scheidt

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
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Assistant
Terri Alkon, Assistant
Todd Shapiro, Todd Shapiro Associates
Alan Wax, Wax Words, Inc.
John Rose, Former Board Member

Chairman Braun opened the meeting at 6:59 P.M. on Wednesday, December 7, 2016 at Savino's Restaurant, 258 North Country Road, Mt. Sinai, New York. A quorum was present.

CFO'S REPORT

Ms. LaPonte and Ms. Mulligan recently met with Empire National Bank to explore shifting IDA accounts there. Ms. LaPonte informed the Members that the interest rates being offered by Empire are, in some cases, substantially higher than what the Agency is currently earning at Suffolk County National Bank (SCNB). The same collateral agreements that are currently in place at SCNB would be enacted through Empire. Since Empire does not have as many local branches, they would give the Agency a remote deposit scanner at no charge. This matter will be revisited in January.

CEO'S REPORT

ACE/Greenwood

Legal fees owed by ACE/Greenwood have yet to be paid. Discussions have been taking place between the Town and ACE's attorneys. Ms. Eaderesto informed the Members that an additional eight megawatts have been identified on Town land for solar projects and requested that ACE be given until January to make these payments.

Mr. Middleton made a motion to extend the deadline for ACE/Greenwood to pay the outstanding legal fees until January. The motion was seconded by Mr. Callahan and unanimously approved.

Dowling College – Liability Insurance

Dowling College recently filed for Chapter 11 Bankruptcy Protection. The liability insurance for the Shirley campus expired in October. Ms. Mulligan has been in touch with Industrial Coverage Corporation (ICC) to get an estimate of how much it would cost the Agency to carry the liability insurance for the Shirley campus. Mr. Middleton inquired if Stony Brook University, who has been renting the dorms, could name the IDA as an additional insured. There is also the NAT Center, playing fields and a guard station that would need to be covered. Mr. Callahan will reach out to our representative at ICC for further information.

Mr. Middleton made a motion authorizing Ms. Mulligan to purchase liability insurance for the Dowling Shirley Campus. The motion was seconded by Mr. Grucci and unanimously approved.

Mr. Braun noted that we should consider a risk management review of all policies.

Innovate Long Island

The Board discussed this request for a \$6,000 annual sponsorship at the last meeting and information was distributed to the Members. Mr. Middleton abstained from the discussion as there is a client relationship between his firm and Innovate LI. There are still some circulation questions so this matter will be deferred until January.

Grove Hotel

Ms. Mulligan reminded the Board of the Grove Hotel located on Fire Island that burned down two years ago. Mr. Grucci abstained from the discussion due to a potential conflict. An application for assistance had been submitted, and there had been much discussion on this project, but no additional action had been taken. It has come to the Agency's attention that construction on the hotel has begun. No public hearing has been held, no resolutions have been passed and a feasibility study to determine if this project would be classified as a tourism destination has not been completed.

Mr. Middleton made a motion decline benefits to this project. The motion was seconded by Mr. Callahan and all voted in favor with Mr. Grucci abstaining.

Storage Vault of Bellport

Mr. Grucci abstained from this discussion due to a potential conflict. A letter was submitted to the Agency requesting if the Board would entertain granting benefits for a storage facility in the former Empire Zone. This 77,000 square foot, 3-story, climate-controlled self storage facility would consist of 1,037 storage units and 243 lockers. The total project cost is estimated to be \$8,250,000 and expects to create 8 to 10 full-time jobs and 2 to 4 part-time jobs.

Mr. Middleton made a motion to decline an application for this project. The motion was seconded by Mr. Callahan and all voted in favor with Mr. Grucci abstaining.

J-Power

Ms. Mulligan informed the Board that a meeting took place today between Agency staff, J-Power representatives, counsel for both the Agency and J-Power, and the attorney for the Shoreham-Wading River school district. It was explained to the school district's counsel that the \$2.4 million dollars J-Power had been paying through the PILOT for this peaker plant would be ending and may be negotiated down to roughly \$1.2 million dollars. As no one from the school district attended, Ms. Mulligan will obtain a response from them in writing. The current PILOT between the Town of Brookhaven (not the IDA) and LIPA is in effect through 2017.

IDA Meeting
December 7, 2016

Mr. Braun thanked the Members for all of their hard work and support throughout the year and detailed the accomplishments for 2016: a total of \$183 million in project investments, 271 jobs were retained and 38 new positions were created. Projects that are expected to close in the near future will increase these numbers to \$350 million dollars in investment, 401 jobs being retained and 358 jobs being created.

The motion to close the meeting at 7:18 P.M. was made by Mr. Middleton and seconded by Mr. Callahan. All were in favor.

The IDA organizational meeting is scheduled for Wednesday, January 11, 2017.