

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE

FEBRUARY 20, 2019

MEETING MINUTES

MEMBERS PRESENT: Frederick C. Braun, III
Gary Pollakusky
Ann-Marie Scheidt
Frank C. Trotta

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Scott Middleton

ALSO PRESENT: Martin Callahan, Board Member
Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Alan Wax, Wax Words, Inc.

Chairman Braun opened the meeting at 12:24 P.M. on Wednesday, February 20, 2019 in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

AUTHORITIES BUDGET OFFICE (ABO) LAW CHANGES

Ms. Mulligan informed the Committee that the Authorities Budget Office (ABO) recently said that the changes made to the general municipal law in 2015 were misread. Nixon Peabody has provided the Agency with an outline of changes that need to be made including amending the application again and requiring projects to project what month they will hire employees. However, Mr. Weir noted that there is nothing in the statute that requires job reporting on a monthly basis.

Additional information will need to be posted on the website including authorizing resolutions when they are passed along with the application. When a project closes, the lease and project agreement and equipment lease (if applicable) must also be posted.

AUTHORITIES BUDGET OFFICE (ABO) SALES & USE TAX EXEMPTIONS

The ABO performed audits on a few IDAs and their sales tax exemptions. We believe that the Brookhaven IDA is doing well in comparison even though we are working to tighten up our system. Mr. Pollakusky inquired what the consequence is if a project fails to meet their job creation numbers. Mr. Weir replied that it is at the Board's discretion if benefits are recaptured. Ms. Mulligan added that the report of how many jobs our projects currently have compared to what they were required to create will be presented at next month's meeting.

LEGISLATION

There is legislation currently introduced in the state that could require board meetings to be held at night or to be live streamed on the internet. There is also a push in the state to require projects that are supported with any state benefits to pay prevailing wages. Mr. Weir added that even a federal program that is only administered by the state would require a prevailing wage on the construction of the building, as well as anything custom made for the building including renovations. This would raise costs greatly. Mr. Braun, Ms. Mulligan and Mr. Weir recently attended a meeting on this matter at the Long Island Association where developers stated they would no longer do projects in New York if this is imposed.

UNIFORM TAX EXEMPTION POLICY (UTEP)

The IDA received a request to consider restricting senior housing benefits unless the project would be located within designated areas: a Community Development Block Grant area, an Opportunity Zone, a revitalization, a Transit Oriented Development, a highly distressed area or an established downtown. The Uniform Tax Exemption Policy (UTEP) would need to be amended to make this change would require a public hearing which includes notifying every taxing jurisdiction within the Town. Ms. Mulligan requested that the Members review the UTEP to see if there are any additional changes they would like to make.

IDA Governance Committee Meeting
January 9, 2019

It was the consensus of the Committee to amend the UTEP as it relates to senior housing projects.

The motion to close the Governance Committee meeting at 1:07 P.M. was made by Ms. Scheidt and seconded by Mr. Pollakusky. All voted in favor.