

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MARCH 21, 2017

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Michael Kelly
Gary Pollakusky
Ann-Marie Scheidt

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

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 (via conference call)
Jocelyn Linse, Assistant
Alan Wax, Wax Words, Inc.
Jeff Davoli, Albrecht, Viggiano, Zureck & Co.
Elizabeth Casey, Albrecht, Viggiano, Zureck & Co.

Chairman Braun opened the meeting at 12:53 P.M. on March 21, 2017 in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

AUDIT COMMITTEE – RESOLUTION

Mr. Callahan made a motion to replace Mr. Grucci and appoint Mr. Kelly and Ms. Scheidt to the Audit Committee. The motion was seconded by Mr. Pollakusky and unanimously approved.

At 12:54 P.M., the IDA meeting was recessed. At 1:04 P.M., the IDA meeting was resumed.

IDA Meeting
March 21, 2017

Mr. Davoli and Ms. Casey excused themselves from the meeting at 1:05 P.M.

AUDIT COMMITTEE REPORT ON 2016 IDA FINANCIAL STATEMENTS

The motion to accept the Audit Committee Report on the 2016 IDA Financial Statements was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

MEETING MINUTES OF FEBRUARY 15, 2017

The Minutes of February 15, 2017 were previously sent to the Members for review. The motion to approve the Minutes as presented was made by Ms. Scheidt seconded by Mr. Pollakusky and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for February 28, 2017. All administrative fees have been received with the exception of Four Keys, ACE Holtsville and ACE Manorville. There is one more PILOT disbursement due to go out shortly and then all first-half PILOTS will have been distributed. All PILOTS are disbursed within 30 days.

The standard expenses were noted along with advertising costs related to the 2016 tombstone advertisement. This ad was placed in Long Island Business News, the New York Real Estate Journal and The Real Deal at a cost of approximately \$7,000. The motion to ratify these expenses was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

The savings account has been moved to Empire National Bank. Earnings on this account went from 5 basis points to 40 basis points. In the short timeframe the account has been moved, more interest was earned than had been earned in a year with our previous bank. Remote deposit services have been set up; direct deposit of paychecks will begin once the operating account has been moved. The investments at Greco will be transferred to Empire as they mature.

IDA Meeting
March 21, 2017

The motion to accept the Operating Statement for February was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

GREAT SOUTH BAY DISTILLERY – APPLICATION

Ms. Mulligan presented the application for this Adaptive Re-Use project that plans to make distilled spirits at 127 West Avenue in Patchogue Village. The building was formerly used for auto repair; the new facility will include a tasting room. This project is expected to cost an estimated \$1.6 million dollars and create 12 jobs. Great South Bay is awaiting their state and federal licenses to distill spirits; these cannot be obtained without a location. This project is moving through the Patchogue Village approval process.

The motion to accept this application was made by Mr. Pollakusky and seconded by Mr. Kelly. The motion passed with Mr. Braun abstaining.

UI DIGITAL – SUBTENANT APPLICATION

Ms. Mulligan presented the application for UI Digital's subtenant, a tile company called Stone Logic.

At 1:20 P.M., Mr. Kelly excused himself from the meeting.

Stone Logic will be renting 1,800 square feet of the building for a term of three years. More information is needed on this subtenant; Ms. Scheidt made a motion to approve this subtenant pending review by staff of this additional information. The motion was seconded by Mr. Callahan and unanimously approved.

SELDEN COMMERCIAL – SOLAR PANELS APPLICATION

Selden Commercial intends to install solar panels on the roof of their facility. They have a Power Purchase Agreement (PPA) in place with PSE&G for the next 20 years. Selden Commercial is seeking the 15-year property tax abatement they would have received from the State without the IDA's involvement. Ms. Eaderesto noted a copy of the PPA will be necessary.

The motion to accept the application was made by Ms. Scheidt and seconded by Mr. Callahan. All were in favor.

MCKEON ROLLING STEEL DOOR – NEW FACILITY APPLICATION

McKeon has been an IDA project since 2006. They propose building a 30,000 square foot manufacturing facility on 2 acres of land a few doors down from their current facility on Sawgrass Drive. McKeon has requested property tax, sales tax and mortgage recording tax abatements on the new facility, as well as an amended PILOT for their current building for ten additional years with 10% increases per year. McKeon's hope is that the PILOTS for both facilities would end at the same time. The PILOT for the current facility is scheduled to end in 2018/2019. They have 68 employees which are 4 more than anticipated.

It was the consensus of the Board that benefits could be entertained for the new facility, but ten additional years on the existing building was rejected. The motion to accept the application was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

CEO'S REPORT

Job Numbers / Annual Report

Ms. Mulligan presented the job numbers for our projects for 2016, along with their numbers for 2015 and the number of employees they had in their certification year, first year and second year as IDA projects. Mr. Braun and Mr. Tullo attended a conference in Albany where they learned the majority of IDAs look at clawing back benefits from projects that are below 85% of their job creation projections. Ms. Mulligan provided a summary of projects that are below this threshold; an explanation is required if job numbers are not met. Mr. Braun and Ms. Mulligan will review these projects prior to the next meeting.

IDA Meeting
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Risk Manager

Two proposals from Risk Managers were received. A proposal from Joanne Bentivegna calls for a one-time fee of \$2,500 to review current Agency policies, \$250 per hour to review new projects, and \$200 per location for existing projects. The other proposal received from Risk Management International is for a flat rate of \$18,000 for the first year to review all insurance, then \$12,000 per year for the next two years with a three year commitment. Ms. Mulligan will request an estimate on how many hours would be necessary from Ms. Bentivegna. This will be considered at the next meeting.

At 1:50 P.M., Ms. Scheidt made a motion to close the IDA meeting. The motion was seconded by Mr. Callahan and unanimously approved.

The next IDA meeting is scheduled for Wednesday, April 19, 2017.