

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MARCH 28, 2018

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Michael Kelly
Scott Middleton
Gary Pollakusky
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, Executive Assistant
Alan Wax, Wax Words, Inc.
Tim Shea, Certilman Balin

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

MINUTES OF FEBRUARY 21, 2018

The Minutes of February 21, 2018 were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Mr. Callahan. All were in favor.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for February 28, 2018. The final administrative fees and PILOT payments were received and all are paid up to date. All PILOT payments have been disbursed within the required 30 days. All payroll taxes,

IDA Meeting
March 28, 2018

retirement and deferred compensation payments have been paid in full. A check was received for the Ronkonkoma Hub escrow account and two expenditures were paid.

The motion to accept the Operating Statement for February was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

Ms. Scheidt made a motion to pause the IDA meeting at 12:22 P.M. and open the Audit Committee meeting. Mr. Grucci seconded this motion and all voted in favor.

At 12:34 P.M. Mr. Grucci made a motion to resume the IDA meeting. The motion was seconded by Mr. Kelly and unanimously approved.

AUDIT COMMITTEE REPORT ON 2017 IDA FINANCIAL STATEMENTS

The motion to accept the Audit Committee Report on the December 31, 2017 IDA Financial Statements was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor. Mr. Kelly made a motion to file the PARIS report which was seconded by Mr. Grucci and unanimously approved.

CEO'S REPORT

Four Keys Default

It has come to the attention of the Agency that Four Keys is in their new building without a temporary or permanent Certificate of Occupancy. This company relocated out of the Ronkonkoma Hub to Zorn Boulevard in Yaphank. They are working towards a temporary Certificate of Occupancy but there have also been issues with their insurance and they only provided their annual report this morning when it was due in February. Ms. Eaderesto informed the Board that the town served Four Keys with a summons, and they received their temporary highway approval. The Planning Department is trying to work with Four Keys.

Tim Shea joined the meeting at 12:36 P.M.

Mr. Gross suggested that the Board consider granting Ms. Mulligan the authority to default a project and pursue remedies with the advice of the Chairman and Counsel if timing is an issue. If a project is defaulted, their benefits could be recaptured.

Ms. Scheidt made a motion to grant Ms. Mulligan the authority to issue a default notice and pursue remedies with the advice of the Chairman and Counsel. The motion was seconded by Mr. Callahan and unanimously approved. Counsel will create a formal resolution.

Selden Commercial / All Star Arena

Ms. Mulligan informed the Board that there have been issues with insurance for All Star Arena and their tenant, CrossFit. The project owner has sent proof that he purchased insurance but not what type of insurance. Mr. Shea, counsel for this project, believes the coverage amounts were increased. According to counsel insurance has been purchased and is effective at the required amounts. Cards will be issued in the next 3 to 5 days. Mr. Shea expects a confirming e-mail from the broker by the end of the day.

At 12:52 P.M. Mr. Shea left the meeting.

Give and Go

There was a fire last fall at the Give and Go facility (formerly Uncle Wally's) that requires repairs to the mezzanine. A letter requesting authorization for the work to be done was requested but has not yet been received. The fire took one of their three production lines out of service; Give and Go added a third shift to compensate for this loss. It was noted that their employment numbers are above what was required.

At 12:55 P.M., Mr. Grucci made a motion to enter executive session to discuss proposed, pending or current litigation. The motion was seconded by Mr. Kelly and unanimously approved.

IDA Meeting
March 28, 2018

At 1:04 P.M., Mr. Grucci made a motion to resume the regular agenda. The motion was seconded by Mr. Kelly and all voted in favor.

American Organic Energy

Progress has been made on this anaerobic digester project in Yaphank. Additional bond allocation through the LDC will not be granted by the State until approval has been given from LIPA. LIPA will not give approval until after FIT (Feed-In Tariff) V is complete. This will push the closing for this project until at least the third quarter of this year.

Ms. Eaderesto excused herself from the meeting at 1:07 P.M.

HAE AIR, INC. – FINAL AUTHORIZING RESOLUTION

The cost benefit analysis was included in the meeting packets. This company is related to a company that used to be called Hampton Air and was an IDA project. They are now planning to construct a new 12,000 square foot building on the corner of Pinehurst and Sawgrass in Bellport at a cost of approximately \$1.6 million. They expect to retain 43 employees and create 3 new positions. A public hearing was held on March 20th with no comment received.

The motion to approve this resolution was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

MACEDO CONSTRUCTION – FINAL AUTHORIZING RESOLUTION

A public hearing was held for this project on March 20th with no comments received. Macedo Construction / Meso Holdings is purchasing the 25,000-square foot former Polymag building on Station Road. Polymag and an attorney renting space for storage will be staying in the building; Macedo will occupy approximately 16,000 square feet. This \$1.7 million project will retain 42 jobs and create 11 new positions.

The motion to approve this resolution was made by Ms. Scheidt and seconded by Mr. Pollakusky. All were in favor.

VANTAGE / 4L REALTY – APPLICATION

Ms. Mulligan presented the application for Vantage / 4L Realty. 4L Realty plans to construct and own the building and lease 50% of it to Vantage, a distributor of aircraft parts. Vantage has 17 employees and expect to have 22.5 full-time equivalent jobs after the project is complete. The entire project cost is estimated at \$4.12 million and would be constructed at 665/667 Union Avenue in Holtsville. A user has not yet been identified for the remaining half of the building. Benefits have only been requested for the portion that Vantage would occupy; the other half of the building is being marketed now.

Ms. Mulligan inquired of the Board's wishes with this project such as granting a 50% PILOT or 100% with a caveat that the other half would need to be occupied within a set amount of time. Sales tax benefits could be granted to the owner for construction with some allocation granted to the tenant. The Members discussed multiple scenarios for what types of benefits to potentially grant to this project.

The motion to accept the application was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

180 RAIL ROAD AVENUE – APPLICATION

This project involves a former bus depot in Center Moriches that was purchased approximately six months ago. The applicant would like to add on to the existing building and construct two more buildings at the site. The applicant is seeking property tax abatements on the 5,000-square foot addition and the two new 6,000 square foot buildings, not on the existing building. 180 Rail Road is also GAP Leasing, a part of Rosemar Paving. They have an existing facility on Pine Street in East Moriches. This location would be for their trucking operations. They have 38 employees and will add 22 new positions. The 38 existing jobs will remain at the East Moriches facility.

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

CEO'S REPORT – CONTINUED

Excel 6

The completion date for the Excel 6 hotel project is June 15, 2018 which was already extended multiple times. The hotel is still under construction and it does not seem likely they will meet the deadline. It is unclear if the completion date can be extended at this point due to legislation changes that have occurred since it was originally approved. Multiple options were discussed including not extending the completion date or sales tax or defaulting the project. Ms. Mulligan noted that a PILOT extension was granted on the existing hotel in exchange for constructing this hotel. This matter will be revisited in May.

Job Creation Numbers

All projects have submitted their annual reports except for J Power. Mr. Weir will reach out to this project. Some projects are below their job requirements. Mr. Braun and Ms. Mulligan will review these projects and reach out to any project that is below the 85% threshold.

Board Assessments

The results of the board assessments were included in the meeting packets and have been sent to the Authority Budget Office as required. The section on serving the community may improve with the implementation of a planned workforce development program. A representative from an organization called WDI will make a presentation to the Board in April on this program.

Ethics Disclosures

All ethics disclosure forms have been submitted.

Resolution #27

IDA Meeting
March 28, 2018

This resolution was adopted at last month's meeting. The goals were updated as per the Board's wishes.

New York State Economic Development Council (NYSEDC) Sponsorship

The Agency received a request from the New York State Economic Development Council (NYSEDC) to sponsor this year's conference in Cooperstown. This conference was sponsored last year at a cost of \$5,000; Mr. Grucci made a motion to sponsor this conference at the same level. The motion was seconded by Ms. Scheidt and unanimously approved.

Mr. Braun added that the NYSEDC Executive Director visited last week and met with the Suffolk County IDAs.

Advertisements

Ms. Mulligan showed the Board the recent full-page ads of our projects in 2017 in the Real Deal and Long Island Business News. The Agency was also featured as the IDA of the Year on the cover of the New York Real Estate Journal.

PRESENTATION – ALAN WAX

Mr. Wax informed the Board that there were three articles in Newsday last month about our projects. Mr. Pollakusky inquired if any of the recent press has brought in new projects; Ms. Mulligan responded that it is unclear, though most projects seem to come from attorneys and realtors.

Ms. Scheidt made a motion to close the meeting at 1:48 P.M. The motion was seconded by Mr. Grucci and unanimously approved.

The next IDA meeting is scheduled for April 18, 2018.