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TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING
HELD BY CONFERENCE CALL

- - - - -x

April 15, 2020
12:17 p.m.

TRANSCRIPT OF PROCEEDINGS

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A P P E A R A N C E S :

MEMBERS :

FREDERICK C. BRAUN, III
MARTIN CALLAHAN
FELIX J. GRUCCI, JR.
SCOTT MIDDLETON
GARY POLLAKUSKY
ANN-MARIE SCHEIDT
FRANK C. TROTTA

ALSO PRESENT :

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
LORI 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: The minutes of our meeting
March 25th were taken by a stenographer.

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Are there any clarifications or
questions to those minutes?

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MR. WEIR: Mr. Chairman, before you
start that, could you just please announce
that you have a quorum present?

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MR. BRAUN: Thank you very much.

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Motion to accept the minutes of

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March 25th.

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MR. TROTTA: So moved.

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MR. CALLAHAN: Second.

14

MR. BRAUN: Mr. Braun votes yes.

15

Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Mr. Grucci?

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MR. GRUCCI: Yes.

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MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

21

MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

23

MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Motion carries.

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I'll turn it over to Lori LaPonte.

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MS. MULLIGAN: I just want to just tell
you one thing.

6

7

We realized that there was a typo in
there that we're going to correct. It said
"leaked" when that word shouldn't have been in
there and I apologize, I don't have the page
in front of me, but when you read them,
"leaked" will be out of place, it won't really
make sense in the sentence, so we're going to
just correct that one piece of it.

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MR. BRAUN: Thank you.

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Turning it back over to Lori LaPonte
for the CFO's report.

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16

MS. LaPONTE: Okay. I'm going to
review the March report because it includes
February in it, so if you have any questions,
just let me know.

17

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19

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Included in the first quarter, I'm just
talking about the whole January through March,
we have one application fee from Biocogent.
Closing fee, we have three closings for this

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period. We also had the annual PILOT admin

3

fee is included in revenue. We had two late

4

payment fees from Amneal. Some extension

5

sales tax in item projects and revenue. A

6

housing study, that is a contra revenue that

7

we recognized, we received the money back in

8

2019, so that's why it's negative this year.

9

It won't offset on the final statements. Then

10

we have two subtenant application fees from

11

Blue Point and UI Digital. That's revenue for

12

the month.

13

Going down onto the income statement, I

14

just want to point out some items.

15

What we've done for this statement is

16

we set up accruals for the accounting fees,

17

even though we haven't incurred them yet, but

18

we set up 1/12 for each month. We set up also

19

an accrual for the insurance expense. The

20

other expenses, the one thing I'll point out

21

onto the second page is in the website

22

programmer, we also had \$490 for the ADA

23

compliance fees to get our website up to date.

24

Other than that, are there any

25

questions about the statement?

1

2

(No response.)

3

MR. BRAUN: Questions from the board?

4

(No response.)

5

MR. BRAUN: Hearing none, I'll

6

entertain a motion to accept the CFO's report.

7

MS. MULLIGAN: Both reports.

8

MS. SCHEIDT: So moved.

9

MR. POLLAKUSKY: Second.

10

MR. BRAUN: Mr. Braun votes yes.

11

Ms. Scheidt?

12

MS. SCHEIDT: Votes yes.

13

MR. BRAUN: Mr. Grucci?

14

MR. GRUCCI: Yes.

15

MR. BRAUN: Mr. Callahan?

16

MR. CALLAHAN: Yes.

17

MR. BRAUN: Mr. Trotta?

18

MR. TROTTA: Yes.

19

MR. BRAUN: Mr. Middleton?

20

MR. MIDDLETON: Yes.

21

MR. BRAUN: Mr. Pollakusky?

22

MR. POLLAKUSKY: Yes.

23

MR. BRAUN: Motion carries.

24

MS. MULLIGAN: I just want to remind

25

everybody that this is a work in progress,

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these profit and loss statements, so if

3

there's something that you think would make it

4

clearer for you, something you want included,

5

excluded, just let us know.

6

MR. BRAUN: Lori, you want to just

7

discuss the AVZ audit and PARIS again?

8

MS. LaPONTE: Sure.

9

I want to mention that PARIS is a work

10

in progress, we're still updating it. AVZ has

11

provided us with draft financial statements

12

and we provided them with some comments and

13

things that need to be updated. We haven't

14

received an updated draft. We're continuing

15

to work on PARIS, but there is going to be

16

some difficulty in pulling that altogether.

17

That report's a typically 120-page detailed

18

report, so there are some obstacles to

19

overcome in not being able to sit down in the

20

office and pull individual project documents,

21

so we're still in a delay with that.

22

MR. BRAUN: I'll ask Lisa and Lori the

23

question I started to ask with the LDC.

24

How many projects have failed to

25

provide us with their year-end information, if

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you know the answer?

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MS. LaPONTE: We think we're down to two out of 90, but we've been in contact with them and some of the responses we received, as we go to put it into PARIS, sometimes we're finding we need some tweaking, they didn't answer the question or didn't understand the question, so we're at that point of just needing like one or two and we're at the point of we entered the information into PARIS, but we need to go back through it and check it all.

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MR. BRAUN: All right. I'll put the same resolution I did with the LDC and that is we defer submission of the PARIS report until we have our final AVZ annual financial statement, all of the projects have reported their information and we're able to print out and compare the input for PARIS with what we have in our files in the office.

22

Is there a second?

23

MS. SCHEIDT: So moved.

24

MR. BRAUN: Thank you.

25

Questions?

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(No response.)

3

MR. BRAUN: Mr. Braun votes yes.

4

Ms. Scheidt?

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MS. SCHEIDT: Votes yes.

6

MR. BRAUN: Mr. Grucci?

7

MR. GRUCCI: Yes.

8

MR. BRAUN: Mr. Callahan?

9

MR. CALLAHAN: Yes.

10

MR. BRAUN: Mr. Trotta?

11

MR. TROTTA: Yes.

12

MR. BRAUN: Mr. Middleton?

13

MR. MIDDLETON: Yes.

14

MR. BRAUN: Mr. Pollakusky?

15

MR. POLLAKUSKY: Yes.

16

MR. BRAUN: Motion carries.

17

MS. MULLIGAN: The next item on the

18

agenda is a resolution for a default and

19

recapture for Give & Go. Give & Go is the

20

parent company of Uncle Wally's bakery.

21

It came to our attention that Give & Go

22

was being purchased by Mondelez. A few months

23

back, the store company, I think it's the

24

store company or store corp., they purchased

25

the structure, Uncle Wally's, their facility

1

2 and then we heard that Mondelez was buying
3 Give & Go, so we reached out to the folks at
4 Give & Go and we were waiting for an update.

5 Bill, were you able to speak to their
6 attorney about this; did you have any new
7 information?

8 MR. WEIR: First of all, let's go back
9 to the first part of what you said before.

10 In August of last year, the IDA board
11 approved the sale of the building from Give &
12 Go to store and then the leasing of the
13 building at the fee level back to Give & Go.
14 They did that as a sale leaseback instead of
15 taking out a mortgage, they looked at both.
16 At the time they talked to us about whether or
17 not it made more sense for them to refinance
18 the mortgage on the building or do a sale
19 leaseback to basically refinance the building.
20 They went through that. The agency approved
21 that and that was accomplished back in August
22 of '19.

23 What came to our attention recently is
24 that Mondelez bought out the . . . we believe
25 it's the upstream parent of Give & Go. Give &

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2 Go is a fairly large Canadian company and what
3 they have here is they create a special
4 purpose entity, you know, kind of lower down
5 in the corporate chain for our facility.

6 So as far as I can tell and I've asked
7 Peter Curry, their attorney, to clarify it and
8 we didn't get a letter back in time for this
9 meeting, that the sale occurred upstream at
10 the parent level, you know, probably several
11 levels above our entity, so, therefore, if
12 that is, in fact, the case, it would not
13 trigger an event of default under our
14 documents. If on the other hand they just
15 purchased our Give & Go special purpose entity
16 without our consent, that could have triggered
17 their default.

18 So at this point we don't have enough
19 information to make a determination that an
20 event of default occurred and is continuing.

21 MR. BRAUN: This subject should then
22 therefore be deferred until the next meeting?

23 MR. WEIR: Correct.

24 MR. BRAUN: Any questions from the
25 board?

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(No response.)

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4

MR. BRAUN: Hearing none, Lisa, I'll
turn it back over to you.

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MS. MULLIGAN: Okay.

We actually have one item that I'd like
to just add to the agenda.

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UI Digital's subtenant's application
came before the board at the last meeting. It
was for what we understood to be a wholesale
tire operation and Howard got some
qualification on what they actually do and so,
Howard, would you mind giving the board an
update?

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MR. GROSS: Yes and Fred, you had
actually alluded to this.

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What they explained was they do more
than simply store and on a wholesale basis
distribute tires. They actually repair
primarily commercial tires. Apparently they
have trucks that are on the road and when a
trucker has a flat on the large tires, they go
out and they fix the flats. If the tires need
further repair because they can't do it on
site, then they bring them back to the

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warehouse, they fix them and then they send them back out.

3

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5

I confirmed that customers don't come there and don't visit them for that purpose.

6

They deliver the tires, generally speaking,

7

the new tires, when they sell them and they

8

have only their own trucks going back and

9

forth for the purposes of doing the repairs

10

and maintenance, so they explained that to me

11

and they asked that they be allowed to expand

12

the use clause in their subtenancy.

13

MR. BRAUN: Howard, does this require a

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resolution from the board?

15

MR. GROSS: I would consider it to be

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an amendment to our prior resolution to

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include to permit them to use it for those

18

purposes that I described.

19

MR. BRAUN: All right. I'll entertain

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a resolution to amend the prior application to

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include the operation of the company as Howard

22

described.

23

MR. MIDDLETON: So moved.

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MR. BRAUN: Second?

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MR. TROTTA: Second.

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2 MR. BRAUN: Fred Braun votes yes.

3 Ms. Scheidt?

4 MS. SCHEIDT: Yes.

5 MR. BRAUN: Mr. Grucci?

6 MR. GRUCCI: Yes.

7 MR. BRAUN: Mr. Callahan?

8 MR. CALLAHAN: Yes.

9 MR. BRAUN: Mr. Trotta?

10 MR. TROTTA: Yes.

11 MR. BRAUN: Mr. Middleton?

12 MR. MIDDLETON: Yes.

13 MR. BRAUN: Mr. Pollakusky?

14 MR. POLLAKUSKY: Yes.

15 MR. BRAUN: Thank you.

16 Lisa?

17 MS. MULLIGAN: So the next item on the
18 agenda is 14 Glover, LLC.

19 We scheduled a public hearing --

20 MR. BRAUN: Lisa, you want to put this
21 at the end?

22 MS. MULLIGAN: Yes.

23 Howard, do we need to put it at the end
24 since they won't be voting on anything?

25 MR. GROSS: Well, I think for the same

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2 reason Bill's explained earlier, I don't think
3 it's necessary for them to recuse themselves
4 because you're not taking any action today. I
5 think Lisa is just going to update you the
6 status.

7 MS. MULLIGAN: Yes.

8 MR. BRAUN: Thank you.

9 MS. MULLIGAN: So we scheduled a public
10 hearing for this morning for 14 Glover. The
11 cost benefit analysis, the PILOT and the
12 request letter I believe was all included in
13 your packets. It was all posted on our
14 website.

15 Due to a Coronavirus-related issue, we
16 were unable to notify some of the taxing
17 jurisdictions of the public hearing, so
18 Annette suggested that we hold the public
19 hearing this morning, which we did, we opened
20 it, but we adjourned it to April 21st at ten
21 a.m. The only participant was an attorney
22 from Rivkin Radler, who represents the
23 hospital, 14 Glover and she just listened, she
24 had no comment, so it's adjourned right now to
25 April 21st.

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What I need to ask from the board is if we can have a special meeting sometime after the April 21st public hearing to consider that resolution and to remind everybody, this was the resolution to adjust their second half 2019/2020 PILOT payment to zero and extend their completion date.

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Howard, did I miss anything?

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MR. GROSS: And also to defer the commencement of the employment dates by one year. So they had obligations to meet a certain criteria by December 31st of this year and December 31st of the following year and we are deferring those, pushing those back one year each.

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MR. GRUCCI: Are you asking for a vote?

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MS. MULLIGAN: No. I'm giving you an update, but I am just letting everybody know that we're going to have to have a special meeting for this sometime after April 21st, but quite frankly, Felix and Fred, neither of you can participate in this vote. Unless there's other items on the agenda, I would think that it would be fine for you not to

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participate.

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MS. EADERESTO: Correct. We're going to need a quorum without Felix and Fred for whatever date you're choosing here.

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MS. MULLIGAN: Yes.

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MR. TROTTA: Do we have an idea what that date might be?

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MS. MULLIGAN: After April 21st at ten a.m.

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MS. EADERESTO: So is it April 22nd at ten a.m.?

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MS. MULLIGAN: It could be April 21st.

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MS. EADERESTO: It could be April 21st at ten a.m.?

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MS. MULLIGAN: It could be April 21st at 10:30 a.m.

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MS. EADERESTO: 10:30 if you need me is not good because that's the conference call every day with the Town Board.

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MS. MULLIGAN: Okay.

22

23

MR. TROTTA: How about the 22nd?
MS. EADERESTO: Again, if you do it at 10:00, it shouldn't take more than a half an hour.

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MS. MULLIGAN: I have had a few people reach out to me and say they had some items that if we did have a special meeting they might like included, so maybe we don't put it so close to Annette's daily conference call.

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MS. EADERESTO: Right. Any time you guys want, I can call in other than 10:30 every day, you know, that's a standing call.

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MS. MULLIGAN: So we could do 4/21 or could we do noon.

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MS. EADERESTO: On the 21st?

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MS. MULLIGAN: Yes.

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MS. EADERESTO: Is that good for everybody?

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MS. SCHEIDT: Can we wrap up by 1:00 because that's when my class that I teach starts?

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19

MS. MULLIGAN: I think we should be able to wrap up by 1:00 and if everybody else is on the call, even if Ann-Marie has to step off and we still have some business, if everybody else is on the call, we still have a quorum to pass a resolution.

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MS. SCHEIDT: I'm sure I can stick

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2 around for 15 minutes or so if that's . . .

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4 MR. BRAUN: So the proposed special

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meeting will be held on the 21st at noon; is
that correct?

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7

MS. MULLIGAN: Oh, wait, hold on. Joc
just brought up a good point.

8

9

Is that enough time to post a special
meeting between now and then?

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MS. EADERESTO: Today is the 15th.

11

12

MR. WEIR: A special meeting you only
need 48 hours.

13

14

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MS. EADERESTO: Right. Well, right now
you could adopt a resolution for a special
meeting and then you just post it. You could
post it earlier, it's all good. You can do it
on Monday and do the resolution today setting
it.

19

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21

MR. BRAUN: Before we ask for that
resolution, let's just do a head count and
make sure who will be available.

22

23

So it's the 21st at noon. I'm
available.

24

Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Mr. Grucci?

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MR. GRUCCI: Is that a special meeting for just this particular purpose?

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MR. BRAUN: There may be other things on the agenda, but it is not expected to be a lengthy meeting, no.

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MR. GRUCCI: Then if there are other business, I can participate, but if it was just for this particular issue, I would not want to participate.

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13

MR. BRAUN: Neither one of us can.

Mr. Callahan?

14

MR. CALLAHAN: Yes, that's fine.

15

MR. BRAUN: Mr. Trotta?

16

MR. TROTTA: Yes, that's fine.

17

MR. BRAUN: Mr. Middleton?

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19

MR. MIDDLETON: Sure. Just send a calendar invite, please.

20

MR. BRAUN: Yes.

21

Mr. Pollakusky?

22

23

MR. POLLAKUSKY: Yeah. Just send an invite, please.

24

25

MR. BRAUN: All right. Then we need a resolution to have a special meeting on the

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21st at noon. I'll make that motion.

3

Is there a second?

4

MR. TROTTA: I'll second it.

5

MR. BRAUN: Mr. Braun votes yes.

6

Ms. Scheidt?

7

MS. SCHEIDT: Votes yes.

8

MR. BRAUN: Mr. Grucci?

9

10

MR. GRUCCI: I thought, Fred, you and I were not able to vote on these issues?

11

12

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14

MS. EADERESTO: No, this is just voting on a special hearing, Felix, this is fine, you can do this. You're just voting to set a special hearing.

15

MR. GRUCCI: I vote yes.

16

MR. BRAUN: Mr. Callahan?

17

MR. CALLAHAN: Yes.

18

MR. BRAUN: Mr. Trotta?

19

MR. TROTTA: Yes.

20

MR. BRAUN: Mr. Middleton?

21

MR. MIDDLETON: Yes.

22

MR. BRAUN: Mr. Pollakusky?

23

MR. POLLAKUSKY: Yes.

24

MR. BRAUN: Thank you. Motion carries.

25

Lisa, back to you.

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MS. MULLIGAN: The next item on the agenda is the Triple 5 default.

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As we discussed at the last meeting, they were remiss in providing the required documentation. They still have not provided us all of the required insurance, although we have been in touch with them.

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At our last meeting, which was March 25th, you voted to give them 30 more days from March 25th, so we still have some more time. I just wanted to update you that it's still a work in progress and we're still dealing with them trying to get the insurance finalized.

16

17

MR. TROTTA: How much longer do they have before that deadline is passed?

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19

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MS. MULLIGAN: Well, that was March 25th, so April 25th, so we've got ten more days.

21

22

23

MR. TROTTA: What's the problem with it; why is it such a difficult thing for them to, you know, respond to?

24

25

MS. MULLIGAN: I'm not really sure to tell you the truth. I've had multiple

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conversations with them. At first they were just fighting us that they weren't required to get the insurance, but it's clearly outlined in our closing book. I provided those sections of the closing book and then they still wanted to talk about it, which was fine, so I spoke to their representative, I think two days ago and explained to him that it's a requirement and he's putting his project in potential default.

12

Terry, correct me if I'm wrong mistaken, but we're still waiting for disability and Workers' Comp.?

13

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MS. ALKON: Yes, yup.

16

17

MS. MULLIGAN: So those are the only two items that are outstanding.

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19

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Their argument was that they hadn't started construction yet and our project agreements say states quite clearly at all times you have to have the following insurances any time that the lease is in effect and it's in effect and they said well, we don't have employees, but I explained to them that they still have to have these

1

2 insurances and they do have people, they have
3 at least security working there, so I think he
4 understood where we were coming from and what
5 our concerns were and he said that they would
6 work on it, but that was a couple of days ago,
7 we still haven't received anything.

8

9 MR. TROTTA: You anticipate their
10 cooperation or do you think we're going to be
11 talking about that at our special meeting;
12 what's your gut?

12

13 MS. MULLIGAN: Well, our special
14 meeting is before the 30-day deadline that you
15 guys gave them, so I mean we still will have
16 four more days for them to turn it around.

16

17 I mean, Marty, do you have insight into
18 this; our experience is that you can get
19 disability and . . .

19

20 MR. POLLAKUSKY: Workers' Comp. pretty
21 quick.

21

22 MS. MULLIGAN: Yeah. So I think that
23 as soon as they say they want it, they could
24 get it, but --

24

25 MS. EADERESTO: Did you reach out to
their attorney?

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MS. MULLIGAN: I spoke to their attorney right after our March board meeting.

3

4

MS. EADERESTO: I would call them again.

5

6

MS. MULLIGAN: Okay. I'll reach out to their attorney and just explain. I have spoken to Alan Glazer, I think he's inside counsel, I think that's his role.

7

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9

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MS. EADERESTO: The reason we got as much insurance as we did was because of the attorney.

11

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MS. MULLIGAN: All right. I'll reach out.

14

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MR. TROTTA: Maybe an attorney to attorney is necessary to avoid a default here or us having to make some decisions that they may not be happy with or us.

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MS. MULLIGAN: You think it's more appropriate attorney to attorney or should I just reach out?

20

21

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MR. TROTTA: I don't know. I'm basically asking what do you think, Lisa; do you think that you'll make progress or is it worth having Annette or Bill or somebody call?

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MR. WEIR: I will call their attorney,
3 I have a call to him for something else
4 anyway, so I'll speak to him.

5

MR. TROTTA: Yeah, just to try to
6 inquire maybe.

7

MS. MULLIGAN: Do you think it's worth
8 pushing our special meeting till after the
9 25th so that if we do need to deal with this,
10 we can?

11

MR. BRAUN: I would suggest we leave
12 the special meeting as is and we'll just give
13 you the authority that if it isn't there by
14 the 25th, to take the necessary steps to
15 default them.

16

MS. EADERESTO: So put it on the
17 agenda.

18

Lisa, I have to jump off, they just put
19 an emergency phone call in for me, so I have
20 to get on another conference call; do you need
21 me for anything else?

22

MS. MULLIGAN: Well, Annette, the only
23 thing that we have left to discuss is the
24 second half PILOT payments, the potential
25 for --

1

2

MS. EADERESTO: Okay. That's pretty important.

3

4

So the County shows no movement with delaying the taxes at all, so I don't see how the IDA should take that action, I think it would send an uproar out.

5

6

7

8

MR. BRAUN: I agree.

9

MR. GRUCCI: Annette.

10

MS. EADERESTO: Felix, you said you agree?

11

12

MR. GRUCCI: I'm asking you what action are you suggesting we don't follow, the one that the County is taking or the one --

13

14

15

MS. EADERESTO: The PILOT's are due when they're due because every regular property tax owner is going to have to pay those taxes on May 31st, the County is not budging at this point. If we need to call a special hearing or extend it if the County moves, I don't see it happening, every indication that we have -- and it's been the Supervisor contacting them -- is that it's not going to happen.

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MR. WEIR: There's no IDA's on Long

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Island I'm aware of that are giving any kind of relief on the payment of the PILOT payments for the same reason that Annette Eaderesto just said. All the other real property taxpayers have to pay their real property taxes on May 30th and that giving IDA beneficiaries relief is not fair to the other taxpayers. No one else is doing it, at least as of today.

3

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11

MS. EADERESTO: Yup.

12

All right, I got to jump off, good-bye everybody.

13

14

MS. MULLIGAN: Thank you, Annette.

15

(Ms. Eaderesto jumped off of the conference call.)

16

17

MS. MULLIGAN: Just to go back to --

18

MR. GRUCCI: Can we circle back to the prior one?

19

20

MS. MULLIGAN: That's exactly what I was just going to say.

21

22

MR. GRUCCI: My question is at the last meeting, the board gave you direction.

23

24

If April 25th comes and they haven't fulfilled their obligation, why is it that the

25

1

2

board needs to do something, why wouldn't it

3

be an administrative action taken on your

4

part?

5

MS. MULLIGAN: I think at that point --

6

and Bill, correct me if I'm mistaken -- but I

7

think you guys have to vote to actually

8

default them.

9

MR. WEIR: Well, you could vote today

10

saying you will default them if they have not

11

complied by the 30th. You could do that vote

12

today and make it prospective.

13

MR. TROTTA: When you make that call,

14

Bill, that would be a good thing to add to the

15

conversation.

16

MR. WEIR: Yeah. It actually gives it

17

more weight saying look . . .

18

(Inaudible comments.)

19

MR. BRAUN: If that's the feeling of

20

the board, then I'll entertain a motion that

21

if they don't provide the necessary or the

22

requisite insurance by the deadline of

23

April 25th, that Lisa and staff have the

24

authority to go ahead and initiate the

25

default.

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2

MR. GRUCCI: I'll make the motion.

3

MS. SCHEIDT: So moved.

4

MR. BRAUN: Mr. Braun votes yes.

5

Ms. Scheidt?

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MS. SCHEIDT: Votes yes.

7

MR. BRAUN: Mr. Grucci.

8

MR. GRUCCI: Yes.

9

MR. BRAUN: Mr. Callahan?

10

MR. CALLAHAN: Yes.

11

MR. BRAUN: Mr. Trotta?

12

MR. TROTTA: Yes.

13

MR. BRAUN: Mr. Middleton?

14

MR. MIDDLETON: Yes.

15

MR. BRAUN: Mr. Pollakusky?

16

MR. POLLAKUSKY: Yes.

17

MR. BRAUN: Motion carries.

18

Lisa, do you have anything else on your

19

report?

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MS. MULLIGAN: I do not.

21

MR. BRAUN: Bill Weir, I have a

22

question for you.

23

Board members I think have probably

24

read in Newsday or online over the last day or

25

do that Suffolk County's IDA has initiated a

1

2

program to waive the sales and use tax on

3

companies that are in the manufacture or

4

distribution of personal property equipment in

5

connection with the Coronavirus.

6

How is that program actually worked?

7

MR. WEIR: So what we did, it's similar

8

to what we did for Sandy with your IDA back in

9

2010 and we helped Tony and Kelly draft the

10

program. So it starts off with a fairly

11

shortened application process. We have an

12

equipment lease that covers equipment and/or

13

if you had to do any renovations of a building

14

to install the equipment, required to install

15

the equipment. It's limited only to either

16

manufacturing or distribution of things such

17

as personal protection equipment, other types

18

of medical equipment or pharmaceuticals as

19

well as hand sanitizers, other disinfectants

20

and cleaning materials, other items that are

21

in connection with either the treatment of

22

COVID-19 or to prevent the spread of COVID-19.

23

The only benefits that are being granted are

24

sales tax exemption, no mortgage recording tax

25

exemption and no PILOT's. The benefits have

1

2

to be less than a hundred thousand dollars, so

3

there will be no public hearing. The IDA

4

approved the overall project, all the former

5

documents including new application and then

6

as companies commence with their application,

7

the board delegated to the executive director

8

and deputy executor director to approve

9

companies and execute the equipment lease and

10

then the board will come back at the next

11

meeting and ratify and confirm the project.

12

So it is a fairly streamlined equipment

13

lease program and upon the advice of their

14

general counsel, they actually for this

15

program did reduce the insurance requirements.

16

The only insurance requirement they're going

17

to have for the documents would be half a

18

million dollar per occurrence with a million

19

dollar umbrella liability because it's really

20

just equipment. Hopefully it reduces the

21

potential liability dramatically.

22

The whole thing, it's designed so if a

23

company comes in on a Wednesday, the IDA

24

reviews the application, approves it, takes

25

the template documents and will execute them.

1

2

They should be able to have their exemption in

3

place by Thursday or Friday. The IDA is not

4

charging any fees and they're taking the

5

standard, so they'll take the standard

6

documents that we created. The only blanks

7

really to fill in are the name of the company,

8

their address, their tax I.D. number and the

9

total amount of the sales tax exemption and

10

exactly what they're doing.

11

So Tony and Kelly with their staff will

12

fill out the documents and there will be no

13

charge to the applicants. The lease agreement

14

will end on when they either have expended a

15

hundred thousand dollars of sales tax

16

exemptions or six months after the date of

17

execution. It's a very shortened obviously

18

recapture provision as well, so it's . . . the

19

whole thing is pretty streamlined and

20

hopefully efficient. They've already actually

21

had a couple of their other applicants,

22

companies that they've done deals with, have

23

come back to them and said hey, we're about to

24

do this, can you help us, including

25

pharmaceutical companies as well as companies

1

2

that they have several different garment

3

manufacturers who are switching over to making

4

hospital gowns and face masks and even if you

5

look at like in the OR, the surgeon and nurses

6

or whoever are getting head coverings, so all

7

those type of things, they have a couple other

8

companies that may be trying to make hand

9

sanitizers.

10

There's also a company that I sent them

11

information about in Ohio that is sanitizing

12

and sterilizing the N95 masks and they said

13

they could be used, if they're properly

14

cleaned and sterilized, they could be used up

15

to ten times, so hospitals are recognizing

16

that that's a really good use, so some

17

companies in Long Island are doing that. So

18

it's going to be a good program. You

19

obviously could and Suffolk through Ryan Silva

20

said any IDA that wants to adopt it could

21

adopt it for their own. You want to reach out

22

to any of your companies, I can send you the

23

documents. They agreed to make them available

24

to any other IDA in the state.

25

MR. BRAUN: Two questions.

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2

Did I hear you say that the board would ratify this, the action of management, subsequent to the application and the signing of the documents?

3

4

5

MR. WEIR: Correct.

6

7

MR. BRAUN: And secondly, I heard you say six months or a hundred thousand, but is there a sunset as to when applications will be accepted?

8

9

10

MR. WEIR: It will probably be six months from now. Again, if there's still a need for it at that time they'll extend it, but it's a six-month program for now.

11

12

MR. BRAUN: What do other board members feel about our adopting such a program?

13

14

MR. TROTTA: I think it would be fantastic. It's a great opportunity.

15

16

MS. SCHEIDT: Absolutely. There's no downside here.

17

18

MR. CALLAHAN: There you go, there is no downside.

19

20

MR. BRAUN: I think we have a consensus, but I think we ought to put this in the form of a motion to adopt this program.

21

22

23

24

25

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MR. TROTTA: I'd be happy to make that
resolution.

3

4

MR. BRAUN: Is there a second?

5

MS. SCHEIDT: Second.

6

MR. BRAUN: Thank you.

7

Any further questions?

8

MR. GROSS: Are you authorizing then
Lisa and everybody to go ahead and implement
the program and take applications and
implement the applications, themselves?

10

11

12

MR. BRAUN: That will be incorporated
in the motion, yes.

13

14

MR. GROSS: Okay.

15

16

MR. BRAUN: If there are no other
questions, I'll take the vote.

17

Mr. Braun votes yes.

18

Ms. Scheidt?

19

MS. SCHEIDT: Yes.

20

MR. BRAUN: Mr. Grucci?

21

MR. GRUCCI: Yes.

22

MR. BRAUN: Mr. Callahan?

23

MR. CALLAHAN: Yes.

24

MR. BRAUN: Mr. Trotta?

25

MR. TROTTA: Yes.

1

2

MR. BRAUN: Mr. Middleton?

3

MR. MIDDLETON: Yes.

4

MR. BRAUN: Mr. Pollakusky?

5

MR. POLLAKUSKY: Yes.

6

MR. BRAUN: Thank you. The motion

7

carries.

8

Is there anything further?

9

MS. MULLIGAN: No. I saw the email

10

from Ryan and we'll get in touch with Suffolk

11

County and just make sure that we have

12

everything that we need and then we will start

13

marketing it.

14

I do actually have one question.

15

Is this only for current IDA projects

16

or could anybody come into this program?

17

MR. WEIR: It could be anybody.

18

MS. MULLIGAN: Okay. I just wanted to

19

make sure.

20

MR. WEIR: Say, for example, Quality

21

King, which distributes pharmaceutical

22

products, if they needed to expand their

23

ability to handle those kind of products

24

separate from the other stuff they do, they

25

would be an example of somebody who could

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2

participate or if you had any of the other

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drug companies that you've done deals with,

4

even somebody like say Global Tissue wanted to

5

switch over to what they're doing and produce

6

disposal hospital gowns or something like

7

that, you know, it would be eligible. It

8

could be anybody else in the Town who's doing

9

anything along the lines of COVID-19 treatment

10

or prevention.

11

MS. MULLIGAN: PPE.

12

MR. WEIR: PPE as well as other things.

13

It's more than just PPE. It could be if you

14

had a company that wanted to make ventilators

15

or made the tubes for ventilators, that could

16

would cover it.

17

MS. MULLIGAN: Or testing.

18

MR. WEIR: Or testing or industrial

19

strength sanitizer --

20

MS. MULLIGAN: Wipes.

21

MR. WEIR: -- or spray bottles. You

22

see people walking around with bottles that

23

look almost like you use for spraying your

24

lawn where they're spraying down basically a

25

disinfectant. Anything along those kind of

1

2 lines and they don't have to be manufacturing
3 it, they could be distributing it, but they
4 need to expand their capability to do it.

5 It's drafted pretty broadly. If you
6 want, I will prepare a set of documents for
7 you that are similar to Suffolk's and I'll
8 send them off to you.

9 MS. MULLIGAN: Please. That would be
10 great and we will work with our PR people to
11 get the word out and we'll send an email to
12 all of our companies and hopefully it will be
13 helpful for somebody.

14 MR. WEIR: Yeah.

15 MR. BRAUN: Any other board member or
16 staff have anything to bring up?

17 MR. TROTTA: Yeah. Just quick and this
18 is to go along with what Lisa was just saying
19 because you mentioned Todd Shapiro and getting
20 some PR on this. But what I was going to ask
21 is I noticed Islip and Suffolk, I think, have
22 been, you know, on a variety of social media
23 talking about even some of the regular
24 programs that are coming out now, the PPE and
25 whatnot. I know Jimmy and Lisa have been

1

2 doing things with different people letting
3 them know the programs that they can contact,
4 but maybe on a broader scale, you know, our PR
5 ought to be getting that word out and putting
6 it out there if they're not already doing
7 that. I haven't seen it, but that doesn't
8 mean anything.

9 MS. MULLIGAN: They certainly have been
10 putting it out.

11 Amy, chime in if I miss anything, but
12 we've been posting things to the IDA website,
13 the Town's website; this isn't all through
14 Todd, but this is just what we've been doing
15 as far as marketing is concerned.

16 MR. TROTTA: I know you're doing that
17 kind of stuff, I don't mean to interrupt you,
18 but I'm talking about the social media stuff
19 so that people that don't necessarily know us.

20 MS. MULLIGAN: Sorry, Frank, I'm going
21 through the list in my mind.

22 So the Town's website, the IDA's
23 website, our Facebook and social media;
24 there's other ones other than Facebook, but I
25 can't think of them right now. We have a

1

2

Constant Contact database that has seven,

3

8,000 names on it, so we've been blasting

4

stuff out through there.

5

Amy, what am I missing?

6

MS. ILLARDO: You got it covered. It

7

goes to a number of sources.

8

MS. MULLIGAN: Okay.

9

MR. TROTTA: Okay. So you got it

10

covered. I apologize. Good work.

11

MR. BRAUN: Appropriate question.

12

Anything else from the board?

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(No response.)

14

MR. BRAUN: If not, I'll entertain a

15

motion to adjourn.

16

MR. POLLAKUSKY: I'll make that motion.

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MR. GRUCCI: Second.

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MR. BRAUN: Mr. Braun votes yes.

19

Ms. Scheidt?

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MS. SCHEIDT: Votes yes.

21

MR. BRAUN: Mr. Grucci?

22

MR. GRUCCI: Yes.

23

MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

MR. BRAUN: Mr. Middleton?

MR. MIDDLETON: Aye.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Thank you very much.

We are adjourned.

(Time noted: 1:00 p.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.

JOANN O'LOUGHLIN