

TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

APRIL 17, 2019

MEMBERS PRESENT: Frederick C. Braun, III  
Martin Callahan  
Felix J. Grucci, Jr.  
Gary Pollakusky  
Ann-Marie Scheidt

EXCUSED MEMBERS: Scott Middleton  
Frank C. Trotta

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.  
Eric Russo, Vanbrunt Juzwiak & Russo, PC

Chairman Braun opened the meeting at 12:36 P.M. on Wednesday, April 17, 2019, in the Economic Development Conference Room on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

**MINUTES OF MARCH 20, 2019**

The Minutes of the March 20, 2019 meeting were previously sent to the Members for review. The motion approve these Minutes as presented was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

**MINUTES OF MARCH 20, 2019 AUDIT COMMITTEE MEETING**

The Minutes of the March 20, 2019 Audit Committee meeting were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Pollakusky, seconded by Ms. Scheidt and unanimously approved.

### **CFO'S REPORT**

Ms. LaPonte presented the Operating Statement for the month ending March 31, 2019. Deposits included a closing fee, fees for sales tax extensions and subtenant applications totaled \$109,000. There was a \$250,000 transfer from the operating account to the investment account which can be transferred back if necessary. The usual expenses were noted along with a payment for a table at the recent Long Island Association luncheon and a sponsorship for the New York State Economic Development conference in Cooperstown. All PILOT payments received have been disbursed within the required 30-day deadline; the interest due from a late payment from Atlantic Fluid was received in April and will be disbursed today. There was no activity in the Ronkonkoma Hub escrow account. Staff recently participated in a NYS Comptroller's Office webinar regarding sales tax reporting; questions were submitted but a response hasn't been received yet.

The PARIS report and audited financial statements were submitted on March 26, 2019 to the Authorities Budget Office (ABO). The ABO responded back looking for clarification on some items; a response was sent. All payroll taxes, retirement and deferred compensation payments have been paid in full. There were five closings in January, one in February and another in March. Mr. Weir explained that the Agency must remain in operation while there are still outstanding projects of which some have 30-year bonds. Mr. Pollakusky questioned if this is the time to begin the much-discussed marketing initiative; Ms. Mulligan advised that this should wait until the prevailing wage issue has been settled.

The motion to accept the Operating Statement for March was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

### **CEO'S REPORT**

#### **Prevailing Wage**

Ms. Mulligan provided the Members with an update on the proposed prevailing wage mandate being discussed in Albany. Additionally, there are approximately 15 bills that have been

introduced that may impact IDAs/LDCs. One example is legislation that has passed through the Senate and Assembly to give the Authorities Budget Office (ABO) the power to suspend officers and directors of IDAs and LDCs if PARIS reporting is not submitted and the organization is out of compliance; the requirements to be in compliance are continually changing. The prevailing wage mandate would require any project that received any benefits at all to pay New York's prevailing wage. This would include any renovations or repairs to the facility for the life of the deal. This legislation would apply to all benefits from state agencies. Developers have said this would increase construction costs to the point that they would build out of state. The Yonkers IDA self-imposed this requirement on itself in 2018 and did not receive any applications all year. Additionally, Ulster County IDA experimented for two years and received no applications and no projects closed. More should be known by the end of June.

### **TOP GOLF – APPLICATION**

This application is for an approximately 60,000 square foot golf facility to be constructed on the north service road of the Long Island Expressway in Holtsville at a cost of \$47 million. The application needs some clarification and a feasibility study is also required.

The motion to accept the application was made by Mr. Pollakusky, seconded by Mr. Grucci and unanimously approved. The motion to schedule a public hearing for this application once clarification has been received was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

### **Prevailing Wage – Revisited**

Mr. Braun questioned whether a project would be “grandfathered” in or not. It is not known if a project would not be subject to the prevailing wage mandate, if passed, if an inducement or authorizing resolution had already been passed or if a project would had to have closed. There is also the possibility this change could be effective January 1, 2020.

### **BROOKS PARTNERS – APPLICATION**

This application is for 46 market rate rentals as part of a mixed-use development at the Cappy's Carpet site in Port Jefferson Village. The applicant has only applied to the Agency for the

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approximately \$16.5 million housing portion of this project. Six jobs will be retained. Mr. Russo, counsel for the applicant, added that there will be a restaurant, office space and retail as part of this project and that it is in line with Port Jefferson Village's new master plan to attract more people further uptown to create more of a walking district. The applicant is the principal of Rail Realty who is already an IDA client. Financials were provided and SEQRA approval is almost complete. The Village is aware of the IDA's potential involvement in this project. A public hearing will not be held until Village approvals are complete and a feasibility study is received. Mr. Russo added that no new enrollments are expected at the school district as these are predominantly one-bedroom units, and that the need for rental apartments is so high in this area, that there is a waitlist for the Rail Realty project and a waitlist has already started for this project.

The motion to accept the application and post the public hearing notice when appropriate was made by Mr. Callahan, seconded by Mr. Pollakusky and approved with Mr. Grucci abstaining.

Mr. Russo left the meeting at 1:07 P.M.

#### **KELLY BUILDERS – FINAL AUTHORIZING RESOLUTION**

A public hearing was held for this 62-acre housing project that will include 292 rental units as well as a sewage treatment plant, no comments were received.

The motion to approve the final authorizing resolution was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

#### **CEO'S REPORT – REVISITED**

##### **Clare Rose Request**

A request was received from Clare Rose to convert 5,000 square feet of warehouse space to a cooler.

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The motion to approve this request was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

### SHI-III

This assisted living project to be located on the north side of Route 25 in Coram closed at the end of March. They did not close on the mortgage at the time and would now like to increase the mortgage from \$13 million to \$14 million, increase the mortgage recording tax exemption amount, and adjust their PILOT. The total amount to be paid under the PILOT would not change, they would just like to pay higher amounts at the front end and less towards the back end of the agreement. The increase in mortgage recording tax exemption does not require an additional public hearing.

The motion to approve the revised PILOT schedule and new mortgage amount was made by Ms. Scheidt and seconded by Mr. Callahan. All voted in favor.

### ACE Calabro Solar, ACE Calabro Solar 2 & ACE Town Hall

Mr. Weir explained that ACE is in the process of doing a re-financing of their solar projects between a combination of loans and investors coming in to obtain solar tax credits. First Bank is the lender and First Source Solar Four, LLC is the investor. The Board would need to approve the re-financing and estoppel certificates. A mortgage recording tax exemption will be granted for the Calabro projects, not Town Hall.

The motion to approve the re-financing of ACE Calabro Solar was made by Mr. Grucci and seconded by Ms. Scheidt and unanimously approved.

The motion to approve the re-financing of ACE Calabro Solar 2 was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

The motion to approve the re-financing of the ACE Town Hall project was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

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### Calabro Airport

A study was commissioned approximately a year ago about the possibility of the IDA taking over Calabro Airport; the Agency has been asked to revisit this possibility. Ms. Mulligan received two chapters of the draft master plan for the airport as well as a proposal from McFarland Johnson of what is needed to run the airport. Some of the tasks listed in this proposal to operate the airport could be assumed by the IDA. These documents will be sent to the Members to discuss at next month's meeting. If the prevailing wage mandate were to pass the airport could still give the Agency the ability to assist projects. The IDA would not own the airport, there would be an operating agreement with the Town, FAA approval would also be required. Ms. Mulligan added that the Town is selling 30 acres of the property to Suffolk County for a sewage treatment plant so there will be an opportunity for future development to connect to it.

### Excel 6

This extended stay hotel on the south side of the expressway in Ronkonkoma is complete but does not have their certificate of occupancy. There are some issues with the Health Department having to do with lot lines that are being worked on. All inspections have been finished and the sewage treatment plant has been tested. They had 29 employees; they lost 4 employees due to not being open.

Mr. Callahan made a motion to grant Ms. Mulligan the authority to sign any consents or acknowledgements needed to open this hotel. The motion was seconded by Ms. Scheidt and unanimously approved.

### Bus Tour

Amy Illardo has been working on putting the bus tour of IDA projects together. This tour may be scheduled for June and should last approximately 4 hours.

### Long Island Builders Institute (LIBI)

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The Long Island Builders Institute is holding their annual dinner dance on May 3<sup>rd</sup> at the Huntington Crescent Club. Mr. Callahan and Mr. Tullo will be attending. The Board authorized purchasing two seats at a cost of \$299 each and a half page journal advertisement for \$500.

#### Woodmont Brookhaven

A letter was received from Matt Lamstein of Lazer, Aptheker, Rosella & Yedid, P.C. stating their intent to submit an application for 100 Precision Drive in Shirley on behalf of Woodmont Brookhaven. This building has been vacant for quite some time and has become an eyesore in the industrial park. There are at least three different companies looking at this property. Potential buyers have a 45-day due diligence period to terminate a purchase agreement if a resolution is not granted; the clock started last Friday. They have requested that once their application is submitted a public hearing be held prior to the May 15<sup>th</sup> board meeting so an authorizing resolution can be voted on. Mr. Braun noted how long it will take for this property to be rentable. Ms. Mulligan added that it is estimated to cost between \$800,000 and \$1 million to make the building safe. Mr. Braun would like strict lease terms in the agreements.

Mr. Pollakusky made a motion for Mr. Braun and Ms. Mulligan to review the application once received, and, if appropriate, schedule a public hearing prior to May 15<sup>th</sup>. The motion was seconded by Mr. Grucci and all voted in favor.

#### **PRESENTATION – ALAN WAX, WAX WORDS, INC.**

Mr. Wax provided an update on marketing efforts for the month. The IDA was featured as the IDA of the Month in the New York Real Estate Journal. There are a few press releases awaiting approval. Photos have been featured of Board Members at recent events on Facebook. Mr. Tullo added that there are three or four projects ready for groundbreaking. Mr. Pollakusky requested that Mr. Wax provide the Board with more information on how many more followers are engaging in posts on Facebook.

The Board determined that all future meetings will be held at noon.

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The motion to close the meeting at 1:54 P.M. was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

*The next IDA meeting is scheduled for May 15, 2019.*