

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MAY 15, 2019

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

ALSO PRESENT: Matthew Miner, Town of Brookhaven Chief of Operations
Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William F. Weir, Nixon Peabody, LLP
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Alan Wax, Wax Words, Inc.
Daniel Prokopy, Pennysaver Solar, LLC
Eric Russo, VanBrunt, Juzwiak & Russo, PC

Chairman Braun opened the meeting at 12:06 P.M. on Wednesday, May 15, 2019, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. Though a quorum was present, all votes will be held at a Special Meeting on Friday, May 17, 2019.

C2 NY BROOKHAVEN, LLC (PENNYSAVER SOLAR)

An application for the assumption and assignment of benefits granted to the Pennysaver Solar project to C2 NY Brookhaven, LLC was included in the meeting packets. Mr. Russo, representing Pennysaver Solar, informed the Board that Pennysaver Solar is in the process of selling their assets to C2 NY Brookhaven, LLC.

Mr. Pollakusky joined the meeting at 12:08 P.M.

The Town Board will consider a resolution on May 23rd to allow C2 NY to assume the lease at the Amphitheater and take over this project. This matter will be considered on Friday and a public hearing will be scheduled.

Mr. Trotta joined the meeting at 12:11 P.M.

BROOKS PARTNERS

A preliminary resolution will be considered at Friday's meeting. Mr. Russo added that the final environmental review is before the Port Jefferson Village Planning Board on May 21st. A public hearing will need to be scheduled for this project.

Mr. Russo and Mr. Prokopy excused themselves from the meeting at 12:12 P.M.

CALABRO AIRPORT

Mr. Miner was present to respond to any questions the Members may have about the possibility of the IDA taking over the operations at the airport. Ms. LaPonte will be doing some research on the costs associated with this. Mr. Miner explained that the Town feels there is an opportunity to advance development at the airport. A team comprised of the Finance Department and Commissioner Hailey, who currently runs the airport, will be assembled to respond to questions as they arise. The sale of 30 acres of airport property to Suffolk County for a sewage treatment plant is moving along; there would be access for future commercial/industrial development once completed.

There is considerable acreage that could be leased to commercial or industrial users. In response to Mr. Trotta's question of any other permitted uses at the airport, Ms. Eaderesto stated that due to grants obtained to upgrade the airport, the FAA requires the property be used for aviation related purposes. Mr. Miner informed the Board that there are two fixed base operators and a skydiving operation at the airport now. The four Town employees currently assigned to the airport would be relocated to another Town department. If the IDA were to take over operations it would be through a lease with the Town which the FAA would need to approve.

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Approximately 95% of capital costs are paid through grants from the FAA and the State, the remaining 5% is paid by the local government. Mr. Braun requested that the Members read the studies of the airport to see if they have any additional questions. Ideally, some of the tasks that were detailed in the McFarland Johnson study could be assumed by the IDA. It was noted that there is also approximately \$65,000 in revenue from solar panels being installed on the property.

Mr. Miner left the meeting at 12:34 P.M.

MEETING MINUTES OF APRIL 17, 2019

The Minutes of the April 17, 2019 meeting were previously sent to the Members for review. There were no changes requested to the Minutes.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for the period ending April 30, 2019. The HO Penn and Pennysaver projects both closed. The annual audit fee was paid and the normal expenditures were listed. Atlantic Fluid's PILOT penalties were disbursed to the taxing jurisdictions and work on the second half PILOTS has begun. There was no activity in the Ronkonkoma Hub escrow account. All payroll taxes, retirement and deferred compensation payments have been paid in full.

Banking

Ms. LaPonte informed the Board that recent changes were made with Empire National Bank to tighten internal controls. When Ms. Mulligan transfers funds, a notification will now be automatically sent to Mr. Braun and Mr. Callahan. ACH payments have now also been restricted, only certain entities can electronically withdraw funds and there is a block from any foreign entity doing so.

EB EAST PATCHOGUE APARTMENTS

This application is for a 190-unit senior multi-family housing project expected to cost approximately \$64 million on 14 acres on Sipp Avenue north of Sunrise Highway. Five full-time employees are expected. The Uniform Tax Exemption Policy is still in flux but the draft

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changes would include specific carveouts that senior housing projects would not be eligible for benefits unless it fits certain criteria. This project would qualify as it is in a Community Development Block Grant area. There is no assisted living component and 10% of the units will be set aside as workforce/affordable housing. Rental rates will be requested from the applicant. This application and a preliminary resolution will be considered on Friday.

WELLTOWER

Welltower is a Real Estate Investment Trust that is purchasing the Yaphank AVR Chelsea facility. A public hearing was on held on April 22, 2019 with no comments received. The cost benefit analysis was provided to the Members. Welltower will purchase the \$39.5 million facility, Chelsea will continue to operate it.

Preliminary inducement resolutions will be considered on Friday for: EB East Patchogue; D & F Bellport, a 100% affordable housing project in the newly created Economic Opportunity Zone; Brightview Port Jefferson, an assisted living facility in Port Jefferson Station; and Top Golf, an entertainment facility on the service road of the Long Island Expressway.

CEO'S REPORT

American Organic Energy

Additional bond allocation has been secured from Suffolk IDA and the Long Island Regional Economic Development Council; final approval is needed from the Department of Budget. A portion of this project will be facilitated through the LDC.

Corporate Citizenship Award

Mr. Braun will be honored with the Community Impact Award at the Corporate Citizenship Awards on June 5th at the Crest Hollow Country Club. A sponsorship of \$5,000 will be made that includes featuring our logo in marketing materials, a table and journal ad.

LIBDC Dinner

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The annual IDA sponsored dinner will be held on June 18th at 5:30 P.M. at Stella's Trattoria in Blue Point. This event has been sponsored at a cost of \$5,000 for many years. This year's speaker will be Kristen Jarnagin, the President and CEO of Discover Long Island.

LIMBA

The Agency is sponsoring the LIMBA breakfast meeting on June 7th at the Courtyard Marriott in Ronkonkoma. The cost of this sponsorship is \$500. Supervisor Romaine will be speaking.

Power 100 Request

Power 100 sent a request for the Agency to sponsor their Power 100 list at a cost ranging from \$3,750 to \$10,000. Gwen O'Shea of the Community Development Corporation is an honoree. It was the consensus of the Board to decline this request.

Sun Nation Request

Sun Nation installed solar panels on the roof of the Framera facility and has requested the Agency sign documents allowing the sale of the solar array to US Renewable Energies, LLC. A tenant agency compliance agreement will be required. While there will not be a vote today, Mr. Middleton advised the Board that he would need to recuse himself from this matter.

Ms. Scheidt and Mr. Middleton left the meeting at 1:11 P.M.

IDA Coalition / Discover LI Marketing

Ms. Mulligan and Mr. Tullo recently attended an IDA Coalition meeting at the Discover LI offices. Discover LI is working on an island-wide business friendly marketing plan. National Grid has a \$50,000 matching grant that Discover LI would administer and the goal is that the five IDAs at the meeting would pitch in for a total of \$50,000. Ms. Mulligan requested the Members consider spending up to a certain amount. Mr. Grucci inquired of the status of the Brookhaven IDA's marketing plan; Mr. Braun responded that it is on hold until the prevailing wage issue has been settled. Mr. Braun expressed concern at spending \$250,000 for the Agency's individual marketing plan when it would benefit all IDAs, not just Brookhaven. This alternate initiative would benefit all IDAs at a much lower cost. Mr. Pollakusky disagreed, stating that he feels the

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focus will be hyper local to Brookhaven if the original marketing plan is executed. The Members continued to discuss the merits of embarking on marketing campaigns. There is some concern that past marketing efforts have been costly and have not resulted in any new projects. The possibility of assuming the operations of Calabro Airport and the cost involved was also mentioned.

Ms. Eaderesto excused herself from the meeting at 1:32 P.M.

Camoin Associates

Camoin Associates will be retained to help craft PILOT Agreements for housing projects at a cost of \$4,000. This fee will be charged to the project.

Job Fair

The Town of Brookhaven Job Fair will be held on June 13th at Town Hall.

Bus Tour

The bus tour of IDA projects will be July 11th.

PRESENTATION – TODD SHAPIRO ASSOCIATES

Mr. Wax updated the Members on marketing efforts for the month. National press was received on the SHI-III project in Senior Housing News. A press release will be drafted for Mr. Braun's award.

The meeting closed at 1:51 P.M.

There is a special meeting scheduled for Friday, May 17, 2019.