

Town of Brookhaven

Industrial Development Agency

Meeting Minutes

May 15, 2024

Members Present: Frederick C. Braun, III
Martin Callahan
Mitchell H. Pally
Frank C. Trotta
Ann-Marie Scheidt
Felix J. Grucci, Jr. (via Zoom)
John Rose

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Jocelyn Linse, Executive Assistant
Micah Avery, Intern
Annette Eaderesto, IDA Counsel
Barry Carrigan, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Andrew Komoromi, Harris Beach, PLLC
Dan Deegan, Forchelli, Deegan Terrana, LLP
John Gordon, Forchelli Deegan Terrana, LLP
Jim Tsunis, The Preserve at East Moriches
Peter Curry, Farrell Fritz, P.C.
Howard Habberstad, The Preserve at East Moriches
Eric Russo, VanBrunt, Juzwiak & Russo, P.C.

Chairman Braun opened the IDA meeting at 12:46 P.M. on Wednesday, May 15, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

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The motion to approve these Minutes as presented was made by Mr. Trotta and seconded by Ms. Scheidt. All voted in favor.

CFO's Report

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Ms. LaPonte presented the Operating vs. Budget Report for the period ending March 31, 2024. Revenue included document processing fees and application fees. No closings have occurred. Professional fees are over budget due to a termination payout, advertising and promotions are also over budget due to the Zoning Atlas mapping project that was supported. Investment earnings have increased.

All payroll taxes and related withholdings have been paid timely in accordance with Federal and State guidelines. All regulatory reports have been filed in a timely fashion.

The motion to accept the CFO's Report was made by Mr. Callahan, seconded by Ms. Scheidt, and unanimously approved.

Preserve at East Moriches – Application

The cover letter, application and an economic impact and fiscal impact report were included in the meeting packets for this approximately \$25 million senior housing project on 22 plus acres on Montauk Highway in East Moriches. The total size of the project is anticipated to be 137,000 square feet broken up into 13 buildings with 70 units and a community center. The proposal is for 10% affordable units and 10% workforce units. The applicant is requesting exemptions from the mortgage recording tax, sales tax and a 15-year PILOT. Three full-time equivalent positions will be created.

Mr. Curry provided the Members with some further information on the potential economic impact of this project. 158 construction jobs are expected to be created. Mr. Curry added that the applicant has two other projects with the IDA.

Mr. Braun inquired about the financing of this project; Mr. Curry said there are two lenders involved in the financing but would need to know if there will be a PILOT Agreement to complete underwriting.

Mr. Pally made a motion to accept the application which was seconded by Mr. Rose. The vote was as follows:

Mr. Callahan – No

Mr. Grucci – Yes

Mr. Pally – Yes

Mr. Rose – Yes

Ms. Scheidt – No

Mr. Trotta – No

Mr. Braun – Yes

The motion was approved.

Horseblock 4, LLC – Application

This application is for Cassone to construct a 20,000 square foot warehouse for the assembly, repair and maintenance of trailers on approximately 19 acres at a cost of approximately \$4.2 million. Twenty full-time equivalent positions are expected to be created with salaries ranging from \$41,600 to \$137,500. Exemptions from mortgage recording tax and sales tax have been requested as well as a 20-year PILOT.

Mr. Russo provided the Members with information on the project's ownership and the status of required approvals. Mr. Braun added that he has reviewed the financial statements and found them to be in order and strong.

The motion to accept the application was made by Mr. Callahan, seconded by Mr. Trotta, and unanimously approved.

AIREF Station Road Logistics Center – Resolution

The cost benefit analysis, feasibility study and PILOT were included in the meeting packets. Multiple comments received from the public hearing for this \$140 million spec warehouse project were sent to the Members. This project is a 528,000 square foot spec industrial facility to be located on Station Road north of Sunrise Highway spread across four buildings. 130 full-time equivalent positions are expected to be created.

Mr. Deegan provided further information on this project to the Members. A 12-year PILOT and sales tax exemption are being requested.

Mr. Pally made a motion to approve the resolution. Initially, there was no a second on this motion. Comments received at the public hearing were discussed. Mr. Grucci stated that he has concerns about very large vacant buildings in the Town because of the recently conducted Camoin study.

Mr. Trotta made a motion to deny the resolution. There was no second to Mr. Trotta's motion to deny the resolution. Subsequently, Ms. Scheidt seconded the motion made earlier by Mr. Pally to approve the resolution.

The vote was as follows:

Mr. Trotta – No

Ms. Scheidt – Yes

Mr. Pally – Yes

Mr. Rose – No

Mr. Grucci – No

Mr. Callahan – No

Mr. Braun – No

The motion failed.

R Squared Patchogue, LLC – Resolution

The cost benefit analysis, PILOT and economic and fiscal impact analysis were included in the meeting packets. A public hearing was held prior to the meeting with comment received for this \$46 million housing development on Main Street in East Patchogue. There will be 91 rental units consisting of one and two-bedrooms and they have agreed to the policy of 10% affordable

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units and 10% workforce units. Two full-time equivalent positions are expected. The school district requested the PILOT be increased; the Members reviewed the proposed PILOT.

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

Mr. Grucci left the meeting at 1:45 P.M.

14 Glover, LLC – Resolution

Mr. Braun left the meeting to recuse himself from this matter. This project is being sold back to Suffolk County. A request was received to waive Section 11.1 of the Lease and Project Agreement and allow the project to terminate early.

The motion to approve this resolution was made by Mr. Pally, seconded by Ms. Scheidt and approved with Mr. Braun recusing himself.

Mr. Braun rejoined the meeting.

CEO's Report

Job Creation Numbers

Projects that did not meet their job requirement numbers are being reviewed by Mr. Braun and Ms. Mulligan.

Long Island Business News (LIBN) Awards

WF Industrial XII was chosen as the top industrial project in Suffolk County and Sun River was chosen as the top residential project by the Long Island Business News. The Agency is also being honored by LIBN for its role in those two projects.

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Vehicle

The Agency's Ford Explorer was recently auctioned off; it sold for just over \$24,000. The car was valued at approximately \$15,000 net undepreciated.

Long Island Business Development Council (LIBDC) Dinner

The Agency sponsored LIBDC dinner will be held on June 24th at the Home 2 Suites Hotel in Yaphank. Assemblyman Thiele and Senator Murray will do a presentation on the State budget.

Office Furniture

Mr. Braun made a motion to authorize \$25,000 for the purchase of new chairs and additional furniture for the ongoing office renovation. The motion was seconded by Mr. Callahan and all voted in favor.

The motion to close the IDA meeting at 1:55 P.M. was made by Ms. Scheidt, seconded by Mr. Callahan and unanimously approved.

The next IDA meeting is scheduled for Wednesday, June 12, 2024.