

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

MAY 17, 2017

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Michael Kelly
Gary Pollakusky
Ann-Marie Scheidt

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Scott Middleton

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Annette Eaderesto, IDA Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP
Terri Alkon, Assistant
Jocelyn Linse, Assistant
Alan Wax, Wax Words, Inc.
James Madore, Newsday
Justin Bulova
John Visconti, Teamsters Local Union No. 812
Bernadette Kelly, Teamsters Local Union No. 812
Gregory Daley, Teamsters Local Union No. 812
Jeffrey Roberts, Teamsters Local Union No. 812
Gregory McAvoy, Teamsters Local Union No. 812
Robert Heinz, Teamsters Local Union No. 812
Timothy Monahan, Teamsters Local Union No. 812
Justino Lopez, Teamsters Local Union No. 812
Steven Reganato, Teamsters Local Union No. 812
John Ajello, Teamsters Local Union No. 812
Gabe Divone, Teamsters Local Union No. 812
Patrick Volkman, Teamsters Local Union No. 812
Ryan Stanton, LI Federation of Labor

Chairman Braun opened the meeting at 8:04 A.M., on Wednesday, May 17, 2017 in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF APRIL 19, 2017

The Minutes of April 19, 2017 were previously sent to the Members for review. The motion to approve the Minutes as presented was made by Ms. Scheidt seconded by Mr. Pollakusky and unanimously approved.

MEETING MINUTES OF MAY 4, 2017 GOVERNANCE COMMITTEE

The Minutes of the May 4, 2017 Governance Committee meeting were previously sent to the Members for review. The motion to approve the Minutes as presented was made by Mr. Pollakusky and seconded by Ms. Scheidt. All were in favor.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for April 30, 2017. The migration of funds to Empire National Bank from Suffolk County National Bank (SCNB) is still ongoing. The income for the month was \$6,000. The annual audit fee to AVZ of \$20,000 was paid. Two treasury notes will mature in May and June. The PILOT account at SCNB has been closed. A disbursement was made due to a project paying their second-half PILOT early. Additionally, an adjustment made to a 2015-2016 PILOT disbursement was also sent out. Additional funds were received for the Ronkonkoma Hub escrow account; two invoices were paid from this account. All PILOTS have been disbursed within thirty days.

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

LONG ISLAND BUSINESS DEVELOPMENT COUNCIL (LIBDC) DINNER MEETING

The IDA is hosting the LIBDC dinner meeting on June 20th at the Meadow Club. The featured speaker will be David Manning from Brookhaven National Laboratory. The cost to sponsor this meeting is \$5,000.

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

SUNSHINE OF EAST END – APPLICATION

Ms. Mulligan presented the application, cover letter and cost benefit analysis for Sunshine of East End. Sunshine, who constructs concrete foundations and supplies concrete materials to commercial projects, is currently located on Orchard Drive in Farmingville. They propose to construct an approximately 30,000 square foot facility on Old Dock Road in Yaphank at a cost of approximately \$3,600,000. Sunshine expects to create 30 jobs and retain 80 employees.

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

AGILITAS HOLTSVILLE & AGILITAS MANORVILLE – APPLICATIONS

Agilitas Energy has submitted an application to take over the American Capital Energy (ACE)/Greenwood solar projects as the developer/builder. This project to install solar panels at the Holtsville Ecology Site and the Manorville Composting Facility began as American Capital Energy and then transferred to Greenwood. Mr. Braun inquired of Agilitas' standing with the Town; Ms. Mulligan said the Town is on board with this change. The goal is to get a shovel in the ground at both locations by July. Mr. Weir provided the Members with the history of how this project has evolved. Ms. Mulligan added that ACE and Greenwood will still have consulting roles. A summary on this company will be requested from Ms. Eaderesto.

The motion to accept the application was made by Ms. Scheidt and seconded by Mr. Kelly. All were in favor.

HOUSING POLICY

The Governance Committee met on May 4, 2017 to discuss potential changes to our housing policy. The recommendations that arose from that meeting are 13-year PILOTS for senior and assisted living projects using the double 485B model and using a shelter rent PILOT (15-year PILOT set at 10% of revenue minus utilities) for true affordable projects. The Committee suggested utilizing the National Development Council to formulate a PILOT for all other housing projects. The Agency is already working with this Council on the Overbay project at a cost of \$10,000. This cost will most likely be lower if multiple projects are involved.

Ms. Eaderesto joined the meeting at 8:19 A.M.

Mr. Kelly inquired of the new housing policy announced by the Babylon IDA; Ms. Mulligan explained that the Babylon IDA essentially made the percentages required to be set aside as affordable and workforce housing more stringent than Babylon Town requires. Brookhaven Town already has a strict policy. If the IDA made it stricter, we could be forcing people out. A public hearing will be required to update the Uniform Tax Exemption Policy (UTEPP).

The motion to accept the Governance Committee's recommendations was made by Mr. Pollakusky, seconded by Ms. Scheidt and unanimously approved.

AGILITAS – REVISITED

Ms. Eaderesto informed the Members that the Town had a good meeting with Agilitas and that they have some of their permits and LIPA approval in place. Agilitas is buying the interest in the LLC and needs a building permit.

CEO'S REPORT

Authority Budget Office (ABO)

Ms. Mulligan informed the Board that the ABO has selected the Brookhaven IDA to audit, amongst other IDAs in the state. They have selected two projects that terminated in 2011, Dove Electronics and Weiss Instruments. ABO representatives will be in the office on June 27th and 28th.

Job Numbers

Letters were sent to four projects that did not meet their job creation requirements. Enecon responded with an explanation, there has not been any response from Atlantic Fluid, Island Trimmers or Torino Industrial. Mr. Braun suggested another letter threatening the suspension of benefits be sent from the attorneys with the project's attorney copied on the letter. Mr. Braun

IDA Meeting
May 17, 2017

added that it is important to ensure the projections that companies enter on their application are realistic. The Members accepted the explanation provided by Enecon.

Logo

Mr. Pollakusky provided the Members with several samples of a new logo. These samples will be e-mailed as well.

June Meeting

The June 21st meeting has been moved to 12:00 P.M. due to the Long Island Business Development Council (LIBDC) dinner meeting the night before.

Airport

A meeting was held with McFarland Johnson about conducting a feasibility study of the IDA taking over the operations at Calabro Airport. A formal proposal is expected by the end of the week; a rough estimate of the cost of this study is \$41,000. Mr. Braun noted that the Town has sought the IDA out about the possibility of owning or leasing the facility. A number of airports have affiliations with IDAs and Towns. Mr. Braun suggested authorizing up to \$45,000 for this study to be conducted. Ms. Eaderesto advised that competitive bids are not required in this case.

Mr. Kelly made a motion to authorize a payment of up to \$45,000 to McFarland Johnson to conduct this study. The motion was seconded by Mr. Callahan and all voted in favor.

Clare Rose

A letter was received from the AFL-CIO, Teamsters and Long Island Federation Labor regarding striking employees at Clare Rose. The letter alleges that Clare Rose has not met their required job creation numbers. The most recent annual financial report from Clare Rose showed that they are in compliance. These reports are accompanied by copies of New York State Department of Labor form 45s to confirm what is entered on the report. Ms. Mulligan informed the Members that since Clare Rose is in compliance, there is no action that can be taken. In response to Mr. Pollakusky's suggestion of requesting a more recent form 45, Ms. Eaderesto advised that this would need to be requested of all IDA projects, not just Clare Rose.

IDA Meeting
May 17, 2017

Note: Subsequent to the meeting, mid-year reports were sent to all projects requesting employment numbers and NYS Form 45s for the period ending June 30, 2017.

PRESENTATION – ALAN WAX

Alan Wax updated the Members of the work that has been done to market the Agency. The IDA was recently awarded the IDA of the Year Award in Suffolk County by Long Island Business News. Press releases have been issued on multiple projects and photos have been taken at various events. Pictures of project sites will occur soon since the weather has improved. A new board photo may be taken at the next meeting.

Mr. Braun thanked Mr. Pollakusky for his time and effort creating a new logo as well as working with our marketing firm.

The motion to close the meeting at 8:44 A.M. was made by Mr. Kelly and seconded by Ms. Scheidt. All were in favor.

The next IDA meeting is scheduled for Wednesday, June 21, 2017 at 12:00 P.M.