

TOWN OF BROOKHAVEN

INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE MEETING MINUTES

MAY 4, 2017

MEMBERS PRESENT: Michael Kelly
Gary Pollakusky
Ann-Marie Scheidt (via conference call)

ALSO PRESENT: Scott Middleton, Board Member
Lisa M. G. Mulligan, Chief Executive Officer
James M. Tullo, Deputy Director
Jocelyn Linse, Executive Assistant

The Governance Committee meeting opened at 11:11 A.M., on Thursday, May 4, 2017 in the Economic Development Conference Room on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

HOUSING POLICY

The purpose of this meeting is to discuss potential changes to the Uniform Tax Exemption Policy (UTEP) as it relates to housing projects. The current UTEP allows for a PILOT at the land only rate for ten years.

Ms. Mulligan detailed the many types of housing there are including assisted living, workforce, senior, affordable, market rate, mixed use, transit-oriented development, revitalization and blight to light. The Chairman, staff and counsel met in March and came back with recommendations that were presented to the Board at the last meeting. The consensus was that the Board was comfortable with a thirteen-year PILOT for senior and assisted living projects (land only for the first three years, then a double 485B exemption for the next ten years), as well as true affordable housing receiving 10% Shelter Rent PILOTS (fifteen-year PILOT set at 10% of revenue minus utilities).

Every housing project in the Town, not necessarily in Villages, is required to put aside at least 10% of units as workforce housing and 10% of units as affordable housing. Mr.

Kelly noted that the state only requires that 10% be set aside for workforce housing. Each IDA handles housing projects differently. Some IDAs take each project on a case by case basis; the Suffolk County IDA hires a consultant, Kevin Gremes, to determine the PILOT. Mr. Pollakusky suggested the Board incentivize the types of projects that the Town has expressed a desire in generating.

There is an extreme shortage of rental housing on Long Island. Mr. Kelly added that it is difficult for developers to make up lost income due to the set aside for workforce or affordable housing. A density bonus helps offset this but the IDA does not have zoning powers; the PILOT could help as well. If you set aside 20% of your units for workforce or affordable housing, the infrastructure cost is the same so there is no incentive for builders to construct these developments. Mr. Pollakusky expressed how important communication with the public is that the goal is to retain our workforce.

Mr. Middleton suggested conducting a study of why the housing policy is being created. This could include an estimate of the cost of educating a student on Long Island. Mr. Kelly added that the Long Island Housing Partnership conducted a study almost ten years ago on school impacts from multi-family housing. The Rauch Foundation was mentioned as another possible source of information.

Ms. Mulligan noted that the UTEP will need to be amended which involves setting a public hearing and notifying every potential taxing jurisdiction in the Town of Brookhaven.

The Members decided that since there is already a consensus on PILOTS for senior, affordable and workforce housing projects, any other rental housing projects that does not fit into these categories will be sent to a consultant for analysis at the project's expense. This recommendation will be brought before the full Board at the May meeting. Kevin Gremes will be invited to attend a meeting.

IDA OF THE YEAR AWARD

IDA Governance Committee Meeting
May 4, 2017

Ms. Mulligan informed the Members that the Brookhaven IDA has been named IDA of the Year in Suffolk County by the Long Island Business News. All were invited to attend the awards ceremony on May 15, 2017.

AUTHORITY BUDGET OFFICE (ABO)

The Authority Budget Office (ABO) recently notified the Agency that they will be auditing two of our terminated projects, Weiss Instruments and Dove Electronics. This audit will be conducted in the end of June.

At 12:14 P.M., Mr. Pollakusky made a motion to close the Governance Committee meeting. The motion was seconded by Mr. Kelly and all were in favor.