

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JUNE 30, 2021

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Lenore Paprocky
Gary Pollakusky
Frank C. Trotta

EXCUSED MEMBERS: Felix J. Grucci, Jr.
Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, IDA Counsel (via Zoom)
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Amy Illardo, Administrative Assistant
Johnny Sweeney, North Point Development
Michael White, Winter Brothers Brookhaven Rail LLC
Brian Sinsabaugh, Certilman Balin Adler & Hyman, LLP
Christopher Kent, Farrell Fritz, P.C.
Peter Curry, Farrell Fritz, P.C.
Eric Russo, VanBrunt, Juzwiak & Russo, P.C.
Alvin Schein, Seiden & Schein, P.C. (via Zoom)

Chairman Braun opened the IDA meeting at 9:48 A.M. on Wednesday, June 30, 2021 in the Media Room 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, seconded by Mr. Pollakusky and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Actual vs. Budget Report for the period ending April 30, 2021. The Agency is ahead of budget for this year, but Ms. LaPonte pointed out that administrative fee revenue comes in the

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early part of the year. The motion to accept this report was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

PILOT Update

All 2020-2021 PILOT payments have been received and disbursed within thirty days.

PORT DEVELOPMENT, LLC – APPLICATION

Ms. Mulligan presented the application for Port Development, LLC, a redevelopment planned for the former Lobster House on North Country Road in Port Jefferson. This redevelopment proposes to replace the approximately 4,400 square foot Lobster House and an 1,800 former florist shop with a mixed-use space that will include 36 apartments (31 one-bedroom and 4 two-bedroom) and commercial space. The commercial space will not be included in the PILOT Agreement. This \$15 million dollar project is expected to create 5 full-time equivalent jobs. A 15-year PILOT and exemptions from sales tax and mortgage recording taxes is being requested. Affordable and workforce housing requirements are in place. The project is close to a Transit Oriented Development and a defined downtown and eligible for consideration for a 15-year PILOT under the Uniform Tax Exemption Policy. In response to questions from Mr. Pollakusky and Mr. Trotta, Mr. Russo, counsel to the applicant, stated there was support from the local civic organization and that this project will not move forward without IDA assistance. Affordable housing rates for this project will be monitored by the Long Island Housing Partnership.

Ms. Eaderesto joined the meeting via Zoom at 9:59 A.M.

Mr. Pollakusky made a motion to accept the application and schedule a public hearing. The motion was seconded by Mr. Trotta and unanimously approved.

NP/WINTERS LONG ISLAND INDUSTRIAL, LLC – APPLICATION

Ms. Mulligan presented the application for NP/Winters Long Island Industrial, LLC, for a total of approximately 2.5 million square feet spec industrial warehouse space at the Intermodal Rail facility between the Long Island Expressway and Horseblock Road and Sills Road. This project is expected to cost approximately \$409 million and will be phased in. The project expects to start with a 1 million square foot building and a 306,000 square foot building, followed by two more buildings that will be 600,000 and 650,000 square feet. Each building will have rail access. Potential job numbers are expected to be between 1,100 and 1,300 employees. Exemptions from mortgage recording tax and sales tax have been requested along with a 20-year PILOT Agreement.

Mr. Curry provided additional information on the property. Tenants have not yet been determined. A study commissioned by the applicant provided estimates on jobs that will be created. Work is still ongoing with the Town on the development of this project as warehouses. This application does not include the 50 acres that Winter Brothers is proposing as a transfer station.

Mr. Pollakusky made a motion to accept the application and set a public hearing. The motion was seconded by Mr. Callahan and unanimously approved.

GGSP INVESTMENTS, LLC – APPLICATION

Ms. Mulligan presented the application for GGSP Investments, LLC who propose to purchase the Vistas of Port Jefferson project on Bicycle Path in Port Jefferson Station. Vistas of Port Jefferson is a 244 senior rental facility that is complete and almost fully rented out. The project cost is \$119 million, and all job requirements will remain in place. GGSP is requesting the re-assignment of the PILOT Agreement and a mortgage recording tax exemption on a small portion of the mortgage. Mr. Schein, counsel for the applicant, explained that his client owns other facilities on the Island and across the country. Mr. Gross added that the seller and purchaser have agreed to have the existing lender transfer the mortgages to the new lender which would avoid additional mortgage recording tax exemptions, any potential exemptions would only apply to new money.

Mr. Pollakusky made a motion to accept the application and set a public hearing. The motion was seconded by Mr. Trotta and all voted in favor.

COAST 2 COAST REAL ESTATE, LLC – APPLICATION

Mr. Callahan recused himself and left the meeting while the application was considered. Coast 2 Coast is currently leasing space in Ronkonkoma; they are proposing to purchase an existing 20,000 square foot building which is currently owned by Grucci Properties, a former IDA project. Coast 2 Coast would be the main users but would lease space to Target Media Group and Bold Systems who originally constructed the building. Coast 2 Coast currently have 15 employees and will hire 20 more. This is a \$4.75 million project, and they have requested a PILOT Agreement, exemptions from sales tax and possibly a mortgage recording tax exemption. Mr. Sinsabagh, counsel for the project, advised that his client has outgrown their space in Ronkonkoma and will not be able to grow their business without this relocation.

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Mr. Trotta made a motion to accept the application and schedule a public hearing. The motion was seconded by Mr. Pollakusky and unanimously approved with Mr. Callahan recusing himself.

Mr. Callahan reentered the meeting room.

CEO'S REPORT

Triple Five

Mr. Weir informed the Board that Triple Five has requested that the IDA join in granting new mortgages to refinance the existing mortgages on the property. Their completion date was in September 2020 and an extension was granted until December 31, 2020, at which point, Triple Five was supposed to submit a revised plan to develop the project. The building was damaged by a tropical storm; the Agency has received checks as a loss payee under the insurance. Triple Five is technically in default. Mr. Kent, counsel for Triple Five, provided some history on this project and noted that former counsel did not request enough time to redevelop this project. Amazon currently uses the 3.5-acre parking lot to provide driver training and to park vehicles overnight. The tenant agency compliance agreement for Amazon has not been signed nor have NYS Department of Labor Form 45's been submitted. Mr. Kent requested more time for the project to get into compliance. They are still seeking tenants on which details were provided. Ms. Mulligan has requested documentation to process the insurance check. Mr. Weir added that the existing bank and or the new bank will have to approve depositing this check.

Mr. Pollakusky made a motion to grant Triple Five another 30 days to get documents in order and to approve the re-financing subject to Mr. Braun's review of the use of the proceeds. The motion was seconded by Mr. Trotta and all voted in favor.

AMERICAN REGENT – AMENDED APPLICATION & AUTHORIZING RESOLUTION

Mr. Braun explained that this project would be an extension of a project originally done in the 80's. American Regent, a pharmaceutical company located at 5 Ramsey Road in Shirley, submitted an application approximately one year ago. This amended application shows the addition to the building to increase to 18,000 square feet with increased costs of \$68 million. 375 jobs will be retained. A sales tax exemption and a PILOT Agreement have been requested. A public hearing was held with no comment received.

The motion to accept the amended application and approve the final authorizing resolution was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

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LONG ISLAND PRECAST – RE-FINANCING RESOLUTION

Long Island Precast has requested approval to re-finance their \$1.5 million mortgage. No new money is involved.

Mr. Pollakusky made a motion to approve this resolution which was seconded by Ms. Paprocky. All voted in favor.

RESOLUTION TO AMEND SLATE OF OFFICERS & COMMITTEE CHARTERS

The slate of officers and committee charter resolutions will be amended to include Lenore Paprocky as a board member.

The motion to amend these resolutions was made by Mr. Callahan, seconded by Mr. Trotta and was unanimously approved with Ms. Paprocky abstaining.

CEO'S REPORT CONTINUED

Mission Statement

The Mission Statement was amended in January of this year, it was included in the packets as a reference.

Regent Tek Default

This project was terminated for failing to pay their PILOT. There was a termination scheduled but representatives from Regent Tek did not attend. The documents are in the process of being recorded.

July Meeting

The July meeting will be moved to July 28, 2021 at 9:00 A.M.

New York State Economic Development Council Cooperstown Conference

This conference has been sponsored at a rate of \$5,000 in the past. The motion to co-sponsor this conference for \$5,000 with the LDC was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

Ms. Mulligan informed the Members that there was an accident at the Brightview Port Jefferson site where a worker was injured. No further information is available.

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The motion to close the IDA meeting at 11:14 A.M. was made by Mr. Trotta, seconded by Mr. Pollakusky and unanimously approved.

The next IDA meeting is scheduled for Wednesday, July 28, 2021.