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TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING  
HELD BY CONFERENCE CALL

- - - - -x

June 8, 2020  
12:09 p.m.

TRANSCRIPT OF PROCEEDINGS

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A P P E A R A N C E S :

**MEMBERS :**

FREDERICK C. BRAUN, III  
MARTIN CALLAHAN  
SCOTT MIDDLETON  
GARY POLLAKUSKY  
FRANK C. TROTTA

**ALSO PRESENT :**

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER  
JAMES M. TULLO, DEPUTY DIRECTOR  
JOCELYN LINSE, EXECUTIVE ASSISTANT  
TERRI ALKON, ADMINISTRATIVE ASSISTANT  
AMY ILLARDO, ADMINISTRATIVE ASSISTANT  
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL  
WILLIAM F. WEIR, ESQ., NIXON PEABODY  
HOWARD R. GROSS, ESQ.,  
WEINBERG GROSS & PERGAMENT, LLP  
CAROLE TROTTERE, TODD SHAPIRO ASSOCIATES

\* \* \*

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MS. MULLIGAN: It is June 8th at 12:09.

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This is the meeting of the Town of Brookhaven

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Industrial Development Agency, our June 8th

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board meeting and let's start with the roll

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call.

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This is Lisa Mulligan.

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MR. BRAUN: This is Fred Braun.

9

MR. TROTTA: Frank Trotta.

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MR. POLLAKUSKY: Gary Pollakusky.

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MR. CALLAHAN: Marty Callahan.

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MR. BRAUN: Scott Middleton, you're on

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the phone?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Grucci?

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(No response.)

17

MR. BRAUN: No.

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Ms. Scheidt?

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(No response.)

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MR. BRAUN: No, but we do have a

21

quorum, however.

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MS. MULLIGAN: Okay.

23

Also on the call I believe is Bill

24

Weir.

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MR. WEIR: That is correct.

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MS. MULLIGAN: Howard Gross?

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MR. GROSS: Yes.

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MS. MULLIGAN: Do I hear Annette?

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(No response.)

6

MS. MULLIGAN: No.

7

Jocelyn?

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MS. LINSE: I'm here.

9

MS. MULLIGAN: Jim Tullo?

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MR. TULLO: Jim Tullo is here.

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MS. MULLIGAN: Amy Illardo?

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MS. ILLARDO: Yes.

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MS. MULLIGAN: Terri Alkon?

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MS. ALKON: Yes.

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MR. BRAUN: Welcome everybody.

16

Lisa, I'll turn it over to you.

17

MS. MULLIGAN: Sure.

18

I just want to start out by letting

19

everybody know that Lori's unable to join us

20

today. She's having a problem with her eye,

21

so she's going to a doctor's appointment, so

22

I'm going to handle her CFO's report, which is

23

very quick.

24

It's just to alert you that we feel

25

confident that at our June 17th meeting, we

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2

will be able to present the audit for your

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review and adoption and also, PARIS. So when

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Lori said she was struggling with her timing,

5

I just said I can say those two things for

6

you.

7

So those are the two items that Lori

8

was going to go over.

9

Does anyone have any questions about

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that?

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MR. BRAUN: Lisa, to the best of her

12

ability, those will be sent out ahead of time

13

for review?

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MS. MULLIGAN: Yes. Thank you, Fred.

15

The audit, I think we'll definitely be

16

able to get the audit out in advance. PARIS

17

is a little bit clunkier in that we still have

18

some work to do on it, we have time obviously,

19

but it's also a huge document, so I'm not so

20

sure we're going to be able to -- sharing it

21

has me a little bit concerned, but we'll do

22

our best to get both of those to everyone in

23

advance and honestly, we're going to have to

24

figure out how to share it because we need to

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get it to you guys so you can review it to

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adopt it, so . . .

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MR. BRAUN: Right.

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MS. MULLIGAN: Worst case, we mail it to you, like postal mail.

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So does anyone else have any questions?

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(No response.)

8

MS. MULLIGAN: Okay.

9

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The next item on the agenda is a resolution for the Orbit Bloom project.

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Just to remind everyone, in your packets you were sent the letter that they sent us explaining the project and also, the updated cost benefit analysis.

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We had a public hearing for them this morning. There was no comment, no participation and just as a quick overview, I think in March they came to us and told us that they had someone who was interested in purchasing the equity interest in the project and that project fell apart, they came back to us now with someone else who's interested in purchasing the equity interest of the project, a company called DG Fuel Cell, LLC.

DG Fuel Cell, LLC is a wholly owned

1

2

subsidiary of NextEra Energy Resources LLC and

3

so the letter that you received has a lot of

4

information about NextEra Energy as well as DG

5

Fuel Cell or perhaps I should say DG Fuel Cell

6

as well as NextEra Energy, so, Bill, did I

7

miss anything in there?

8

MR. WEIR: No, you described it pretty

9

well.

10

As we discussed back at the March

11

meeting, which was actually our first

12

teleconference meeting, the sale --

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MS. EADERESTO: Annette Eaderesto.

14

MS. MULLIGAN: Hi, Annette.

15

MS. EADERESTO: Hi guys. Sorry.

16

MS. MULLIGAN: It's okay.

17

MR. WEIR: In the original application,

18

they did say to us that they would finance

19

this project through a sale of the equity as

20

opposed to a bank loan, so this is, you know,

21

again, following through what was a plan of

22

finance all long and as Lisa said, the board

23

had approved a sale to a different company

24

back in March and they backed out due to

25

COVID, so it should not have been necessary to

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2

do it again, but anyway, the new entity is bigger and stronger anyway, so this would be a good company to operate this to, they'll own the project and Orbit Bloom will continue to operate it in the Town.

3

4

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7

MR. BRAUN: Bill, there was some time sensitive nature of this?

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9

MR. WEIR: Yes.

10

They were hoping to have closed this back in May, so the final -- they have over the weekend signed the documents in escrow, holding it in escrow until the IDA approves the sale.

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MR. BRAUN: Does somebody care to make the motion?

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MR. POLLAKUSKY: So moved.

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MR. BRAUN: Second?

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MR. CALLAHAN: Second.

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MR. BRAUN: Are there any further questions or clarifications?

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22

(No response.)

23

MR. BRAUN: Hearing none, Fred Braun votes yes.

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Marty Callahan?



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MR. CALLAHAN: Yes.

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MR. BRAUN: Scott Middleton?

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MR. MIDDLETON: Aye.

5

MR. BRAUN: Gary Pollakusky?

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MR. POLLAKUSKY: Yes.

7

MR. BRAUN: Frank Trotta?

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MR. TROTTA: Yes.

9

MR. BRAUN: Motion carries. It's

10

unanimous.

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MS. MULLIGAN: Thank you, everyone.

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The next item on the agenda is our

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Uniform Tax Exemption Policy.

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An update for the board, we have been

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working very hard on getting this cleaned up

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and ready for adoption. We can resend it to

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you, but I haven't heard very many comments

18

back. If anyone has items, questions,

19

concerns, items they'd like considered, this

20

is kind of the moment.

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Did anyone have any questions on it?

22

(No response.)

23

MS. MULLIGAN: Okay.

24

Bill and I have some edits that need to

25

be incorporated, but we will work on getting

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2 that in addition to the audit and PARIS sent  
3 out in advance of the June 17th meeting.

4

5 Just so that you're aware, we have an  
6 application, I received it in draft format, we  
7 need a final application, but they've been  
8 waiting to send it in because it we think will  
9 fall under -- assuming you guys adopt the new  
10 UTEP, this project will fall under the  
11 parameters of the new UTEP.

12

13

14 Does anyone have any questions about  
15 that?

16

17 (No response.)

18

19 MS. MULLIGAN: Okay.

20

21

22 MR. CALLAHAN: So that means we'd have  
23 to vote on that as soon as possible because  
24 you have an application pending?

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MS. MULLIGAN: Well, no.

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33 The application, they've known for a  
34 while that we had the moratorium, but I  
35 think -- you know, they've been checking in  
36 and I told them I thought we would be ready  
37 with the UTEP sometime this month, so I think  
38 that's why they sent it, so they would be  
39 ready as soon as we're ready, but we should

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adopt our UTEP when we're at the point that it

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works for what we need, not because there's an

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application pending because if I had told them

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that we would have it had ready in January,

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they would have put the application in in

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January, so I think the priority is to make

8

sure that our UTEP is right, does what we need

9

it to do and then we'll follow up with the

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application, but I think we're there.

11

MR. WEIR: Lisa told them that the

12

application would not be accepted until the

13

UTEP was adopted, so . . .

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MS. MULLIGAN: Yes.

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MR. BRAUN: But it's a draft

16

application, so if they want to accept it

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after we do the UTEP or accept the UTEP on the

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17th, they need to have a full application in

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by that time.

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MS. MULLIGAN: Correct.

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(Pause.)

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MS. MULLIGAN: If there's no other

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questions on that, the next two items on the

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agenda, the On The Common at Rocky Point and

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D&F Bellport.

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Just wanted to let everyone know that we closed both of those projects, so COVID-19, working from home, all the awkwardness, we're still able to function very well and we were able to close both of these projects, so there was a little -- we used FedEx a little bit more than we normally would, there was a little more jockeying, but other than that, you know, both of these projects closed relatively smoothly I'd say. So I just wanted to give you a heads-up on both of those.

MR. BRAUN: I think congratulations are in order for everybody that touched that project at all.

MR. TULLO: Thank you.

MS. MULLIGAN: It was definitely a team effort and so, you know, we all helped out.

MR. TULLO: Are those the two projects that had the shortest amount of community support, so that's always helpful coming from the municipal side and then obviously from our side, so . . .

MR. CALLAHAN: Great job guys.

MR. TROTTA: Good job.

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MS. MULLIGAN: Thank you everyone.

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The next --

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MR. WEIR: I really wanted to thank Lisa and Joce because getting signature pages executed, notarized and FedExed out has been not an easy task and the two of them have been incredible at getting everything done, so I want to thank both of them for the great efforts that they've put in for getting all these transactions closed and public hearings published and everything else because they've been doing it remotely, but getting it done seamlessly, doing a great job.

15

MR. TULLO: Amen, Bill.

16

MS. MULLIGAN: Thank you, Bill.

17

MS. EADERESTO: Just so you know, the governor is lifting . . . there's a new executive order where the non-essential employees in the public sector can all come back two weeks after we enter Phase II, so that should be June 24th.

23

MR. TULLO: Oh, thank you, Annette.

24

MS. MULLIGAN: Okay.

25

MR. WEIR: He only extended the order

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with respect to public hearings and public

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meetings to do it electronically until

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July 6th, so who knows, we might all be seeing

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each other in person at the July meeting.

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MS. EADERESTO: It's actually July 7th,

7

but we'll have to see what he does with that

8

because that's not the first time he extended

9

and suspended the --

10

MR. WEIR: No, he extended it several

11

times.

12

MS. EADERESTO: Yeah.

13

MR. WEIR: Again, you would still have

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to keep social distancing, so I think the only

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way you could do it would be to use the large

16

auditorium to be safe.

17

MS. EADERESTO: Let's see what he does

18

with that. That may get extended again.

19

MR. WEIR: Yeah. Logistically it's

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going to be a nightmare for certain agencies.

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We'll see what he does.

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MS. MULLIGAN: Yes, we will.

23

The next item on the agenda, as long as

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nobody has any other questions about the two

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closings we had, is an update on some of the

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activity with our sales tax.

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Just to alert the board, I'm going to just start out general and then go specific because it is a little bit complicated.

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In general, the board authorizes a start date and an end date for the use of sales tax exemptions, so any time we give a project a sales tax exemption, you determine the start date, the end date and you also provide a cap on the amount of the sales tax that may be exempted. We tie it together to a dollar amount of purchases, but it's all outlined very clearly on the ST-60 form that we're required to send to the State, I guess announcing that we will be giving a project a sales tax exemption.

We call every single project, we used to have them physically come into the office for a training, we've been doing them over the phone, but we give them a training, we remind them highlight all these dates, we give them a cheat sheet of all the important information and then we follow up, we tell them staff is available for questions, concerns, you get

1

2 home, you go ah, I'm confused. We give them  
3 our -- you know, make sure you call us,  
4 contact us if you need a refresher and then we  
5 follow up the training with reminders: don't  
6 forget, this is a key date, it's coming up,  
7 you need to give us these forms. We really,  
8 really hold their hands.

9 In talking to other IDA's, I haven't  
10 had this conversation in a while, but  
11 previously we had been much more hands-on with  
12 our handling of the sales tax exemption than I  
13 think most of the other IDA's are. That may  
14 have changed because a lot of IDA's were  
15 moving in the direction we had already gone  
16 in, so I'm giving you that as way of  
17 background because I want you to understand  
18 that we don't just leave them out, figure it  
19 out on your own.

20 Even with all of this hand-holding, we  
21 recently have had three projects that we're  
22 having some issues with and before I move  
23 forward with any action, I want to make sure  
24 that the board is fully informed and make sure  
25 that we're moving ahead in a direction that



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you approve of.

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So one of the projects is Amneal, the 19 Nicholas Drive project, so that's a facility on Nicholas Drive, not their main manufacturing facility, but a warehousing facility that they rent.

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All of their sales tax tracking information, including the forms that are required by New York State, were sent in months late, even though we sent and called and reminded. The forms that they did send in showed purchases being made prior to their appointment, which is certainly not permitted because they weren't sales tax exempt at that time.

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We sent them a demand letter indicating that they had -- we spoke to them about this, too, it didn't come out of the blue -- indicating that they had unauthorized sales tax savings of almost \$16,000 and that includes the actual sales tax and about \$3,000 -- I'm sorry, unauthorized sales tax savings of about 16,000 plus State required interest and penalties of almost 3,000. The

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total was \$18,511.97, which they have to pay

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to us and then we send all of it to New York

4

State. New York State then distributes it

5

where you get this piece, you get that piece.

6

So we're really just a middleman in sales tax.

7

When we sent the demand letter, we

8

received a quick response back to them that

9

they never should have included any of those

10

purchases that they made prior to the

11

appointment because those were, they

12

explained, capital improvements.

13

I'm a little bit uncomfortable with

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this because they sent us tracking forms

15

showing that they had been using our sales tax

16

exemption, so I want to just outline that

17

Amneal 19 issue and sort of set it aside as

18

one example of what's going on and I

19

apologize, if you have questions during this,

20

feel free to interrupt me.

21

The next item that is on my list is

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HSRE Mount Sinai. That's one of the Bristol

23

facilities in Mount Sinai, right near the

24

border of Mount Sinai and Miller Place on 25A.

25

So we have not received all of the

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required sales tax tracking forms from them,

3

they have not all been completed and just so

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you know, they were due January 15th. There's

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another round of these forms that are due

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July 15th, so from January 15th we still have

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not received everything, but from what we have

8

received so far, we sent them a demand letter

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and it was paid in full. It was \$19,625.52.

10

We processed that check. There's a whole

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bunch of forms that need to go along with it.

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We let that check clear and then sent the same

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amount up to New York State. We did invoice

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them for our time and that was paid to us and

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we do, in fact, keep that money, but until we

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receive all of the outstanding forms, I don't

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know if there's going to be additional

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potential recaptures and like I said, that was

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from January 15th, July 15th we have an

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additional round of tracking forms that I

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expect we're going to get; January 15th,

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though, we're not done with those yet. So

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that's another project.

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The third one that we're dealing with

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is EB Mount Sinai, which is the other side and

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I apologize, I mix them up all the time. I

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think EB is the assisted living and HSRE is

4

the senior housing portion of the project; I

5

apologize if I just got them flipped.

6

For EB Mount Sinai, for the next phase

7

or the other half of this project -- and it is

8

a standalone project -- we still have not

9

received all of the completed sales tax

10

tracking forms, but from what we have so far

11

received, two demand letters were sent. One

12

was for a subagent called Huntington Closet,

13

it was a standalone, just that one project and

14

it was for \$10,361.70, that check was received

15

and we're waiting for it to clear before we

16

process it and send it to the State, so that's

17

sort of a standalone.

18

We also sent them a demand letter for

19

just over \$106,000. That one is being

20

contested by the company, they're contesting

21

it. It includes multiple subagents and

22

purchases made both before and after the

23

appointment and for use of sales tax forms

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exceeding the capped dollar amounts, so that

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one's a little bit messy.

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We received a check for about half, I think it was \$55,000, they sent us a check, but we're holding that, we didn't deposit that, we're holding that until we receive final resolution. We also sent for this one an invoice for our time, which they did pay.

Their attorney has reached out to Taxation and Finance for clarification on this, so this is yet another outstanding project. But until we receive all of those forms, we're not even sure if there's going to be additional recaptures and like I said, we have the next round coming up, we're not even done with the last one, so I am uncertain as to how to proceed, but I can tell you that Bill has suggested to me that I reach out to Taxation and Finance and just kind of get their input on what they think we should do, but I wanted to make sure that the board was aware and get your input.

MR. BRAUN: It's a question for Mr. Weir.

The attorney for that project supposedly had a conversation with Taxation

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2

and Finance, I think about methodology or the

3

computation more than anything else. I think

4

we have asked him for some documentation based

5

on that phone call.

6

Have you, Bill, received anything or

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Lisa, have you received anything?

8

MS. MULLIGAN: I have not.

9

MR. WEIR: I have not received

10

anything.

11

Lisa would not be calling up the

12

Department of Taxation and Finance and asking

13

for them to do an audit, we're kind of just

14

saying we have these issues and she at first

15

may not even disclose which companies.

16

MS. MULLIGAN: Right.

17

MR. WEIR: Say these are the issues,

18

we're looking for your guidance on what we

19

should be doing. We don't want Lisa to be in

20

the position or the IDA to be in the position

21

that oh, you were asleep at the switch, we

22

didn't address these issues. Lisa's been

23

trying to get them addressed and it is . . .

24

you know, we're getting conflicting stories

25

coming from the company, sometimes incomplete

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stories and you know, they may not even

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realize or they may not know the answers to

4

the questions Lisa's asking, so that's why we

5

just kind of throw it back to Taxation and

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Finance, ask their guidance and if it gets

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really to the point where it's totally

8

frustrated, Lisa could always formally ask for

9

an audit.

10

MS. MULLIGAN: I just want to follow up

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what Bill said and let you know that Terri has

12

been tracking this, this has been a paperwork

13

and number nightmare and she's been tracking

14

all of this very carefully and Lori has also

15

been very helpful. When we are ready for a

16

recapture, Lori has been doing these very,

17

very complicated calculations to figure out

18

the dollar amount that's actually due, so I

19

just want to make sure that Lori and Terri get

20

recognized because this has not been an easy

21

process.

22

MR. TULLO: No doubt.

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MR. TROTTA: Who represents them?

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MR. BRAUN: Peter Curry from Farrell

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Fritz.

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MS. MULLIGAN: And that's for the  
Bristal projects in Mount Sinai and for Amneal  
19 Nicholas. I can't think of who represents  
them right now, but it's not Peter Curry, so I  
just want to make that clarification.

7

MR. TROTTA: Yeah, yeah.

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MR. CALLAHAN: Didn't we work with the  
guys in Mount Sinai before for Bristal on  
other projects?

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MS. MULLIGAN: Yes. Marty, thank you  
for bringing that up, that's a hundred percent  
correct.

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We have done two other projects with  
this company. We did the project in Lake  
Grove and the project in Holtsville and we had  
no problems and I had a conference call with  
them and they said to me we've never had a  
problem like this before and I pointed out to  
them that we haven't had a problem like theirs  
with anybody else, we've had projects that  
went over their cap, made purchases before and  
after, that kind of thing has happened, but  
not to the extent of the Bristal project in  
part because they made the decision to appoint



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a lot of subagents with the ST-60 and that's

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not the process that most other projects use.

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It's a reasonable way to do it, it's fine, but

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it put a lot of responsibility on them for

6

tracking and following up and I think they're

7

realizing that that's been tough to do.

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MR. CALLAHAN: Okay. All right.

9

So what are our choices here?

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MS. MULLIGAN: Bill, what do you think

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our choices are?

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MR. WEIR: That's why we thought the

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best thing to do was talk to the Department of

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Taxation and Finance and ask for their

15

guidance because at this point it's hard for

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Lisa and the staff to figure out whether or

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not there's recapture due, whether they've

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corrected it, properly corrected it, so we

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figured make the most sense let the Department

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of Taxation and Finance give us direction and

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guidance.

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MR. CALLAHAN: We have to have that

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shortly because June 17th is coming up and

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you're saying there's another filing in July,

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correct?

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MR. TROTTA: Have you had a follow-up conversation with the attorney, with Peter or should you, would that help or that's a bad thing, I don't know?

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MR. WEIR: I'm just not sure what he's going to tell us other than what he's already told us, which didn't quite make sense.

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MR. TROTTA: Okay.

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MR. WEIR: That's why I recommend we go that way.

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MR. TROTTA: Okay.

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MR. WEIR: Get guidance directly from the Department of Taxation and Finance as opposed to relying on what somebody said that Finance told them.

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MR. TROTTA: Okay, I understand that, thank you.

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MS. MULLIGAN: Any other questions on that?

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21

(No response.)

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MS. MULLIGAN: So I'll reach out to Taxation and Finance and get their input in general and we'll go from there and I will let you know on the 17th what the next steps

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2 potentially are.

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So the next item on the agenda is a suggestion to amend our fee schedule.

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So a few years back, we changed our fee schedule so that we had an annual fee, a thousand dollar annual fee, to help cover the costs, the reoccurring and ever growing responsibilities that we have for each project. So each year when we send out the PILOT, we also charge a thousand dollars to each project.

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What I am suggesting is that we amend that portion of our fee schedule to include a charge for a project that has subtenants within their building so that there's the thousand dollar charge in general and then it's \$500 for each subtenant because all of our tracking, all of our reporting, all of our information, we have to do some work for each of those subtenants as well as the project. So I wanted to put it out for discussion and see what your thoughts are on that.

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MR. BRAUN: We probably have three or four projects now with subtenants, they'd be

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grandfathered in under the thousand dollars,

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so this would only affect new projects that we

4

approve and go forward.

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So I'll put the resolution on the table

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that we amend our fee schedule to add \$500 per

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subtenant going forward.

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Is there a second?

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MR. POLLAKUSKY: I second that.

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MR. BRAUN: Any questions?

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MR. TROTTA: Yes.

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MR. BRAUN: Go ahead, Frank.

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MR. TROTTA: Lisa, is that compatible

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with what other IDA's are doing or have done

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and the fee, itself, is it equal to, better

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than, you know, less or what?

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MS. MULLIGAN: I haven't spoken to any

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of the IDA's about this because we haven't had

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our quarterly meetings, but when we broached

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this subject a few years ago, we were in line,

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give or take, I mean there is one particular

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IDA that I won't mention whose fees are

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considerably higher than the rest of ours and

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they charge sort of a la carte for a lot of

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different things, but that's what works in

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their community and that was a little bit of  
3 an outlier, but everybody else seemed to be in  
4 and around this idea and in speaking to Bill  
5 previously about that, the thousand dollars  
6 was in line with what other IDA's are doing.

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I do not know if other IDA's have  
adjusted to account for subtenants, but I also  
don't know if other IDA's have the number of  
subtenants in their buildings that we do.  
Fred mentioned that we have three or four. I  
bet we have even more than that when you  
consider that we have two spec buildings and  
another one that's soon to be under  
construction if it's not already and then  
we've got a few projects where for various  
reasons, it was purchased and let me just back  
up. I don't mean a subtenant like if there's  
a real estate holding company and then the  
operating company is considered a subtenant.  
I'm talking about truly unrelated entities  
where the company says I have extra space, so  
I'd like to rent this out with the thought  
that down the road they might need the space  
and they'll be able to expand into it or the

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thought that they're just going to use the  
extra income to help pay down their mortgage.

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5

So that's sort of what we're  
envisioning. I don't know if other IDA's have  
a separate fee for subtenants; Bill, do you  
know of anybody that does?

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MR. WEIR: No, I don't know of any IDA  
that charges additional fee for subtenants.

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MR. BRAUN: I think the point is,  
there's extra work required than if it's just  
a real estate holding company and its  
affiliated tenant, so it's considerably more  
than that and as Lisa's pointed out on many  
occasions, PARIS continues to be a burden and  
I think for \$500 per tenant, it's totally  
appropriate.

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19

MR. TROTTA: I certainly agree with  
you, Fred.

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MR. BRAUN: Unless there are any other  
questions, there's a resolution on the table,  
it's been seconded.

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Mr. Braun votes yes.

Mr. Callahan?

MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

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MR. BRAUN: Motion carries.

9

Back to you, Lisa.

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MS. MULLIGAN: There's just a few other

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things that I want to quickly go over with the

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board.

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There was a legislative adoption

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recently that it has not been, at least to my

15

knowledge, signed yet by the governor, but

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there is legislation pending to allow IDA's to

17

give grants and loans. I mostly wanted to

18

just give you an update that this is out

19

there. We'll see what happens. I'm sure

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you've seen some reports in Newsday about at

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least Nassau County pursuing this. The

22

legislation, like I said, is just waiting for

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Cuomo's signature.

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Then if, in fact -- and I suspect it

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will be when -- but if, in fact, he does sign

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this, the next step will be to come back to

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the board and see if this is something that we

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even want to offer. I think it's grants up to

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10,000 and/or loans up to 25,000. I don't

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know if you can mix and match, I have a couple

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of questions about the way the legislation was

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worded, but does anyone have any questions

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about this?

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MR. BRAUN: This is something that some

11

of the upstate IDA's have been pushing for a

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number of years. There was a legislation at

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one time that allowed them to do this. Some

14

of them have revolving funds, but that

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legislation sunset, sunsetted, if that's the

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correct word and they've been pushing this for

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a number of years.

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I think some of them actually

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administered such a program themselves, others

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may have outsourced it to a third party, but

21

we'll discuss it when and if the governor

22

passes it, but for us to go into the lending

23

program, Frank is certainly familiar what a

24

credit union does and it almost requires us to

25

set up a mini bank with all of its pitfalls



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and perhaps some of its benefits, so a lot

3

more to be discussed and talked about for this

4

program. As I said, it's been pushed very

5

heavily for the last couple of years by some

6

of the upstate IDA's.

7

MR. WEIR: A number of the upstate,

8

like, for example, Ontario County, they

9

actually don't do it through the IDA's, they

10

do it through their LDC's, which do have the

11

authority to make loans and usually the source

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of those loans from years ago were federal

13

block grant money, so it's been a revolving

14

loan. They lend it out, as it comes back in,

15

they relend it, they've been doing it for

16

years. They did not put their own money into

17

it.

18

Dutchess County LDC is looking to do

19

one now with \$500,000 of the LDC's own money

20

and they partnered with a not-for-profit

21

company that does small business loans, you

22

know, similar to like NYBDC to originate the

23

loans to do other loan processing, but the

24

money will be made by the LDC.

25

The new statute that is pending before

1

2

the governor's signature is kind of unclear as

3

to what the source of the money is, whether

4

you're putting up your own money or whether

5

you're borrowing money from the State or the

6

federal government and relending it and if you

7

do borrow it, is the IDA on the hook if

8

there's a default because you'd have to

9

imagine they're lending to small businesses

10

who are already hurting, the default rate will

11

probably be pretty high.

12

The current bill is basically giving

13

IDA's the authority to do what LDC's have

14

always -- what actually LDC's were created for

15

when they were first created back in the '60s,

16

but the new bill has I think a lot of gaps in

17

it and was hastily drafted and not very well

18

drafted, I don't even know who put it

19

together, so . . .

20

MS. MULLIGAN: Does anyone --

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MR. WEIR: By the time you figure out

22

all the parameters utilizing this new bill as

23

Fred said in creating a lending office, it

24

would probably be moot.

25

MR. BRAUN: Several years ago I did

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2

have a conversation with the New York Business

3

Development Corporation about administering

4

such a program for us. At the time there was

5

some interest, but I will tell you they have

6

their hands full right now administering a

7

number of other programs and I doubt that they

8

would be a third party that would be

9

interested in doing this for us if we, in

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fact, had an interest ourselves.

11

MS. MULLIGAN: Does anyone have any

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questions?

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(No response.)

14

MS. MULLIGAN: So hearing none, there's

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just two other items that I want to bring to

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everyone's attention.

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We received a Notice of Claim the other

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day from someone who was injured at the

19

SHI-III construction site, so that came in the

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other day. Annette is drafting a letter to

21

their insurance company, just reminding them

22

that we are indemnified under their insurance,

23

so that's one reason why we track the

24

insurance so closely and we make sure that

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when insurance expires, we get in touch with

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them and get new insurance, so that came in  
the other day.

3

4

Does anyone have any questions about  
it?

5

6

MR. CALLAHAN: What project was that,  
Lisa?

7

8

MS. MULLIGAN: I'm sorry. SHI-III.  
That's the All American --

9

10

MR. TULLO: Assisted Living.

11

MS. MULLIGAN: -- Assisted Living right  
near Pauls Path on Middle Country in Coram.

12

13

So we received that the other day.  
From what I read briefly, it sounds like  
somebody fell and was hurt.

14

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16

And the other only item that I wanted  
to mention was that the ABO letter from the  
ABO's review of the items posted on our  
website regarding Intercounty is almost done.

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19

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Howard and I and Bill have one item we just  
want to clarify and then that will be sent to

21

22

the ABO. I can send it, I'll send it to the  
entire group as well so that everybody has a

23

24

copy of it. I suspect that the ABO will print  
that in their final report and so it will get

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1

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published. I'll send that around to

3

everybody.

4

Did anyone have any questions about

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that?

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(No response.)

7

MS. MULLIGAN: Then hearing nothing,

8

the only other item on the agenda, I think

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Carol is on the call?

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MS. TROTTERE: Yes, I'm on.

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MS. MULLIGAN: So Carol is from Todd

12

Shapiro Associates and I had asked Carol if

13

she wanted to just do a brief update on the

14

work that they've been doing for the IDA.

15

MS. TROTTERE: Hi everybody.

16

Well, things, of course, were a little

17

slow for a while, but I feel like in the past

18

week, last week, I sent out . . . we had a

19

press release that went out on the Inter

20

Mechanical Services (sic) application, they're

21

a pipe fabrication supplier and that appeared

22

in Newsday and the Long Island Business News.

23

I have two other things kind of in the

24

pipeline that are ready to go. The D&F, it's

25

for a 70-unit residential apartment for North

1

2

Bellport and also, the On The Common, I have

3

On The Common in Rocky Point, that's all ready

4

to go. I was hoping to get like a rendering

5

of what they're intending on building because

6

it always gets better play if we could get

7

something like that and then --

8

MR. POLLAKUSKY: You can get that

9

directly from Mark Baisch, who is the builder

10

for On The Common.

11

MS. MULLIGAN: That's the contact

12

information that we provided to you.

13

MS. TROTTERE: Oh, yeah. I left

14

someone a couple of messages, but I'll try

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again.

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MR. TULLO: Why don't you try his

17

website?

18

MS. TROTTERE: Okay. Thank you.

19

Then Newsday just reached out to us

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today, they're doing a whole special section

21

looking at as businesses open, what are IDA's

22

doing. It's not anything to do with like any

23

of the business loans, they want sort of if

24

you're planning anything, anything

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interesting, anything you're doing to reach

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2

out to the businesses to help them in any way,

3

so Lisa and I are going to talk about that

4

after this meeting to see. You can take an ad

5

out in the section if you want, but it's

6

certainly not required to be included in the

7

editorial part of it and I think as far as

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social media, I don't have Luca's report, but

9

I will send it to you, Lisa, after the call as

10

far as the social media stats.

11

MS. MULLIGAN: Okay.

12

MR. TROTTA: I saw in today's Business

13

News they had something on Interstate

14

Mechanical.

15

MS. TROTTERE: Yeah.

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MR. TROTTA: Yeah.

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MS. TROTTERE: That was me.

18

MR. TROTTA: I know, that's why I

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wanted to give you a pat on the back, it was

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there.

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MS. TROTTERE: Thank you, thank you.

22

They're always so good to us, the Long Island

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Business News, so thank you for letting me

24

know.

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MR. TROTTA: Yup.

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2

MS. MULLIGAN: Did anyone have any

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other questions?

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(No response.)

5

MS. MULLIGAN: Thank you, Carol.

6

MS. TROTTERE: Okay. Thank you, Lisa.

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MS. MULLIGAN: Did anyone have any

8

other topics for discussion?

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(No response.)

10

MR. BRAUN: In that case, hearing none

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and before I ask for a motion to adjourn,

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remind everybody that our next meeting is next

13

Wednesday, June 17th at noon.

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Motion to adjourn, please.

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MR. POLLAKUSKY: So moved.

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MR. BRAUN: Second?

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MR. TROTTA: Second.

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MR. BRAUN: All those in favor?

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(Multiple ayes.)

20

MR. BRAUN: I suppose I should go down

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the list.

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Mr. Braun votes yes.

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Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Middleton?



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MR. MIDDLETON: Yes.

MR. BRAUN: Mr. Pollakusky?

MR. POLLAKUSKY: Yes.

MR. BRAUN: Mr. Trotta?

MR. TROTTA: Yes.

MR. BRAUN: Thank you very much.

Our meeting is adjourned.

(Time noted: 12:56 p.m.)

I, JOANN O'LOUGHLIN, a Notary Public  
for and within the State of New York, do hereby  
certify that the above is a correct transcription  
of my stenographic notes.

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JOANN O'LOUGHLIN