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TOWN OF BROOKHAVEN  
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING  
HELD BY CONFERENCE CALL

- - - - -x

July 15, 2020  
12:11 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  
FELIX J. GRUCCI, JR.  
SCOTT MIDDLETON  
GARY POLLAKUSKY  
ANN-MARIE SCHEIDT

**ALSO PRESENT :**

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER  
LORI LaPONTE, CHIEF FINANCIAL OFFICER  
JAMES M. TULLO, DEPUTY DIRECTOR  
JOCELYN LINSE, EXECUTIVE ASSISTANT  
TERRI ALKON, ADMINISTRATIVE ASSISTANT  
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL  
WILLIAM F. WEIR, ESQ., NIXON PEABODY  
HOWARD R. GROSS, ESQ.,  
WEINBERG GROSS & PERGAMENT, LLP  
ERIC J. RUSSO, ESQ.,  
VANBRUNT, JUZWIAK & RUSSO  
CAROLE TROTTERRE, TODD SHAPIRO ASSOCIATES

\* \* \*

1

2

MR. BRAUN: Board members present are

3

Mr. Braun, Mr. Callahan, Mr. Grucci,

4

Mr. Middleton, Mr. Pollakusky and Ms. Scheidt.

5

Lisa, do you want to announce the staff

6

and the attorneys?

7

MS. MULLIGAN: Sure.

8

On the call are Annette Eaderesto,

9

Jocelyn Linse, Lori LaPonte, Bill Weir, Howard

10

Gross, Terri Alkon, Jim Tullo, Carole from

11

Todd Shapiro's office and Eric Russo, who's

12

representing The Vistas of Port Jeff.

13

MR. BRAUN: We have a quorum present.

14

This is the meeting of the Industrial

15

Development Agency Wednesday, July 15, 2020.

16

I'll start with the minutes. Minutes

17

of our meeting of June 8, 2020 have been sent

18

to everybody. I need a motion to accept those

19

minutes.

20

MR. POLLAKUSKY: So moved.

21

MS. LaPONTE: Fred, it's Lori LaPonte.

22

I just wanted to point out, I had some minor

23

changes on page eight --

24

MR. BRAUN: Can I have a second for the

25

resolution first, please?

1

2

MR. GRUCCI: Second.

3

MR. BRAUN: Okay.

4

I'm sorry, Lori, go ahead.

5

6

MS. LaPONTE: Just some minor typos on the resolutions on page eight and ten, I sent

7

them to Jocelyn; do you want me to point them

8

out?

9

10

MR. BRAUN: Are they just minor, not substantive?

11

12

MS. LaPONTE: Not substantive, just adding the words and are --

13

14

MR. BRAUN: Unless there's a board member who wants the specifics, I think we're okay.

15

16

MS. LaPONTE: Okay.

17

18

MR. BRAUN: There's a motion on the floor to accept the minutes of our meeting of June 8th.

19

20

Mr. Braun votes yes.

21

Mr. Callahan?

22

MR. CALLAHAN: Yes.

23

MR. BRAUN: Mr. Grucci?

24

MR. GRUCCI: Yes.

25

MR. BRAUN: Mr. Middleton?

1

2

(No response.)

3

MR. BRAUN: Mr. Middleton?

4

(No response.)

5

MR. BRAUN: Mr. Pollakusky?

6

MR. POLLAKUSKY: Yes.

7

MR. BRAUN: Ms. Scheidt?

8

MS. SCHEIDT: Yes.

9

MR. BRAUN: Motion carries.

10

The minutes of our meeting of June 17th were also sent to everyone. I'd like a motion to accept those minutes.

11

12

13

MR. POLLAKUSKY: So moved.

14

MR. BRAUN: Is there a second?

15

MR. GRUCCI: Second.

16

MR. BRAUN: Any questions or clarifications for those minutes?

17

18

(No response.)

19

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

20

21

Mr. Callahan?

22

MR. CALLAHAN: Yes.

23

MR. BRAUN: Mr. Grucci?

24

MR. GRUCCI: Yes.

25

MR. BRAUN: Mr. Middleton?

1

2

(No response.)

3

MR. BRAUN: Mr. Pollakusky?

4

MR. POLLAKUSKY: Yes.

5

MR. BRAUN: Ms. Scheidt?

6

MS. SCHEIDT: Yes.

7

MR. BRAUN: The motion carries.

8

Lisa, you want to take the resolutions

9

out of order?

10

MS. MULLIGAN: Sure.

11

Did someone just join our call?

12

MR. MIDDLETON: It's Scott again, I got

13

cut off.

14

MS. MULLIGAN: Hi, Scott, thank you.

15

Just to take the resolutions out of

16

order since we have Mr. Russo representing The

17

Vistas at Port Jefferson project, I just

18

wanted to remind you, this is the project that

19

we discussed at our last meeting.

20

This is The Vistas senior housing

21

complex in Port Jefferson Station on Bicycle

22

Path. It's completed at this point or really

23

close to completed and they have asked us to

24

start their PILOT earlier than it was

25

originally scheduled. There's no change in

1

2

the PILOT payments, the dollar amounts remain

3

the same, but this is just shifting the time,

4

it will begin -- the start and the end will

5

shift, so there no change in the dollar

6

amounts or the length of it, just the time, so

7

that's the resolution in front of you.

8

Howard, did you have anything that

9

you'd like to add?

10

MR. GROSS: No, I don't think so, thank

11

you.

12

MR. BRAUN: For the record, should we

13

indicate the new start date?

14

MR. GROSS: We did in the resolution,

15

Fred. We advised that the schedule begins on

16

the '20/'21 tax year and ends now on the

17

'29/'30 tax year, so we have that all spelled

18

out in the resolution.

19

MR. BRAUN: Thank you.

20

Can I have a motion to pass the

21

resolution?

22

MR. GROSS: Before you do that, can I

23

just make a correction?

24

MR. BRAUN: Absolutely.

25

MR. GROSS: I misread it because we

1

2

have an extended PILOT in this case, so it

3

actually starts in '20/'21 and ends, all

4

things being equal, in '32/'33.

5

MR. RUSSO: Can I just be clear, it's

6

going to start this December, correct?

7

MR. GROSS: Yes.

8

MR. RUSSO: There was a grievance

9

filed, but we will withdraw it if the board

10

should approve this given the timing.

11

MR. GROSS: Yes.

12

MR. BRAUN: Is there a motion?

13

MR. GRUCCI: I'll make the motion.

14

MR. BRAUN: Thank you.

15

Is there a second?

16

MR. POLLAKUSKY: I'll second the

17

motion.

18

MR. BRAUN: Any further questions?

19

(No response.)

20

MR. BRAUN: Mr. Braun votes yes.

21

Mr. Callahan?

22

MR. CALLAHAN: Yes.

23

MR. BRAUN: Mr. Grucci?

24

MR. GRUCCI: Yes.

25

MR. BRAUN: Mr. Middleton?



1

2

MR. MIDDLETON: Yes.

3

MR. BRAUN: Mr. Pollakusky?

4

MR. POLLAKUSKY: Yes.

5

MR. BRAUN: Ms. Scheidt?

6

MS. SCHEIDT: Yes.

7

MR. BRAUN: Motion carries, thank you.

8

MR. RUSSO: Thank you, Mr. Chairman,

9

members of the board, have a good afternoon.

10

MR. BRAUN: Lisa, back to you.

11

MS. MULLIGAN: Do you want to go back

12

into the regular schedule now --

13

MR. BRAUN: Sure.

14

MS. MULLIGAN: -- or do you want me to

15

continue with the resolutions?

16

MR. BRAUN: No, let's turn it back to

17

Lori for the CFO's report.

18

MS. LaPONTE: Included in the package

19

for the IDA is the June 2020 budget versus

20

actual statement.

21

I want to point out during the month of

22

June, we had several projects closing. We had

23

On The Common closed, Orbit Bloom closed, also

24

included in our revenue was a late payment for

25

the PILOT for Amneal, an ABR document

1

2 processing fee and a Holtsville subtenant fee.

3

4 As far as the expenditures during the

5

month, they were our normal monthly operating

6

expenditures for payroll, insurance,

7

accounting fees and other such accruals.

8

I also did want to mention that all the

9

PILOT's have been disbursed as of right now,

10

everything is paid, done for the year, so

11

we're completed with that process.

12

MS. MULLIGAN: I just want to add for

13

the record that everything was disbursed

14

within the required 30-day window.

15

MS. LaPONTE: And also, I did reach out

16

to the bank about the status of the merger and

17

I spoke with Michael Locorriere over the

18

weekend and he said it looks like it's being

19

delayed at least until the late third quarter,

20

but there is a possibility it will not happen.

21

There's, you know, a couple of variables which

22

need to be met by each entity and given COVID,

23

everything's been delayed.

24

Our current rate, just so you're

25

familiar with what they are, the last

reduction in our rate has occurred and they

1

2

said there will be no further, at least at

3

this point, so we're on our investment account

4

at a quarter of one percent interest and what

5

the bank did was they opted for bringing us

6

gradually down to meet up where the prime fell

7

down to. So that's the only other thing I

8

wanted to mention.

9

Any questions on the operating

10

statement for the month of June?

11

(No response.)

12

MR. BRAUN: Hearing none, I need a

13

motion to accept Lori's report for June, as of

14

June 30th.

15

MR. POLLAKUSKY: So moved.

16

MR. BRAUN: Is there a second?

17

MR. CALLAHAN: Second.

18

MR. BRAUN: Thank you.

19

Mr. Braun votes yes.

20

Mr. Callahan?

21

MR. CALLAHAN: Yes.

22

MR. BRAUN: Mr. Grucci?

23

MR. GRUCCI: Yes.

24

MR. BRAUN: Mr. Middleton?

25

MR. MIDDLETON: Yes.

1

2

MR. BRAUN: Mr. Pollakusky?

3

MR. POLLAKUSKY: Yes.

4

MR. BRAUN: Ms. Scheidt?

5

MS. SCHEIDT: Yes.

6

MR. BRAUN: Motion carries.

7

We'll go back to PARIS.

8

(No response.)

9

MR. BRAUN: Lori, are you there?

10

MS. LaPONTE: I'm sorry, I was talking

11

with my mute on. I'm sorry about that.

12

So included in the packages there are

13

four sections for PARIS. I combined the three

14

smaller sections into one pdf, which is called

15

the VIP section, which is called the certified

16

financial audit, the investment report and

17

also our procurement report.

18

All the sections have been completed

19

and reviewed and does anybody have any

20

questions on those sections?

21

(No response.)

22

MS. LaPONTE: The next section that I

23

wanted to review is the larger section where

24

we spent the bulk of our time, lots of time,

25

lots of meetings to get this as close as we

1

2

can based on some of the parameters of PARIS,

3

so the annual report is a section I'd like to

4

just review with you.

5

The first few pages -- there's 12

6

subsections within the section, so the first

7

few pages deals with the governance, the

8

board, the staff and also a recap of our

9

financials which were issued and they are on

10

our website and then the bulk of the section

11

starts on pages 18 and that's the individual

12

project activity and all these numbers and all

13

this information comes from our PILOT

14

disbursement and also from the tax information

15

and also from the annual reports from each

16

project. So there's a sheet here for every

17

project.

18

If you go to the second to last page,

19

there's a recap there and it shows the number

20

of projects in PARIS are 89 projects. There

21

is summary, we received \$17 million worth of

22

PILOT money, we net exempted 15 million and

23

the employment change for the year in PARIS as

24

calculated by PARIS is 5,281.

25

Any questions?

1

2

(No response.)

3

4

MR. BRAUN: Are there any questions of Lori about the PARIS before we need a resolution to submit that report?

5

6

7

MR. GRUCCI: Lori, I don't have any questions on what you just presented.

8

9

My question is the timing, are we timely in our filings with PARIS?

10

11

12

13

14

15

16

17

18

19

20

MS. LaPONTE: So we had submitted -- there was a delay and we were approved for a delay through June 30th. We had submitted a request for an additional 30 days because we were waiting for the audit to be finalized and approved, which we did receive and they said submit it in the 30 days and when we do the submittal, we have to add an additional comment to our report that the reason for the delay was delay in getting the audit timely because of COVID.

21

22

MR. BRAUN: On a normal year, Lori, is it March 31st or April 30th?

23

MS. LaPONTE: March 31st.

24

MR. BRAUN: Thank you.

25

Does that answer your question, Felix?

1

2

MR. GRUCCI: Yes, it does.

3

4

There's no penalties or smacks on the wrist for our delays, is there?

5

6

7

MS. LaPONTE: No because we're really only delayed at this point if I submit it 17 days because we had up until June 30th.

8

9

10

MS. MULLIGAN: And we asked for permission to extend that time and they granted us permission.

11

12

13

14

15

16

17

In addition, even if they did, they don't have authority to do anything to us until we're, I'd have to double check, but I think 36 months late and we have not responded to -- they have to give us so many warnings before there's actually action that could be taken.

18

19

MR. GRUCCI: Thanks, Lisa.

No further questions.

20

21

MS. MULLIGAN: May I just add one more thing before we accept PARIS?

22

MR. BRAUN: Absolutely.

23

24

25

MS. MULLIGAN: I just wanted to bring to the board's attention that we have a few projects that have not made their job creation

1

2

promises. Keep in mind that these numbers are

3

as of December 31, 2020, so these numbers that

4

we received are all pre-COVID.

5

Even with that reality, I think we're

6

going to have pushback from them as far as

7

asking these questions. Doesn't mean that we

8

shouldn't ask them anyway, but Aarco is

9

still -- their 83 Horseblock Road project is

10

still below the job creation threshold. We

11

use 85 percent as our threshold. If they tell

12

us that they're going to have a hundred jobs

13

and they have 84, we go back to them and ask;

14

if they have 86 or above, we're good. So

15

Aarco is at 71 percent of what they told us.

16

They had been lower than that. They have been

17

working really hard. Pre-COVID, I was -- I

18

had them in touch with Department of Labor,

19

Stony Brook University, a whole series of

20

meetings to try and help them get their job

21

numbers up, so they've been making strides in

22

that. They are still below their threshold.

23

Crestwood is at 72 percent, that was a

24

drop for them, I'm not sure what's going on.

25

We received -- we asked for an explanation in



1

2

their annual report and we did receive an

3

explanation from each of these companies.

4

Crestwood just indicated that they were having

5

issues, I think . . . they lost a large

6

customer and the result was that they had to

7

let some people go when we asked what the

8

explanation was.

9

Excel Holdings 6 is the hotel on --

10

south of Sunrise in Ronkonkoma, I believe it's

11

Ronkonkoma over there. So they are at

12

52 percent. I suspect that if we ask them

13

right now it would be less than that, but I

14

don't know for sure.

15

Rail Realty, which is the housing

16

complex, the apartment complex in upper Port

17

Jefferson. When they originally gave us their

18

job numbers, they included in the number what

19

they expected to create, a percentage of their

20

management employees that would not actually

21

be housed at the facility, so I think we need

22

to put a note that shows that that original

23

information was misleading.

24

They have one employee that they

25

created there at the site and they have

1

2

additional management people that they had to

3

hire as a result of this project, but those

4

people are not located at the site, which is

5

sort of the line that we've drawn in the sand,

6

so although they are at 33 percent, I think

7

that that's a misleading number, so that's

8

something we may want to discuss.

9

And then Triple Five, which if you look

10

on your agenda you'll see it's going to be

11

discussed later on, they're at ten percent of

12

the job creation.

13

There's some other projects that are

14

also below their threshold, but all of them

15

are either currently under construction, so

16

there really is an expectation that they'll

17

have that job creation number yet or one of

18

them is in the process of terminating, so --

19

just because they're at the end of their

20

agreement with us, we don't think that there's

21

any action to be taken at this point because

22

they're already paying full taxation, it's

23

just a matter of getting them out of our name,

24

so I just wanted to bring those projects to

25

your attention.

1

2

Does anyone have any questions on that?

3

(No response.)

4

5

MR. GRUCCI: Did COVID have any effect on them creating jobs?

6

7

MS. MULLIGAN: Well, Felix, that's what I was saying.

8

9

10

11

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25

We asked them to give us this information as of December 31st, so this is a snapshot pre-COVID. We haven't asked anyone for job creation numbers since COVID because we typically ask for this once a year, but I can't imagine that -- and we're -- when we get to Triple Five in our discussion, we will certainly drill down on this issue, but I suspect that this time or you know, March of next year when we're going through this process again, we are going to have a much longer list of companies and we're going to have more -- we're going to have to have more discussions as to how to handle this.

I can't imagine that most -- I would assume that most of our businesses have been significantly impacted by COVID. I mean just the phone calls we've received are certainly

1

2 indicative of that.

3

4 MR. GRUCCI: You said that these  
5 numbers are as of December 2020, so we're  
6 projecting the --

7

8 MS. MULLIGAN: I'm sorry, did I say  
9 2020? I apologize, Felix. December 31, 2019.  
10 If I said 2020, I misspoke.

11

12 MR. GRUCCI: Oh, okay.  
13 MS. MULLIGAN: No, these are real  
14 numbers.

15

16 MR. GRUCCI: They missed their numbers  
17 for 2019.

18

19 MS. MULLIGAN: Correct. Sorry.  
20 MR. GRUCCI: Okay, got you. Okay.

21

22 That was my question.  
23 MR. BRAUN: I think rather than to try  
24 and take any action today, that we postpone  
25 that until probably the August meeting when  
perhaps we will be able to meet in person,  
we'll be able to have reviewed the letters of  
explanation in each of those five they've  
given us and then consider some action at that  
time.

26

27 MS. MULLIGAN: Do you want me to reach

1

2

out to them and ask for more -- because we

3

just get a little paragraph from them; do you

4

want something more substantial?

5

MR. BRAUN: Yes, I think, you know,

6

COVID aside, as you correctly said, this was

7

12/31 of '19, so for them to avoid having any

8

clawbacks or anything, I think they need to

9

justify what happened.

10

MS. MULLIGAN: Okay.

11

MR. BRAUN: Are there any other

12

questions with regard to PARIS?

13

(No response.)

14

MR. BRAUN: Hearing none, I'll

15

entertain a motion to authorize the staff to

16

file with the authority's budget office the

17

PARIS report as of 12/31/19.

18

MR. POLLAKUSKY: So moved.

19

MR. CALLAHAN: Second.

20

MR. BRAUN: Mr. Braun votes yes.

21

Mr. Callahan?

22

MR. CALLAHAN: Yes.

23

MR. BRAUN: Mr. Grucci?

24

MR. GRUCCI: Yes.

25

MR. BRAUN: Mr. Middleton?

1

2

MR. MIDDLETON: Yes.

3

MR. BRAUN: Mr. Pollakusky?

4

MR. POLLAKUSKY: Yes.

5

MR. BRAUN: Ms. Scheidt?

6

MS. SCHEIDT: Yes.

7

MR. BRAUN: Motion carries and it's

8

unanimous.

9

Lisa, I'll turn it back to you.

10

MS. MULLIGAN: The next item on the

11

agenda is under our resolutions.

12

It's a resolution for MS Packaging. To

13

remind the board, this is a project on Zorn

14

Boulevard in Yaphank. They custom make

15

cardboard boxes for other businesses.

16

They came to us, I'm going to say

17

January, February time line and told us that

18

they are -- we did this project I believe in

19

2014. They already need more space, so

20

they're growing, they're doing great, they're

21

growing and they told us that what they were

22

hoping to do is to buy another piece of

23

property in the Town of Brookhaven and put up

24

an additional, I believe, if memory serves,

25

hundred thousand square foot facility, which

1

2

we said we would be pleased to receive an

3

application and present it to the board.

4

5

They have subsequently come back to us and told us that they have the opportunity to

6

refinance their current loan and what they're

7

asking and what we discussed at our last

8

meeting was to take the proceeds from that

9

refinance and they would invest it in a new

10

facility in purchasing it and constructing a

11

new facility in the Town of Brookhaven and

12

what they asked for was the mortgage recording

13

tax exemption on that refinance.

14

Typically we don't do that if the money

15

is not going to be reinvested in our project,

16

but in this case, what we discussed was that

17

we would give them a period of time to

18

reinvest in the Town of Brookhaven. If they

19

do not, then they will have to repay the

20

mortgage recording tax that's exempted and the

21

thought was that it's sort of a win-win

22

because it's going to help this company grow

23

and grow in the Town of Brookhaven. If for

24

some reason that doesn't come to fruition, the

25

mortgage recording tax exemption gets repaid.

1

2

Does anyone have any questions, but  
that's the resolution on the table?

3

4

Howard, did you have anything that you  
wanted to add?

5

6

MR. GROSS: No, thank you, I think you  
covered it, thank you.

7

8

MR. BRAUN: The building has to be  
complete within a 36-month time frame,  
correct?

9

10

11

MR. GROSS: Yes, yes. Fred, that was  
your suggestion, you suggested that and I  
relayed that to the company.

12

13

14

MR. BRAUN: And they're okay with that?

15

16

MR. GROSS: They were very happy with  
that.

17

18

MR. GRUCCI: Lisa, how many jobs are  
they proposing in this new location?

19

20

21

MS. MULLIGAN: That I do not know yet,  
Felix. We don't have an application, so I'm  
not positive of what the plan was, but that  
would come before the board as a separate  
application that you would look at as a  
standalone, something that you would

22

23

24

25



1

2           contemplate on its own merits and you could  
3           decide not to support that project beyond this  
4           mortgage recording tax exemption, but they've  
5           been good, they have been a good project,  
6           they've been responsive and I'm going to see  
7           if I can quickly find how many jobs they have  
8           at the current facility.

9                       (Pause.)

10                   MS. MULLIGAN: Not that it's a --

11                   MR. BRAUN: I'm going from memory, but  
12           I thought they had four, promised to go to  
13           eight and it wound up with 20 or 25.

14                   MR. TULLO: They're at 25 jobs  
15           currently and they had originally proposed  
16           four.

17                   MS. MULLIGAN: Thank you, Jim.

18                   MR. BRAUN: Okay.

19                   MR. GRUCCI: One more last question on  
20           this.

21                   If the board decides that the next  
22           application doesn't warrant an approval from  
23           the board, what happens to the mortgage tax  
24           recording?

25                   MR. GROSS: Do you want me to explain?

1

2 MR. BRAUN: Yes, Howard, thank you.

3 MS. MULLIGAN: Please, Howard.

4 MR. GROSS: Felix, then we will -- they  
5 will be permitted -- as long as they build the  
6 building and occupy the building with their  
7 operating company, they will still have the  
8 benefit we're granting to them today, but they  
9 will not have any other benefits.

10 So, if I may, in reality, the only  
11 difference is -- the only real benefit that  
12 they're acquiring today in reality is the  
13 difference between the money that --  
14 additional money that's being lent by the  
15 bank, which is a couple of million dollars --  
16 off the top of my head, my recollection is  
17 it's two and a half million dollars -- and  
18 it's the mortgage recording tax on that, so  
19 even if you don't support them, you will still  
20 get a new building in the Town and that will  
21 be occupied by the operating company for at  
22 least some period of time, so in that sense, I  
23 think that is a success in any event.

24 MR. GRUCCI: So if I understand you  
25 correctly, Howard, whether or not they build

1

2 the building or not build the building through  
3 IDA benefits, if they build the building, they  
4 continue to receive the mortgage tax credit  
5 that we're giving?

6 MR. GROSS: Yes. We will not ask for a  
7 recapture as long as they build the building  
8 they described and they occupy it by their  
9 operating company.

10 MR. GRUCCI: Gotcha.

11 MR. GROSS: So in round numbers -- and  
12 I'm doing this quickly off the top of my  
13 head -- it's two and a half million dollars  
14 and it's roughly \$20,000, approximately, in  
15 exemption for the mortgage recording tax,  
16 roughly, that you're investing in getting them  
17 to build a hundred thousand square foot  
18 building and occupy it.

19 MR. GRUCCI: If they build the  
20 building, it's definitely worth it if they  
21 build the building.

22 MR. GROSS: Yeah. Even if it's five  
23 employees it's worth it.

24 MR. GRUCCI: Howard, if they build the  
25 building half the size, they still get the

1

2

same credit?

3

4

MR. GROSS: No. That would be up to you to decide whether or not you want to exercise your rights.

5

6

MR. GRUCCI: Okay, thank you.

7

MR. BRAUN: Any other questions?

8

(No response.)

9

10

MR. BRAUN: I'll entertain a motion to approve that resolution.

11

MR. GRUCCI: So moved.

12

MR. POLLAKUSKY: I second it.

13

MR. BRAUN: Thank you, Gary.

14

Mr. Braun votes yes.

15

Mr. Callahan?

16

MR. CALLAHAN: Yes.

17

MR. BRAUN: Mr. Grucci?

18

MR. GRUCCI: Yes.

19

MR. BRAUN: Mr. Middleton?

20

MR. MIDDLETON: Yes.

21

MR. BRAUN: Mr. Pollakusky?

22

MR. POLLAKUSKY: Yes.

23

MR. BRAUN: Ms. Scheidt?

24

MS. SCHEIDT: Yes.

25

MR. BRAUN: Motion carries unanimously.

1

2 Lisa, I will turn it back to you.

3 MS. MULLIGAN: We just have a few more  
4 items on the agenda.

5 The next item is a letter that we  
6 received from Triple Five. It was included in  
7 your packets. Basically what they are telling  
8 us is that they have not and presumably will  
9 not make their job creation numbers or their  
10 completion date, which will be September 20th  
11 of 2020. They are saying that COVID-19 has  
12 made it extremely difficult, if not  
13 impossible, for Triple Five to complete the  
14 project work by the completion date and then  
15 they go on to say and it's likely to delay  
16 Triple Five meeting the employee requirements.

17 So as I indicated earlier, I think this  
18 is going to be the first of many of these  
19 letters that basically say they're not able to  
20 live up to their agreements because of  
21 COVID-19.

22 Now this one is the first that we  
23 received, but I think that we should be  
24 prepared that however we decide to handle this  
25 is going to be a little bit of a template, I

1

2 think, the attorneys can tell me if I'm  
3 misreading this, but of how we're going to  
4 handle future letters that come in. I'm  
5 confident we will receive future letters.

6 MR. BRAUN: Bill, are you still on the  
7 phone?

8 (Pause.)

9 MR. WEIR: What did you say, Fred?

10 MR. BRAUN: Has the court given an  
11 opinion or a decision as to whether or not  
12 COVID-19 qualifies as a force majeure?

13 MR. WEIR: There are a number of -- my  
14 understanding is there are a number of  
15 different cases around the country where some  
16 have said it is and some have said it's not,  
17 so it really depends on the text of the  
18 contract.

19 MR. BRAUN: Thank you.

20 Lisa, do we have to do anything on this  
21 before September?

22 MS. MULLIGAN: I don't think that we  
23 need to necessarily do anything right now, but  
24 we -- Bill, let me know what you think -- I  
25 guess that we could extend their completion

1

2

date and their job creation time line, but it

3

doesn't need to be decided today, but I think

4

we should probably -- since they gave it to us

5

in advance, we should probably contemplate it

6

prior to September 20th when they will be in a

7

default situation potentially.

8

Bill, what are your thoughts on that?

9

MR. WEIR: Yeah, I think that makes

10

sense, but I mean I would . . . it's

11

inevitable that they're not going -- even if

12

we didn't have COVID, they weren't going to

13

have this place rented out by then, but

14

clearly any chance they were going to have to

15

get this place fully rented out literally went

16

out the window when COVID hit, so I mean you

17

can either default them and argue over it's

18

force majeure or maybe it makes more sense

19

give them another year extension because

20

that's going to be the inevitable, you know,

21

unless somebody like SUNY Stony Brook wakes up

22

and says hey, we want to rent the whole thing

23

out, I don't think it's going to be possible

24

because even as the colleges and universities

25

are reopening, they're going to be opening,

1

2

you know, very limited students on campus, not

3

having housing, not having a lot of things and

4

the stuff that they're talking about bringing

5

in there potentially, I just don't see it

6

happening to be honest with you until next --

7

sometime in 2021, so . . .

8

MR. BRAUN: I would suggest that we sit

9

back and think about this, but definitely make

10

a decision at the August meeting and perhaps

11

follow Bill's suggestion and extend it for a

12

year, although I agree that I'd be very

13

surprised if they accomplish what they set out

14

to do within that time frame.

15

MR. CALLAHAN: It seems like they're

16

not sure what they're going to do with the

17

facility if you read the letter; it seems like

18

they were working with Academy of Aviation,

19

partnership with the wind farm, Suffolk

20

Community College. So I would agree we should

21

wait, but on the same note, it doesn't look

22

like they know what they're going to do with

23

the property.

24

MR. BRAUN: I have had some

25

conversations with people that are aware of



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2

conversations with Suffolk County Community College, but that's all they were, they were conversations.

4

5

MR. MIDDLETON: Bill, I had a question.

6

7

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10

Is it your suggestion -- because it kind of cut out, I apologize -- to come up with a policy that will help us with respect to these letters that we might receive or applications?

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MR. WEIR: I am anticipating that when we get the job numbers for year-end, that a large number of the IDA's companies are going to be -- because of COVID -- are going to be below their job requirements. You look across the board, you know, Long Island has 13 percent unemployment, you know, New York State is reeling, particularly anything that's dealing with the service industries and so forth, so I would not be surprised to see a large number of the IDA's projects fall well below their job requirements for this year and to some extent, it's going to be hard to hold anybody at fault for that and one of the things that's even happening is companies that

1  
2 I've talked to that are trying to get workers  
3 back and start working again, they're having a  
4 hard time getting them back because between  
5 unemployment and the supplemental unemployment  
6 where they get the extra 600 bucks a week,  
7 workers are saying I'm making as much money  
8 staying home as I did working, I don't want to  
9 come back to work and you're seeing that in a  
10 lot of construction companies and other  
11 companies that they're having a hard time  
12 getting people to come back. They're  
13 long-term employees, they're trying to call  
14 them back and the people are saying no, not  
15 interested or in a situation where I want to  
16 come back and I can't come back because my  
17 kids are not in school and day care's closed  
18 and I have no place to leave my kids, so some  
19 of it is people don't want to come back and  
20 others that they can't come back or they have  
21 health issues and they can't come back.

22 So overall, I think, you know . . . and  
23 if you were to do just an informal survey of  
24 companies, you would find that a lot of them  
25 are below where they project. Where they

1

2

stated they were at the end of the year, I

3

would bet you a large number are below that

4

right now and I don't think that's going to

5

recover by year end. Hope I'm wrong, I hope

6

the economy is booming by year end, but I'm

7

not sure it's going to happen.

8

I think as a policy, the agency's going

9

to have to -- this is not the only one,

10

there's going to be a lot of companies that

11

were doing phenomenally well up until March,

12

you know, they were well above what they

13

promised us and when they look at the rest of

14

this year, they're going to be well below

15

where they were last year.

16

MR. MIDDLETON: I appreciate that. I'm

17

just asking, should we start to think about

18

creating a policy that we can apply to all

19

these situations?

20

MR. WEIR: I think we should. I think

21

because of that, I think you're right. The

22

board should start contemplating either

23

companies that are in the start-up process

24

now, give them an extra year or companies who

25

had been reporting and reporting strong jobs

1

2

who aren't, we probably want to start, you

3

know, the board, should with the help of staff

4

and counsel, should start developing a policy

5

how we're going to deal with this; it may be

6

blanket waivers, it may be individual waivers.

7

MR. BRAUN: I think there will be some

8

input from both the ABO and the controller's

9

office at some point and we as usual will stay

10

in contact with the Economic Development

11

Council of the State, who has eyes and ears on

12

105 or 109 other IDA's around the State.

13

It's a very good point. I think Bill's

14

right, we should contemplate it, not take any

15

quick action because there's no easy solution

16

to this.

17

MR. GRUCCI: Is there proposing any

18

kind of legislation about this issue and

19

second question for you is do we have the

20

right within our own organization to amend and

21

change the existing grants that we gave; in

22

other words, can we extend the clawback

23

clauses, do we have that ability and did the

24

State give us that right?

25

MR. WEIR: Yes. You've got the

1

2

authority to amend or waive any recapture.

3

Even the current documents do say it's in your

4

discretion and you can look at extenuating

5

circumstances, so you have the right to do

6

that and not all companies will be as hit hard

7

as others and I imagine there's some that are

8

still doing fine, but a lot of companies, a

9

lot of strong companies that, you know,

10

someone like Quality King who for years had

11

very high numbers, parts of their business

12

were hurt hard and we saw that in Newsday,

13

other companies, you know, again through no

14

fault of their own, so I think having a policy

15

and starting to think about that as opposed to

16

waiting till the end of the year, even though

17

we may have to amend it as things progress,

18

you know; if we go through another phase of

19

shutdowns in New York, God knows where the

20

economy's going to be.

21

MR. BRAUN: Going back to my earlier

22

question, have any of the New York courts

23

written an opinion or decision on force

24

majeure?

25

MR. WEIR: With respect to IDA's, I'm

1

2

not aware of any. With respect to other

3

contracts, yes, but it's always very specific

4

to the actual wording of the contract, so it's

5

hard to, you know, look at any precedent

6

there.

7

One of the areas that you can imagine

8

was hit really hard has been commercial real

9

estate, so you have companies who say to their

10

landlords hey, we were not allowed by

11

executive -- the governor's office shut us

12

down by executive order, therefore, we

13

shouldn't have to pay rent, that was force

14

majeure, but depending on how the contract or

15

the lease was actually written, you know, one

16

tenant may get it, another one not, so it's

17

very, very stack specific to the actual

18

language in the contract, so it's hard to make

19

a hard and fast rule as to whether COVID-19 is

20

a force majeure or not.

21

Howard, have you seen different cases

22

to that effect?

23

MR. GROSS: No, I agree with you, Bill,

24

that it's case specific, it's language

25

specific in a particular contract that you're

1

2 reading as to whether or not it's included or  
3 not.

4

MS. SCHEIDT: Can we look back to the  
5 great recession of 12, ten years ago for any  
6 kind of experience that would help us figure  
7 out what to do in this situation?

8

MR. WEIR: Well, I mean again, they  
9 were kind of, you know, fact specific, but  
10 even if you think about after 9/11, Hempstead  
11 IDA had a number of projects for companies  
12 that either, you know, freight forwarders or  
13 they provided meals for the airline industry  
14 or service to the airline industry that  
15 through August of that year were booming and  
16 after 9/11 when flights dropped for six months  
17 or so, those companies did a nosedive and it  
18 took a long time to build back up again for  
19 some of those companies.

20

So right now, even like hotels that we  
21 financed, I don't even know if they're open  
22 right now. A lot of hotels have closed or  
23 they're very cautiously reopening, so you  
24 think about two, the Courtyard by Marriott and  
25 the Hilton, I forget which brand it was, the

1

2

one behind it, the two that opened up, you

3

know, if you tried to get a room in there last

4

summer, you couldn't get a room to save your

5

life, they were booked every day. Now I bet

6

you could go and get a whole -- your choice of

7

rooms, so different industries are hit really

8

hard here, so -- and I think the agency's

9

going to have to be flexible to some extent.

10

MR. MIDDLETON: Guys, I got to jump off

11

the call.

12

MR. BRAUN: Thank you, Scott.

13

MR. MIDDLETON: All right, bye-bye.

14

MR. GROSS: If I may, echoing what Bill

15

is saying, I think you're going to have to

16

look at each situation individually. It will

17

depend on the nature of the industry, how

18

their industry was affected.

19

You may find some companies who are

20

doing very well because of the nature of their

21

business during this crisis and yet, they

22

can't really explain why their employment

23

numbers aren't there and the reverse will be

24

true in other industries and other companies,

25

so I think you're going to have to examine



1

2

each one individually.

3

MR. GRUCCI: I got a question for the attorneys.

4

5

Is it true that that supplemental \$600 a week was contingent on them not working, but if they got called back to work and they chose not to go to work, they would lose that supplemental?

6

7

8

9

10

MR. GROSS: I would not profess to be an expert on this, but that's my understanding, Felix, that you have to be ready, willing and able to work in order to be allowed that. I could be wrong; Bill may know better than me.

11

12

13

14

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16

MR. WEIR: I think that's correct, but the problem is the Department of Labor is so swamped that they're not tracking that, so it's really hard --

17

18

19

20

MR. GRUCCI: Isn't there a sunset on that \$600 supplemental --

21

22

MR. WEIR: I believe it's sunseting on July 25th, but there's talk in Congress of extending it, but part of -- in fact, one of the proposals I heard is that if you go back

23

24

25

1

2

to work, you'll get -- you'll only get it if

3

you go back to work. So they try to

4

incentivize people to go back to work because

5

I think Congress has recognized that it is

6

impeding the ability of some companies to

7

rehire.

8

MR. GRUCCI: Got you. Okay.

9

MR. WEIR: And normally you're right.

10

If your company calls you back, they notify

11

the Department of Labor and your unemployment

12

ends immediately. Here, where they're so

13

swamped, now would they retroactively take it

14

away from you, I don't know, but it's . . . we

15

haven't had this level of unemployment since

16

the Great Depression, so I don't think they

17

have any ability to track right now people who

18

employers want them to come back and they

19

don't want to come back.

20

MR. GRUCCI: Okay.

21

I raise the question in the context of

22

when we start to think about a policy that

23

we're going to address with the companies who

24

can't meet their goals.

25

That's it for me, I'm done, thank you.

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2

MR. BRAUN: Clearly it's an issue that we will revisit probably at some level every month right up until the end of the year and as we get ready for the 2020 PARIS report.

6

7

Lisa, you want to talk about the mission statement?

8

MS. MULLIGAN: Sure.

9

10

11

12

Included in your packets was a copy of our most recent mission statement and measurement report. If you look at that, our mission statement is included in there.

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For those of us who went to the IDA academy -- it feels like it was a very long time ago, but I think it was late last year -- one of the things that the ABO said was . . . I'm paraphrasing, but basically the IDA can support whatever projects it feels are appropriate for its community as long as they're documented in both the UTEP and also in the mission statement and obviously, we just went through a pretty lengthy revision of our UTEP, but in looking at our mission statement, it dawned on me that we have been supporting housing and it's not specifically

1

2

articulated in our mission statement and I just wanted to know if the board wants to make an edit to our mission statement to include housing since we did just solidify what we're willing to do in our UTEP and Annette, Bill, Howard, if you guys think we should leave it alone, I'm fine leaving it alone, I just wanted to bring it to everyone's attention.

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MS. EADERESTO: Bill, what do you think?

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MR. WEIR: I haven't looked at the agency's mission statement in a long time, so it's probably a good time to look at it.

15

16

MS. EADERESTO: Yup. I guess Lisa will be sending it to us.

17

18

MR. WEIR: I can't remember the last time any of us looked at it.

19

20

MS. EADERESTO: Didn't we do it about five years ago?

21

22

23

24

25

MS. MULLIGAN: We did renew it a few years ago, Annette, I think you're right and it is in the packets in the mission statement and measurement reports. I can read it to everybody, it's a few sentences.

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It says: The Mission of the Town of Brookhaven Industrial Development Agency is to improve the quality of life for Brookhaven Town residents by promoting and assisting the growth of businesses that will increase employment opportunities, increase the commercial tax base, and are sensitive to the quality of the environment. To accomplish our mission, we will aggressively market to companies currently located within the Town as well as those organizations external to the Town utilizing the various incentives available to the IDA, specifically sales tax and mortgage recording tax exemptions, real estate tax abatements and the ability to issue lower cost tax exempt and taxable bonds.

We don't indicate the specific types of projects in it at all, but they did comment on housing specifically in that class, so I'm fine leaving it as is. It is sort of a catch-all and maybe that's the best way to be and not be too specific, but I did want to bring it up.

MR. BRAUN: I suggest everybody take a

1

2 closer look at it including our attorneys and  
3 we'll bring this back up in August.

4

5 I mean part of our mission is to  
6 facilitate, we've never created job one, but  
7 to facilitate the creation of jobs and if  
8 people don't have a place to live, we're not  
9 going to be able to attract employees for the  
10 various projects, so I think it's worth  
11 considering without being too specific, as  
12 Lisa said, it's broad enough that it covers  
13 everything we do, but there are those upstate  
14 that think it should be more specific, so I'm  
15 not trying to kick the can down the road, but  
16 I think we ought to defer this till August.

16

MR. POLLAKUSKY: Okay.

17

MR. GRUCCI: I agree.

18

MR. BRAUN: Thank you, Felix.

19

20

MS. MULLIGAN: It's on the agenda for  
August.

21

MR. BRAUN: Okay.

22

23

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I'll kick the next one off. The last  
item on the agenda is the grants and loans  
program.

25

We talked about this at least the last

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2

meeting, maybe the last two, both houses of

3

legislature passed this, the governor finally

4

got around to signing it. It's something that

5

the upstate IDA's have been pushing for a

6

number of years after the existing legislation

7

sunset a number of years ago. It's either

8

Erie County or Ontario County, probably Erie

9

County.

10

They kicked this off back in the late

11

'80s or early '90s when Bethlehem Steel left

12

that area, I believe they were given a grant

13

from the federal government of \$8 million to

14

initiate a loan program. They have grown that

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to over \$18 million, but they do this on a

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regular basis, they've got staff to do it,

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staff to evaluate the various criteria and

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they've been very successful at it.

19

This is a new program for those IDA's

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that are not in it and as far as I know, none

21

of the Long Island IDA's have ever been in it.

22

We're not necessarily supportive of the

23

legislation, even though on the east end, I

24

think it was Fred Thiele was a co-sponsor of

25

the bill.

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Lisa and I and Lori have spent a tremendous amount of time on this discussing the benefits, but also the risks and the administration involved. We've been on several webinars, Bill Weir was a panelist on one of the webinars and at this point, we are not recommending that we go into this program, which authorizes the IDA's to provide grants up to \$10,000 and loans up to \$25,000. There are several reasons for this, from my standpoint:

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One, this would be sort of a source of last resort. There are banks, there are credit unions, there's the SBA and as Pat MacKrell, who runs Pursuit, which is the new name for New York Business Development Corporation, has said, this is a loan fund of diminishing returns because the default rates are expected to be extremely high, there are no interest rates on the loans. It's basically, as he described, he's absolutely right, it's a grant program disguised as a loan program.

25

So at this point, I'll let Lisa and



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2

Bill comment on it. It's our recommendation

3

that we do not enter this program or programs.

4

MS. MULLIGAN: The only thing that I

5

would add to that is that these loans and/or

6

grants are very limited in what you can use

7

them for. They're only for COVID-19 response,

8

PPE, Plexiglas partitions, reconfiguring

9

workspace, those types of things, so I just

10

wanted to make sure that everyone was aware of

11

those.

12

MR. WEIR: Those restrictions are on

13

the grants. The loans can be used for much

14

broader purpose.

15

MS. MULLIGAN: Thank you, Bill.

16

MR. WEIR: Two things that Fred said.

17

A number of the IDA's -- it really

18

wasn't done by IDA's upstate, it was done by

19

their corresponding LDC's who have done

20

revolving loan funds and a lot of them use

21

UDAG funds and that was the original purpose

22

for when New York State set up local

23

development corporations back in the '60s,

24

which were doing revolving loan funds to help

25

job retention and job creation and job

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2 education, so . . .

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MR. BRAUN: When it first came out, Ed Romaine asked me about this program. I sent him a fairly lengthy email expressing my concerns about it and in effect, we'd be setting up a mini bank, I don't think I'm overdramatizing it, but to a great extent we would have to do that. There's a possibility we could outsource it and there is one outsourced organization that would be happy to do it, but they basically would just do all the underwriting coming up. It would still fall back on us to create a credit committee to approve those loans or decline those loan requests and then all the follow-up administration including PARIS that are required by Lisa and her staff.

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MR. GRUCCI: Are we allowed to --

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MR. WEIR: I lost you guys, I had to call back in.

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23

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MR. GRUCCI: I was asking, are we allowed to charge an administrative fee for that?

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MR. BRAUN: No.

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MR. WEIR: No.

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The loans are interest free. You probably could charge a nominal administrative fee, but I'm not sure.

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Babylon has adopted the program, Babylon IDA. Islip IDA is going to consider it next week and they probably will adopt the loan program, they put a lot more restriction on it than the statute. Suffolk is going to discuss it, I'm not sure if they're going to do it. Same with Hempstead will probably discuss it, so . . .

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15

MR. GRUCCI: What is our time line to make a decision?

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MR. WEIR: Probably the August meeting if it's going to have any impact.

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MR. GRUCCI: I'm not inclined to support this program --

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MR. BRAUN: My understanding is that the program will end December 31st of 2021 unless the governor declares that the COVID crisis is over.

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MR. GRUCCI: I'm not inclined to support this program, but I would like to know

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2

how many other IDA's on Long Island are

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supporting it. I would defer, you know, any

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decision until our August meeting, but again,

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as I said, I'm not inclined to support this.

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MR. BRAUN: I asked Lisa this morning

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specifically as to whether she's been

8

inundated, I don't know if I used that word,

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but whether we have gotten a lot of calls and

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requests and my understanding and I don't want

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to put words in Lisa's mouth, but we have not.

12

There have been some calls. There are so many

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programs around that it's confusing to begin

14

with and I don't frankly think this has gotten

15

a lot of publicity.

16

MR. WEIR: No and in fact, other than

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Babylon, I'm not aware of anybody who's

18

adopted it, so it really hasn't gotten out

19

yet.

20

Again, the grant money, you know, what

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Islip is contemplating, I don't know what

22

they're actually going to do, is allocating

23

\$250,000, that will be for both programs and

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when it's used up, it's used up and they don't

25

know whether the grants or the loans will be

1

2 more effective or not or more popular.

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The other IDA we talked to thought about doing grants, but only for not-for-profits. Some not-for-profits that really need a lot of the PPE, particularly ones like providing services for people with disabilities, you go through a lot of that PPE stuff a week. So there may be grants, only the grants, only for not-for-profits, so a lot to think about.

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MS. MULLIGAN: Bill, I have a question for you. I just wanted to make sure that I have this straight in my head.

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In one of the presentations that Fred and I participated in, I thought that they said, it was either loans or grants, that you're not eligible for that program if you've already received assistance from another program, so would the person who's indicated was --

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23

24

25

MR. WEIR: Like say, for example, if Islip IDA sets it up and Suffolk IDA sets it up, you can't go to Islip and get a \$25,000 loan and then go to Suffolk and get a \$25,000

1

2 loan.

3

4

MS. MULLIGAN: Can you receive a loan  
or a grant if you also received PPP or EIDL?

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6

MR. WEIR: There's no restriction on  
that.

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MS. MULLIGAN: Right, okay.

8

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11

MR. WEIR: The maximum amount of the  
loan is 25,000, either singularly or in the  
aggregate, so you can't get four \$25,000  
loans.

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MS. EADERESTO: If you did this, you  
would have -- I've done some micro-business  
loans, the program we ran through housing here  
and there's an application you do and in it,  
you have to state what other relief you've  
gotten and you can't be duplicative.

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MR. BRAUN: One of the seminars or  
webinars that Lisa and I were on was with the  
head of the ABO. It was -- I'm not sure how  
to best describe it other than the fact that  
he was not familiar particularly with the  
statute. He sort of said, you know, be  
creative and that's wonderful language until  
it comes time to report and then they are

1

2

looking for very specific answers, so we got

3

very little or no guidance from the ABO as a

4

result of that webinar.

5

MR. GRUCCI: Bill, this is a question I

6

guess for you or for all the attorneys.

7

I know we're not allowed to charge

8

interest on the loan, but are we allowed to

9

get a personal guaranty or take in collateral

10

to support the loan?

11

MR. WEIR: Yes. In fact, like the

12

resolutions that I've drafted for a couple of

13

other IDA's, we've said that we were going to

14

require on the loans personal guaranties from

15

either the owners of the company or anybody

16

who's got a 20 percent equity interest in the

17

company and that there would be collateral and

18

things that were financed, so if you did an

19

equipment financing, we would take a UCC loan

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on the equipment and possibly, you know, any

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other appropriate collateral like, you know,

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account receivables or anything like that, so

23

they were going to collateralize them to the

24

extent possible, definitely require personal

25

guaranties and in looking at it, I did look at

1  
2 some of the programs that other LDC's around  
3 the State had been running and some of them  
4 for a number of years, some of their criteria  
5 and we also looked, to be honest with you, New  
6 York State has a program called the loan carry  
7 forward program whether at the State level  
8 through Empire State Development Corporation  
9 they're doing similar type of loans and I  
10 looked at a lot of their restrictions on who  
11 could get the loans and who couldn't and some  
12 of their requirements and when I was drafting  
13 it for say Islip IDA, Bill Mannix and I put a  
14 lot of those restrictions in their statute as  
15 well, so -- and you don't want to be giving  
16 loans to people who are in the adult  
17 entertainment business, you know, massage  
18 parlors and strip joints and adult video  
19 stores or liquor stores or you know,  
20 self-storage facilities, marijuana  
21 dispensaries, CBD stores, all of which are  
22 prohibited from the State loan program as well  
23 as, you know, things like branch banks, payday  
24 loan stores, pawn shops, astrology and palm  
25 readers, all of which the State prohibits and



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2

we built those into the resolutions as well,

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so even tailored -- it's your money, it's your

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money you're putting up. If you want to make

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it more restrictive than the State guidelines,

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you certainly can.

7

MR. BRAUN: Felix, this all goes into

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typical underwriting, whether an IDA does it

9

or they outsource it to a third party, they

10

would do a UCC search to see if there's, you

11

know, after required clause on their UCC

12

filings, they would do Experian reports on the

13

guarantors, the owners and guarantors, they

14

would have litigation reports.

15

You know, as I said earlier, it's

16

almost like setting up a mini bank because

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you've got to do the same kind of background

18

checks that you would if you were making a

19

hundred and fifty or a million and a half

20

dollar loan, even though these are only 25.

21

MR. GRUCCI: I agree with you, Fred and

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like I said, I'm not really inclined to

23

support this, but on the other hand, I don't

24

want Brookhaven to be the only town on Long

25

Island that's not offering these, so it's kind

1

2 of a bittersweet type of a decision.

3

MR. BRAUN: Correct.

4

5 are really suffering out there and I  
6 understand that this would be a lot of work,  
7 but I think certainly the board should  
8 authorize the grants. Any business we can  
9 save is going to help Brookhaven Town and  
10 these maybe not are typical industrial  
11 development businesses, but there are trickle  
12 down businesses that our industrial  
13 development projects use, whether it be the,  
14 you know, small-time businesses, whatever and  
15 in regard to the COVID businesses, anybody,  
16 you know, there's a need in other states right  
17 now for a lot of PPE and other items. We have  
18 a number of companies that are drug companies.  
19 There's going to be treatments, there's going  
20 to be vials that are needed to be made for the  
21 hopefully vaccine, so it's just my two cents  
22 that if we can help any company that  
23 approaches us that's going to fight this  
24 pandemic, that we should do our -- we should  
25 do that. It's good for the Town, it's good

1

2 for the County, it's for the country. That's  
3 all. Thank you.

4

MR. WEIR: Just going back, one of the  
5 issues with the loan is that it has to be  
6 repaid in full within one year after -- 60  
7 days after the end of the executive order save  
8 declaring an emergency.

9

So if, for example, the governor  
10 declares the emergency over on  
11 December 31st --

12

MR. POLLAKUSKY: Bill, it's hard to  
13 hear you.

14

MR. WEIR: -- you would have to repay  
15 within one year after March -- by March 1,  
16 2022. So if somebody borrows \$25,000, they  
17 have to come up with the lump sum by the end  
18 of that period whereas the grant --

19

MR. GRUCCI: Bill, what's the  
20 limitations on the grants, is there a dollar  
21 cap on the grants that could be given --

22

MR. WEIR: The dollar cap on the grants  
23 is \$10,000.

24

MR. GRUCCI: Then obviously there would  
25 be less involvement with giving a grant out

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than giving a loan out, correct?

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MR. WEIR: That's correct. You just have to make sure they're eligible for it and they're going to spend it on PPE equipment or installing fixtures necessary to prevent the spread of the COVID-19.

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MS. EADERESTO: I would urge the board to definitely do that.

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MR. WEIR: The grant to me just seems much easier to do.

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MR. GRUCCI: Fred, you want us to think about this for another meeting or are you looking for --

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MR. BRAUN: Yeah, I don't want to just ram it through today. I think we should think about an amount. As we've said several times in this call, it's \$10,000. There would be an application, they would have to fill out some documentation, you know, obviously they wouldn't have the same underwriting criteria with the loan, but we'd still want and we'd still have to follow up with a lot of the administration going forward, but not to the extent of to try and you know, collect monthly

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2

loan payments, but yes and I think we should

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make a decision, you're correct, I think we

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should make a decision at the August meeting

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and we will come up with some suggestions or

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recommendations prior to that so we don't have

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to spend the entire meeting discussing it.

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MR. GRUCCI: If you want that in the

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form of a motion, I'll make that motion.

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MR. BRAUN: Thank you.

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The motion is that we will decide on

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whether or not we enter a grant program and a

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specific amount at the August meeting; is that

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correct?

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MR. GRUCCI: Yeah.

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So what we're saying is that in the

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motion, we decline the loan program portion,

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but we want to consider the grant portion; can

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we do that?

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MR. BRAUN: Yes.

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Is there a second?

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MR. CALLAHAN: Second.

23

MR. BRAUN: Any other questions?

24

(No response.)

25

MR. BRAUN: Mr. Braun votes yes.

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Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Grucci?

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MR. GRUCCI: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Motion carries.

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Lisa, is there anything else?

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MS. MULLIGAN: I don't have anything

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else. I've added the grant program to our

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August agenda and the only other item we have

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is to adjourn this meeting unless anybody else

16

has anything.

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(No response.)

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MR. BRAUN: Hearing none, I need a

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motion --

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MR. WEIR: You should think about the

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total amount of money you want to allocate to

22

the program.

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MR. BRAUN: Correct.

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If there is nothing further, I'll

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entertain a motion to adjourn.

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MR. GRUCCI: So moved.

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MR. BRAUN: Is there a second?

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MS. SCHEIDT: Second.

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MR. BRAUN: Mr. Braun votes yes.

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Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Grucci?

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MR. GRUCCI: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: We are adjourned.

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(Time noted: 1:24 p.m.)

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19

I, JOANN O'LOUGHLIN, a Notary Public

20

for and within the State of New York, do hereby

21

certify that the above is a correct transcription

22

of my stenographic notes.

23

24

---

JOANN O'LOUGHLIN

25