

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JULY 17, 2019

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Scott Middleton
Gary Pollakusky
Ann-Marie Scheidt
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William F. Weir, Nixon Peabody, LLP (via phone)
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Michael Kelly, Kelly Builders of Farmingville
Alan Wax, Todd Shapiro Associates
Eric Russo, VanBrunt Juzwiak & Russo, PC
Carl McGowan, Newsday
Mark Baisch, Landmark Properties
Tullio Bertoli, Town of Brookhaven Planning Dept. Commissioner
Daniel Deegan, Forchelli Deegan Terrana, LLP
Rashid A. Walker, BRP Development Corp.
Omar Ventegeat, Benjamin Development
Russ Mohr, Benjamin Development

Chairman Braun opened the meeting at 12:07 P.M. on Wednesday, July 17, 2019, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF JUNE 19, 2019

The Minutes of June 19, 2019 were previously sent to the Members for review. Mr. Trotta requested that the comments regarding the American Organic Energy project be expanded. These Minutes will be revisited at the August meeting.

Ms. Scheidt joined the meeting at 12:08 P.M.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for the period ending June 30, 2019. Two application fees, a document processing fee and a termination fee for Island Trimmers were received. There were two second-half PILOT payments that were paid late, all payments including penalties for late payments have been disbursed as of the first week of July. Expenses for the month included the bus tour, bi-monthly taxes, a sponsorship and quarterly legal fees. An invoice was received for the Ronkonkoma Hub escrow account which will appear in the July report. All payroll taxes, retirement and deferred compensation payments have been paid in full.

The motion to accept the Operating Statement for June was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

Mr. Braun thanked Agency staff for arranging the bus tour which featured approximately 50 current projects and approximately 30 former projects. Mr. Trotta added that seeing the number of businesses operating was impressive. Mr. Pollakusky said that it put into perspective the type of projects supported by the IDA and why.

ON THE COMMON AT ROCKY POINT, LLC – PRESENTATION & APPLICATION

This application is for 38 600-square foot senior affordable apartments at the former Thurber lumber yard, a blighted property in Rocky Point. This project is expected to cost approximately \$7.6 million and create two full-time equivalent jobs. Mr. Baisch provided the Members with details on his project which will be on three lots that have been rezoned from J2.

Ms. Eaderesto joined the meeting at 12:14 P.M.

This project has Health Department and site plan approval and the support of the local community. Mr. Baisch explained that there will be 10 separate buildings that look like private homes with 4 apartments in each structure.

Mr. Bertoli joined the meeting at 12:16 P.M.

There will be an acre of green space and all first-floor units will be ADA compliant. There is already a list of over 100 people interested in moving in. Mr. Pollakusky added that the local Chamber of Commerce is very supportive of this project and remarked on Mr. Baisch's contributions to the community. In response to Mr. Braun's questions, Mr. Baisch detailed his experience in his trade; he has built over 1,000 houses and condos and developed almost 2,000. In addition, Mr. Baisch said that he has sold over \$20 million worth of property for open space in the Town over the last 15 years.

Rents for this development will be approximately \$1,500 per month which is the affordable rate for Suffolk County. Changes to the Uniform Tax Exemption Policy from 2017 altered the proposed PILOT for this project and Mr. Baisch stated that the budget is very tight; he requested the 10-year abatement that originally could have been contemplated. Groundbreaking is expected soon and the first building or two will be built without a bank's involvement. Zoning restrictions limit the number of residents in each unit to 2 and they must be over the age of 55. All taxes and maintenance fees are included in the monthly rent. 25% of the units will be set aside for senior veterans and recreation space will be shared with the Rocky Point VFW.

At 12:32 P.M. Mr. Baisch was thanked for his presentation and left the meeting.

BRP FARMINGVILLE, LLC – APPLICATION & PRESENTATION

Ms. Mulligan reminded the Board of the Kelly Builders project involving the development of 292 rental housing units on 62 acres in Farmingville at a cost of approximately \$109 million. Mr. Deegan explained that Mr. Kelly's partner passed away unexpectedly and his widow is looking to sell his portion. Mr. Kelly must now sell the project and property before it has been built. BRP has built over 600,000 square feet of multi-family housing with more in development now. This project has not closed with the IDA yet, they are seeking to substitute BRP for Kelly Builders and asked that the project be assigned to BRP. Mr. Weir explained that since this project has not closed yet it will be considered as a new application and will need a new public

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hearing, inducement resolution and authorizing resolution will need to be completed. A public hearing will be scheduled.

At 12:38 P.M., Mr. Kelly, Mr. Deegan and Mr. Walker left the meeting.

BROOKS PARTNERS, LLC – RESOLUTION

A public hearing was held this morning with comment received from the local school district. Ms. Mulligan read these comments aloud to the Board; concerns included construction on an employee shared driveway, dust, fumes and noise potentially impacting the tennis courts, traffic impacts and the demographic impact to the school district. These are generally Port Jefferson Village issues. The proposed PILOT and feasibility study were provided at the hearing and reviewed. The IDA will not be involved in the retail portion of this project. This resolution approves financing in an amount estimated to be \$11.2 million but not to exceed \$14 million.

The motion to approve this resolution was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

Mr. Russo added that Bridgehampton National Bank is the lender and Cappy's Carpets, the business currently in the building, will close.

Mr. Russo left the meeting at 12:43 P.M.

ON THE COMMON AT ROCKY POINT, LLC

The motion to accept this application was made by Ms. Scheidt and seconded by Mr. Pollakusky. All voted in favor.

BRP FARMINGVILLE, LLC

The motion to accept this application was made by Mr. Trotta, seconded by Ms. Scheidt and unanimously approved.

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Mr. Mohr and Mr. Ventegat of Benjamin Development (Vistas of Port Jefferson) joined the meeting at 12:44 P.M.

FOUR L SUBTENANT APPLICATION – ECOMMERCE HOLDINGS, LLC

Ms. Mulligan presented the application for ECommerce Holdings, LLC, the last subtenant for the Four L facility. ECommerce will sublease the remaining 6,380 square feet in the building for their warehousing of non-prescription health and beauty products. They have 5 full-time equivalent employees and expect to hire 2 to 3 additional employees.

The motion to accept this application was made by Mr. Grucci and seconded by Mr. Callahan. All voted in favor.

AGILITAS ENERGY, LLC TOWN HALL ROOF – APPLICATION

This application is for solar panels expected to generate approximately 960 kilowatts of power on the roof of Town Hall; Agilitas will contribute to the cost of a new roof. Four more projects are expected with Agilitas for battery storage of power and additional solar panel installations at the Holtsville Ecology site. Ms. Scheidt invited the Board and staff to visit the Advanced Energy Center at Stony Brook University to meet with the woman who runs the Battery Storage Research Center. Ms. Eaderesto explained that these batteries store energy until there is a need for electricity which can then supply power back to the grid.

Agilitas has received their Power Purchase Agreement for this \$2.1 million project. They have requested a PILOT Agreement and exemptions from sales tax and the mortgage recording tax.

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

VISTAS OF PORT JEFFERSON, LLC – RESOLUTION

This senior housing project being built in Port Jefferson Station requested a \$750,000 increase in their sales tax exemption. A public hearing was held with no comments received.

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The motion to approve this resolution was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

At 12:53 P.M., the representatives from Benjamin Development left the meeting.

HEATHERWOOD GOLF & VILLAS, LLC – APPLICATION

The application for this \$53 million 200-unit senior rental development on an 18-hole golf course was included in the meeting packets, 9 holes of the golf course will be retained. The project sits on 2 parcels, one in Setauket and one in Centereach so there are 2 different school districts and 2 different fire districts. The feasibility study and cost benefit analysis were also provided. A public hearing was held this morning with approximately 15 people present with 6 people speaking. A stenographer was hired to record the minutes which have not been completed yet. Mr. Pollakusky inquired of the workforce projection for this project, Ms. Mulligan replied that the applicant expects to create 6 permanent jobs and approximately 200 construction jobs. When Heatherwood made their presentation to the Board last month, the Board determined they would potentially entertain this application if the applicant set aside 10% of the units as affordable housing and 10% as workforce housing, the applicant agreed.

The general feel of the comments received this morning were not supportive of the project. Mr. Braun added that some of the comments were related to traffic on Route 347. The feasibility study showed a 20-year PILOT since that is what was originally requested; however, that is not what may be granted. The PILOT in the application proposes granting land only taxes for 3 years and then increases of 10% per year until the end of the 13th year. Current taxes are approximately \$150,000 per year and would increase to approximately \$1.3 million in year 13. Ms. Mulligan said that it is land only for 3 years but the PILOT jumps in year 4 so while there is an increase, it does not get to a million until year 10. Mr. Grucci asked if applications had been accepted in the past without the opportunity to review comments from the public hearing, Ms. Mulligan responded that we typically don't have public comment prior to accepting the application. Mr. Trotta asked if there was any rush to accept the application without seeing the public hearing comments since there were a number of people against it; Ms. Eaderesto responded no. Mr. Braun stated that there was no harm in accepting the application today; Mr.

Pollakusky suggested the application be tabled until the transcript of the public hearing minutes is complete. Mr. Grucci questioned if the applicant is responsible for additional financial obligations once an application is accepted; Ms. Mulligan explained that the application fee was paid at the onset and the project is responsible for the public hearing and court reporter fees. Mr. Braun suggested that the application be deferred until the next meeting.

PRESENTATION – PLANNING DEPARTMENT

Supervisor Romaine requested Mr. Bertoli update the Board on initiatives going on in the Town. Mr. Bertoli explained that generally a developer comes in with a design that is then shaped by the Planning Department. Some of the larger IDA projects were noted such as Meadows at Yaphank and the Ronkonkoma Hub. Mr. Pollakusky inquired if there was an inventory of available L1 sites that could be put up on our website; Ms. Mulligan replied that it is constantly changing. Mr. Bertoli also discussed eco sustainable parks and the incentives to install solar energy. Development on other locations such as the Brookhaven Rail Terminal, the former Dowling College site, Bellport Outlets and a revitalization of Mastic Beach was also discussed.

Mr. Bertoli left the meeting at 1:22 P.M.

CEO'S REPORT

Half Year Update

Ms. Mulligan reported that 9 projects have closed this year with a few more expected to close soon. There have been 1,012 permanent and construction jobs created and \$145 million in investment in the Town. Three of the projects that have closed were adaptive re-use projects. There are an additional 13 projects in process not including projects discussed today. Discussions have continued with Rosalie Drago regarding workforce development and this year's large business outreach will focus on workforce development featuring Ms. Drago and representatives from Suffolk Community College and possibly Stony Brook University. The annual Building Business in Brookhaven Expo has been scheduled for October 10th.

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Mr. Tullo has been working on the Ombudsman Program where he has gone out in the community and visited approximately 40 businesses; these visits will continue into the early fall. Responses have been favorable so far and as a result, more businesses are aware of what the Town and IDA offer.

Mr. Braun noted that the American Organic Energy project only needs approximately \$2 million more in bond allocation. Ms. Mulligan has received verbal confirmation from the Riverhead and Babylon IDAs that they will transfer their allocation for this project, this is in addition to Suffolk County IDA's transfer of their allocation. Islip IDA needs additional time to see if they have a project that would need their allocation before they can transfer theirs. Hopefully some allocation can also be granted by the State. This is the last piece needed for this project to close by December 31, 2019.

Community Development Corporation of Long Island (CDCLI)

A request was made by the Community Development Center of Long Island (CDCLI) to support their 50th Anniversary Gala on December 12th. The sponsorship range is between \$500 to \$25,000.

Mr. Trotta made a motion to authorize a \$3,000 sponsorship. The motion was seconded by Mr. Callahan and approved with Mr. Braun and Ms. Scheidt recusing themselves as they serve on various CDCLI boards.

New York State Senate Investigation & Government Operations Committee Request

The New York State Senate Investigation & Government Operations Committee sent a lengthy request for information. All information has been gathered and submitted.

Special Meeting – Calabro Airport

A special meeting will be scheduled to discuss the possibility of assuming operations at Calabro Airport.

Governance Committee Meeting – Uniform Tax Exemption Policy (UTEP)

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A Governance Committee meeting will be scheduled to review the potential changes to the Uniform Tax Exemption Policy (UTEF). Amendments to the UTEF require a public hearing and notices sent to every taxing jurisdiction in the Town.

An updated application was received from Top Golf. A feasibility study is still needed.

The Surf Park project was recently approved by the Town, the Agency is waiting on additional information. The IDA has received inquiries from local businesses to sponsor the park. There are no surf parks nearby; this will be the first one built by this company.

Mr. Pollakusky suggested the marketing initiative should be revisited. Ms. Mulligan reminded the Members of the potential partnership among all of the IDAs to partner with Discover Long Island to put together a marketing plan to benefit all. Ms. Scheidt noted that there are many incubators in the city with companies that can't afford city rents; Mr. Tullo will research this. Mr. Grucci requested that Agency staff review the meeting records to see if a vote was held to allocate the \$250,000. If it did occur, an action to reverse it could be needed.

PRESENTATION – TODD SHAPIRO ASSOCIATES

Mr. Wax updated the Members that approval on a few press releases is pending and a release will be drafted on the bus tour.

The motion to close the IDA meeting at 1:59 P.M. was made by Mr. Callahan and seconded by Mr. Pollakusky. All voted in favor.

The next IDA meeting is scheduled for Wednesday, August 21, 2019.