

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

JULY 19, 2022

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

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

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Annette Eaderesto, Counsel
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Jocelyn Linse, Executive Assistant
Amy Illardo, Administrative Assistant
John LaMura

Chairman Braun opened the IDA meeting at 12:51 P.M. on Tuesday, July 19, 2022 in the Media Room, and virtually, on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF JUNE 8, 2022

The motion to approve these Minutes as presented was made by Mr. Pollakusky, seconded by Mr. Callahan and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Budget vs. Actual Report for the period ending May 31, 2022. A sales tax extension fee was received and the normal expenses were noted. All contractual payments have been made timely. All PILOT payments have been received except for a late payment fee; if this is not paid, the Board may consider defaulting the project.

The motion to accept the report was made by Ms. Paprocky and seconded by Mr. Pollakusky. All voted in favor.

FOURGEN-H – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

An updated application was included in the meeting packets for this .92-megawatt fuel cell power generation plant proposed to be constructed at 586 Union Avenue in Holtsville. Project costs are now \$5.44 million, and the applicant is requesting a 25-year PILOT and sales tax exemption which is permitted under the Uniform Tax Exemption Policy (UTEP). A public hearing was held this morning with no comment received. The cost benefit analysis using the new CBA program was included in the meeting packets.

The motion to accept the updated application was made by Mr. Callahan, seconded by Mr. Pollakusky and unanimously approved.

The motion to approve the final authorizing resolution was made by Mr. Pollakusky and seconded by Ms. Paprocky. All voted in favor.

FOURGEN-S – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

The updated application for this 1.38-megawatt fuel cell power generation facility to be located at 19 Belle Meade Road in East Setauket was included in the meeting packets. Project costs have increased to \$8.16 million, and the applicant is requesting a sales tax exemption and a 25-year PILOT. A public hearing was held this morning; comments were included in the meeting packets for the members to review, along with the cost benefit analysis.

The motion to accept the updated application was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

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

GREYBARN PATCHOGUE / R SQUARED – APPLICATION

The application, along with an addendum, cover letter and economic and fiscal impact analysis were included in the meeting packets. This project consists of 91 one- and two-bedroom apartment units at the former Mediterranean Manor site in East Patchogue which is part of the Town of Brookhaven East Patchogue Incentive Overlay District. As required by our UTEP, 10% of units will be set aside for affordable housing and 10% will be set aside for workforce housing. Suffolk County also required a certain percentage be allocated for people with disabilities. This \$46.7 million project has requested exemptions from mortgage recording tax and sales tax as well as a 15-year PILOT. A PILOT study will be conducted as this is a market rate project. Mr. Braun noted that the financials provided are not sufficient; counsel for the project will arrange for review of more detailed company financials prior to further actions.

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

BLSF, LLC – APPLICATION

This application is for 16,000 solar modules for an 8.64 million-megawatt solar installation that will generate 12.36 million kilowatt hours of energy, enough to power approximately 5,000 homes. The installation will be situated on 30 acres of the capped Brookhaven Landfill at a cost of approximately \$12.2 million. The Applicant is seeking exemptions from mortgage recording taxes, sales tax and a 30-year PILOT. There is a power purchase agreement in place. Ms. Eaderesto noted that this project has been in development for several years and is part of turning the landfill into an energy park.

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

PECONIC RIVER ENERGY STORAGE DBA NORTH STREET ENERGY STORAGE – APPLICATION

This application is for a 150-megawatt Battery Energy Storage System (BESS) on 4.4 acres on Weeks Avenue in Manorville. The project is expected to cost approximately \$159 million and

will create a .5 full-time equivalent position. Exemptions from mortgage recording taxes, sales tax and a 20-year PILOT have been requested.

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

YAPHANK ENERGY STORAGE, LLC – APPLICATION

This BESS system will generate 77 megawatts of power at the Shirley Industrial Park. The project is expected to cost approximately \$108 million. Exemptions from mortgage recording taxes, sales tax and a 20-year PILOT have been requested.

The motion to accept the application was made by Mr. Callahan and seconded by Ms. Paprocky. All voted in favor.

AMERICAN ORGANIC ENERGY – UPDATED APPLICATION & FINAL AUTHORIZING RESOLUTION

The updated application alters the ownership structure; Vigliotti Holdings will have ownership with Veridi Energy of AOE Holdings, AOE Holdings is still the owner of the project. Mr. Weir noted that this is the last step until the project can close.

The motion to accept the updated application was made by Ms. Paprocky, seconded by Mr. Pollakusky and unanimously approved.

The motion to approve the final authorizing resolution was made by Mr. Braun and seconded by Mr. Pollakusky. All voted in favor.

PARTHENON / ACROPOLIS – RESOLUTION

Parthenon is closing on a Small Business Administration loan that requires IDA approval and the IDA's participation in a subordination agreement. Mr. Gross explained that the bank requested to have the right to cure any default on behalf of Parthenon.

The motion to approve this request was made by Mr. Callahan and seconded by Mr. Pollakusky. It was approved with Mr. Braun noting that he is a chairman of one of the SBA 504 loan committees but does not recall this request coming before him. Ms. Eaderesto advised that this is not a conflict of interest.

INTERSTATE MECHANICAL CADCAM SUBTENANT REQUEST

CADCAM, a subtenant in the Interstate Mechanical facility, has requested to rent an additional 325 square feet of space. The lease for this subtenant was extended at the last meeting.

The motion to amend the resolution from last month to increase the square footage by 325 square feet was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

ISLANDAIRE – REFINANCING

This project has requested consent to enter into a loan of approximately \$4.24 million but not to exceed \$5 million. A mortgage recording tax exemption was not requested.

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

At 1:25 P.M., Mr. Callahan made a motion to enter executive session to discuss contracts, litigation and personnel. The motion was seconded by Mr. Pollakusky and unanimously approved.

At 2:47 P.M., Mr. Pollakusky made a motion to exit executive session and resume the regular agenda. The motion was seconded by Mr. Callahan and all voted in favor.

Mr. Pollakusky made a motion to hire John LaMura as Deputy Director of the IDA. The motion was seconded by Mr. Braun and unanimously approved.

Mr. Callahan made a motion to adopt a lease for office space with the Town of Brookhaven. The motion was seconded by Ms. Paprocky and all voted in favor.

CEO'S REPORT

Long Island First Policy

A letter was received from Supervisor Romaine asking the IDA to consider a similar policy to Suffolk County's Long Island First Policy. Mr. Weir noted that language has been incorporated into closing documents encouraging the hiring of Long Island residents; the language will be strengthened.

RONK HUB CONDEMNATION DETERMINATIONS & FINDINGS

This matter will be deferred until the August meeting.

CEO'S REPORT (REVISITED)

Hybrid Meetings

Recent changes to the Open Meetings Law have made virtual meetings legal if a quorum of Board Members is present and the public is able to attend meetings. Members, for example may participate virtually if there is an extraordinary circumstance (illness or quarantine, a caregiving situation or if the Member is out of the state).

The motion to set a public hearing adopting the new meeting model was made by Mr. Pollakusky and seconded by Ms. Paprocky. All voted in favor. The hearing will be held prior to the August board meeting.

Macedo Construction

Mr. Pollakusky made a motion for the Board to demand recapture of the benefits granted to Macedo Construction based on their failure to maintain employment levels as well as having an unapproved subtenant in the facility and to terminate the project. Ms. Paprocky seconded the motion which was unanimously approved.

Job Creation

Letters requesting an explanation for projects that did not meet their job creation numbers have been sent out. Projects were given until August 1, 2022 to respond. Mr. Braun noted that while discussing job creation, the taxes paid are not mentioned. State taxes support state education systems and hospitals, federal taxes support Medicare and Medicaid programs. There are four hospitals in the Town that participate in these programs.

Small Scale Solar

A PILOT concept is being drafted for projects creating 5 megawatts or less of solar energy. Possible details include \$8,000 per megawatt if the project is on a less desirable site such as a superfund site; if the project is on a more desirable site the range would be \$9,000 to \$12,000 per megawatt.

The motion to accept this PILOT for small scale solar projects was made by Mr. Pollakusky and seconded by Mr. Callahan. All voted in favor.

Board Assessments

This matter will be deferred until the next meeting.

Market Study Proposal

Ms. Mulligan has reached out to 4 companies for proposals to conduct a county wide marketing study on speculative industrial projects. Two proposals were received; Camoin Associates was selected at a cost of \$15,000. A draft study is expected by the August 17th meeting.

The motion to ratify contracting Camoin Associates was made by Ms. Paprocky, seconded by Mr. Braun and unanimously approved.

Long Island Business Development Council (LIBDC) Conference

Mr. Callahan made a motion to sponsor the Montauk conference being held September 28th through September 30th for \$5,000. The motion was seconded by Mr. Pollakusky and all voted in favor.

Community Development Corporation (CDC) Annual Meeting Sponsorship

This matter will be deferred until the next meeting.

August Meeting Date

Mr. Callahan made a motion to move the next meeting to August 17th at 12:30 P.M. The motion was seconded by Mr. Pollakusky and unanimously approved.

Labor Counsel

Mr. Callahan made a motion to hire labor counsel to consider personnel issues. Ms. Paprocky seconded this motion and all voted in favor.

The motion to close the IDA meeting at 3:04 P.M. was made by Mr. Pollakusky, seconded by Ms. Paprocky and unanimously approved.

The next IDA meeting is scheduled for Wednesday, August 17, 2022 at 12:30 P.M.