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TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

- - - - -x

BOARD MEETING
HELD BY ZOOM VIDEOCONFERENCE

- - - - -x

September 16, 2020
12:15 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
FRANK C. TROTTA

ALSO PRESENT :

LISA M.G. MULLIGAN, CHIEF EXECUTIVE OFFICER
JAMES M. TULLO, DEPUTY DIRECTOR
JOCELYN LINSE, EXECUTIVE ASSISTANT
TERRI ALKON, ADMINISTRATIVE ASSISTANT
AMY ILLARDO, ADMINISTRATIVE ASSISTANT
ANNETTE EADERESTO, ESQ., AGENCY COUNSEL
WILLIAM F. WEIR, ESQ., NIXON PEABODY
HOWARD R. GROSS, ESQ.,
WEINBERG GROSS & PERGAMENT, LLP
PETER L. CURRY, ESQ., FARRELL FRITZ, P.C.
DANIEL P. DEEGAN, ESQ.,
FORCHELLI DEEGAN TERRANA LLP
DANIEL S. DORNFELD, ESQ.,
FORCHELLI DEEGAN TERRANA LLP
FRANCIS LEE, INTEGRATED STRUCTURES
TIM REXON, INTEGRATED STRUCTURES
JOANNA CUEVAS, CONIFER REALTY, LLC
ROGER PINE, CONIFER REALTY, LLC
GWEN O'SHEA, CDCLI

* * *

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MS. MULLIGAN: It is 12:15.

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Fred, do you want to call the IDA meeting to order?

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MR. BRAUN: I do.

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This is Wednesday, September 16th. I believe we do have a quorum. The members of the board that are present are as follows:

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Mr. Callahan, Mr. Grucci, Mr. Middleton,

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Ms. Scheidt, Mr. Trotta and Fred Braun.

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Gary Pollakusky, have you joined?

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(No response.)

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MR. BRAUN: I guess not yet.

14

All right.

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Lisa, the minutes or we're going to postpone that?

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MS. MULLIGAN: We're actually going to postpone the minutes and the August actual versus budget report.

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The minutes we just got in a day or two ago and they're over a hundred pages long, it seemed like too much to send out at the last minute and ask you to read them, so they will be sent out to you and they will be on the agenda for our October meeting and we don't

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have the August CFO's report, but that will be presented at our October meeting.

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MR. BRAUN: Thank you.

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MS. MULLIGAN: So the --

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MR. BRAUN: The resolution?

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MS. MULLIGAN: Well, the first item on our agenda is an application for Integrated Structures Corporation.

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Just as way of background, this is a company that fabricates structural steel parts. They have 55 full-time employees and as a result of this project, will increase to 62 employees. They're currently leasing Four Pinehurst Drive. It's approximately 20,000 square feet.

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What they've requested is that they -- they have a lease to purchase option right now and their plan is to purchase the building that they're in currently and add four or 5,000 square feet to it. It's about a \$4 million project and they've requested a mortgage recording tax, a sales tax exemption and a PILOT and we have representatives from the project on the call, so if Mr. Lee,

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Mr. Rexon and I think, did I see --

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MR. DORNFELD: Yeah, this is Dan Dornfeld from Forchelli Deegan Terrana as well.

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So if I may just thank you for your time.

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Integrated Structures does -- fabricates and erects structural steel parts, but I just want to point out that that is a really high tech industry. It requires high level of expertise and a lot of equipment, really expensive equipment. Their parts go into bridges, airports, train stations, so it's -- when you think of steel, you don't think of such a high tech industry, but this is such an industry.

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So they moved from the Grumman site or near the Grumman site in 2018 because of the environmental spill, so they only started in Brookhaven in 2018, but they're doing very well and unfortunately, their current facility will not be able to accommodate their needs within another two or three years, so what we want to do is we want to expand onto that

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facility. The building is 15,000 square foot footprint and then there's a 3,000 square foot mezzanine and a 4,000 square foot covered outdoor storage area, so in essence, we're talking about expanding the footprint by almost a third.

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I know everybody's very sensitive about PILOT's and real estate taxes, but this is a unique situation where we're going to actually bolster the tax rolls because since we're going to be expanding the footprint so dramatically, the assessment is going to go up, so any savings we get on the front end are going to be more than paid back on the back end and this will allow us to stay in Brookhaven. Otherwise if we're not able to expand the facility and buy the facility, the facility won't be sufficient for our needs in a couple of years and they'll have to find another place.

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As we said, there's certainly -- currently 55 employees, we're proposing to add seven to that over the next few years and it will ensure that Integrated Structures will be

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in Brookhaven for the long-term as a result of
this project.

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I'd like to maybe just give Mr. Lee a
moment to explain why it is such a high tech
industry and why the need for the savings in
order so that he can make the investment into
the facility.

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MR. LEE: The industry that we're in
right now is primarily driven by computer
operated machinery, so the plans and
specifications are downloaded into these
machines and in essence, it's like a C&C
driven program that facilitates plates,
various shapes, beams, angle and whatever
because we're a licensed facility, America
Institute of Steel Construction, which
primarily does bridge repairs, MTA related
structures, elevated roadway packages. Some
of our jobs are like the Long Island Rail Road
bridge on North Sea Road in Southampton, that
was a bridge that was manufactured in
Bethpage, shipped out and installed. Various
roadway packages on Long Island, Queens, New
York, the five boroughs. We do a tremendous

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2 amount of jobs all over in these local areas,
3 airports.

4 MR. TROTTA: Thank you.

5 MR. DORNFELD: So if there are any
6 questions, I'd be happy to take them.

7 MR. GRUCCI: Sure. If I may, I have a
8 question.

9 I understand what the end product is,
10 but what is the inventory that they maintain
11 and how do they -- they get big sheets of
12 steel and then they cut to the appropriate
13 angles and sizes, they're not creating the
14 steel, I assume, so how does it arrive to them
15 and in what kind of shape is it?

16 MR. LEE: Well, they usually come in
17 sizes, in the beams it's usually up to 50 foot
18 long and the plates are usually 20 or 40 feet
19 by eight foot wide and the machines, you know,
20 they vary in size, we process plates from
21 quarter inch thick to three inches thick.

22 So you get a computer program at say a
23 basic plate with maybe 50 holes in it, that
24 would be a bolster plate or something for
25 elevators, roadway structure. We would cut

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the plate, process it, drill the holes,

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sometimes there's milling required.

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MR. GRUCCI: Then it gets constructed
on the job to its final form?

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MR. LEE: It gets erected and bolted
up. Sometimes there are coatings applied.

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MR. GRUCCI: Okay. Thank you.

MR. MIDDLETON: I have a quick question
and I know you mentioned it before, but I
couldn't really hear it.

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How many current employees and how many
are projected?

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MR. DORNFELD: So there's currently 55
employees and the average compensation is
133,000. We're proposing adding another two
employees -- I'm sorry, another seven
employees and the compensation for them will
start probably a little bit over a hundred
thousand dollars per year.

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MR. MIDDLETON: Thank you.

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MR. BRAUN: Are there -- go ahead,
Lisa.

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MS. MULLIGAN: I just wanted to point
out to the board members that this is a little

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bit outside of our norm in that they're

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already in the building that -- I just want to

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make sure that everybody is aware, they're in

5

the building that they're proposing to

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purchase, but as a lease.

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MR. GRUCCI: Is that already under IDA

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benefits?

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MS. MULLIGAN: No. It had been

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previously.

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MR. GRUCCI: Okay. But the benefits

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expired and this is a new request?

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MS. MULLIGAN: Yes.

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MR. GRUCCI: Okay.

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MR. TROTTA: This is a lease to

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purchase plus they're going to add about 4,000

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square feet onto the present structure,

18

correct?

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MR. DORNFELD: Correct.

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MR. TROTTA: Okay.

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I'm always -- you know, I enjoy

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listening to these applications from the

23

applicants because it's amazing the kinds of

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industries that we do have in Brookhaven and

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that the IDA is part of, so thank you for your

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information.

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MR. DORNFELD: Thank you.

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MR. GRUCCI: I just, for my own clarification, are we being asked to induce the entire project or just the expansion?

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MR. DORNFELD: So I would say the entire project because right now we have the ability to leave within a few years and the current facility is not sufficient, so the inducement will be for the entire project for them to stay there for long-term and then buy the facility and add to the facility and buy the new equipment necessary so that they can grow.

16

MR. GRUCCI: Okay. Thank you.

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MR. BRAUN: Are there other questions from the board?

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MR. CALLAHAN: Yeah, I have a question. What was in the building before their lease, before they took the lease; was it a vacant building?

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MR. LEE: It was a miscellaneous steel fabrication company which did primarily rails and they call it ornamental iron, which is

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fencing, appurtenances, you know, surrounding

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structures.

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MR. POLLAKUSKY: For the record, Fred,

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Gary Pollakusky, I'm here.

6

MR. BRAUN: Thank you.

7

If there are no other questions from

8

the board, I'll entertain a motion to accept

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the application from Integrated Structures.

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MR. GRUCCI: I'll make the motion.

11

MS. SCHEIDT: Second.

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MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Grucci?

15

MR. GRUCCI: Yes.

16

MR. BRAUN: Mr. Middleton?

17

MR. MIDDLETON: Yes.

18

MR. BRAUN: Mr. Pollakusky?

19

MR. POLLAKUSKY: Yes.

20

MR. BRAUN: Ms. Scheidt?

21

MS. SCHEIDT: Yes.

22

MR. BRAUN: Mr. Trotta?

23

MR. TROTTA: Yes.

24

MR. BRAUN: And Mr. Braun votes yes.

25

The application is accepted.

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MR. DORNFELD: Thank you for your time
and consideration.

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MR. CALLAHAN: Good luck guys.

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MR. GRUCCI: Good luck.

6

MR. POLLAKUSKY: Good luck.

7

MR. DORNFELD: Thank you.

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MS. SCHEIDT: That looks very cool.

9

MR. BRAUN: Lisa.

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MS. MULLIGAN: The next item on the

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agenda is a resolution for EB Holtsville. The
request letter was included in your packets.

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If you recall, I think it was last

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meeting, they came to us and . . . now I don't

15

recall. They asked to do something for them

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last meeting and they've come back again and

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asked if we would approve a mortgage in the

18

amount of \$200,000.

19

Bill, do you want to fill in anything

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else?

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MR. WEIR: At the last meeting, we

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approved an extension of the existing mortgage

23

for two years. They now have come back and

24

asked us to increase the principal amount of

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the mortgage by \$200,000.

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MR. BRAUN: My understanding is that this was to cover additional costs that they incurred during construction; is that correct, Bill?

6

MR. WEIR: That is correct.

7

MR. TROTTA: Is this request unusual?

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MR. WEIR: No and they have not asked for a mortgage recording tax exemption on this \$200,000, so it's just as they're finalizing construction, they're looking at total costs and realized they had another couple of hundred thousand dollars of costs that they could include in their construction loan.

15

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18

At some point they will convert this construction loan to a permanent loan, but because they're still under construction, they want to just extend it for two years.

19

MR. TROTTA: Thank you.

20

MR. WEIR: You're welcome.

21

22

MR. BRAUN: Are there any questions or other questions?

23

(No response.)

24

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MR. BRAUN: Hearing none, I'll entertain a motion to approve a \$200,000

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addition to their existing debt.

3

4

Bill, do we need to reauthorize the two-year extension?

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MR. WEIR: No, it's all included in this resolution.

7

MR. BRAUN: Okay.

8

MS. SCHEIDT: So moved.

9

MR. TROTTA: Second.

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MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

12

MR. BRAUN: Mr. Grucci?

13

MR. GRUCCI: Yes.

14

MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Ms. Scheidt?

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MS. SCHEIDT: Yes.

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MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

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MR. BRAUN: Mr. Braun votes yes.

23

Thank you. Motion carries.

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MS. MULLIGAN: The next item on the

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agenda is a resolution for Port Jefferson

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Crossing, LLC.

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Included in your packets is the proposed PILOT and the proposed cost benefit analysis as well as a feasibility study that was provided to the board.

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We had a public hearing for this project yesterday. There was no comment and this is a final authorizing resolution and just to remind the board, this is the 100 percent affordable housing project in upper Port Jefferson just north of the train station.

14

MR. CALLAHAN: The Conifer property?

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MS. MULLIGAN: Yes.

16

MR. CALLAHAN: Okay.

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MS. MULLIGAN: And we have representatives from Conifer and CDC on the call if anybody has any questions.

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MR. TROTTA: I think Integrated is still on the line here, is there any way to disconnect it because nobody's in the room?

23

24

MS. MULLIGAN: Joce is going to see if she can do that.

25

MR. TROTTA: Okay. I can see an

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2 additional person if they leave.

3 MS. LINSE: I don't see -- oh, wait,
4 there they go.

5 MR. BRAUN: Dan, did you have anything
6 additional to add?

7 MR. DEEGAN: No, I don't think so.

8 This is, as Lisa mentioned -- by the
9 way, Dan Deegan with Forchelli Deegan Terrana,
10 attorney for the applicant. We also have on
11 from the applicant Joanna Cuevas and Roger
12 Pine from Conifer and Gwen O'Shea from CDC of
13 Long Island, which is the not-for-profit
14 partner to Conifer on this project.

15 So this is really a part of the
16 Village's revitalization effort and its
17 transit-oriented development right at the
18 train station, 45 units of affordable housing
19 and I think it's right in line with, you know,
20 the Town IDA's UTEP as well as the initiatives
21 by the County to provide more affordable
22 housing in the County and in the Town and
23 certainly the Village is supportive as well.
24 So certainly we'd take any questions.

25 MR. CALLAHAN: When do they plan on

1

2 starting construction?

3

4 MR. DEEGAN: Joanna, do you want to
5 answer that question; I mean obviously we've
6 got to go through this and then --

6

7 MS. CUEVAS: Yeah. Joanna Cuevas from
8 Conifer Realty.

8

9 We plan on closing the construction
10 financing for the project by the end of this
11 year and starting construction first quarter
12 of 2021; again, assuming all goes well.

12

13 MR. TROTTA: How long does a project
14 like this take to complete, more or less, if
15 you're having a good day and everything goes
16 well?

16

17 MS. CUEVAS: Yeah, we have an 18-month
18 construction period --

18

19 MR. TROTTA: Okay.

20

21 MS. CUEVAS: -- filled in.

22

23 MR. TROTTA: Thank you.
24 MR. BRAUN: Dan, correct me if I'm
25 wrong, but for anybody that goes by this
during construction, there is a retail
component to this project, but it is not
included in what we're doing.

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MR. DEEGAN: That's correct.

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MR. WEIR: The PILOT agreement explicitly excludes the retail component.

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MR. BRAUN: Are there other questions from the board?

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(No response.)

8

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MR. BRAUN: Hearing none, I'll entertain a motion --

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MR. GRUCCI: Could I just get a question in to Annette?

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MR. BRAUN: Sure, Felix, go ahead.

13

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MR. GRUCCI: Thanks.

Annette?

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MS. EADERESTO: Yes, I'm here.

16

17

MR. GRUCCI: Yeah. I think I heard Dan say that this meets all the requirements of our UTEP. Can you confirm that?

18

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MS. EADERESTO: Well, yeah, it's a hundred percent affordable.

20

21

MR. GRUCCI: Okay, great. Thank you.

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MS. EADERESTO: You're welcome.

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MR. WEIR: That is also in a transit-oriented area because it's next to the train station.

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MR. GRUCCI: Thanks, Bill.

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MR. WEIR: You're welcome.

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MR. BRAUN: If there are no other questions, I'll entertain a motion.

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MR. POLLAKUSKY: So moved.

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MR. CALLAHAN: Second.

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MR. BRAUN: Mr. Callahan?

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MR. CALLAHAN: Yes.

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MR. BRAUN: Mr. Grucci?

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MR. GRUCCI: Yes.

12

MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

14

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: Recuse on account of in the immortal words of Vince O'Leary, the

19

magnificent emoluments that I receive from

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CDC.

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MR. BRAUN: Well stated.

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Mr. Trotta?

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MR. TROTTA: Yes.

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MR. BRAUN: And Mr. Braun votes yes.

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Motion carries. Thank you.

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Thank you, Dan.

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MR. DEEGAN: Thank you very much
everybody. Thank you.

5

MR. TROTTA: Good luck, Dan.

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MR. DEEGAN: Thank you.

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MS. MULLIGAN: The next item on the
agenda is a resolution for Global Tissue
Group, Incorporated.

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Again, in your packets, the proposed
PILOT and the cost benefit analysis was
included as well as the letter, the original
letter, requesting our assistance.

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We had a public hearing yesterday,
there was no comment and to remind everyone,
this is a project on the -- on Long Island
Avenue south of the expressway and west of
Sills Road. This project's been in our name
for a number of years now and they came to us
and asked for a six-year extension of their
PILOT. So that's the project.

22

Any questions?

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MR. BRAUN: And the reason to consider
this is because they apparently have been
entertained by a number of localities in Ohio.

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There's another company that does similar

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business as they do that's already moved to

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Ohio. They have been talking about converting

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a part of their production line to PPE's for

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some time. We understand that the machinery

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to do that is in final testing stage. It

8

would have been nice if we had known or they

9

had completed that prior to today, but we will

10

keep an eye on that as we go forward.

11

Lisa, you want to discuss specifically

12

what they're asking for in terms of the PILOT?

13

MS. MULLIGAN: Well, the PILOT, they

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asked for an additional ten years at our

15

meeting when you accepted their application.

16

The decision was made to give them or offer

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them six additional years, so what we came up

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with was one year at land only property taxes

19

and then five years at 20 percent steps up

20

towards full taxation, so that's the PILOT

21

that's included in your packets and the PILOT

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that was provided for our public hearing,

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that's what was included.

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MR. BRAUN: And I think the employee

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number as of 12/31 as reported to PARIS was

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2 slightly in excess of 200 employees, which is
3 far in excess of what they had predicted or
4 projected, rather, when the application was
5 originally filed with us.

6 MR. TULLO: Very true.

7 MR. TROTTA: The PILOT is for six years
8 on it?

9 MR. BRAUN: Six-year extension,
10 correct.

11 MS. MULLIGAN: Yes.

12 MR. TROTTA: Six-year extension. Okay,
13 very good.

14 MR. BRAUN: Any other questions from
15 the board?

16 MR. TROTTA: No.

17 I'd be happy to make the motion.

18 MR. BRAUN: Thank you, Frank.

19 Is there a second?

20 MR. GRUCCI: Second.

21 MR. BRAUN: Mr. Callahan?

22 MR. CALLAHAN: Yes.

23 MR. BRAUN: Mr. Grucci?

24 MR. GRUCCI: Yes.

25 MR. BRAUN: Mr. Middleton?

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MR. MIDDLETON: Yes.

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MR. BRAUN: Mr. Pollakusky?

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MR. POLLAKUSKY: Yes.

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MR. BRAUN: Ms. Scheidt?

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(No response.)

7

MR. BRAUN: Ms. Scheidt?

8

(No response.)

9

MR. BRAUN: Mr. Trotta?

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MR. TROTTA: Yes.

11

MR. BRAUN: Mr. Braun votes yes.

12

Ms. Scheidt, are you there?

13

MR. CALLAHAN: Looks like she's muted.

14

MR. TROTTA: She's probably muted,

15

yeah.

16

MR. BRAUN: Joce, can you try and

17

unmute her?

18

MS. LINSE: I just tried.

19

MR. BRAUN: Ms. Scheidt, are you there?

20

(No response.)

21

MR. BRAUN: All right. We have a

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quorum, we have enough votes, the resolution

23

passes.

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Lisa, I turn it back to you.

25

MS. MULLIGAN: The next item on the

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agenda is a request that we received from

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Triple Five Aviation Industries, LLC.

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We actually presented -- and the letter was included in your packets. We actually

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printed this to the board at a meeting, I want

7

to say in July. Bill and I met with their

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representatives a couple of days ago and they

9

asked that they get a little more time before

10

they can give us what their plan is for the

11

property, but their completion date expires

12

September 20th and so the request right now is

13

to extend their completion date until the end

14

of this year and in the interim, I expect that

15

we'll get a more fully flushed out plan for

16

that property.

17

Bill, did you have anything you wanted

18

to add?

19

MR. WEIR: Yeah.

20

You know, basically, they were talking

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to a number of people beginning of the year to

22

operate it as an educational facility; there

23

is a restriction in the deed that it could

24

only be used for educational purposes. That

25

was all put on hold once COVID hit. Existing

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2

colleges are having a hard enough time

3

figuring out if they're going to reopen, no

4

one's opening new colleges right now, so

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that's all on hold. We expect them to come

6

back to the IDA in October with some more

7

concrete information about who they're talking

8

to and what's likely to happen there and we

9

anticipate they'll ask for at least a one-year

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extension on their completion date and that

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was based on conversations that Lisa and I had

12

with their attorney.

13

MR. TROTTA: So at this time, we're

14

approving an extension; is that correct?

15

MR. WEIR: We're just extending it --

16

for now, just extending it from when it

17

expires next week until the end of the year so

18

that they have a chance to come in at the next

19

meeting and make a presentation.

20

MR. BRAUN: Just to remind everybody,

21

these are the same people that own the Mall of

22

America out in Minneapolis as well as the mall

23

along the Jersey Turnpike and I forgot its

24

name, but neither one, as you might suspect,

25

are doing very well under these circumstances.

1

2

MR. WEIR: The one in New Jersey had --

3

I mean that had been under construction for 20

4

years, screwed up the parking at the old

5

Giants Stadium before they built the new one

6

and opened up this spring at about the worst

7

time you could open a new mall and it has an

8

indoor ski resort as well, so it's, you know,

9

unfortunate timing for them on those other

10

projects.

11

MR. BRAUN: All we're asking is a

12

motion to extend their completion date from

13

September 20th till 12/31 of 2020.

14

Somebody care to move that?

15

MS. SCHEIDT: So moved.

16

MR. GRUCCI: I'll make the motion.

17

MS. SCHEIDT: Second.

18

MR. BRAUN: Mr. Callahan?

19

MR. CALLAHAN: Yes.

20

MR. BRAUN: Mr. Grucci?

21

MR. GRUCCI: Yes.

22

MR. BRAUN: Mr. Middleton?

23

MR. MIDDLETON: Yes.

24

MR. BRAUN: Mr. Pollakusky?

25

MR. POLLAKUSKY: Yes.

1

2

MR. BRAUN: Ms. Scheidt?

3

MS. SCHEIDT: Yes.

4

MR. BRAUN: Mr. Trotta?

5

MR. TROTTA: Yes.

6

MR. BRAUN: Mr. Braun votes yes.

7

Motion carries.

8

MS. MULLIGAN: Thank you.

9

10

The next item on the agenda is a letter that we received from Quality King

11

Distributors, Incorporated. It was included

12

in your packet.

13

This letter went out, I guess to -- you know, I don't exactly who it went out to, but the email that I received implied that it went to multiple states and it basically says they're looking for offers to move their location from New York to another state.

14

15

16

17

18

19

Having spoken to them, they really didn't have issue with what our board has done for them over the year, but they felt less than embraced by New York State and so they sent this out to see what the response is.

20

21

22

23

24

25

When -- they sent it to me on a Friday night, I spoke to them on Monday morning and

1

2

they told me that they had have already

3

received some responses and I spoke to them

4

for a little while about what we could

5

possibly do. They said they didn't have a

6

specific if you do this for us we'll pull back

7

on these other offers. So I said I would

8

present it to our board. They said see if you

9

can come up with something creative.

10

We have supported this project over the

11

years significantly. Most recently, I think

12

it was 2017, that we . . . and I had it all

13

open, but I guess I closed it, sorry -- that

14

we extended -- that we changed their

15

structure.

16

They currently have a PILOT that goes

17

until 2029-2030 with this board. This year,

18

the '19-'20 year, they paid about \$64,000 in

19

PILOT. It's a large building, it's about

20

650,000 square feet, I think, off the top of

21

my head and --

22

MR. TULLO: 560. You had the six and

23

the five.

24

MS. MULLIGAN: 560. It's a large

25

building.

1

2

MR. TULLO: Very big.

3

4

MS. MULLIGAN: So that's the issue with this project.

5

6

MR. BRAUN: They have been in touch with the Empire State Development folks.

7

MS. MULLIGAN: Yup.

8

9

10

11

MR. BRAUN: I don't know whether, maybe Lisa does, but I don't think so, that they have not come back with any kind of specific proposal.

12

13

14

15

16

17

Those of us that took a tour of that facility a couple of years ago, this is not something you just pick up and move quickly. They have a large number of employees; I'm not sure, Lisa, if you have it in front of you as to what the 12/31 number was.

18

19

20

I suspect this company is hurting a little bit as many are and looking for a lifeline wherever they can find it.

21

22

23

24

MS. MULLIGAN: I think they also felt, like I said, less than embraced by New York State because the owner was personally named in a . . .

25

MR. BRAUN: Price gouging scheme.

1

2

MS. MULLIGAN: Price gouging, thank

3

you.

4

Price gouging situation and so I think

5

they felt it was one thing to name the

6

company, but to put the owner's name in

7

specifically, I think that they weren't

8

pleased with that.

9

MR. BRAUN: At this point we're not

10

asking the --

11

MR. GRUCCI: I'm sorry, Fred, go ahead.

12

MR. BRAUN: I was going to say at this

13

point we're not asking the board for anything,

14

this was just kind of a for your information

15

type letter. If this thing heats up over the

16

next couple of weeks, we'll certainly bring it

17

back with some specific recommendations.

18

MR. GRUCCI: Lisa, in your

19

conversations with them, did they indicate to

20

you what the State might be able -- what

21

they're looking for the State to be able to do

22

for them?

23

MS. MULLIGAN: They didn't -- that was

24

sort of the issue. They don't have a specific

25

if you do this we'll stay, they just don't

1

2

feel that New York appreciates what they're

3

doing here and so they're looking to see if

4

somebody else might appreciate them more is

5

the feeling that I got from my conversation

6

with them.

7

Jim and I have both been in touch with

8

New York State about this and as far as we

9

were told, our last conversations with them,

10

New York didn't have an exact plan, if they

11

were even going to do anything and I should

12

mention that our PILOT, since they're in the

13

early stages of the PILOT, has pretty

14

significant recapture provisions. So if they

15

were to default and leaving would be a default

16

by December 31st and I don't think that's

17

realistic, just packing that building alone is

18

going to take longer than December 31st, but

19

it's a hundred percent recapture, it's a

20

significant amount of money that they would

21

owe back to us and then we disburse it out to

22

the various taxing jurisdictions. But even if

23

they were to default let's say next year,

24

there's still a significant recapture

25

provision.

1

2

Bill, did you have anything you wanted to add?

3

4

5

6

7

8

MR. WEIR: No. They are, as you said, whenever they go, they will be subject to recapture and I don't know who would go into that building if they leave, it would be a big vacant building in the Town.

9

10

11

12

13

14

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19

MS. MULLIGAN: And they have -- as of December 31st, they had 837 employees, according to the annual report. I do know that they laid off a number of people during COVID, but after they sent this email, they reached back out to me and said they had, I think, 25 part-time jobs that they needed to fill, so I got them in touch with some people to help them fill those positions, so I don't know how many employees they currently have, but they are hiring, at least part-time.

20

21

22

23

24

25

MR. WEIR: As you recall, they do have a number of different divisions that operate out of that building for different types of products, so ones that do perfumes and makeup and hair products and so forth, that's the part that's been hurting. I understand

1

2

they're -- the part that does over-the-counter

3

drugs, prescription drugs and other cleaning

4

products as well as other type things like

5

that, that part of the company's doing well,

6

it's more of the -- Perfumania is one of their

7

companies and a couple of the other ones,

8

those are the divisions that are hurting. It

9

is a very diversified product line that they

10

handle out of that building.

11

MR. GRUCCI: My only recommendation

12

would be for us to stay in constant contact

13

with them so that if something does pop that

14

they think that we could be helpful to them,

15

we can move quickly because like you said,

16

that -- I think that building was 300,000

17

square feet, if I'm thinking of the right

18

building.

19

MS. MULLIGAN: 560,000 square feet.

20

MR. GRUCCI: 560,000 square feet.

21

MS. MULLIGAN: Large.

22

MR. WEIR: If you remember, we've

23

helped them do several additions including a

24

mezzanine.

25

MR. GRUCCI: Yes.

1

2

MR. BRAUN: Thank you.

3

4

Plus the entire building is solar power. It survived Sandy.

5

6

7

8

MR. WEIR: If you want, Lisa, I can reach out to their attorney and see if she would, you know, kind of anything that you would be asking us for.

9

10

11

12

13

MS. MULLIGAN: That would be good and just to follow up on Felix's question, when I spoke to them, I said please keep us in the loop and I've been in contact with them since then just to stay involved.

14

15

16

17

18

19

20

21

22

23

24

25

MR. WEIR: Just on a related note with that project, the sewer treatment plant for the entire industrial park is on this little corner, the end of the property, that, you know, 20 years ago should have been deeded out to the County and we've known about it as their attorneys and we've worked with them and the County to try to get that sewer treatment plant, you know, which is actually still under an IDA lease agreement, out of their name and over to the County, so regardless of what happens with the building, we do want to get

1

2

that sewer treatment plant over to the County
and that should happen shortly.

3

4

MR. CALLAHAN: Lisa, I have a question
for you.

5

6

MS. MULLIGAN: Sure.

7

8

MR. CALLAHAN: What is their tax base,
do they have full assessment or what type of
taxes does a building that size throw off?

9

10

MS. MULLIGAN: So right now, they -- in
the '19-'20 year, they paid a PILOT of \$64,000
and I suspect that the full taxation is about
1.1 million, maybe a little bit less than
that.

11

12

13

14

15

MR. CALLAHAN: Okay. About a million
bucks.

16

17

MS. MULLIGAN: So it's a significant
difference.

18

19

Jim, when we did the analysis, what was
it, about \$800,000?

20

21

MR. TULLO: It was about \$800,000 a
year for three years, so about 2.4 million.

22

23

MS. MULLIGAN: So I'm off on that, I
think full taxation is more like 800,000.

24

25

MR. TULLO: It's like a buck 50 a

1

2

square foot.

3

MS. MULLIGAN: Okay.

4

5

MR. BRAUN: If they were to abandon the building, forgetting recapture and everything

6

else for a minute, it would be unusual and

7

unlikely I think for a single user to pick

8

that building up, I think it would have to be

9

multi-tenanted.

10

MR. CALLAHAN: It could be an Amazon.

11

MR. BRAUN: I'm sorry, Marty?

12

MR. CALLAHAN: It could be an Amazon.

13

14

MR. BRAUN: Well, Amazon, we can talk about that, too, but Amazon has picked up

15

several smaller buildings around Long Island

16

for this so-called last mile delivery that's

17

become kind of a buzz term.

18

MR. CALLAHAN: Okay. Well . . .

19

MS. MULLIGAN: So that was just an FYI

20

just so that you're aware.

21

The next on the agenda is Selden

22

Commercial - Solar.

23

To remind the board, I think in 2017,

24

we received an application for an existing

25

project, they wanted to put a solar

1

2

installation on their roof and the board

3

granted the benefits for that. They never --

4

they weren't able to complete the project.

5

They asked us in 2019 to extend the completion

6

date until June of 2019, which this board did

7

and they still were unable to complete the

8

project. They've come back to us now and said

9

that they're ready now, they have someone who

10

is going to put the solar on the rooftop and

11

they asked if we would extend the completion

12

date again and so that's what this request is.

13

MR. TROTТА: I think the dates in the

14

letter are wrong, if I'm correct. It says

15

that it is now anticipated construction will

16

be completed by January 15th of 2020.

17

MS. MULLIGAN: I think they meant 2021.

18

MR. TROTТА: Correct.

19

MS. MULLIGAN: Frank, you're right.

20

I received this letter late last night

21

and I just looked at it very quickly, so --

22

MR. TROTТА: Yeah.

23

MS. MULLIGAN: -- I think you're right.

24

MR. TROTТА: I just wanted to bring it

25

to your attention.

1

2 MS. MULLIGAN: Thank you.

3 MR. TROTTA: So they're requesting an
4 extension through February 15, 2021.

5 MS. MULLIGAN: Yes.

6 MR. CALLAHAN: Lisa, is this a sports
7 arena?

8 MS. MULLIGAN: Yes, yes, I'm sorry.

9 This is the -- I'm pointing like you
10 guys are in the same room with me.

11 This is the Selden commercial property
12 that's on the corner of 83 and Middle Country
13 on the northeast corner.

14 MS. SCHEIDT: Northeast corner, yup.

15 MR. BRAUN: Owned by Parvis Farazhad.

16 MR. CALLAHAN: We know who he is.

17 MS. SCHEIDT: Indeed we do.

18 MR. BRAUN: With the corrected dates or
19 date, somebody care to make a motion on this?

20 MR. TROTTA: I'll make a motion.

21 MR. BRAUN: Thank you, Frank.

22 MR. TROTTA: February 15, 2021.

23 MR. POLLAKUSKY: I'll second.

24 MR. BRAUN: Mr. Callahan?

25 MR. CALLAHAN: Yes.

1

2

MR. BRAUN: Mr. Grucci?

3

(No response.)

4

MR. BRAUN: Mr. Grucci, are you back?

5

MR. GRUCCI: Yes.

6

MR. BRAUN: Mr. Middleton?

7

MR. GRUCCI: I'm voting yes on the

8

application.

9

MR. BRAUN: Thank you. You're back and

10

yes. Thank you.

11

Mr. Middleton?

12

(No response.)

13

MS. MULLIGAN: Scott sent a note that

14

he had to step away for five minutes.

15

MR. BRAUN: All right.

16

MR. MIDDLETON: And I'm back. Yes.

17

MR. BRAUN: Thank you, Mr. Middleton.

18

Mr. Pollakusky?

19

MR. POLLAKUSKY: Yes.

20

MR. BRAUN: Ms. Scheidt?

21

MS. SCHEIDT: Yes.

22

MR. BRAUN: Mr. Trotta?

23

MR. TROTTA: Yes.

24

MR. BRAUN: Mr. Braun votes yes.

25

Motion carries.

1

2

MS. MULLIGAN: Thank you.

3

So the next item on the agenda is --

4

MR. GRUCCI: Excuse me for a moment,

5

Lisa.

6

MS. MULLIGAN: Sure.

7

MR. GRUCCI: Fred, before we delve

8

deeply into that, could I just excuse myself

9

for five minutes, there's something that my

10

wife is trying to tell me that I'm not sure

11

what she's trying to say --

12

MR. BRAUN: Okay.

13

MR. GRUCCI: -- and I'll be back

14

shortly.

15

MR. BRAUN: All right.

16

MR. GRUCCI: Thank you.

17

MS. MULLIGAN: So the next item on the

18

agenda is the grant and loan program.

19

Included in your packets was the memo

20

that Fred and I put together we sent around a

21

few weeks ago.

22

To remind everyone, at our last

23

meeting, we left it sort of open-ended if we

24

were going to participate in the grant program

25

or the loan program, neither or both and so

1

2 it's back for discussion again.

3

Fred.

4

MR. BRAUN: Yeah.

5

6 I think the memo explains, I hope it
7 tried to explain, the background of the two
8 bills; the governor signed it very quickly
9 thereafter. This was a -- this was something
10 a lot of the upstate IDA's and their sister
11 organizations have wanted for a number of
12 years after the original legislation expired.
13 Some of this goes back to the late '80s and
14 early '90s when Bethlehem Steel left upstate
15 and there were federal monies that were given
16 to start that program. Some of the programs
17 have grown from eight million to as much as
18 18 million. They're revolving loan funds that
19 these people administer and have done very
20 well with.

21 This is a little bit different. As I
22 said in or we said in the overview, the
23 legislation provides that IDA's and LDC's --

24

MR. GRUCCI: I'm sorry about that
25 everyone.

26

MR. BRAUN: Okay. We just got started,

1

2

Felix.

3

MR. GRUCCI: Okay.

4

5

MR. BRAUN: -- can provide loans up to \$25,000 and for grants up to \$10,000. I think

6

we tried to outline the benefits and some of

7

the responsibilities of the IDA in that memo.

8

I spoke to Frank twice in the last

9

couple of days that if the board votes to go

10

ahead with this program, would his credit

11

union consider being the administrator of that

12

program. We would still have to establish a

13

loan committee, it would be our decision, our

14

risk and if the program goes forward at the

15

end of the period and we and/or a third-party

16

administrator demanded payment and payment

17

wasn't there on the loans -- obviously a grant

18

is a grant -- that it would be up to us to

19

pursue any and all legal actions to recover

20

that money, not the least of which would be

21

legal action against the corporation and its

22

guarantors and assuming they didn't pay, we

23

would get judgments against both and obviously

24

as it relates to the principals and their

25

guaranties, it would be on their credit

1

2 reports forever.

3

4

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25

I still -- and I think Lisa agrees with me -- that while we are somewhat in favor of the grant program, we don't think the loan program makes a lot of sense. As we've said all along, there are other sources. Each one of these companies has a bank -- I assume they bank somewhere -- there are credit unions, there's the SBA and as we mentioned, I think last month, as one of the seminars or webinars that was put on after this was passed, Pat MacKrell, who runs New York Business Development Corporation, now known as Pursuit, said this is no more than a grant program disguised as a loan program with the falls expected to be extremely heavy.

So with that, I will open up to questions or further comment.

MR. TROTTA: Yeah, Fred.

Our conversation with regard to administering the loan on the back end, I had a preliminary conversation with the chairman of the board and you know, we're going to bring it up next Tuesday if this board moves

1

2

ahead and we have a full board meeting next

3

week, so depending on what happens today,

4

we'll be happy to do that and I think we'd be

5

in a good position to be able to make it easy

6

on the officers and to work with with regard

7

to this program.

8

I personally, you know and I expressed

9

this the last time, certainly the grant

10

program I'm in favor of and also the loan

11

program. I think that, you know, whatever we

12

as an IDA can do to help businesses in our

13

community and maybe we'll have very few apply

14

for it, but I think the fact that we're

15

putting it out there is a positive for us and

16

for the Town of Brookhaven. It gives us an

17

opportunity, first of all, to reach a segment

18

of the population in the business community

19

that this board would never come in contact

20

with because we're usually dealing with large

21

projects.

22

So I think it's -- you know, it's an

23

opportunity for government to kind of lend a

24

helping hand or at least put it out there and

25

if we're -- if somebody is in need and we're

1

2

able to help them, I think that's a positive

3

thing and positive for all of us that are

4

involved. It's bad out there right now and I

5

say I -- for example, I had a tenant that this

6

past week moved out, was in a yoga studio.

7

The yoga studio, he did not have the money to

8

put the filtration system that was required in

9

and the studio was small enough that he would

10

not, between the investment there and what he

11

would charge for classes, be able to continue,

12

so we had -- we let him out of his lease under

13

the circumstances, but that is probably a

14

typical person in retrospect that, you know,

15

might have benefited from such a program like

16

this. He's a small operation, there's nobody

17

that's really going to be able to help him to

18

do that and this would be a great help for

19

people like that. There are a lot of gyms and

20

yoga studios and small businesses that, you

21

know, could use this help, so I certainly am

22

in favor of both and think that it would be a

23

positive thing.

24

MR. BRAUN: Scott or Ann-Marie, neither

25

of you were at the meeting a month ago.

1

2

MR. MIDDLETON: Right.

3

4

So I took a look at the memo that you guys put together and thank you because I think it was pretty thorough.

5

6

7

8

9

10

11

12

13

So to the extent that the folks here that do all the heavy lifting -- and I'm talking about everybody outside of the board members -- think that we could administer the grant program, I would be in favor of that, but only if, you know, the office that supports that think that they can take on that extra workload.

14

15

16

17

18

19

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21

22

23

24

25

With respect to the loan program, I think it's beyond the scope of what we can handle and what we should handle, you know. What concerns me more than making the loans, you know, for instance, I mean Frank brings up a good point, using this yoga studio as an example, I don't know how big the facility was, but, you know, the air filtration system that gyms need, 2,400 or 2,500 square feet costs anywhere between a thousand and \$1,500. So if we're going to make a thousand or 1,500 or a 3,000 or a \$5,000 loan and there's a

1

2 default, I think that the need to go after the
3 folks and you know, commence litigation to
4 collect that money back or attempt to collect
5 that money back is going to be far too costly
6 and time consuming for the IDA.

7

8 So I really, I think that the loan
9 program is fraught with potential problems
10 that I don't think we should take on.

11

12 MR. POLLAKUSKY: What would the process
13 be, to back off of Scott, in terms of
14 collection if it came to that?

15

16 MR. BRAUN: Well, I'll give you my
17 interpretation of that and that is that, you
18 know, whether it's the IDA and its support
19 staff trying to figure out how to do this
20 administratively or we get a third party, they
21 would send out -- my guess is they would send
22 out monthly notices showing the borrower what
23 they owed and if there were any voluntary
24 payments during that period -- obviously
25 there's no interest rate on these, so there's
nothing to accrue that way -- and at the end
of the period, which is I guess a year and 60
days I think is what it is after the governor

1

2

decides, that the pandemic is over or 12/31 of

3

2021, we would send out or the third party

4

would send out a demand letter saying your

5

loan is due and payable and that letter would

6

say something along the lines failing to pay

7

that loan in full -- because it is due in

8

full -- the IDA would take all necessary legal

9

actions -- and we're required to by the

10

State -- to collect that money. If they

11

failed to pay that, then we would seek a

12

third-party legal firm to go after them.

13

MR. POLLAKUSKY: But administratively,

14

we're talking about a third party

15

administering this loan program, correct?

16

MR. BRAUN: Potentially, yes.

17

MR. POLLAKUSKY: Okay. And in terms of

18

the other IDA's that have adopted this loan

19

program, do you have any idea as to who

20

they're using or how they're administering?

21

MR. BRAUN: I know at least one IDA is

22

using a third party, which is Pursuit, which

23

is the trade name for NYBDC, to do the

24

up-front work, do litigation reports, UCC's

25

and all that kind of thing, at which time the

1

2

package would come back to the IDA for their

3

credit committee for a decision. Once the

4

credit committee decides, then it would be

5

teed up to the board for its decision.

6

MR. POLLAKUSKY: Okay.

7

What kind of heavy lifting is being

8

done, if any, by the IDA board or by the IDA

9

support staff for that particular IDA?

10

MR. BRAUN: I don't know who would

11

administer it after the decision has been made

12

in that case.

13

MR. WEIR: So --

14

MS. EADERESTO: Can I jump in here a

15

sec?

16

You know, we haven't started the grant

17

program, which we've all -- the board has all

18

agreed on. We have a situation now where

19

restaurants are under extreme duress. For

20

them to stay open with outdoor dining, they're

21

going to need igloos and vented heaters and

22

they could use this money and we're still

23

debating, debating, debating. Let's find a

24

way to help people because we're going to lose

25

all the businesses that support our projects.

1

2

MR. POLLAKUSKY: I agree, Annette.

3

That's why I think that this particular

4

program, grant and loan, I don't think we take

5

any help off the table. I think it's

6

important that our businesses have opportunity

7

like this and being that it is available

8

opportunity at this point if we make the

9

motion for it to be so, I'd like to support

10

that, so that's my own thing.

11

MR. TROTTA: Fred or Annette or

12

anybody, question:

13

Could it be structured that if the

14

business was, you know, stayed in business, I

15

mean obviously we keep on focusing on the

16

business going out and us being owed the

17

money; could it be structured if the business,

18

you know, continued for X number of years, I

19

don't know, five years, four years, three

20

years, whatever you want, that the loan then

21

turns into a grant and is forgiven; is that

22

possible, is that a possibility?

23

MR. WEIR: That is not allowed under

24

the special act that was adopted. Under the

25

law, the loan must be repaid within 14 months

1

2 after the end of the COVID emergency, so, you
3 know . . .

4 MS. EADERESTO: And the COVID emergency
5 is not going to end any time soon, we all
6 realize this, right, so --

7 MR. WEIR: It's the governor's order.

8 MS. EADERESTO: -- it's going to be 14
9 months maybe from sometime in late 2021, so
10 this is money these people can use now to try
11 to stay open.

12 MS. SCHEIDT: I'm speaking from the --
13 I'm cautious about the grant program, but it
14 appears to expose us -- obviously grants
15 aren't repaid, so it doesn't expose us to that
16 risk.

17 I approach the loan program from the
18 perspective of a small business lending
19 program the CDC ran for a number of years
20 under Bill Klatsky. We had three full-time
21 employees doing the back office underwriting,
22 loan management, loan servicing, all of that.

23 Frank, it's good to hear that you
24 would -- it sounds like your credit union
25 would be willing to initiate the underwriting

1

2 and provide information to the IDA. I'm not
3 sure whether you would continue to do the loan
4 servicing.

5 In any case, it was a bear of a
6 program, I think there were in total maybe 20
7 small business loans. The default rate was
8 higher than anyone was happy about. I would
9 not -- and that was when economic times were
10 good. I wouldn't want to apply that to the
11 current circumstances, we're talking about
12 helping companies -- helping businesses stay
13 alive. What happens if they don't?

14 One of those small businesses that did
15 default and failed to repay its loan was a
16 restaurant that was located in a very high
17 traffic area between Mineola and Garden City
18 and it failed in good times and maybe I'm
19 being overly cautious about that, but I am
20 very much concerned that Pat MacKrell is
21 correct and that initiating a loan program on
22 our part would be initiating a grant program
23 in disguise.

24 MR. POLLAKUSKY: I'd like to dovetail
25 off that, though, Ann-Marie.

1

2

3

4

5

6

7

8

9

10

I mean if there's ever a time that our businesses need help, it's not always necessarily in good economic times. In fact, I'd argue that they need more help in the situation we're in right now. I think that now is the time if we have that opportunity to be able to extend to our businesses, we should take that opportunity because they need the help.

11

12

13

14

15

MS. SCHEIDT: I appreciate that they need the help. It's just not clear to me that the kind of help that we can provide against this -- it seems to me we would be bailing the boat against its tsunami.

16

17

MR. TROTTA: I think that's part of the --

18

19

MR. GRUCCI: Can I add to the conversation for a moment?

20

21

22

23

24

25

MR. TROTTA: Yeah, I just want to just say that's part of what our -- I mean maybe not directly responsible, but economic development, you know, is what we're under and I think, you know, we do have somewhat of a responsibility under the worst of times to try

1

2

to help whoever we can. This is an

3

opportunity that comes along and yes, it's

4

going to be a pain in the neck, yes, it's

5

going to be more work, yes, we can sub it out

6

and try to minimize that there, but I think,

7

you know -- and I get it, just like any other

8

business decision, we have to look at the

9

positives and the negatives, but it seems like

10

we're just looking at the negatives and not

11

any of the positives and I think that's really

12

important.

13

If anybody on this board or staff are

14

out there, whether they're doing business with

15

people or they're in business and smelling the

16

flowers of what's going on, people are hurting

17

at the lowest level and you know, as we said,

18

restaurants and other kinds of things that

19

could help us help them as opposed to us

20

looking at oh, all these businesses that we

21

might be able to help are all going to go out

22

of business, that's really what we're saying.

23

That's quite a statement for an economic

24

development agency to say. I think we should

25

be more like how do we help them between the

1

2 loan and the grant program and minimize our
3 risk in the process of that.

4 MS. EADERESTO: If you put together
5 \$35,000, that might buy that filter that the
6 yoga studio needed.

7 MR. TROTTA: Right, you know, so . . .
8 I don't know.

9 MS. EADERESTO: Not five cents.

10 MR. TROTTA: I'm just giving you my two
11 cents as a small businessperson, not as
12 somebody --

13 MR. GRUCCI: If I could add to the
14 conversation, if I could add to the
15 conversation from a practical standpoint
16 first.

17 I understand that a loan repayment -- a
18 loan requires some repayment back, if not all
19 of it back, if they can't make the payments.
20 But if there was a grant program that offered
21 \$25,000 as a grant, we're all in favor of
22 giving that individual up to \$25,000 if that
23 program did exist. So my way of looking at
24 this is that there's a \$10,000 grant program
25 available. That's going to help a lot of

1

2 these little smaller operations find the money
3 to buy whatever it is that they need to buy to
4 conform to the stringent codes that they're
5 going to be now facing, especially if they're
6 in the food business as we go into the winter
7 months and they can't serve outside anymore.

8 MR. TROTTA: Even a catering hall.

9 MR. GRUCCI: In addition to that, you
10 know, we have -- in the IDA, we take
11 painstaking efforts to hold onto businesses,
12 we go that extra mile to offer inducements so
13 that businesses can stay here, retain
14 businesses, retain jobs, you know, retain the
15 opportunities here in Brookhaven. This
16 program is giving us the ability to do that.

17 My feeling is as such and I know that
18 there's legal grounds that we have to go after
19 people for money on a loan program, but if
20 they don't have the money to pay it and they
21 have to default and we happen to lose that
22 25,000, how is it any different than giving
23 out two five -- two \$10,000 grants and one
24 \$5,000 grant? To me it makes -- it's the
25 same. You know, the control that we would

1

2

have is how much do we want to stake the loan

3

program and how much do we want to stake the

4

grant program with to start it out and see how

5

they run. If they are running smoothly and we

6

are getting payments back and we are

7

getting -- seeing businesses survive and carry

8

on, I think it's a worthwhile endeavor for us

9

to be involved in that, you know.

10

I agree with what Frank said, we're an

11

IDA, our mission here is to create jobs and to

12

create opportunities for residents in the Town

13

of Brookhaven and to keep businesses alive.

14

This is a vehicle for us to be able to do

15

that.

16

If you're uncomfortable with the loan

17

program, you know, don't put so much money

18

into it to start it out, see how it works,

19

take one step at a time. But I think we

20

should do both and whenever the conversation

21

is right for it, I would be happy to make that

22

motion.

23

MR. BRAUN: Felix, I would like to

24

separate them and do separate votes.

25

I think last month we -- I don't know

1

2

if we took a formal vote, but we pretty much

3

agreed on the grant program with an initial

4

funding amount of \$50,000.

5

MR. CALLAHAN: Correct.

6

MR. BRAUN: And again, the way the

7

legislation works, it's grants up to \$10,000

8

per, it doesn't have to be ten, it can be

9

five, it can be whatever they come back to us

10

and show us receipts for what they bought

11

after we approved it. But I'd like to

12

separate it and have a vote on the grants,

13

which would be get our feet wet as somebody

14

suggested and allocate up to \$50,000 --

15

MR. TROTTA: Fred --

16

MR. BRAUN: -- and I would -- go ahead,

17

Frank.

18

MR. TROTTA: When you're done, Fred, I

19

have a question.

20

MR. BRAUN: And I would put that in the

21

form of a resolution.

22

MR. TROTTA: Question.

23

MR. BRAUN: Does somebody care to

24

second it?

25

MS. SCHEIDT: I second it, Fred.

1

2

MR. BRAUN: Thank you.

3

Go ahead, Frank.

4

MR. TROTTA: I support what you just

5

said.

6

The only thing I wanted to say was

7

\$50,000 or five \$10,000 grants or 20, you

8

know, \$5,000 grants or whatever it turns out

9

to be isn't a lot.

10

Is it possible to raise that amount up

11

even to 75,000 if we don't want to go to a

12

hundred and see what comes in; we can always

13

adjust things, you know, down or up

14

afterwards, but --

15

MR. BRAUN: I think I'd like to hold it

16

to 50. I mean we meet monthly, we'll get

17

reports on this on a monthly basis and if it's

18

going the way people hope it will go, yeah, we

19

can increase it.

20

MR. TROTTA: Okay.

21

MR. BRAUN: So is there a second to my

22

motion?

23

MR. TROTTA: Second.

24

MR. BRAUN: Thank you.

25

MS. SCHEIDT: I think you already had a

1

2

second.

3

MR. WEIR: Ann-Marie had seconded it.

4

MR. TROTTA: I'm sorry.

5

MR. BRAUN: Mr. Callahan?

6

MR. CALLAHAN: Yes.

7

MR. BRAUN: Mr. Grucci?

8

MR. GRUCCI: Yes.

9

MR. BRAUN: Mr. Middleton?

10

MR. MIDDLETON: Yes.

11

MR. BRAUN: Mr. Pollakusky?

12

MR. POLLAKUSKY: Yes.

13

MR. BRAUN: Ms. Scheidt?

14

MS. SCHEIDT: Yes.

15

MR. BRAUN: Mr. Trotta?

16

MR. TROTTA: Yes.

17

MR. BRAUN: Mr. Braun votes yes.

18

As to the loan program, I think . . .

19

I'm not even sure how to frame this, as to

20

whether -- we can start by saying whether or

21

not we should go into it at all and then

22

decide once that vote is taken, maybe a

23

separate vote on how much money we want to put

24

into the pot.

25

MR. POLLAKUSKY: Yes, I would like to

1

2

make that motion.

3

MR. TROTTA: I'll second it.

4

Oh, Butch, go ahead, you do it.

5

6

MR. GRUCCI: No, go ahead, Frank,
you're fine.

7

8

MR. BRAUN: Any questions before we
call a vote?

9

MR. TROTTA: Question:

10

11

12

13

As part of this vote, are we -- we're
talking about subbing it out, you know, the
administrative part; is that correct, that's
what I want to make sure --

14

15

MR. POLLAKUSKY: I would say that
should be part of the motion, yes.

16

17

18

19

20

21

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MR. BRAUN: It would be in two parts.
The first part would be probably for
Pursuit, NYBDC, to do a lot of the background
information with regard to litigation, UCC
searches and all of that. At that point, it
would come back to the credit committee that
we would establish. Once the credit committee
votes on it, it would be teed back up to the
board and then once the board votes on it, the
applicant would be so notified, money would

1

2 not change hands until the applicant brought
3 back into the IDA receipts showing that PPE's
4 or whatever else they were going to use under
5 this program had been purchased and the
6 reason, it was pretty well stated previously,
7 if we give the money out and looking for
8 receipts to follow, it's going to be very
9 difficult and there's no incentive for the
10 recipient of those monies to give us the
11 receipts. If we ask for the receipts up
12 front, you know, that's their meal ticket to
13 get the money.

14

So just to follow up on that
15 question -- and I'm losing battery here, so if
16 I fade out I'll go find somebody else's
17 iPad -- once the loan is disbursed, then we
18 would be looking for another third party to
19 administer their program, yes.

20

MR. GRUCCI: Fred, just a question.

21

22

23

24

If you're looking for receipts, that
means the individual would had to have laid
out the money already in order to get a
receipt.

25

Are you looking for a receipt or a

1

2

purchase order?

3

MR. BRAUN: A receipt.

4

5

MR. GRUCCI: But then they don't need us. If they can buy it, they don't need us.

6

7

8

MR. BRAUN: I suspect if we agree to give them \$25,000, they'll figure out a way to go get it.

9

10

MR. GRUCCI: I think that's a poison pill for the loan program.

11

12

13

MR. MIDDLETON: It's the way FEMA handles a lot of the disaster relief that they do.

14

15

16

17

18

So I'm general counsel to the Freeport Housing Authority and you have to spend the money and then get reimbursed. So it is an additional obstacle I agree, but it's not unheard of.

19

MS. EADERESTO: Well, that's --

20

21

MR. GRUCCI: In a lot of those cases, there is insurance monies that are there.

22

In this case --

23

24

25

MR. MIDDLETON: This has nothing to do with insurance money, it's administered through HUD and FEMA.

1

2

MR. GRUCCI: I understand that, but they might be able to buy the product through some form of an insurance claim and then repay the claim that way.

5

6

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All I'm saying is if somebody is looking for a loan of \$12,000 to put in some kind of a refurbishing system in their building, if they have the \$12,000, they're going to put it in. If they don't have the \$12,000, they're going to come to us and ask us for the money. If we want to see the purchase of that already, if we want to see the receipt, there's no way that they're going -- we put them in a downward spiral that they can never come out of.

17

MS. EADERESTO: Right.

18

19

20

21

22

23

There's another way to do it and we could just direct pay to the PPE companies. So they give us a purchase order as Felix suggested and the money doesn't get disbursed to the company, it gets disbursed directly to the PPE company.

24

25

MR. BRAUN: We can do that, that's not a bad idea.

1

2

MR. GRUCCI: Yes, I like that much
better.

3

4

MR. TROTTA: Yeah, that would be easier
on the merchant or the business.

5

6

MS. EADERESTO: I was putting on my old
bank attorney hat.

7

8

MS. MULLIGAN: What does that take
internally for us to do that, Annette; is that
an easy system to set up?

10

11

MS. EADERESTO: Of course.

12

MS. MULLIGAN: We're just paying --

13

MS. EADERESTO: You have a little
closing on the loan and there's a checklist or
a wire list and the borrower signs it and says
I am telling you to wire this to this company.

15

16

17

MS. MULLIGAN: Okay.

18

MS. EADERESTO: Listen, I'm good at
this, I can help you. I've done six or 700
bank closings.

20

21

MS. MULLIGAN: I have a whole Zoom call
of people who heard that. I am going to take
advantage of that.

22

23

24

MS. EADERESTO: Good. I will help you.
I want to save our businesses.

25

1

2

MR. GRUCCI: Gary, your motion is to do what?

3

4

MR. POLLAKUSKY: My motion is to accept the -- or actually have approved by the board the notion that we will have a loan program available as an opportunity for our businesses.

5

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If we're separating out whether we're using a third party to administer, that's fine with me, but we're essentially, you know, agreeing or disagreeing on the idea of offering loans through the IDA.

14

15

16

17

18

MR. CALLAHAN: I have a question.

Are there a lot more parameters that we have to go through as a board to say with the loans and the grants, how much money we're going to give?

19

20

MS. EADERESTO: You need a second on the motion first.

21

22

MR. CALLAHAN: I think we had a second before.

23

24

MR. POLLAKUSKY: We did have a second, Frank.

25

MS. EADERESTO: Okay. Gary just did

1

2

the motion. Okay.

3

4

MR. CALLAHAN: Who's going to come up with the parameters or what businesses qualify for a loan?

5

6

7

MS. EADERESTO: Fred said there was going to be a loan committee, correct, Fred?

8

9

10

11

MR. BRAUN: That's correct.

These companies also have to prove that they were a going concern before the COVID hit.

12

13

MR. TROTTA: Right.

14

15

MR. GRUCCI: So there is some safeguards in there to make sure that it's not a fly by night company.

16

17

MS. EADERESTO: A lot of the loan parameters are in the authorization, itself.

18

19

MR. WEIR: The IDA Act has loan parameters.

20

21

22

23

24

25

When Islip IDA adopted both a loan and grant program, they added some additional ones that they thought were appropriate for their Town, so you may and I believe I sent those, those resolutions that they adopted, to Lisa, she has them, she can share them with you if

1

2

want to develop those parameters beyond the statute and they actually developed those by looking at what some other IDA's had done as well as in consultation with Pursuit.

3

4

5

6

MR. GRUCCI: Do you know how much Islip has seeded their loan accounts with?

7

8

9

10

11

MR. WEIR: They did a total, I believe, of \$200,000 so -- for both the loan and the grant, so when it gets used up, that 200,000, whether it's loans or grants, it's gone.

12

13

14

15

16

17

They approved their program in August. Yesterday they approved, I think it was 12 grants, each one between five and \$7,000, nothing even close to ten, they had no -- I think they had one request for a loan and the company was not eligible, so . . .

18

19

MR. TROTTA: So this may work itself out in a sense.

20

21

22

MR. WEIR: So what they found was a lot of demands for grants, virtually no demand for loans.

23

24

25

MS. EADERESTO: Well, we need to publicize it if this gets voted in. We can't just say we're doing it and then not put out,

1

2

you know, some press on it.

3

MR. TROTТА: I would urge us --

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MR. WEIR: They put out press on it,

it's just, you know, people -- the companies

that wanted to do it, they, you know, felt

that the grant was better for them than the

loans. At least so far, they have one month

experience. I mean that could change, but --

MR. CALLAHAN: We're going to vote for

the loan --

MR. WEIR: -- how many grant requests

they got versus loan requests.

MR. BRAUN: The only other thing I

would add is that once, you know, after these

two bills pass, there were only 13 IDA's

around the State that had not been in the

program before that opted to go into the

program and that's as of a week and a half

ago.

MR. TROTТА: Fred, two things.

One, if Suffolk -- if Suffolk Federal,

you know, decides to discuss this, you know

and we all sat down and figured out what they

could better -- best do for us to make our

1

2

like easier on our end, there may be some

3

other things that we could add to their plate,

4

the officers' plate, so, you know, that's

5

something we could do before or afterwards and

6

the second thing is in publicizing this to get

7

it out to all the chamber of commerces and I

8

think we have a good network of chamber of

9

commerces that, you know, stuff goes out, so

10

that would be easy to do.

11

MR. CALLAHAN: Yeah, Jim sits on the

12

committee for that.

13

MR. TROTTA: Correct. That's what I

14

mean.

15

MR. TULLO: We've got constant contact,

16

so we have the ability to get the information

17

out there.

18

MR. POLLAKUSKY: I run a chamber of

19

commerce and I sit on the board with the BCCC,

20

so we'll get the information out.

21

MR. TROTTA: Yeah, good.

22

MR. BRAUN: If there are no further

23

comments, I'll call a vote.

24

Mr. Callahan?

25

MR. CALLAHAN: I have question one,

1

2

Fred.

3

MR. BRAUN: Sure.

4

5

MR. CALLAHAN: So we're going to vote for the loan program here.

6

7

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9

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11

12

When Bill said that some of the other IDA's put together a dollar amount between the two, are we voting to give the loans out today without a dollar amount or are we going to turn around and just say we're voting to give loans and then later we'll put a dollar amount or what our budget's going to be?

13

14

15

MR. BRAUN: We're voting whether or not to give loans and we can have a separate motion for a dollar amount.

16

17

So as to whether or not we create a loan program, Mr. Callahan?

18

19

MR. CALLAHAN: Once we get a dollar amount, I would say yes.

20

21

MR. BRAUN: Well, this is just on whether or not we're going to adopt it or not.

22

23

24

25

MR. CALLAHAN: Well, the way things are going, it seems like I'd be the only one to say no, so at this point, let's see how it goes, so yes.

1

2

MR. BRAUN: Mr. Grucci?

3

MR. GRUCCI: Yes.

4

MR. BRAUN: Mr. Middleton?

5

(No response.)

6

MR. BRAUN: Mr. Middleton, are you on?

7

Would you unmute or if somebody can --

8

MR. MIDDLETON: No.

9

MR. BRAUN: Mr. Pollakusky?

10

MR. POLLAKUSKY: Yes.

11

MR. BRAUN: Ms. Scheidt?

12

(No response.)

13

MR. BRAUN: Ann-Marie?

14

MS. SCHEIDT: Yes, only with the

15

proviso that payment would go directly to the

16

vendor and not to the borrower.

17

MR. BRAUN: I'm sorry, I didn't hear

18

that, was that yes?

19

MS. SCHEIDT: Yes, with a condition

20

that the payment would go only to the vendor

21

and not to the borrower.

22

MR. BRAUN: Mr. Trotta?

23

MR. TROTTA: Yes.

24

MR. BRAUN: Mr. Braun votes no.

25

So if I've got the count correct, it's

1

2

five in favor of the loan program and two

3

against.

4

All right. Next I will -- Bill, do you

5

want to say something?

6

MR. WEIR: Yeah. Just in response to

7

what Ann-Marie just said, the grant program

8

can only be used to either purchase PPE or

9

install fixtures to prevent COVID, so there

10

paying the vendor would make sense.

11

The loan agreement, there's no

12

restrictions on what they can use the money

13

for, so they could be using it to pay payroll,

14

they could be using it to pay -- buy

15

inventory, buy food if it's a restaurant, so

16

paying the vendor probably is not applicable

17

with the loan.

18

MS. SCHEIDT: I withdraw my yes vote

19

and turn it into a no vote.

20

MR. CALLAHAN: Same with me. No. I

21

change my vote as well if that's the case.

22

MS. EADERESTO: First of all, there's

23

no requirement by the loan program, but you

24

can require it.

25

In other words, the authorizing

1

2

resolution doesn't require it, but the board

3

can require payment directly to whatever

4

entity they're telling us they're going to use

5

this money for. We can put an extra layer on.

6

MR. BRAUN: As some IDA's have.

7

MR. GRUCCI: Bill, can we tell them

8

what it can't be used for?

9

MR. WEIR: Yeah.

10

MS. EADERESTO: Yes.

11

MR. WEIR: Resolutions that IDA -- that

12

Islip IDA adopted had a lot of (inaudible).

13

MS. EADERESTO: Somebody's got to mute.

14

MR. CALLAHAN: Someone's got a dog

15

going there.

16

MR. GRUCCI: That might be mine, he's

17

in the kitchen no less.

18

MR. WEIR: A lot of the restrictions

19

that they put on, you know, first for

20

borrowers, they said no chain restaurants, no

21

gas stations, no things like massage parlors,

22

strip joints, you know, video stores, none of

23

those. They also said in Islip it could not

24

be used to buy vehicles. There was a whole

25

list of things they couldn't buy.

1

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So Islip spent a lot of time coming up with additional criteria for who would be eligibly a borrower and things that could or could not be eligible for the loans.

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MR. POLLAKUSKY: And I think that's very important, I think we should absolutely do that, but a loan committee would put that together and right now we're just voting on whether or not --

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MR. WEIR: Yes. Loan committee could come up with those recommendations back to the board at the next meeting and say any loans would be subject to these conditions.

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MR. POLLAKUSKY: Right.

MR. BRAUN: I just want to go back through the vote again because I'm confused by a couple of comments.

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Mr. Callahan, how are you voting?

MR. CALLAHAN: I'm going to vote no.

MR. BRAUN: Mr. Grucci?

MR. GRUCCI: Yes.

MR. BRAUN: Mr. Middleton?

MR. MIDDLETON: No.

MR. BRAUN: Mr. Pollakusky?

1

2

MR. POLLAKUSKY: Yes.

3

MR. BRAUN: Ms. Scheidt?

4

(No response.)

5

MR. BRAUN: Ms. Scheidt?

6

MS. SCHEIDT: Sorry, unmute. No.

7

MR. BRAUN: Mr. Trotta?

8

MR. TROTТА: Yes.

9

MR. BRAUN: Mr. Braun votes no. So a

10

motion does not pass.

11

MR. TROTТА: That's unfortunate.

12

MR. GRUCCI: Yeah, it is unfortunate

13

because as I just understood that

14

conversation, is that if we put a loan program

15

together, the criteria for accepting that loan

16

would be created by the loan committee

17

established on the IDA and we have the ability

18

to eliminate things from being considered for

19

the loan.

20

Bill, can we consider not using it for

21

payroll?

22

MR. WEIR: You can put on -- it's your

23

money, you can put on whatever criteria you

24

want.

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MR. TROTТА: Right.

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(Inaudible.)

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MR. GRUCCI: Then what we're saying is in addition to the criteria that the enabling legislation created, the IDA can't lessen that, but they can make it more stringent so that we could put a criteria on there that it can't be used for the fast food restaurants, it can't be used for massage parlors, it can't be used for payroll, it could be used to improve the working conditions so that the business can stay open and continue to make its payroll.

So if I understood that correctly, what we just did is we just closed off \$25,000 to small businesses that will probably go by the boards during this winter. That's a shame.

MR. CALLAHAN: Why don't we just increase the grant money; instead of 50 grand, increase that amount?

MR. TROTTA: Fred, can I just -- I'm sorry, Marty.

MR. CALLAHAN: That's all right.

MR. TROTTA: Question:

Why can't we do it this way, it might

1

2

be in a little reverse situation, but maybe it

3

will make the board more comfortable, why

4

couldn't we form a loan committee who comes up

5

with criteria and brings the qualifications

6

and everything back to the board at the next

7

meeting and then you've got more information

8

and we can address some of these issues and

9

hopefully make people feel comfortable enough

10

to feel better about this in their vote?

11

MS. SCHEIDT: I'm always willing to

12

listen, Frank.

13

MR. CALLAHAN: Me, too.

14

MS. EADERESTO: Frank, are you making

15

that motion?

16

MR. TROTTA: I would love to make that

17

motion.

18

MR. POLLAKUSKY: I second that motion.

19

MR. BRAUN: All right. In that case --

20

well, before we take the vote, in that case,

21

who are you suggesting, a three -- I'm

22

suggesting three people, but three-person

23

credit committee to look at this?

24

MR. TROTTA: I'd be happy to serve.

25

MR. POLLAKUSKY: I'd be happy as well.

1

2

MR. GRUCCI: I would, too, if you need
a third person, but you're already on it,

3

4

though, right, Fred, so it's you and three

5

others?

6

7

MR. BRAUN: No. I could be ex officio,
I could sit in, yes.

8

9

MR. TROTTA: So why don't we do the
three of us and Fred as ex officio, you have

10

four people?

11

12

MR. BRAUN: I don't think you need it
in the form of a motion, but if you want to do

13

that and bring it back --

14

15

MS. EADERESTO: You're forming a
committee, you would need a motion on that,

16

Fred.

17

MR. BRAUN: Okay.

18

19

MS. EADERESTO: There has been a
second, you just need the vote.

20

21

MR. TROTTA: Okay. So I would make
Gary, myself and Felix as the committee and

22

we're going to (inaudible) and we will bring

23

back a report to the board (inaudible).

24

25

MR. BRAUN: I think you need to --
Bill, I defer to you, but if a committee

1

2

meets, don't they have to have a public notice

3

of that?

4

MR. WEIR: That's right. The committee

5

(inaudible).

6

MR. CALLAHAN: What's that background

7

noise?

8

MR. TROTTA: Somebody's talking.

9

MR. CALLAHAN: I know. The whole . . .

10

MR. TROTTA: They don't even sound like

11

they're part of our meeting.

12

MR. GRUCCI: I apologize. I'm sharing

13

an office space right now. I'll mute my mike.

14

MR. BRAUN: Frank, all I was saying and

15

Bill confirmed that as a committee, if you

16

meet as a committee, you've got to have a

17

public notice for that, not unlike our

18

government, you know and all the other

19

committees we have.

20

MR. WEIR: That is correct.

21

MR. TROTTA: If that's what we need to

22

do, that's what we need to do then.

23

MR. BRAUN: Okay.

24

MR. TROTTA: Can we do it on Zoom, yes?

25

MR. BRAUN: Sure.

1

2

MR. TROTTA: Okay.

3

MS. EADERESTO: Of course you can.

4

5

MS. MULLIGAN: Can I just make sure, because there was a lot of noise, I just want

6

to make sure that was Frank, Gary and Felix

7

with Fred ex officio?

8

MR. TROTTA: Correct.

9

MS. MULLIGAN: Okay. Thank you.

10

MS. EADERESTO: You still need the

11

vote; could you vote?

12

MR. TROTTA: No.

13

MR. BRAUN: Mr. Callahan?

14

MR. CALLAHAN: Yes. I would vote yes.

15

MR. BRAUN: Mr. Grucci?

16

MR. GRUCCI: Yes.

17

MR. BRAUN: Mr. Middleton?

18

MR. MIDDLETON: Yes.

19

MR. BRAUN: Mr. Pollakusky?

20

MR. POLLAKUSKY: Yes.

21

MR. BRAUN: Ms. Scheidt?

22

MS. SCHEIDT: Yes.

23

MR. BRAUN: Mr. Trotta?

24

MR. TROTTA: Yes.

25

MR. BRAUN: Mr. Braun votes yes.

1

2

MR. WEIR: We have a loan committee.

3

MR. CALLAHAN: Now I have a question.

4

5

So now that we said we're going to be doing grants, what's the next process moving forward after today's meeting with the grants?

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MS. MULLIGAN: Unless Bill tells me otherwise, I think that we're all set and now it's internal, we're going to get the application, we already spoke to our web design guys, they said they can get everything electronically. We have an application, it needs a couple of little tweaks, but for the most part it's ready and then we can just start announcing it.

16

17

MR. CALLAHAN: So I have another question.

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So from last month's meeting, remember I was talking about it may get some people upset because of the way we're going to pick and choose who gets the grants because there are a lot of businesses within the Town of Brookhaven that we are trying to help, so what would make somebody qualify for a grant and make somebody else not qualify for our grant?

1

2

MS. MULLIGAN: So what we discussed at the last meeting was that we will have a deadline.

4

5

MR. CALLAHAN: Okay.

6

7

MS. MULLIGAN: So, I don't know, let's give ourselves October 1st, I don't know if that's going to make sense, but let's just say October 1st for conversation sake and all applications will need to be in by October 1st and then all of those applications will be looked at as a -- in a group, not first come first serve. They'll be tracked in the order that they come in, so it will be first come first serve in that regard.

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MR. CALLAHAN: But they're going to know that, correct, up front before the application?

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MR. TROTTA: I don't think --

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2

personally I don't like a raffle kind of thing

3

for something like this. We're trying to help

4

businesses. If we need to put more money in

5

and we can put more money in, that would be

6

the answer to the problem.

7

MS. EADERESTO: Right.

8

(Inaudible.)

9

MR. CALLAHAN: And then also, you still

10

have to (inaudible) how they're going to get

11

the money from us and who qualifies and who

12

doesn't qualify.

13

MS. MULLIGAN: Frank, the raffle

14

doesn't preclude us from adding more money.

15

We could do the raffle, it's possible that

16

every application that we get in, we'll have

17

money left over, but if we went through and

18

hit the first ten and ran out of money, I

19

don't even know if that makes sense, but we

20

could then come back and add more money to it

21

and just continue the raffle process. The

22

raffle came up at our last meeting as a way to

23

prevent any view that there was -- what was

24

that, Marty?

25

MR. CALLAHAN: Improprieties.

1

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MS. MULLIGAN: Yes.

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MS. EADERESTO: Lisa, can I suggest something?

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Why don't you make the cut-off date after our next meeting, so -- or right before, let's say right before, but before you award anything and then you could see the response and you could come back to the board and say look, we reviewed these, like make it the Friday before, look, we reviewed all these applications, there's a lot of good ones here, do you want to put any more money in before you start choosing anybody, before we get into the detail of it and -- because if there's a lot of really good applicants, the board may want to add to the grant and that may also affect their decision on the loan.

19

20

MS. MULLIGAN: Okay. So then we could say October 15th, that gives us a few --

21

22

MS. EADERESTO: Yes. Whatever the few days is before our next meeting.

23

24

25

Then go back to the board and have more of their input on how these grants should be awarded.

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MS. SCHEIDT: A cautionary note from the experience of CDC, which has managed a number of lotteries for itself and for Smithtown, a town for which it manages HUD programs.

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Those programs always have multiples of the number of applicants over the number of spaces that are available. Almost everybody meets the eligibility requirements and looks good and the lottery was arrived at by CDC and by many, many other agencies across the country that manage those programs as the fairest way to distribute a scarce resource among a lot of deserving people.

16

17

18

19

It may not be possible for us to put in enough money to the grant program to support every single applicant who really looks deserving, so --

20

21

MS. EADERESTO: Yes. That's for the board to decide at the next meeting.

22

23

24

25

MS. SCHEIDT: -- between this month and next month, we will need to think carefully about the best, fairest and overtly fairest way to distribute a scarce resource.

1

2

MR. BRAUN: I think the lottery also prevents, you know, a long-lost cousin of the Supervisor from getting a grant and Newsday, you know, showing it up two weeks later.

5

6

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12

Annette, to your point, I'd like to go a little further, maybe November 1st or so because it's going to take a little while to get the word out. I think if we try and limit it to the next three or four weeks before the October meeting, it's cutting it a little short.

13

14

15

MS. EADERESTO: Yeah, but there comes a point that if we keep delaying this, the money's going to be --

16

17

MR. BRAUN: No, I'm not trying to delay it.

18

19

20

21

MS. EADERESTO: No, I know you're not, but if we keep putting it out and putting it out and putting it out, these businesses need it now.

22

23

24

MS. MULLIGAN: Why don't we do October 15th as the deadline and then we can always extend it or say round two?

25

MS. EADERESTO: Right.

1

2

MR. WEIR: Right.

3

4

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9

The only thing I might recommend is if the loan committee comes up with restrictions on the loan, either for who's eligible or for things that are not -- you know, entities that were not eligible for loans, you may want to consider that for grants as well as part of your review.

10

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MR. GRUCCI: I was going to suggest that, also, that and I'm not looking for any more work, believe me, but perhaps the loan committee in its creation of the criteria would take a look and see if it's applicable to the grant program and my feeling is the grant program and I'm not sure how to measure this yet, but it ought to be given out in the context of need versus a lottery or first come first serve, you know. There are some businesses that need it more than other businesses.

22

23

MR. BRAUN: That's going to be very subjective.

24

25

MR. GRUCCI: I understand that and like I said, I don't know what the criteria is to

1

2

evaluate that, but the -- but my sense is that

3

if we could find a way, that would be a better

4

way to do it.

5

MR. BRAUN: If no one objects, we'll

6

rename the loan committee the loan and grant

7

committee.

8

MR. WEIR: Good idea.

9

MR. TROTTA: Sounds good.

10

MS. MULLIGAN: Okay.

11

So then the loan and grant committee

12

needs to meet very soon, so I'll send an email

13

after this meeting and get a date together for

14

the committee members.

15

MR. GRUCCI: Can we also -- I'm sorry,

16

I didn't mean to interrupt you --

17

MS. EADERESTO: Probably have counsel

18

there, too.

19

MR. GRUCCI: -- but can we get a copy,

20

is it possible for us to get a copy of what

21

other IDA's are using as criteria for their

22

loan and grant programs?

23

I heard Islip's; is there others that

24

we might be able to look at?

25

MR. WEIR: We'll see what we can get

1

2

for you.

3

MR. GRUCCI: Thanks, Bill.

4

5

MR. BRAUN: Felix, I think there are only two on Long Island that are doing it.

6

7

8

MR. WEIR: Babylon's the only other one. Hempstead is going to consider it next week.

9

MS. EADERESTO: Yeah, okay.

10

Did you say Islip, Bill?

11

MS. MULLIGAN: Islip and Babylon.

12

13

14

MR. WEIR: Islip adopted the grant and loan program back in August and I think Babylon also did it in August.

15

16

MR. BRAUN: Interestingly enough, Suffolk has said no to date.

17

Lisa, do you have anything else?

18

19

20

21

22

23

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25

MS. MULLIGAN: I just want to say I think we need to have the process set up in advance of sending out the grant application because I don't think it's fair to applicants to say get it in by this deadline and then we're going to figure out how we're going dealing with it, if we're going to do the raffle or we're going to do it first come

1

2 first serve, I think all of those things are
3 important for the --

4 MS. EADERESTO: Lisa, I served on the
5 micro grant committee at the Town where we
6 gave out \$10,000 grants with Community
7 Development money.

8 MS. MULLIGAN: Yes.

9 MS. EADERESTO: So why don't you come
10 up and see me, tomorrow's good, tomorrow or --
11 I can't do it today, tomorrow, we'll fit
12 something in and I'll give you some of the
13 guidelines, if you could bring the
14 authorization for -- you know, that allows us
15 to do this, we could go through it quickly and
16 then maybe have a quick meeting with the
17 loan/grant committee by Zoom on Monday or
18 Friday and get the ball rolling?

19 MS. MULLIGAN: Annette, I actually
20 worked with Alison and Marie setting up all of
21 those, so I got that end of it. As long as
22 everybody's good -- I just want to make sure
23 we're all on the same page because we talked
24 about a raffle --

25 MS. EADERESTO: We had a micro grant

1

2

committee and we had the certain standards of what you had to bring in, your tax returns.

3

4

If you're following that, that was already all

5

set up and it was pursuant to federal

6

guidelines.

7

MR. TULLO: I hope the numbers that

8

come in aren't like they were on the micro

9

grant committee.

10

MS. EADERESTO: Yeah, Jimmy was on it

11

with me.

12

MR. TULLO: Yeah. They were -- we put

13

out -- we had enough money for about 70 and I

14

think we got 170 applications.

15

MS. EADERESTO: But in the end of the

16

day we helped a lot of people.

17

MR. POLLAKUSKY: I think that's great,

18

yeah.

19

MS. MULLIGAN: So I just want to make

20

sure, is the board good with us sort of

21

figuring this out; with the loan committee,

22

loan/grant committee, we're going to get that

23

together quickly and we'll get it turned

24

around?

25

MR. CALLAHAN: Yes, that's fine.

1

2

MS. MULLIGAN: Okay.

3

4

MS. EADERESTO: And we can keep in
contact with the board.

5

(Inaudible.)

6

7

MR. GRUCCI: Of course it's got to go
back to the board for final ratification.

8

9

MS. MULLIGAN: No, Felix, I don't think
that's going to work because that means that

10

it's going to happen --

11

MR. CALLAHAN: It's for the grant.

12

MS. MULLIGAN: -- not until October.

13

14

For the grant, we're going to have to
get --

15

MR. GRUCCI: How can the loan --

16

(Inaudible.)

17

18

MR. WEIR: The way I understood your
resolution, you've delegated to the loan and

19

grant committee the power to make the

20

parameters.

21

MR. CALLAHAN: I thought it was

22

parameters for the loan, not the grant.

23

MS. EADERESTO: Yeah.

24

Well, the loan, you haven't authorized

25

any money yet, so it has to come back to the

1

2

board to even do the loan, so the only thing

3

that can go forward are the grants --

4

MR. CALLAHAN: Right.

5

MS. EADERESTO: -- and we'll have all

6

the applications in, but we won't award any

7

until we talk to the board at the next

8

meeting.

9

MR. CALLAHAN: That sounds good,

10

Annette. That's what we should do. We should

11

stick to the grant.

12

MR. TROTTA: If I'm correct, I think

13

you asked us to come up with some guidelines

14

to bring back to the board, which is --

15

correct?

16

MS. EADERESTO: Yes. For the loan.

17

(Inaudible.)

18

MR. TROTTA: Yes, for the loan.

19

So there's two charges, one's the grant

20

and one's the loan.

21

MR. BRAUN: Lisa, you want to add

22

something?

23

MS. MULLIGAN: Everybody's kind of

24

talking over each other and I know that it's

25

going to fall on my plate to figure this out,

1

2 so I want to make sure I understand and I'm a
3 little bit confused right now.

4 MS. EADERESTO: We're going forward --
5 let me try to sum it up.

6 MS. MULLIGAN: Thank you, Annette.

7 MS. EADERESTO: We're going forward
8 with the grants based on your guidelines that
9 you've worked out with Marie and Alison
10 pursuant to what we did with the micro grants
11 in Housing. That we're going to have a
12 deadline, a few days before the next --
13 October IDA meeting. We're not going to award
14 any of them, we're just going to have a
15 deadline, see what comes in. Then we're going
16 to brief the board, tell them what our
17 criteria are and how we would like to award
18 them. They'll be awarded after the next IDA
19 meeting.

20 As far as the loans, the committee's
21 going to meet and try to look at like Islip's
22 and maybe Babylon's criteria for loans and
23 we're going to report to the board at the next
24 meeting.

25 Did I get anything wrong?

1

2

MR. CALLAHAN: Sounds good, Annette.

3

MS. EADERESTO: Okay.

4

MS. MULLIGAN: Thank you.

5

MS. EADERESTO: And I have to go.

6

Bye everybody.

7

MS. MULLIGAN: Annette, Annette, I need
you, you can't go.

9

MS. EADERESTO: Why?

10

MS. MULLIGAN: The next -- we have --
there's an article, a couple of articles in
our packets, but --

13

MS. EADERESTO: Which --

14

MS. MULLIGAN: We're going to go into
executive session --

16

MS. EADERESTO: Can I call in because I
have an appointment?

18

MS. MULLIGAN: Yeah. We're all going
to hang up, Annette, go back in and call in.

20

MS. EADERESTO: Okay.

21

So there's a call number?

22

MS. MULLIGAN: Yes.

23

MS. EADERESTO: Can you just text it to
me, Lisa, can you text it to me so I can just
hit it?

25

1

2

MS. MULLIGAN: All right, sure.

3

4

MS. EADERESTO: I'll see you guys
later.

5

MR. TROTTA: Take care.

6

MR. CALLAHAN: What are we doing?

7

8

MS. MULLIGAN: I'm going to explain
everything.

9

Joce, will you send Annette a text?

10

MS. EADERESTO: Thank you.

11

MS. MULLIGAN: Okay, thank you.

12

13

14

15

16

17

18

19

20

So just so everyone knows, there's two
articles in your packets. I just wanted to
bring this project to your attention, they did
not come through the IDA, but it's something
that you might want to be aware of, they did
come through economic development and we
helped them in their process, so that's why
those two articles are in the package, just so
there was no confusion for anyone.

21

22

23

And now we need to go into executive
session, so I just -- Bill, what's the best
way to do this, I know we're going --

24

25

MR. WEIR: Just state on the record
we're going into executive session to talk

1

2 about a potential contract or real estate
3 transaction that might impact personnel.

4

5 So at this point -- so Joce should keep
6 this line open and should, in case anybody
7 joins the Zoom call, she can tell them that
8 the board has gone to executive session.

8

9 We ask all the board members to hang
10 up, except for Joce, to hang up from -- or
11 Amy, somebody, it doesn't matter who, somebody
12 from the IDA has to stay on Zoom -- all the
13 board members and Lisa should leave this
14 meeting, call the number that Joce sent to you
15 earlier today to go into executive session and
16 then you need to come back to this Zoom
17 meeting, adjourn the meeting or take any
18 action following executive session.

18

19 MR. CALLAHAN: I don't think I got
20 something from Joce to join another meeting.

20

21 MR. POLLAKUSKY: You want me to put
22 that in the chat for you, Marty?

22

(Inaudible.)

23

24 MR. WEIR: If you put it in the chat,
25 it's public record, anybody viewing it. It's
in the email that Joce sent with the IDA

1

2

package.

3

MR. CALLAHAN: I have that and I

4

don't --

5

MR. TROTTA: I have it, too.

6

MR. CALLAHAN: Oh, I'm sorry, guys, I

7

got it. 712. Okay.

8

MR. WEIR: Okay.

9

MR. TROTTA: I don't see it; what am I

10

doing?

11

MR. CALLAHAN: It's on the email that

12

she sent at 10:08 a.m.

13

MS. LINSE: I'll resend it if that

14

makes it easier.

15

MR. WEIR: Just send the number.

16

MR. TROTTA: I don't see a telephone

17

number; is that what I'm looking for?

18

(Inaudible.)

19

MR. GRUCCI: Joce, if you could just

20

resend it to everybody.

21

(Inaudible.)

22

MS. MULLIGAN: She's sending it right

23

now.

24

MR. CALLAHAN: Say goodbye and call the

25

number. Okay, see you.

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MR. TROTTA: Bye.

3

(Short recess taken.)

4

(Peter Curry joined.)

5

MS. LINSE: Peter, can you hear me?

6

(No response.)

7

MS. LINSE: Peter, can you hear me?

8

MR. CURRY: I can.

9

10

MS. LINSE: Hi. They just went into executive session, they should be back

11

shortly.

12

13

MR. CURRY: Sure. I was just checking

to see if the HSRE-EB Holtsville motion was

14

approved.

15

(No response.)

16

17

MR. CURRY: Is the authorization for the extra --

18

19

MS. LINSE: EB Holtsville, yes, that passed.

20

21

MR. CURRY: That passed. All right, that's all I needed to know. Thank you very

22

much. Bye-bye.

23

MS. LINSE: Bye-bye.

24

(Short recess taken.)

25

MS. MULLIGAN: So we're back from

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executive session.

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No action was taken during executive session. Ann-Marie made the motion to leave the executive session, it was seconded by Marty and I believe the only thing we have to do is close the IDA board meeting, so do we have a motion?

9

MR. POLLAKUSKY: So moved.

10

MR. BRAUN: Second?

11

MR. CALLAHAN: Second.

12

13

MR. BRAUN: Mr. Callahan, how do you vote?

14

MR. CALLAHAN: To close the meeting.

15

MR. BRAUN: Mr. Grucci?

16

MR. GRUCCI: Yes, to close.

17

MR. CALLAHAN: Oh, yeah.

18

MR. BRAUN: Mr. Pollakusky?

19

MR. POLLAKUSKY: Yes.

20

MR. BRAUN: Mr. Trotta?

21

MR. TROTTA: Yes.

22

23

MR. BRAUN: Ms. Scheidt, are you still there?

24

MS. SCHEIDT: Yes, to close.

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MR. BRAUN: And Mr. Braun votes yes and

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have a happy afternoon for everybody.

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I, JOANN O'LOUGHLIN, a Notary Public

11

for and within the State of New York, do hereby

12

certify that the above is a correct transcription

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of my stenographic notes.

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JOANN O'LOUGHLIN

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