

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

SEPTEMBER 21, 2016

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

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Assistant
Terri Alkon, Assistant
Todd Shapiro, Todd Shapiro Associates
Alan Wax, Wax Words, Inc.
Barry Carrigan, Nixon Peabody, LLP (at 8:58 A.M.)

Chairman Braun opened the meeting at 8:28 A.M. on Wednesday, September 21, 2016 in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MEETING MINUTES OF AUGUST 17, 2016

The Minutes of August 17, 2016 were previously sent to the Members for their review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for August 31, 2016. Slight changes have been made to these statements to make them more user-friendly. Ms. LaPonte noted that FDIC coverage protects \$250,000 per taxpayer ID number per account. Collateral Agreements are also

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in place for our accounts; the Greco account offers only Securities Investor Protection Corporation coverage. A check was not deposited by Sachem Public Library from the PILOT account earlier in the year; a new check will be issued. Mr. Grucci inquired if it would be appropriate to transfer the IDA's funds from the PILOT account to the checking account; it was suggested that at least a small amount be left in the PILOT account in case a check is returned. Ms. LaPonte thinks it is a good internal control to not add her to the bank accounts as an authorized signer as she is the person reconciling the accounts.

The motion to accept the Operating Statement for August was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

BUDGET

Ms. LaPonte presented the proposed 2017 budget to the Board. Projects that are expected to close in 2017 are listed. Ms. Mulligan noted that this is a very conservative estimate. This proposed budget shows a deficit but there are considerable net assets available to absorb any deficits. Some things were not included in prior budgets that should have been. Funds for website and database expenses are included for 2017. The revenue line will be adjusted based on an average of the last three year's income. The budget is expected to reflect a break-even status.

The motion to approve the proposed budget for 2017 was made by Mr. Grucci and seconded by Mr. Pollakusky. All were in favor.

PRESENTATION – TODD SHAPIRO ASSOCIATES

Mr. Shapiro informed the Board that Ms. Mulligan was chosen as one of the Top 50 Women in Business on Long Island. Press releases on Four Keys and Ms. LaPonte's appointment have gone out; releases on a few other projects are on hold until they close. Mr. Shapiro detailed the media placement of some of our recent announcements. Our Facebook page has received 400 "likes". Mr. Shapiro added he will be meeting with Mr. Pollakusky next week regarding social media. A bus tour of our projects was discussed; Mr. Pollakusky suggested that video be taken of the tour.

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The CEO Breakfast being held on October 27th will be advertised in Long Island Business News. The invitation to this event, as well as the Expo on October 18th will be sent to the Members. Mr. Pollakusky inquired about the contact lists that Mr. Shapiro uses to market these events and requested the analytics of the list at the next meeting to see how it is growing. There is a tradeshow coming up in Queens; the Brookhaven IDA may be marketed at this event. Mr. Braun would like to identify the larger companies in the Town that we don't currently do business with.

GREENWOOD – ACE HOLTSVILLE

Both American Capital Energy (ACE) projects closed in August but the financing piece was not ready at the time. Greenwood Energy Holdings, LLC / Greenwood Energy Solar Holdings 4, LLC is the new equity arm for this project. Mr. Weir informed the Board that Greenwood is expected to come back next month for approval for federal tax credit investors, as well as four to six more projects. This resolution passes the benefits from ACE Holtsville to Greenwood Holtsville for the solar project at the Holtsville Ecology site. A public hearing was held with no comment.

The motion to accept the application for Greenwood Holtsville was made by Mr. Grucci and seconded by Mr. Pollakusky. All were in favor.

The motion to approve the resolution transferring benefits from ACE Holtsville to Greenwood Holtsville was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

GREENWOOD – ACE MANORVILLE

This resolution passes the benefits approved for ACE Manorville for the solar project at the compost facility in Manorville to Greenwood Manorville. A public hearing was held with no comment.

The motion to accept the application for Greenwood Manorville was made by Mr. Grucci, seconded by Mr. Kelly and unanimously approved.

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The motion to approve the resolution transferring benefits from ACE Manorville to Greenwood Manorville was made by Mr. Grucci and seconded by Mr. Pollakusky. All were in favor.

YAPHANK AVR BOULEVARD CHELSEA, LLC – APPLICATION

Ms. Mulligan presented the application for Yaphank AVR Boulevard Chelsea, LLC, a proposed additional facility at the Meadows at Yaphank site. This would be considered a stand-alone project, not a second phase. The apartments, clubhouse and pools at Meadows are completed. This project is an assisted living facility that would include 77 beds in a Special Needs Unit, 41 beds in a Supportive Care Unit and would be adjacent to the apartments. The estimated cost for this project is \$27 million dollars and they expect to create 60 permanent jobs as well as 125 construction jobs. This project would be a partnership between AVR Realty and Chelsea; Chelsea would operate the assisted living facility.

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

UNITED RENTALS – UPDATED APPLICATION

This application was already accepted but due to a change in project location the application was re-submitted in the new version. The project location is now on Orchard Road in East Patchogue. This would be a distribution center for their smaller stores on the East Coast. This is an 11-acre site zoned L-1 that the Town is happy to see cleaned up.

The motion to accept the amended application was made by Mr. Grucci and seconded by Mr. Pollakusky. All were in favor.

CEO'S REPORT

Auditing Services

Ms. Mulligan provided the Members a quote of \$20,000 from Albrecht, Viggiano, Zureck & Company, P.C. (AVZ) to provide annual auditing services. This amount would increase 2% next year. An additional quote of \$5,000 annually was provided for processing payroll taxes.

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Additional quotes were sought for payroll taxes: ADP at a cost of \$2,230 annually and Jones Little at a cost of \$1,100 per year. It was noted the Jones Little office involved would not be the office Ms. LaPonte works from, and there is no conflict of interest.

The motion to approve retaining AVZ for auditing services was made by Mr. Grucci, seconded by Mr. Pollakusky and unanimously approved.

The motion to approve retaining Jones Little to provide payroll tax services was made by Mr. Grucci and seconded by Mr. Callahan. All were in favor.

CMD Woodworking / Island Trimmers

Ms. Mulligan reminded the Board that this project closed a few years ago. CMD recently changed their name to Island Trimmers and changed ownership in the company from the husband to the wife. CMD was technically in default since there was no agreement between Island Trimmers and the IDA. This resolution allows Island Trimmers to take over the CMD Woodworking project. An administrative fee will be charged for this consent to change in ownership as well as executing the required Tenant Agency Compliance Agreement and Sublease Agreement.

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

Ms. Scheidt excused herself from the meeting at 9:20 A.M.

Website

Ms. Mulligan presented a proposal from CyberNet to provide website services. There would be a one-time \$4,000 fee to re-design the website and a set fee of \$500 a month for maintenance.

Mr. Middleton excused himself from the meeting at 9:25 A.M.

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Mr. Grucci made a motion to approve retaining CyberNet to provide website services which was seconded by Mr. Callahan. All were in favor.

Brookhaven Memorial Hospital

Mr. Braun noted that both he and Mr. Grucci serve on the Board of Trustees at Brookhaven Memorial Hospital (BMH). BMH has been negotiating with Suffolk County for almost a year about acquiring the closed John J. Foley Skilled Nursing Facility in Yaphank. BMH would occupy the first floor; floors 2 through 5 would be rented out. One or two of the tenants would be for-profit entities, possibly drug and alcohol rehabilitation and assisted living services.

Renovations to the Foley building are anticipated to take approximately 18 months and cost an estimated \$20 million dollars. Mr. Weir added that a PILOT Agreement would be needed for any tenants as well as a sales tax exemption; the hospital has its own sales tax exemption. Mr. Braun noted that money has been allocated to expand the bridge on Hospital Road which has needed to be done for many years. Once an application is received, staff may publish the public hearing notice prior to the next Board meeting. Mr. Braun and Mr. Grucci will abstain from any further discussions and voting on this project.

Legislative Update

Mr. Weir stated that the Governor's budget bill includes a provision that IDAs can not exempt the MTA portion of the mortgage recording tax. This will reduce the mortgage recording tax that can be exempt from 1.05% to .80%. Ms. Mulligan stated that incoming projects have been alerted that this could occur. This change will take effect as of July 1, 2017 as it currently stands.

The motion to close the IDA meeting at 9:37 A.M. was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

The next IDA meeting is scheduled for Wednesday, October 19, 2016 at 12:00 P.M.