

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

AUGUST 15, 2018

MEMBERS PRESENT: Frederick C. Braun, III
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
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP
Terri Alkon, Administrative Assistant
Jocelyn Linse, Executive Assistant
Alan Wax, Wax Words, Inc.
Brian Finnegan, Todd Shapiro Associates, Inc.
Maria Schneider, Local 290
Joseph Naccarelli, Local 290
John Bianco, Local 290
Bill Curtin, Local 290
Andrew DiGiacomo, Local 290
Dennis F. Wolf, Local 290
Eric Crescenzo, Local 290
Jim Edwards, Local 290
Dave Easton, Local 290
George Salzman, Local 290
Bryan Wannermeyer, Local 290
Charles Badagliacca, Local 290
Jean Burke, Local 290
Robert Bohem, Local 290
Al Silvestri, Local 290
Michael Pelliccione, Local 290
Bob French, Local 290
John Raymond, Local 290
Paulo DaSilva, Local 290
Micheal Perrone, Local 290
John O'Brien, Local 290

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Joe DiPrima, Local 290
Gary Boss, Local 290
Tom Ferms, Local 290

Chairman Braun opened the meeting at 8:03 A.M. on Wednesday, August 15, 2018 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 JULY 11, 2018

The Minutes of July 11, 2018 were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Mr. Callahan. All were in favor.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for July 31, 2018. Annual insurance premiums were paid, and a closing fee for the Vistas of Port Jefferson project was received. The regular expenditures were noted along with a payment to sponsor the Long Island Business Development Council conference next month. All PILOTS have been collected and disbursed. All payroll taxes, retirement and deferred compensation payments have been paid in full.

The Investment Policy is being updated to list the different types of collateral that Empire Bank is now offering; a finalized draft is expected for the September meeting.

The motion to accept the Operating Statement for July was made by Mr. Grucci, seconded by Mr. Kelly and unanimously approved.

FRAMERICA / SUNATION – RESOLUTION

Ms. Mulligan presented the resolution to amend the PILOT for FramERICA to include solar panels, authorize SuNation (the solar panel provider) as a subtenant and allow re-financing of their existing mortgage. Mr. Weir explained that the installation of solar panels on the roof will increase PILOT payments until the agreement expires in 2025-

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2026. There will be two separate PILOT schedules, one for the building and one for the solar panels. A Tenant Agency Compliance Agreement is also required from SuNation. FramERICA is re-financing their mortgage and increasing it by up to \$2 million over the existing mortgage.

The motion to approve amending the PILOT Agreement, approving SuNation as a tenant and approving the mortgage re-financing was made by Mr. Grucci and seconded by Ms. Scheidt. All voted in favor.

SELDEN COMMERCIAL – RESOLUTION APPROVING SUBTENANT

Selden Commercial has submitted a subtenant application for Ovalle Martial Arts Academy to occupy the space in their building that was formerly used by CrossFit.

The motion to approve Ovalle Martial Arts Academy as a subtenant was made by Mr. Grucci, seconded by Mr. Kelly and unanimously approved.

SELDEN COMMERCIAL – RE-FINANCE

This project is looking to re-finance their building to receive \$7 million. There is a \$200,000 outstanding mortgage currently against a commitment of \$2,999,999. Permission is all that is needed from the Agency. Since the money that will be received will not be going back into the facility, a mortgage recording tax exemption will not be granted. Mr. Weir noted that Selden Commercial is also asking the IDA to join in granting the mortgage; this has no effect or exposure to the IDA.

The motion to approve the re-financing request was made by Mr. Grucci and seconded by Mr. Kelly. All were in favor.

CEO'S REPORT

Blair HSM

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In response to the Board's request for more information, an updated letter has been received from Blair HSM. Blair HSM works directly with 46 local companies, spending between \$4 to \$5 million over the last three years. Blair HSM does not plan on increasing the square footage of their building but will be investing approximately \$5 million over the next five years in facility improvements. They have 45 employees in Medford and 16 employees in North Carolina with room to expand the footprint in North Carolina. The local employees are concerned that operations could shift to North Carolina due to new ownership of the company. It was the determination of the Board to encourage Blair HSM to submit a formal application.

Long Island Surf Park

An application was submitted by Long Island Surf Park for a proposed facility to be constructed in the Shirley Industrial Park. However, their business model is listed as being primarily for members only, not for the general public, making it ineligible for assistance. Ms. Mulligan will confirm this information with the company. If their business model changes the Board will entertain their application.

Top Golf

An application has not been received yet, but, similar to the Surf Park, is a commercial recreational facility. A feasibility study would be necessary in order to grant benefits for this project as a tourism destination. Top Golf has locations all around the world and a large number of jobs are anticipated. It was the consensus of the Board to encourage that an application be submitted.

Blue Point Brewery

Blue Point Brewery has requested an extension of their completion date until March 31, 2019. Their sales tax exemption expired on August 1, 2018; they still have sales tax allocation but a new public hearing would need to be held for them to access it. They have decided to forgo a new hearing as they are almost finished with construction.

Association for a Better Long Island (ABLI) Letter

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The Association for a Better Long Island (ABLI) sent a letter to the Authority Budget Office (ABO) regarding PARIS reporting on housing projects. These projects bring much needed housing and investment to the community but skew job creation numbers in PARIS. ABLI has requested that housing projects be viewed separately from typical IDA projects. A follow up letter supporting ABLI's request was sent to the ABO by Supervisor Romaine.

Triple Five Aviation

An application from Triple Five Aviation, the highest bidder for the Dowling College property in Shirley, was presented at the last meeting. Additional information is still needed. Mr. Weir added that the property is currently zoned for educational purposes only; the project, as described in their application, is for an industrial university collaborative aviation technology research center. The property is back on the tax rolls and there is approximately \$700,000 in unpaid taxes outstanding. The earliest a potential PILOT could be in effect is December 1, 2019. A sales tax exemption has not been requested. A mortgage recording tax exemption could be granted.

A long environmental assessment form is also required before this project can be induced and a public hearing can be held. If a written plan of development for the facility and a long environmental assessment form is submitted to the Agency, a cost benefit analysis can be prepared, the public hearing can be held and a resolution can be considered. A special meeting may be needed.

Website

The Agency's new website is now live. A few tweaks will be made and the Members were asked to update their bios.

Community Development Corporation of Long Island (CDCLI)

The Community Development Corporation of Long Island's annual luncheon is scheduled for October 12, 2018 at the Cresthollow Country Club. The IDA has sponsored this event for a number of years.

Mr. Grucci made a motion to sponsor this luncheon at a cost of \$2,000. The motion was seconded by Mr. Kelly and unanimously approved with Ms. Scheidt abstaining.

Authority Budget Office (ABO)

The Authority Budget Office (ABO) has proposed additional changes to IDA reporting procedures. Multiple changes were made approximately two years ago to the application for assistance and requirements for website documents. Ms. Mulligan advised the Board that most of the latest proposed changes are things the Agency already does. There is a meeting of the local IDAs scheduled soon; these proposed changes will be discussed.

PRESENTATION – TODD SHAPIRO ASSOCIATES

Mr. Finnegan provided the Members with a progress report on social media activities. Significant gains have been made on our Facebook page which has been promoted by both location and interest. In addition to Queens, the greater Brookhaven area was also focused on; all boroughs will now be included in this targeted advertising. Mr. Pollakusky requested that a monthly report including analytics be included in the meeting packets. Marketing will also expand to Twitter, LinkedIn and YouTube in the future. The Marketing Committee has been working on new innovative content to bring to the full Board.

At 9:12 A.M., Mr. Grucci made a motion to enter executive session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. The motion was seconded by Mr. Kelly and unanimously approved.

At 9:34 A.M., Mr. Grucci made a motion to exit executive session. The motion was seconded by Ms. Scheidt and unanimously approved.

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Mr. Grucci made a motion to close the IDA meeting at 9:35 A.M. The motion was seconded by Mr. Kelly and all voted in favor.

The next IDA meeting is scheduled for Wednesday, September 19, 2018.