

TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

SEPTEMBER 19, 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
Annette Eaderesto, Counsel
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Executive Assistant
Brian Finnegan, Todd Shapiro Associates
Frank Wolak, Fuel Cell Energy
Carl Williams, Fuel Cell Energy

Chairman Braun opened the meeting at 12:14 P.M. on Wednesday, September 19, 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 AUGUST 15, 2018

The Minutes of August 15, 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 Ms. Scheidt. All were in favor.

SPECIAL MEETING MINUTES OF AUGUST 29, 2018

The Minutes of the special meeting held on August 29, 2018 were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for August 31, 2018. A closing fee of \$30,630 was received from Four L / Vantage and an approximately \$6,000 insurance premium payment was made. The remaining \$2,000 balance due to Cybernet for the completion of the new website was also paid. There was no activity in the PILOT, investment or Ronkonkoma Hub escrow accounts. All payroll taxes, retirement and deferred compensation payments have been paid in full.

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

2019 Proposed Budget

Ms. LaPonte presented the 2019 Proposed Budget which needs to be submitted to PARIS by the end of October. Anticipated closing fees of \$742,000 are based on last year's income, last year's budget and how many closings could occur this year. Application fees vary by year; PILOT administration fees are fixed but may change by a few thousand. Interest income is projected to be \$20,000. Expenses include office rental which is at a fixed rate; office miscellaneous was dropped by half to \$23,000, legal services has been reduced and accounting services is a set amount. Expenses for administrative services were determined by current salary with a slight increase for inflation as well as the possibility of incentive allocation. Employee benefits include retirement payments and medical insurance; it was noted that the payment to the NYS Employee Retirement System increased significantly from last year. Advertising costs are budgeted at \$139,000. The membership and meetings line is similar to 2018, insurance was increased by 3%.

This budget shows a net profit of \$9,400. The Members tabled the vote on the 2019 budget.

Investment Policy

Ms. LaPonte has reviewed the Agency's Investment Policy against the Comptroller's regulations and determined that our policy is in line with what is required. Collateralization options will be elaborated on more next year when the policy is re-adopted.

AMNEAL PHARMACEUTICALS – RESOLUTION

The cost benefit analysis for this project was included in the meeting packets. Amneal has already maxed out their building on the corner of Sills and Horseblock Roads and is now looking to rent 84,000 square feet of a 232,000 square foot warehouse at 19 Nicholas Drive in Yaphank (the former Whitman Packaging facility). A public hearing was held for this approximately \$1.5 million project with no comment received. The PILOT is for eight years because Amneal has a 7 year 4 month lease and was calculated based on the portion of the building they are renting and the current taxes on the facility. Since this is an existing building the Adaptive Re-Use Policy calls for a 50% reduction of the current taxes. Ms. Mulligan detailed the various ways to determine how fees could be charged for projects renting part of a building. The Board determined that fees for these types of projects will be determined by the rent price as well as equipment and other costs. The fee schedule will be amended to include projects renting part of a building.

The motion to approve the resolution and fee schedule amendment was made by Mr. Grucci, seconded by Mr. Callahan and unanimously approved.

SHI-III CORAM / ALL AMERICAN – APPLICATION

This assisted living project, All American Assisted Living, is being developed by the Kaplan Development Group on 3.65 acres on Route 25 in Coram. This 112-bed 55,000 square foot facility is expected to cost approximately \$19 million and have 50 full time equivalent employees.

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

CEO'S REPORT

New York State Economic Development Council (NYSEDC) Letter

IDA Meeting
September 19, 2018

A letter was sent by the NYSEDC to the Authority Budget Office (ABO) regarding the ABO's proposed changes to how IDAs operate. Mr. Weir added that the IDA Act was amended a few years ago to strengthen reporting requirements. The ABO may issue regulations under the Public Authorities Accountability Act but has no legal authority to issue regulations under General Municipal Law. Mr. Weir has asked each IDA to send a letter to the ABO stating that they don't have this authority. It was the consensus of the Board to send this letter.

Job Creation Numbers

Letters were sent to nine projects in April that did not meet their job creation numbers by 85% or more. Responses were received from three projects and it was determined that they had met the job requirement.

The Members discussed different remedies for projects failing to meet their job numbers. Mr. Braun and Ms. Mulligan will review this matter and give a recommendation to the Board in October.

Long Island Labor Advisory Council (LILAC)

The Long Island Labor Advisory Council (LILAC) has invited the Agency to attend a meeting on October 4, 2018 to discuss proposed changes to IDAs on Long Island. Mr. Braun will attend this meeting.

Building Business in Brookhaven Expo

The annual Building Business in Brookhaven Expo will be held on October 18, 2018 at Town Hall.

Excel 4

A letter was received from Excel 4 requesting permission to enter into an agreement with Suffolk County for their sewer. Mr. Weir explained that there is an existing hotel, two restaurants and a new hotel being built all on one lot. This delayed construction of the new hotel quite a bit. They have asked the County to create three separate sewer lots. Excel will dedicate the existing sewage treatment plant to the County.

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

Marketing

Approximately a year ago discussions began on developing a marketing plan. Mr. Braun, Mr. Grucci and Mr. Pollakusky comprise the unofficial marketing committee and multiple companies have been interviewed. The proposal from DCI to perform research and brand development, collateral development and digital marketing was included in the packets. This proposal is for \$203,000 and does not include a media buy that is expected to be at least \$75,000. Annual upkeep of approximately \$100,000 would also be needed which does not include media buys. A micro site would also be developed as part of the initial \$203,000 investment.

PRESENTATION – BRIAN FINNEGAN

Mr. Finnegan provided the Members with a brief social media report on the Facebook page; total likes received are 1,958 and we have 1,947 followers. The highest post reach was 474 and the highest post engagement was 75. The top posts of the month were pictures of the Ronkonkoma Hub, the new website, Ms. Mulligan's appearance at an upcoming conference and an article from the Long Island Business News. The summary of the Twitter account shows six tweets with an impression range of 1,092, 11 profile visits and 48 new followers gained. The Brooklyn area will be the focus for next month.

At 1:21 P.M., Mr. Middleton 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, as well as to discuss proposed, pending or current litigation. The motion was seconded by Ms. Scheidt and all voted in favor.

At 2:00 P.M., Mr. Kelly made a motion to resume the regular agenda. The motion was seconded by Ms. Scheidt and unanimously approved. No voting took place during executive session.

IDA Meeting
September 19, 2018

AMENDING RESOLUTION #31 ADOPTING AN ACCRUAL POLICY FOR FULL-TIME MANAGEMENT EMPLOYEES & RESOLUTION #34 ADOPTING AN ACCRUAL POLICY FOR FULL-TIME NON-MANAGEMENT EMPLOYEES

Ms. Scheidt made a motion to amend resolutions #31 and #34 to increase the number of accruals that an employee can carry over to the next year. The motion was seconded by Mr. Grucci and approved with Mr. Middleton voting no.

The motion to close the IDA meeting at 2:08 P.M. was made by Mr. Kelly, seconded by Mr. Grucci and unanimously approved.

The next IDA meeting is scheduled for Wednesday, October 17, 2018.