



ACCEPTED BY BOARD MEMBERS 8/23/18

MINUTES
IDA REGULAR MEETING
AUGUST 3, 2018

PRESENT

Theresa Ward, Chair
Peter Zarcone, Treasurer
Anthony Giordano, Secretary
Kevin Harvey, Member

EXCUSED ABSENCE

Grant Hendricks, Vice Chairman
Gregory Casamento, Member
Sondra Cochran, Member

ALSO PRESENT

Anthony J. Catapano, Executive Director
Kelly Morris, Deputy Executive Director
John McNally, Associate Director Marketing & Outreach
Daryl Leonette, Executive Assistant
William Wexler, Agency Counsel
William Weir, Esq., Transaction Counsel, Nixon Peabody LLC
Natalie Youkel, Esq., Transaction Counsel, Katten Muchin Rosenman LLP
Andrew Komaromi, Esq., Transaction Counsel, Harris Beach PLLC
M. Cornelia Cahill, Partner, Transaction Counsel, Barclay Damon LLP
Robert Trotta, Suffolk County Legislator
David Chauvin, Zimmerman/Edelson, Inc.
James Madore, Reporter, Newsday
Andrea Bonilla, Liaison, Source the Station, Renaissance Downtown
Steven J. Kuperschmid, Esq., Rustin Moscou Faltischek P.C., Company Counsel
for Citation Business Forms, Inc.
Eric Rubenstein, Esq., Ruskin Moscou Faltischek P.C., Company Counsel for
Citation Business Forms, Inc.
Ken Patrick Johnson, Resident
Jim McGoldrick, Resident

The Regular Meeting of the Suffolk County Industrial Development Agency held in the Conference Room of the Agency, 100 Veterans Memorial Highway, H. Lee Dennison Building, 3rd. Floor, Hauppauge, NY was called to order at 12:30 p.m. by Ms. Ward, Chair of the IDA.

PUBLIC COMMENT

Ms. Ward opened the public comment portion of the Suffolk County Industrial Development Agency Meeting and no comments were received.

After further discussion and;

Upon a motion by Mr. Harvey, seconded by Mr. Zarccone, it was:

RESOLVED, to end the Public Comment portion of the meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 4/0.

OLD BUSINESS

JDJ Gateway JV, LLC: Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit A. The JDJ Gateway JV, LLC proposed project involves the demolition of an 11,000 square foot building and construction of a new 61,000 square foot mixed-use building consisting of 66 rental apartment units. Mr. Catapano indicated this is the second project in the redevelopment & revitalization of downtown Huntington Station by the Town of Huntington and Renaissance Downtowns at Huntington Station LLC, the Master Developer. It is noted that two local residents that attended and spoke at the public hearing last week, Kenneth Patrick Johnson and Jim McGoldrick, are present and Mr. Catapano thanked them for attending today's Board Meeting. At the June 28, 2018 IDA Meeting, the Board approved an amendment to the application for a change in unit mix; the facility is still 66 multi-family rental units but now with 55 one bedroom units and 11 studio apartment units. A public hearing was held on July 23, 2018 with approximately fourteen people in attendance and most people provided positive comments to the project. Mr. Catapano stated originally the proposed project had included 10 two bedroom units and some individuals that spoke at the public hearing felt the 10 two bedroom units should not have been removed from the project and felt it was anti-family as two bedrooms are needed in the community. Mr. Catapano stated it was part of the negotiation with the Town and the builder JDJ Gateway to change the unit mix to 55 one bedroom and 11 studios. The Agency received a letter from the Huntington School District and it is similar to their opposition of the first project (Northridge) which was part of the Renaissance Redevelopment of Huntington Station. The Huntington School District is against the IDA providing tax abatements to projects in their school district. The project is generating \$67,000 in existing taxes and the buildings will be demolished with the new taxes generated are about \$343,000. Mr. Catapano stated that Kevin Gremse, National Development Council helped the Agency structure the property tax abatement based on financial information, sources and uses of the project, etc. and he

recommended as we discussed previously a 60% abatement and declining 4% each year over 15 years.

Mr. Zarcone asked was the letter from the Huntington School District based on 2 bedrooms and Mr. Catapano stated the letter was dated after the change and probably would have opposed the project more strongly if the two bedrooms were still included. Mr. Catapano said after speaking with Mr. Polansky, Superintendent, Huntington School District they seem fine with the current mix although they are opposed to the property tax abatement being provided. Mr. Harvey asked do you think no matter what the mix was that the School District would not agree with it and Mr. Catapano said I think they would have had more of an issue with the previous unit mix. Mr. Catapano indicated there were several comments in the transcript of this project for your review.

Mr. Catapano introduced Andrea Bonilla, Source the Station and Greg DeRosa, G2D Development to Board Members. Ms. Bonilla indicated overall the facility will be 43% affordable; there is a Memorandum of Understanding (MOU) already with the developer. Mr. Giordano inquired is there a guarantee that it will be 44% affordable; I am concerned that if we do this project and they don't come through with the affordable homes. Mr. Catapano responded they have a master redevelopment agreement with the Town of Huntington and it would be an issue at the Town level. Ms. Bonilla said the 14 affordable veterans units are starting within the next few months; Artist Loft 100% affordable would have already started if there had not been a legal issue. Mr. Zarcone asked how are you keeping the same amount of units while changing the sizes and Mr. DeRosa responded the average size 1 bedroom is 700 square feet the studio is 500 square feet they are much smaller and added they will be more affordable by design because they are smaller units.

After further discussion and;

Upon a motion by Mr. Harvey, seconded by Ms. Ward, it was:

RESOLVED, to approve a final resolution in the approximate amount of \$18,896,800 lease transaction for JDJ Gateway JV, LLC facility.

Unanimously carried 4/0.

Rechler @ Gabreski LLC (215 Roger's Way): Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. **Rechler @ Gabreski LLC (215 Roger's Way)** involves the construction and equipping of a 64,360 square foot building on approximately 6.8 acres of vacant land located at 215 Roger's Way, Westhampton Beach, NY to be leased to tenants for office, showroom, warehouse and industrial uses. Mr. Catapano stated Board Members approved this project at the June 28, 2018 Meeting. A public hearing was held on July 23, 2018 and no comments were received. The County selected Rechler Equity Partners to develop a business park on approximately 50 acres at the Suffolk County owned Gabreski Airport in Westhampton Beach. This is the third building in the series of eight buildings to be constructed. Mr. Catapano indicated the project is ready for final approval. Mr. Zarcone

asked how are they performing regarding employment on the first building and Ms. Morris replied they are exceeding their job numbers by more than 20%. The second building was recently completed but not in operation yet.

After further discussion and;

Upon a motion by Mr. Zarcone, seconded by Mr. Harvey, it was:

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$10,840,310 for Rechler at Gabreski, LLC (215 Roger's Way) facility.

Unanimously carried 4/0.

Catholic Health Services of Long Island, Inc.: Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit C. Catholic Health Services of Long Island, Inc. is the coordinating body of an integrated network of healthcare providers serving Nassau and Suffolk Counties that include six (6) acute care hospitals, three (3) nursing homes, a certified home health agency, a hospice and a pharmacy. The project involves the lease and tenant build out of approximately 26,038 square feet of office space at 320 South Service Road, Melville for the purpose of housing consolidated technology and administrative functions in a centralized location. Mr. Catapano stated Catholic Health is requesting a final resolution and a public hearing was held on July 23, 2018 and no comments were received.

After further discussion and;

Upon a motion by Ms. Ward, seconded by Mr. Giordano, it was:

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$1,163,626 for Catholic Health Services of Long Island, Inc. facility.

Unanimously carried 4/0.

Citation Business Forms, Inc. d/b/a Citation Clinical Labeling Systems: Request for consent to a merger of the Company with Citation Healthcare Labels, LLC (new company).

Mr. Catapano presented Exhibit D. Citation Business Forms, Inc. d/b/a Clinical Labeling Systems is a manufacturer & supplier of clinical trial labels for the pharmaceutical, biotechnology and contract research organization industries. The Agency closed this project in 2015, the Company is leasing a 36,000 sq. ft. in Hauppauge. Mr. Catapano stated the Company does clinical trials testing drugs, tabulating positive and negative effects of the potential drugs that can come to market. Citation Business Forms, Inc. d/b/a Citation Clinical Labeling Systems is owned by Richard Bolnick and he wishes to sell a majority of his Company to a company called Mason Wells Inc. Mason Wells is a private equity firm specializing in leveraged buyouts and owner recapitalizations of middle market companies. Mason Wells is located in Milwaukee, Wisconsin. The equity firm likes to purchase family owned/small businesses as a part of their portfolio. Mr. Catapano stated Mr. Bolnick is going

to retain 5% ownership and Mason Wells and other affiliates will own 95%. The Agency did some research on Mason Wells and they seem like a hands off investor in the businesses they purchase. In 2015, Citation Business had 57 jobs and the Company has exceeded its job estimates by 30 jobs and now have approximately 100 people employed at the Company. Mr. Catapano indicated all the documents will stay in place, just a change of ownership and name of the Company the recapture and property tax abatement will remain.

Mr. Catapano introduced Steven J. Kuperschmid, Esq. and Eric Rubenstein, Esq. of Ruskin Moscou Faltischek P.C. Counsel to Citation Business Forms, Inc. d/b/a Citation Clinical Labeling Systems to Board Members. Ms. Connie Cahill was the transaction counsel to Clinical Labeling in 2015 and drafted a resolution for consenting to the merger. Ms. Cahill stated the new entity Citation Healthcare Labels LLC will be fully responsible under the IDA documents. Mr. Harvey asked does Mason Wells have any other investments on Long Island and Mr. Kuperschmid responded they have Counsel available if we need to contact them and I am not personally aware of any Mason Wells owned Companies on Long Island. Mr. Catapano stated on their website it says they have done business mostly in the Midwest and the western part New York State and do not believe Mason Wells has anything on Long Island.

After further discussion and;

Upon a motion by Ms. Ward, seconded by Mr. Zarcone, it was:

RESOLVED, to approve the merger of Citation Business Forms, Inc. d/b/a Citation Clinical Labeling Systems with Citation Healthcare Labels, LLC facility.

Unanimously carried 4/0.

OTHER BUSINESS

Minutes

The Minutes from the June 28, 2018 IDA Board Meeting were accepted by Board Members.

After further discussion and;

Upon a motion by Mr. Zarcone, seconded by Ms. Ward, it was:

RESOLVED, to adjourn the Regular Meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 4/0.

The Meeting adjourned at 1:00 p.m.

The next Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for August 23, 2018.