



ACCEPTED BY BOARD MEMBERS 9/20/18

MINUTES
IDA REGULAR MEETING
AUGUST 23, 2018

PRESENT

Theresa Ward, Chair
Grant Hendricks, Vice Chairman
Peter Zarcone, Treasurer
Anthony Giordano, Secretary
Gregory Casamento, Member
Sondra Cochran, Member

EXCUSED ABSENCE

Kevin Harvey, Member

ALSO PRESENT

Anthony J. Catapano, Executive Director
John McNally, Associate Director Marketing & Outreach
Daryl Leonette, Executive Assistant
Regina Halliday, Bookkeeper
William Wexler, Agency Counsel
William Weir, Esq., Transaction Counsel, Nixon Peabody LLC
Natalie Youkel, Esq., Transaction Counsel, Katten Muchin Rosenman LLP
Melissa Bennett, Transaction Counsel, Barclay Damon LLP
Regina Zara, Chief Financial Officer, Suffolk County Economic Development Corporation
Angela Glaser, Executive Assistant, Suffolk County Economic Development Corporation
Gregory Gordon, Zimmerman/Edelson, Inc.
James Madore, Reporter, Newsday
Robert Trotta, Suffolk County Legislator
Christina DeLisi, Aide to the Presiding Officer of the Suffolk County Legislature
Jennifer Hann, Aide to Suffolk County Legislator Lindsay
Anthony Piccirillo, Aide to Suffolk County Legislator Flotteron
Bridget Stokes, Housing Specialist, Wyandanch Community Development
Rob Peterson, Sr. V.P., The Estee Lauder Companies Inc.
Henry Goodfriend, Global Lead Real Estate, The Estee Lauder Companies Inc.
Ann Kayman, CEO, New York Grant Company

The Regular Meeting of the Suffolk County Industrial Development Agency held in Media Room #184 in the lower level of the H. Lee Dennison Building, 100 Veterans Memorial Highway, 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. Zarcone, seconded by Mr. Hendricks, it was:

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

Unanimously carried 6/0.

NEW BUSINESS

The Estee Lauder Companies Inc.: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. The Estee Lauder Companies Inc. is a manufacturer of cosmetics, skin care products, hair care products and fragrances. The Company's Melville campus consists of 7 buildings on 12 acres of land that is both owned and leased. Mr. Catapano indicated the Company has 7 facilities in the Melville area and employs approximately 1,700 and is looking to create an Engineering Technical Center with hopes to develop new ways of manufacturing. They have many options to relocate and have looked in New Jersey and Pennsylvania. Mr. Catapano stated the Company is also working with New York State for assistance and our utilities as well. They located a 51,000 square foot building at 65 Maxess Road in Melville, NY it has been vacant for some time and previously it was used by the United States Postal Service they will be a tenant in this building. Estee Lauder is looking to develop, prototype and test new advanced manufacturing equipment and techniques to be more efficient. Mr. Catapano stated the Company plans to create 31 net new jobs for the project and as a public company the average salaries are quite high with an average salary of approximately \$165,000 per job. This project will create approximately 62 construction jobs over the first couple of years.

Mr. Catapano introduced representatives from The Estee Lauder Companies Inc., Rob Peterson, Sr. Vice President; Henry Goodfriend, Global Lead Real Estate and Ann Kayman, Outside Advisor to Board Members. Ms. Ward welcomed the representatives of Estee Lauder and stated this sounds like an exciting project.

Mr. Peterson indicated that he is the Senior Vice President and has been with Estee Lauder for 4 years and has over 30 years' experience with consumer products companies like Proctor & Gamble and Mars, Inc. Estee Lauder is a leader in prestige beauty skincare;

makeup and fragrances with sales over \$14 billion dollars with over 25 brands in over 150 Countries. Last fiscal year sales grew over 13% much driven by innovation over \$3 billion came from new products they have launched over a couple of years. Mr. Peterson stated he believes in manufacturing as being competitive in addition to innovation a lot of the manufacturing is proprietary for example; La Mer is the Company's billion dollar brand. Estee Lauder needs to create an Engineering Technical Center to be able to develop, prototype and test new advanced manufacturing equipment and techniques. Mr. Peterson indicated they intend to invest \$14,500,000 over 3 years in equipment and infrastructure and plan to hire an additional 31 Engineers and Technologists. In addition, the engineering and technical center will provide Science, Technology, Engineering and Math (STEM) engineering internships and offer co-op opportunities to students local to the area. Mr. Peterson stated they evaluated several site options for the Engineering Technology Center and one is an industrial warehouse located at 65 Maxess Road, Melville. The cost of creating and operating this facility are very high, without the help of the IDA the Company may not be able to select the 65 Maxess Road, Melville facility.

Mr. Peterson introduced Mr. Henry Goodfriend, Global Lead Real Estate to Estee Lauder Companies Inc. to Board Members. Mr. Goodfriend stated he is handling the real estate transaction for The Estee Lauder Companies Inc. and he was involved in the search for the 65 Maxess Road, Melville property. The Company has a large operation already in the Bucks County, Pennsylvania area. Locating the technology center in that Pennsylvania Region was also considered. However, Mr. Goodfriend stated the Company is pleased with the proposed Maxess Road location and they have a 50 year presence in Melville.

Ms. Cochran asked has the existing building has been there 50 years and Mr. Goodfriend responded we have 4 owned properties and this would be the 4th leased property for a total of 8 facilities with 2 additional vacant land sites in Melville. Mr. Goodfriend indicated we are looking to consolidate with a campus atmosphere for a long term vision. Ms. Cochran inquired is this the first time you have come to the IDA for assistance and Mr. Goodfriend replied we have never come to the IDA. Mr. Hendricks stated is the technology something you are currently utilizing in Melville or is it new and Mr. Peterson said the focus of the technology center is to create new manufacturing technology. We do a lot of innovation and packaging in our RV center. Mr. Peterson said we see this as an opportunity to do more innovation on the equipment side and make things more efficient. Ms. Cochran said you mentioned STEM and Mr. Peterson replied we have a very large internship program, interns and scientists we tend to attract a lot of local students. Ms. Ward stated the internship program is about 50% retention which is good, Mr. Peterson said everyone that works as an intern wants a position, we typically hire about 50% of the interns it is very selective. Mr. Casamento asked are they college level positions and Mr. Peterson replied yes engineering and chemical engineering.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$11,000,000 for The Estee Lauder Companies Inc. facility.

Unanimously carried 6/0.

OTHER BUSINESS

Minutes

The Minutes from the August 3, 2018 IDA Board Meeting were accepted by Board Members.

After further discussion and;

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

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

Unanimously carried 6/0.

The Meeting adjourned at 12:50 p.m.

The next Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for September 20, 2018.