



ACCEPTED BY BOARD MEMBERS 2/28/19

MINUTES
IDA REGULAR MEETING
JANUARY 24, 2019

PRESENT

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

EXCUSED ABSENCE

Grant Hendricks, Vice Chairman
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
Regina Halliday, Bookkeeper
William Weir, Esq., Transaction Counsel, Nixon Peabody LLC
William Dudine, Esq., Transaction Counsel, Katten Muchin Rosenman LLP
Andrew Komaromi, Esq., Transaction Counsel, Harris Beach PLLC
Melissa Bennett, Esq., Barclay Damon LLP
Lisa Broughton, Deputy Executive Director, S.C. Economic Development Corporation
David Chauvin, Zimmerman/Edelson, Inc.
Robert Barracca, Zimmerman/Edelson, Inc.
Christina DeLisi, Aide to the Presiding Officer of the Suffolk County Legislature
Kimberly Scalice, Aide to Suffolk County Legislator Cilmi
William Lindsay, Suffolk County Legislator
Jenn Hann, Aide to Suffolk County Legislator Lindsay
James Madore, Newsday
Jean-Paul Salamanca, Newsday
Tim Gannon, Riverhead News Review
Ben Zwirn, Director of Government Affairs, Suffolk County Community College
Drew Biondo, College Communications Director, Suffolk County Community College
Sam Schneider, Deputy Superintendent, Riverhead School District
Michael Ranieri, Esq., Counsel to Riverhead School District
Robert Kozakiewicz, Town Attorney, Town of Riverhead

Brian Petersen, Agency Accountant, Albrecht, Viggiano, Zureck & Company, P.C.
Cathy Stavropoulos, Cove Long Island Inc./165 Oval Drive Corp.
Socratis Stavropoulos, President, Cove Long Island Inc./165 Oval Drive Corp.

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 1:22 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. Harvey, it was:

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

Unanimously carried 5/0.

ANNUAL BUSINESS ITEMS

Election of Officers

The proposed slate of Officers was approved by Board Members.

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

RESOLVED, that the following Members be Officers of the Agency:

Theresa Ward – Chair
Grant Hendricks – Vice Chairman
Peter Zarcone – Treasurer
Anthony Giordano – Secretary

Unanimously carried 5/0.

Committees

The proposed slate of officers for Committees was distributed to Board Members.

After further discussion and;

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

RESOLVED, that the following Board Members be assigned to the Audit & Finance and Governance & Compliance Committees:

AUDIT & FINANCE COMMITTEE: Grant Hendricks, Chair
Anthony Giordano
Theresa Ward
Peter Zarcone

GOVERNANCE & COMPLIANCE COMMITTEE: Kevin Harvey, Chair
Gregory Casamento
Sondra Cochran
Theresa Ward

Unanimously carried 5/0.

Schedule of 2019 Meetings

The schedule of Regular Meetings was accepted by Board Members. It was noted the schedule is subject to change. Mr. Catapano said that Board Meetings are usually scheduled on the fourth Thursday of each month. Also, there may be some off site Meetings scheduled at projects the Agency has assisted during the year.

Signatories on Agency Accounts

Mr. Catapano stated that six signatories are authorized on Agency Accounts with two out of the six signatories being required on the accounts. The six signatories are the four officers and two staff members. The preference is to have one officer and one staff member as the two signatories. The following should be authorized signatories for 2019:

Anthony Giordano
Grant Hendricks
Peter Zarcone
Theresa Ward

Anthony J. Catapano
K. Kelly Morris

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

RESOLVED, the following are authorized signatories on Agency accounts with two of six signatories being required on the accounts.

Unanimously carried 5/0.

Agency Counsel

After further discussion and;

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

RESOLVED, to continue to retain William Wexler, Esq. as Agency Counsel for 2019 at a rate of \$330 per hour.

Unanimously carried 5/0.

Bond Counsels/Transaction Counsels

After further discussion and;

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

RESOLVED, to re-designate the four law firms of Barclay Damon LLP; Harris Beach PLLC; Nixon Peabody LLP and Katten Muchin Rosenman LLP as the Agency's Bond Counsels/Transaction Counsels for 2019 and that applicants may select a different Bond/Transaction Counsel of their choice, provided that the Bond/Transaction Counsel they select is qualified and acceptable to the Agency.

Unanimously carried 5/0.

Agency Auditor

After further discussion and;

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

RESOLVED, to continue to retain the Fuoco Group, CPAs as the Agency Auditors for 2019 in the amount of \$20,000.

Unanimously carried 5/0.

Agency Accountant

After further discussion and;

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

RESOLVED, to retain Albrecht, Viggiano, Zureck & Company, P.C. as the Agency Accountants and not to exceed \$35,000 for 2019.

Unanimously carried 5/0.

Review and Readoption of Agency Policies

Ms. Ward indicated that the Agency must readopt annually the Investment Policy and Property Disposition Policies.

After further discussion and;

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

RESOLVED, to readopt the Investment Policy and Property Disposition Policy for the Suffolk County Industrial Development Agency.

Unanimously carried 5/0.

NEW BUSINESS

Cove Long Island Inc./165 Oval Drive Corp.: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. Cove Long Island Inc./165 Oval Drive Corp. is a manufacturer of wire form products specializing in design, prototype and fabrication of a wide range of products (metal handles hooks, pins, sod staples, plates, spring, masonry anchors and custom wire forms). The Company's products are used in industries such as plastic and metal packaging, food processing, garment, construction and agriculture. The Company has customers located throughout the United States, Canada and the Caribbean.

Mr. Catapano stated the Company is currently in a 22,800 square foot leased facility located at 170 Allen Boulevard, Farmingdale. The Company is looking to purchase a 28,373 square foot building located at 165 Oval Drive, Village of Islandia, NY. The purchase will allow them to be more efficient, add more machinery and hire additional personnel; they are looking to add 4 new jobs for a total of 15. Mr. Catapano indicated that the Agency has been working with the Company in their search for a building. Although the proposed project site is located within the Islip Township we spoke with the Islip IDA and they agreed for us to continue to work with the Company. Mr. Catapano stated the building is in good condition, there is not much renovation needed.

Mr. Catapano introduced Socratis Stavropoulos, President and Cathy Stavropoulos of Cove Long Island Inc./165 Oval Corp. Drive to Board Members. Ms. Stavropoulos thanked Board Members for allowing them to make their Company's presentation. Ms. Stavropoulos indicated that she and her husband (Socratis) own Cove Long Island and also own a company called Island Industries which is located in Coram, NY. Island Industries is a wire forming company (wire grids and store racks) which started in 1997. In 2012, we wanted to "broaden our product niche" and started Cove Long Island Inc. The larger facility for Cove will enable us to add more machinery, racking systems and hire additional employees to boost productivity. Our products are used in industries including plastic and metal packaging, food processing, garment, construction and agriculture. Ms. Stavropoulos stated the Company has domestic and foreign competition and our reputation has been built on quality of service and on-time delivery. The Company maintains large inventories due to customers repeat orders and we need to have the wire products in stock. Ms. Stavropoulos indicated the current leased space at 170 Allen Blvd., Farmingdale is 22,800 square feet and the floor space is 18,000 square feet; there is too much office space for our needs. The 165 Oval Drive, Islandia facility will allow us to expand our racking systems, increase inventory and allow us to hire additional employees.

Ms. Stavropoulos stated we live on Long Island and are raising our children here. Rent on Long Island is expensive, trucking is expensive and we are running on tight margins, we need the assistance of the Suffolk County IDA. Other states have offered incentives such as New Jersey but we want to remain on Long Island. The IDA and Small Business Administration (SBA) benefits will allow our Company to continue growing and remain on Long Island. Ms. Ward asked when was the business founded and Ms. Stavropoulos replied Cove Long Island, Inc. in 2012 and Island Industries in 1997. Ms. Ward stated we want to encourage manufacturing on Long Island.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$3,404,522 for Cove Long Island Inc./165 Oval Drive Corp. facility.

Unanimously carried 5/0.

Boss Facility Services, Inc.: Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. Boss Facility Services, Inc. is a national property management company providing facility maintenance & repair services to businesses that have facilities in the United States, Canada & Puerto Rico.

Mr. Catapano indicated that a public hearing was held on January 22, 2019 and no comments were received. The project is ready for final approval today.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$5,025,000 for Boss Facility Services/60 Adams LLC facility.

Unanimously carried 5/0.

Culinary Arts Riverhead LLC: Request for a final resolution to amend and extend the facility lease and related IDA documents.

Mr. Catapano presented Exhibit C. Ms. Ward asked if there was anyone present that would like to speak to the Board today.

Mr. Ben Zwirn, Director Government Affairs, Suffolk County Community College stated we have had conversations with the Riverhead School District and the Town of Riverhead and the College has offered a compromise that we hope the Agency will consider. Mr. Zwirn indicated we have yet to get a firm agreement we did not arrive at the same conclusion we hope the IDA Board can make a decision. Mr. Zwirn stated the Suffolk County Community College is an asset to the Downtown Main Street Riverhead community. The Town has asked us if we would have more weekend programs to keep the Culinary Facility open. Mr. Zwirn indicated we have had summer classes in the past and the College will be expanding the nursing program with approximately 50 new student slots. We wish we could have arrived with an agreement. The College has acted in good faith and all parties have acted in good faith. Mr. Harvey said may I ask what the issue is and Mr. Zwirn said the total amount we were at is \$56,246 plus \$19,418 that stay on as real estate taxes for Town & local special district taxes and the Town of Riverhead is at a total of \$64,451 plus the \$19,418 in special district taxes. Mr. Catapano stated the disagreement ends up being a difference of \$7,600 for the Town portion it would receive. Mr. Harvey said you could not somehow get on common ground, and Mr. Zwirn replied unfortunately we could not. Mr. Robert Kozakiewicz, Town Attorney, Town of Riverhead said what Mr. Zwirn said is a fair statement of where the parties are currently. They convened this morning and the Town was looking for a plan from Suffolk County Community College that would allow the school to be open on weekends during the summer to benefit the community. Mr. Kozakiewicz said he cannot say we are in favor of the numbers or opposed. Mr. Harvey stated further discussion - how much do you need; this has been discussed for 60 days and the issue has to get resolved; the parties involved should resolve it. Mr. Harvey stated we are talking about \$7,000 you can't come to some agreement and Mr. Kozakiewicz said he cannot say that he has Town Board support today. Mr. Casamento suggested reaching them by phone and Mr. Kozakiewicz said he was asked to bring back what he has to us today and does not have authority to speak beyond that.

Mr. Harvey indicated now the ball falls in IDA Board's court to make a decision. Mr. Giordano stated you are forcing us to make a decision. Mr. Casamento said he is ready to make a decision and the other Board Members agreed. Board Members agreed to provide a 10 year extension of the property tax abatement beginning with the 2018/19 tax year consisting of fixed payments consisting of 100% of the land assessment and 25% of the building assessment for a period of ten years. The local Riverhead Town Assessor's Office has

determined that approximately \$19,418 in real estate taxes for town and local special district taxes will remain and continue to be paid each year.

After further discussion and;

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

RESOLVED, to approve the Culinary Arts Riverhead LLC project for Suffolk Community College and provide a 10 year extension of the real property tax abatement beginning with the 2018/19 tax year consisting of fixed payments determined with 100% of the land assessment and 25% of the building assessment for a period of ten years.

Unanimously carried 5/0.

Minutes

The Minutes from October 25th; November 15th and December 14, 2018 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 5/0.

The Meeting adjourned at 2:00 p.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for February 28, 2019.