



ACCEPTED BY BOARD MEMBERS 4/25/19

MINUTES  
IDA REGULAR MEETING  
FEBRUARY 28, 2019

Present:

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

Excused Absence:

None

Also Present:

Anthony 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., Transaction Counsel, Barclay Damon LLP  
Lisa Broughton, Deputy Executive Director, S.C. Economic Development Corp.  
David Chauvin, Zimmerman/Edelson, Inc.  
Christina DeLisi, Aide to the Presiding Officer of the Suffolk County Legislature  
Kimberly Scalice, Aide to the Suffolk County Legislator Cilmi  
Jenn Hann, Aide to Suffolk County Legislator Lindsay  
Robert Trotta, Suffolk County Legislator  
Kevin O'Neill, Member, 225 Northport LLC (The Northport Hotel)  
Christopher Modelewski, Counsel to 225 Northport LLC (The Northport Hotel)  
Sadie Badon, Wyandanch Community Development Corporation  
Steve Flanagan, Business Manager, Labor Union Local 66  
Joseph Montalbano, Labor Union Local 66

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 12:40 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. Zarcone, it was:

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

Unanimously carried 7/0.

**Hartz Mountain Industries, Inc.:** Request for a preliminary inducement resolution for a lease transaction.

Ms. Ward suggested to Board Members to table the Hartz Mountain Industries, Inc. application until the next IDA Meeting since the application is not ready to be considered.

After further discussion;

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

RESOLVED, to table the application of Hartz Mountain Industries, Inc.

Unanimously carried 7/0.

**Grace Industries:** Request to increase project amount.

Mr. Catapano presented Exhibit A. Grace Industries LLC and its related entities is an infrastructure construction company for utilities and regional governmental agencies under the Haugland Group LLC which is their management company. Mr. Catapano indicated the project closed February 15, 2018 for a \$17,000,000 lease transaction. Mr. Catapano stated that he and Ms. Morris visited the facility and they did a nice job retrofitting the building. The Company has made some changes to the interior; including all glass walls that they feel will create better collaboration with their employees. Mr. Catapano indicated that some of the project costs have increased and submitted a letter requesting an increase of their project budget by \$3.7 million. The Company is requesting a sales tax exemption increase in the amount of \$190,000. The Company plans to resurface and extend the parking lot and add extensive landscaping. Mr. Catapano said Grace Industries intends to hook up to the Suffolk County Sewer District which was not a requirement but they felt it would help in supporting the environment. The Company already has met their two year projection number they have 92 jobs.

Ms. Ward asked what is the process, what are we approving and Mr. Catapano said we are approving an increase in the project amount and a sales tax exemption increase. Ms. Morris stated this building is state of the art, all glass walls leading to the offices, large training area and they are located on the Service Road it is a huge improvement. Mr. Harvey indicated they are about 30 jobs ahead of where they said they would be.

After further discussion and;

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

RESOLVED, to approve an increase in the project amount of \$3.7 million lease transaction and an increase in the sales tax exemption for Grace Industries facility.

Unanimously carried 7/0.

**225 Northport LLC/The Northport Hotel:** Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. 225 Northport LLC (The Northport Hotel) project involves the demolition of an existing 17,610 square foot vacant office/bank building and construction and equipping of a 25,500 square foot building including structured parking on .84 acre lot for a 24 room boutique hotel and restaurant located at 225 Main Street, Northport.

Mr. Catapano noted that Kevin O'Neill, Owner, Northport Hotel and Christopher Modelewski, Counsel for the Northport Hotel were present if anyone has any questions. Mr. Catapano indicated that the public hearing was held on February 26, 2019 and the transcript was distributed for the Board's review. Mr. Catapano mentioned that Suffolk County Legislator Robert Trotta attended the public hearing and suggested a three year look back on a project to see if it is successful and adjust the benefit but the way the State law is now if you are successful you keep what you have, if you are not successful they want IDAs to take it away. Mr. Harvey stated it says on the description there was an existing 17,000 square foot office building on this site and Mr. O'Neill responded the building was a house 100 years ago. They built a bank on the front lawn of this house and connected it all the way around it is 17,600 square feet we are going to take it down and replace with a three story boutique hotel. Mr. Harvey asked how long has it been vacant and Mr. O'Neill said he has been phasing out tenants for the last 2 ½ years. Ms. Cochran asked what is your investment so far on trying to get it approved Mr. O'Neill said \$1.3 million on the property and \$1.2 million on expenses so far including permitting, preliminary architecture, etc. Mr. O'Neill indicated that he has been delayed from the Village Planning Board. Mr. Harvey stated from your description of this project this would be an upgrade to the community, and Mr. O'Neill said yes and it is across from our theatre it will be an enhancement to the area. Mr. O'Neill said in the 1950's they permitted the process of taking beautiful homes and building masonry structures on the front lawn. Ms. Cochran said you have other investments in the township that have contributed to the economic growth in the area and Mr. O'Neill responded I own the John W. Engeman Theater which brings 110,000 people a year to the area. Mr. Catapano said Kevin Gremse, National Development Council helped the Agency review and structure this project.

Mr. O'Neill stated this is creating a 2 tier structured parking lot it is 50 spots we have 75 spots in the church lot from the theatre. This is the first structured parking lot of this size in 100 years it will have more parking then all the businesses in the village and think it will help the other businesses. Mr. Giordano asked you are projecting 40 new jobs and Mr. O'Neill responded we will start phasing in jobs while we are under construction.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$11,689,055 for 225 Northport LLC (The Northport Hotel) facility.

Unanimously carried 7/0.

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

Mr. Catapano presented Exhibit C. 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). Mr. Catapano indicated that Cove Long Island is looking to purchase an existing building located at 165 Oval Drive, Islandia, NY in the Village of Islandia. Mr. Catapano stated Kelly and I visited the site, it is interesting to see the wire coils and how they are structured onto cylinders and fed into the machines.

The Board approved this project at the January 24, 2019 meeting and a public hearing was held on February 26, 2019 and no comments were received. Cove Long Island Inc. is ready for the final approval today. They are also doing a SBA 504 loan and are scheduled to close April, 2019.

After further discussion and;

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

RESOLVED, to approve a final 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 7/0.

### **Minutes**

The Minutes from the January 24, 2019 were accepted by Board Members.

**Agency Accounting Auditors:** Request to retain the accounting firm of Sheehan & Company as the Agency Auditors for fiscal year 2018.

Mr. Hendricks, Chair of the Audit & Finance Committee indicated the Committee met before the IDA Meeting. The Fuoco Group was our accounting auditor and due to recent changes in personnel they no longer have the requisite credentials to perform governmental audits. The Audit & Finance Committee met with Sheehan & Company they made a presentation regarding our auditing and financing needs. The Audit & Finance Committee is recommending to the full Board to have Sheehan & Company perform that scope of work for the fiscal year 2018.

After further discussion and;

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

RESOLVED, to retain Sheehan & Company as the Agency Auditors for the fiscal year ending 2018 in an amount not to exceed \$25,500.

Unanimously carried 7/0.

After further discussion and;

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

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

Unanimously carried 7/0.

The Meeting adjourned at 1:00 p.m.

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