

ACCEPTED BY BOARD MEMBERS 2/13/20

MINUTES
IDA REGULAR MEETING
DECEMBER 19, 2019

Present: Grant Hendricks, Vice Chairman
Kevin Harvey, Treasurer
Anthony Giordano, Secretary
Gregory Casamento, Member
Sondra Cochran, Member
Josh Slaughter, 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
William Wexler, Agency Counsel
Terance Walsh, Esq., Transaction Counsel, Nixon Peabody LLC
Andrew Komaromi, Esq., Transaction Counsel, Harris Beach PLLC
Melissa Bennett, Esq., Transaction Counsel, Barclay Damon LLP
Gary Basso, Paralegal, Transaction Counsel, Katten Muchin Rosenman LLC
David Chauvin, ZE Creative Communications
Jonathan Keyes, Executive Director/CEO, S.C. Economic Dev. Corp.
Lisa Broughton, Deputy Executive Director, Suffolk County Economic Dev. Corp.
Natalie Wright, Acting Commissioner, Suffolk County Economic Dev. & Planning
Jim Tsunis, Managing Member, The Northwind Group
Peter Curry, Esq. Farrell Fritz, P.C. Counsel to The Preserve at Smithtown
Sade Badon, Wyandanch Community Development Corp.
Christina DeLisi, Aide to the Presiding Officer of the Suffolk County Legislature
Jeff Reingold, COO, Contract Pharmacal Corp. (CPC)
Garrett Gray, Esq., Company Counsel, Contract Pharmacal Corp. (CPC)

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 10:30 a.m. by Mr. Hendricks, Vice Chair of the IDA.

PUBLIC COMMENT

Mr. Hendricks asked at this time if there is any public comment other than The Preserve at Smithtown LLC project, and no comments were received.

After further discussion and;

Upon a motion by Hendricks, 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 6/0.

Contract Pharmacal Corporation (CPC): Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. Contract Pharmacal Corp. (CPC) develops, manufactures and packages pharmaceuticals, over-the-counter drugs and dietary supplements for pharmaceutical companies, retailer and wholesalers. The Company is proposing to lease, renovate and equip an existing 125,088 square foot building located at 110 Plant Avenue, Hauppauge, NY 11788.

Mr. Catapano introduced Jeff Reingold, COO, Contract Pharmacal Corp. and Garrett Gray, Esq. Counsel to Contract Pharmacal Corp. to Board Members. Mr. Gray stated we have come before the Board many times and partnered with the IDA with the Contract Pharmacal Corp. facilities. Contract Pharmacal Corp. has exceeded their employment expectations. Their employment is currently 1,300 and Contract Pharmacal has another project in the pipeline which is the joining of 145 and 165 Oser Avenue, Hauppauge, NY 11788. This will push their employee account over 1,500. Mr. Gray indicated the Company decided to lease the 125,000 sq. ft. building and the majority of the space will be used for warehousing for a large customer CVS. Contract Pharmacal is building an 8,000 sq. ft. state of the art research and development laboratory where a majority of the new hirers will be utilized.

Mr. Hendricks stated as it relates to the rapidly growing pharmaceutical industry, Contract Pharmacal Corporation has been a poster child for economic development and a fantastic IDA client. Mr. Hendricks congratulated Contract Pharmacal for their recent business recognition award from the Long Island Business Development Council's 50th. Anniversary Event. Mr. Hendricks asked what is the research lab going to mean to the Company and Mr. Reingold responded it allows us to bring on new clients (CVS) and to bring in new opportunities. Mr. Reingold said we are speaking to CVS every day and have been impressed with them as a retail chain; they want to be an innovator. Mr. Reingold indicated we are meeting with suppliers for raw materials from all around the world to bring into this space to help put together new opportunities. Mr. Harvey asked how many buildings do you currently occupy and Mr. Reingold responded 10 buildings. Mr. Harvey asked twenty years ago how many did you have and Mr. Reingold said one building. Mr. Reingold stated the Company has a facility in India as well.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$1,700,000 for Contract Pharmacal Corporation (CPC) facility.

Unanimously carried 6/0.

OLD BUSINESS

Topiderm Inc. (NMC Skincare Holdings, Inc. and Topix Pharmaceuticals Inc.): Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. Mr. Hendricks stated at the November 21, 2019 IDA meeting the Board approved an inducement resolution for Topiderm Inc. Topiderm, Inc. develops, manufactures and distributes over-the-counter drugs, personal care & cosmetic products. According to staff, a public hearing was held on December 17, 2019 and no comments were received. Mr. Hendricks stated that he would like to ask the Board for a final resolution today for this project.

After further discussion and;

Upon a motion by Ms. Cochran, seconded by Mr. Giordano, It was:

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$1,300,000 for Topiderm, Inc. (NMC Skincare Holdings, Inc. and Topix Pharmaceuticals Inc.) facility.

Unanimously carried 6/0.

Mr. Hendricks stated at this time he would like to invite anyone that would like to make a public comment on behalf of the application, The Preserve at Smithtown, LLC. Please be cognizant of the time and I ask the Board to please not engage in any dialogue and allow the speakers to say what they have to say. The Board can respond after the speakers are finished.

Mario Mattera: I am a 54 year old resident of Smithtown and 28 years in Nesconset. This project is very important; I think it is great for revenue for our future. Retired people tend to leave the Island and the 55 and over facilities help people to stay in the area. This facility will help the local economy because they shop and eat locally. The developer Northwind (Jim Tsunis) is one of the best out there and he does fine workmanship and he cares about our Town. I speak to a lot of retirees and they want to sell their homes as home maintenance becomes too much at this time; we need to make sure we are housing our seniors. This is progress; please let this get passed today.

Vincent Puleo: I am representing Nesconset Chamber of Commerce I would like to commend this Board for considering this project. It will put Nesconset in a position to be able to secure grants from Federal, State, County that we were not able to secure without this project. It will assist Smithtown Boulevard in updating the traffic lights that are very old; we need to get Smithtown Boulevard traffic moving. I would like to thank you for your insight.

Phyllis Hart: Read from the Suffolk County Administration Code for the application of Stony Brook Meadows to Board Members this was part of the record in January 2016. This was presented to the previous owner and he was required to do another environmental study in lieu of that he sold the property. I would like to give this to the Board to put on record. We are just asking for a new environmental study. Mr. Hendricks stated you realize that is not in our jurisdiction.

Patty Stoddard: I live in Nesconset for many years. You can't put a price on quality of life that is all I have to say.

Hervey Byron: I moved from Babylon to Nesconset to live in a quiet town. The Town does not have the infrastructure to handle this facility.

Christine Gerraputa: I live 50 feet from the project this is a quiet community, and somehow Smithtown decided that Nesconset was going to be the metropolis of the Town. Cars everyday are backed up to my block halfway to Nichols Road already the environment by my home has increased with fumes. This project is not making any of this better, they are going by a 25 year old environmental study this is ridiculous. There are deer and fox in this area where are they going to be placed. We are sick and tired of the traffic already, 180 units with 1.5 cars are not helping. I am concerned about where I live, I moved out of Queens 23 years ago I don't want to live in Queens. Asking us to pay \$7 million and Mr. Hendricks said that is not accurate, and Ms. Gerraputa said that is what Mr. Tsunis said at the meeting the other night. He told us he would not be able to complete the project without the \$7.5 million if that is not true someone is lying. Mr. Casamento said let me explain, there are certain taxes on the property now, when it is developed the tax base increases significantly to encourage development in the County. The IDA gives tax abatements and other incentives so they don't pay full value they pay less than that and over time the abatement runs off. We are not giving them anything, but to encourage development we are not forcing them to pay full value but to pay something less. Ms. Gerraputa said the owner specifically said if he does not get the \$7.5 million it will not be built. Mr. Giordano said there are two issues, tax abatement and the environmental. From the tax abatement standpoint it is a great project you are only receiving \$42,000 a year in revenue and it will go up to \$700,000. Mr. Casamento said you have to understand that this development issue is a Town issue; the Town has approved the project if there are traffic issues that is a County and a Town issue. Mr. Hendricks stated we appreciate your comments. Ms. Gerraputa said who do I speak to about getting a survey done that is up to date. Mr. Hendricks stated nothing happens quickly on Long Island. Mr. Casamento said we look at this from an economic development standpoint; whether the project gets approved by the Town we have no control over. Mr. Casamento said he suggests that you contact the Town representatives.

Jamie Glassberg: Said who is this project a benefit to and Mr. Harvey said this is beneficial to everyone I have been a resident of Smithtown for 41 years. Mr. Harvey stated the property is being taxed at \$42,000 a year after it is done it will be taxed at \$700,000 over a period of time, everyone's taxes go up. Tax revenue is going to be generated from the development of the facility it will go into the general tax base it will not prevent taxes from going up but help prevent the size of the tax levy increases in the future. Mr. Glassberg said if you don't approve this he is not going to build and will probably sell it. If the builder sells the property, they may build 30-40 homes and the Town may be able to handle this. This is criminal you are destroying our Town, in my opinion I feel there is some corruption going on here. I don't know who is involved and who is in whose pocket. Ms. Cochran said we are not in anyone's pocket, we are volunteers please don't say that about us. Mr. Glassberg said I apologize please do not take offense. Mr. Glassberg said if any of you took some time to drive in the area you cannot move, now put 360 cars there it is impossible.

Mr. McNally said in all due respect, if this Board and Agency did not care the public record would not have remained opened for three months and I would not have spent a half hour with you on the telephone discussing this project. Mr. Slaughter said the Board has done their due diligence; this is the responsibility of the Town officials who have already looked at it and approved it.

Howard Kaplan: I live in Nesconset for 50 years. I spent my 50 years in the toy business, people do not understand things change. I do not think all the permits would go through under today's standards. There is only one entrance in and out of the complex, I don't know how that is going to be handled. I am concerned about you considering what affect it has beyond the dollars. Mr. Slaughter said the land use you are talking about resides with the Town of Smithtown that is where those decisions are made. Once they approve that has all been determined, decided and reviewed. Mr. Kaplan stated who handles your marketing, we don't know who or what the IDA is. Mr. Giordano said we should not be the people making the decision; I find it difficult to approve something that is 25 years old. The environmental and traffic study was not done right; Mr. Hendricks asked how do you know that. Mr. Giordano stated we do not that is why I want to be certain. I am not involved in this closely enough to make a decision, I am not sure why a traffic and environmental study was not done. Mr. Giordano said I agree the project is wonderful, I think it is a great economic benefit to the Town and community.

William Holst: I live a short distance from the project. The community has never been against development particularly for single family homes. The issue in terms of this project is why would someone want to put in high density housing when it is a level "F" in terms of traffic. A community member that lives near Lake Ronkonkoma who is a geologist said there is a clay layer in Nesconset where water cannot permeate through it. It exasperates the flooding that occurs. There are a number of reasons that the full environmental impact was done in the 1990's, high density housing would create ponding on the clay layer. The Town board ignored the clay layer, there have been times that it was evident (flooding). Nothing has been done to update the environmental studies. Mr. Hendricks said the Town has gotten back to us, the approval is valid. Mr. Holst stated there is no evidence that anything has been done.

Robert Souto: I live 1,000 feet from the project in Nesconset. Nesconset has ponding everywhere for over 25 years we have had to put in dry wells there is a clay cap. The environmental impact statement had to be re-done because of that. This is a severe problem that we live every day.

Ms. Cochran said I moved here from the Bronx and have lived here a long time, I like single family homes. I have seen a big change in every township on Long Island. This is not just a problem in Nesconset, it takes me 5 minutes to get out of my driveway, I understand. The Town approved this that is where it starts and ends. There should have been some kind of update, we understand what you are going through we have lost sleep over it, we are going through it also. We feel your pain but we have to make a decision and cannot say no because some are not pleased and they have a viable project.

Mr. Hendricks asked Mr. Tsunis if he would like an opportunity to speak. Mr. Tsunis said thank you for allowing me to speak to you I understand people do not understand what is going on and I will explain to you. This will be a very safe community and environmentally sound project. We re-engineered the site, we had to do test boring (15 of them) for property drainage this is an up-to-date environmentally sound community, I can assure you. If this project was built 20-25 years ago the sewage treatment plants were horrible, I am using the best possible sewage treatment plant technology. I have met with the community and I will meet with them again, I have met with Clearly School for the Deaf. Another misunderstanding is regarding the letter from 2015, the old owner tried

to get approval for 350 units of multi-family. We have renewed the permit for the approval and engineered it to today's technology. The Suffolk County Department Public Works is coming out with a report to widen the road and put in traffic light that will all be paid by my Company and it will not be a tax payer burden. I promised that we will put decorative fencing and lights on Smithtown Boulevard and I made a contribution to the Park. I have spoken to the Chamber and knocked on doors to speak to residents I can promise you this is all up-to-date. This is a quality community with quality materials with today standards. I believe this is a Town issue and wanted to let you know my opinion.

Ms. Cochran said you mentioned buffers, are you using trees and Mr. Tsunis replied undisturbed trees of 60 feet, some areas up to 120 feet. There is a natural buffer of 60 feet. Mr. Hendricks stated this Board asked you to come back with a higher component percentage of workforce housing and you did that and Mr. Tsunis said yes.

Mr. Slaughter asked do you have approvals from the Health Department for the sanitary system and Mr. Tsunis said it is still pending the applications are in.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$47,001,994 for The Preserve at Smithtown LLC facility.

The motion carried 5/1 with Mr. Giordano opposed.

The Minutes from the November 21, 2019 Meeting will be presented to Board Members at the next Meeting.

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

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

Unanimously carried 6/0.

The Meeting adjourned at 11:30 a.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for January 23, 2020.