

ACCEPTED BY BOARD MEMBERS 5/28/20

MINUTES
IDA SPECIAL MEETING
APRIL 14, 2020

Present: Natalie Wright, Chair
Kevin Harvey, Vice Chairman
Anthony Giordano, Secretary
Sondra Cochran, Treasurer
Gregory Casamento, Member
Josh Slaughter, Member

Excused Absence: None

Also Present: Anthony Catapano, Executive Director
Kelly Morris, Deputy Executive Director
Daryl Leonette, Executive Assistant
Regina Halliday, Bookkeeper
William Wexler, Esq., Agency Counsel
William Weir, Esq., Transaction Counsel, Nixon Peabody LLC
Andrew Komaromi, Esq., Transaction Counsel, Harris Beach PLLC
Melissa Bennett, Esq., Transaction Counsel, Barclay Damon LLP
M. Cornelia Cahill, Esq., Transaction Counsel, Barclay Damon LLP
William Dudine, Esq., Katten Muchin Rosenman LLP

The Special Meeting of the Suffolk County Industrial Development Agency was held remotely by conference call. Members of the public were able to listen and view the Meeting through the Agency's website via its YouTube Channel. The Meeting was called to order at 12:40 p.m. by Natalie Wright, Chair of the IDA.

Ms. Wright stated this is the April 14, 2020 Special Meeting of the Suffolk County Industrial Development Agency. The notice of the Meeting followed the Open Meetings Law and the Meeting is being held pursuant to Executive Order 202.1 (2020) as set forth by the Governor of NYS. Ms. Wright thanked everyone for their time and flexibility to address these important items related to the COVID-19 Pandemic. Ms. Wright asked Mr. Catapano to take the roll call for attendance of the Meeting. Mr. Catapano then proceeded with the roll call of Board Members, also present were staff members, agency counsel, and transaction counsels. Ms. Wright said for the record there is a quorum of the Board and all Members are present on the telephone conference call.

Ms. Wright stated this is a Special Meeting and the public comment portion of the agenda is only for Regular meetings and not applicable for Special Meetings. However, the public may submit comments via email at info@suffolkida.org or by mailing comments to the Agency but are not part of the Special Meeting record.

COVID-19 Economic Impact Study: Request to approve HR&A Advisors, Inc. to conduct an economic impact study in partnership with the Nassau County IDA on the COVID-19 Pandemic and its effect on the Long Island economy.

Mr. Catapano presented Exhibit A. Mr. Catapano stated the Nassau County IDA took the lead on this study and received four proposals from various economic advisory firms and they selected HR&A Advisors, Inc. We spoke to the Nassau County IDA about their due diligence and Agency staff felt comfortable with their process. Since the study will encompass the Long Island Region, it makes sense to use the same firm as what the Nassau County IDA approved. Agency Counsel, William Wexler, said the proposed agreement meets all of the legal requirements that govern the Agency. There exists no legal prohibition preventing the Agency from entering the proposed agreement. There is no prohibition against using the same firm. The proposal is to have a separate Nassau and Suffolk County part of the study and an overall impact on the Long Island economy. The study will be used for strategies and recommendations of how to get back to a healthy economy. Mr. Catapano said hopefully the two Counties can use the study through the NYS Regional Councils and other sources to receive funding from the losses the Counties have already & will continue to receive from this health pandemic. Mr. Giordano stated there were four proposals and you were comfortable with using the same firm as Nassau County IDA and Mr. Catapano replied yes. We want to do this jointly and the cost of the study is \$65,000 for the Suffolk County IDA and the equivalent amount for the Nassau County IDA. Ms. Morris stated that she has worked with HR&A Advisors, Inc. in the past when working on the Garvy's Point project in Glen Cove. They are a reputable firm and James Lima who we have worked with on several studies came from HR&A. We are confident with their abilities and have had several phone calls with them since engaging with the Nassau County IDA. Mr. Harvey asked will the reports be together, separate or comingled and Mr. Catapano replied some of the details still need to be worked out but we think we it will be one study with two component parts of data for each County. The Nassau County impact and the Suffolk County impact and the overall Long Island impact of this pandemic. Ms Cochran asked if the Company's bios that are attached are the people listed just for reference or will they be part of the firm's staff working on the report and Mr. Catapano replied Shuprotim Bhaumik, Partner and Kristina Pecorelli, Director were submitting that information as their credentials and will be working on the study. HR&A Advisors, Inc. has done several Long Island studies and worked on the LIRR Third Track and the Town of Huntington Master Plan. Ms. Cochran stated on page five of their proposal it states there may be future phases is that optional or is it going to be part of this contract and Mr. Catapano replied the request is for up to \$65,000 which includes the last study part that is optional. Mr. Slaughter asked if the study between the two IDA's is going to be used by the County Executive and the Suffolk County Legislature or are they going to be doing their own studies, which could be redundant. Mr. Catapano replied he hopes it will be used by Suffolk County government and he is not aware of any other studies being undertaken by the County. This study will likely be the lead study for the municipalities of Long Island. Mr. Giordano stated have we ever done this before where another IDA approved a study and we agreed with their decision. Mr. Catapano said in the past we have previously done projects jointly with the Nassau County IDA. Mr. Giordano said we are going to rely on Nassau County IDA doing the vetting. Mr. Catapano replied Nassau IDA did the vetting and explained their process to us. Mr. Giordano asked if it is going to be in the motion that we are relying on the Nassau County IDA's decision and if it comes back to us negatively then we can say we did not do the vetting. Mr. Catapano said we did discuss it with the Nassau IDA who was the lead and if the intention is to have a joint Long Island economic impact study, it just makes sense to use the same economic consulting firm. Mr. Giordano said ordinarily we would meet with the economic advisory firm as Board Members and Mr. Catapano we met as staff remotely with HR&A Advisors, Inc. Mr. Wexler stated what Mr. Giordano is proposing is not typically put in the resolution by the Board and has the option to go by the recommendation of

Agency staff. The HR&A Advisors, Inc. proposal was previously provided to Board Members for review. Mr. Giordano indicated his concern is that normally when we agree to a contract with a firm we have the opportunity to interview them. I would be voting on something and I did not have the opportunity to speak with the firm. When Request for Quotations (RFQ's) is sent out we speak to the prospective businesses and discuss their proposals. Mr. Giordano asked if it can be mentioned in the resolution for clarity if something in the study came up as a negative against the Agency. Mr. Wexler indicated the fact that you are raising the issue as part of the Board discussion is on the record but is not something we typically put in a resolution. Mr. Wexler does not think it needs to be included in the resolution. Mr. Wexler said the Board has the option to rely on the recommendation of the staff. Mr. Giordano said he would like it to state in the Minutes that we as Board Members approved this on the recommendation of the IDA Staff. In light of the situation with the pandemic both County IDAs wanted to have a joint study and staff has had several conversations with the Nassau IDA and HR&A Advisors, Inc. Mr. Catapano stated Mr. Giordano's concerns will be noted in the Minutes.

After further discussion and;

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

RESOLVED, to approve HR&A Advisors, Inc. to conduct an economic impact study on the COVID-19 Pandemic and its effect on the Long Island Economy. The cost of the study for the Agency is up to \$65,000 and the study is to be conducted in partnership with the Nassau County IDA and is the same cost amount as Nassau County IDA's share.

A roll call was taken and it was unanimously carried 6/0.

COVID-19 Sales Tax Relief Equipment Program: Request to approve a sales tax relief equipment program for businesses increasing operational capacity or converting operations related to COVID-19 and PPE Equipment.

Mr. Catapano presented Exhibit B. Mr. Catapano stated the proposed COVID-19 Sales Tax Relief Equipment Program is a sales tax relief program with benefits capped at \$100,000 in IDA sales tax benefits. The program is being modeled after a sales tax relief program the Agency created to assist the rebuilding of small businesses after Superstorm Sandy in 2012/2013. The Agency provided sales tax relief for businesses, mostly retail establishments including stores, marinas, restaurants, small boutique hotels with many of the businesses located on the south shore of Long Island and on Fire Island. The Agency assisted 44 businesses during Superstorm Sandy from 2012-2013. Savings to those businesses amounted to approximately \$321,000 in sales tax relief. Sandy was a natural disaster that required rebuilding and it created an investment of approximately \$16 million dollars. During the Superstorm Sandy disaster we received assistance from William Dudine, Katten Muchin Rosenman LLP who assisted the Agency and developed the template documents. The Agency will also be utilizing template documents for this sales tax relief program and the Agency will provide it again at no cost to the applicant business. Mr. Catapano thanked William Weir and his staff at Nixon Peabody, LLP for creating the template documents for this program. The total sales tax benefits for each project for the relief program is being kept under \$100,000 and therefore a public hearing will

not be required for each project. A separate application will be required. Agency staff will review and make a decision and if there are any questions staff will confer with counsel. As was the case with the program for Superstorm Sandy, the Board approved the overall program but did not approve each applicant in order to process the program in the most expeditious manner. Agency staff can provide periodic updates and when the program is concluded we can return it to the Board for confirmation. Mr. Catapano said the intent is to move quickly and expeditiously. Ms. Cochran asked when an application is complete and submitted to staff, what is the total anticipated time for approval of an application. Mr. Catapano said staff is anticipating when a complete application is submitted that the staff will be able to turn it around in three days. We are not sure of the demand for this program but it is being pro-active. It is important for the Agency to continue on with its mission in helping projects that are able to move forward. It is hoped when the economy opens up again the construction trades and businesses can come back in full force. Mr. Giordano asked are there companies in Suffolk County currently producing the PPE or similar that you know of and Mr. Catapano said D'Addario & Company Inc. is turning their drum manufacturing operations into making face shield masks. Chembio Diagnostics Systems, Inc. is creating a test and interfacing with Stony Brook Hospital. The Two One Two New York, Inc. is a knitwear manufacturer for women's garments and they are converting their operation and making for cloth masks for FEMA, PSE&G, etc. Hospital PPE type masks need FDA approval and companies that have converted to making masks and products do not want to go through that process as it would take a great amount of time and effort to secure FDA approval as the businesses view the conversion as a temporary endeavor. Mr. Giordano asked how are we going to contact the companies and Mr. Catapano stated we have a press release prepared and we will send out an email to our projects and possibly market it through radio too. Unfortunately per NYS Law the Agency cannot retroactively provide sales tax exemption for costs incurred prior to approval of the program by the Board of Directors. The Agency is limited to \$100,000 in benefits of sales tax only, it is about \$1.0 million in project size. Mr. Weir stated we developed this program to be broad not only for PPE but also sanitizers, sterilizers and disinfectants that are needed in large scale. A lot of companies making chemicals, pharmaceutical companies they need to expand to produce over the counter drugs for the treatment of COVID-19. It is a broad category for the treatment or prevention of COVID-19.

Mr. Giordano asked are we charging an application fee and Mr. Catapano responded there will be no Agency and/or legal cost to the applicants. Mr. Weir of Nixon Peabody was kind enough to create the template documents and we will just fill it in the details. Mr. Catapano said it is designed to be a quick process. Ms. Wright stated Rosalie Drago, Commissioner, Suffolk County Labor Department and I have seen an interest in manufacturers making PPE and there is currently a lack of financial programs. I think this is a step in the right direction to be able to build the long term supply. Mr. Harvey said considering how hard our State and County have been hit from COVID-19, I think we should encourage people to participate especially people that are sick in the State.

After further discussion and;

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

RESOLVED, to approve the COVID-19 Sales Tax Relief Program Equipment Program.

A roll call was taken and it was unanimously carried 6/0.

SCIDA Staff during COVID-19 Pandemic: Request to approve a resolution for IDA Staff in performing work duties and functions remotely thereby continuing the operations of the Agency.

Mr. Catapano presented Exhibit C. Mr. Catapano indicated that IDA Staff has been working from home due to the virus protocols and restrictions put in place. Mr. Catapano said he has been coming into the office to retrieve the mail and other required functions. We all have Virtual Private Network (VPN) and there were a few problems in the beginning with it but it is now working great and we have access to our work files. We still have to function as an Agency. We have scheduled public hearings which will be done remotely in accordance with NYS Governor's Executive Order. and we closed a project last week too remotely. Agency Counsel, William Wexler, suggested that the Board consider a resolution to acknowledge that staff is performing work functions remotely. Mr. Catapano read the resolution to Board Members. Mr. Catapano indicated that the Suffolk County municipal employees are being paid and working remotely. The Agency is essentially a small business in a government setting, preparing for meetings and hearings, performing financial functions/requirements, continuing to work on the annual reporting process, participating on webinars and meetings regarding COVID-19 and helping some of our companies who have reached out to us for assistance. Staff has also updated the Agency's website and created a resource page with information related to the virus pandemic. Ms. Wright also stated hopefully staff will be approving some sales tax equipment program applications in the near future.

After further discussion and;

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

RESOLVED, it is here by resolved that during the COVID-19 Pandemic, Agency Staff is performing work duties and functions remotely thereby continuing the operations of the Agency. Further, the Agency Staff shall continue to receive their regular salaries and benefits until further direction of the Board. Salaries and benefits shall continue to be paid, nunc pro tunc, from March 15, 2020.

A roll call was taken and it was unanimously carried 6/0.

Mr. Casamento said given the economic state that we are in and the need to reopen the economy we intend on having our regular board meeting should we meet more often to help this process along. Mr. Wexler said Board Members can meet privately on their own. Mr. Catapano stated staff is looking into various options for holding the meetings remotely and may use the ZOOM platform for upcoming meetings. Our Regular Meeting is scheduled for April 23, 2020 and staff is working on some applications to be presented at that Meeting.

After further discussion and upon a motion by Ms. Wright, seconded by Ms. Cochran, it was:

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

A roll call was taken and it was unanimously carried 6/0.

The Meeting adjourned at 1:15 p.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for April 23, 2020 and will be held remotely.