

ACCEPTED BY BOARD MEMBERS 12/17/20

MINUTES
IDA REGULAR MEETING
NOVEMBER 19, 2020

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

Excused Absence: Sondra Cochran, Treasurer

Also Present: Anthony Catapano, Executive Director
Kelly Morris, Deputy Executive Director
Daryl Leonette, Executive Assistant
Regina Halliday, Bookkeeper
William Wexler, Esq., Agency Counsel
Andrew Komaromi, Esq., Harris Beach PLLC, Transaction Counsel
Melissa Bennett, Esq., Barclay Damon LLP, Transaction Counsel,
William Dudine, Esq., Katten Muchin Rosenman LLP, Transaction Counsel
William Weir, Esq., Nixon Peabody LLP, Transaction Counsel
Terance Walsh, Esq., Nixon Peabody LLP, Transaction Counsel
Greg Gordon, ZE Creative Communications
Garrett Gray, Esq., Weber Law Group, Company Counsel, Contract Pharmacal Corp.
Chris Valsamos, Managing Member, BCV Realty, LLC

The Regular Meeting of the Suffolk County Industrial Development Agency was held remotely via Zoom. 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 November 19, 2020 Regular Meeting of the Suffolk County Industrial Development Agency and for the record we have a quorum present on Zoom. The notice of the meeting followed the Open Meetings Law and the Meeting is being held pursuant to Executive Order 202.1 (2020) and further extended as set forth by the Governor of NYS.

Ms. Wright asked Mr. Catapano to proceed with the Meeting. Mr. Catapano proceeded with the roll call of Board Members. Also present were staff members, agency counsel, and transaction counsels. Ms. Wright stated for the Public Comment portion of the Agenda the public may submit comments via email to info@suffolkida.org or they may be mailed to the Suffolk County Industrial Development Agency.

NEW BUSINESS

BCV Realty, LLC: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. BCV Realty, LLC is a real estate holding company and owner of 60 Davids Drive, Hauppauge, NY 11788. They plan to invest in the building in order to recruit a top tier tenant. The prospective tenant(s) will utilize the facility for manufacturing and distribution.

Mr. Catapano stated the total project size is approximately \$7.7 million of which \$6.9 million is the cost of renovations to the building. The Company will be installing approximately \$835,000 of equipment in the building. They are projecting approximately 45 new jobs with an average salary of \$45,000 per job. BCV Realty, LLC is looking to outfit the building in order to attract a tenant in the food manufacturing business. Mr. Catapano indicated along with the approximately \$7 million of renovations it is estimated 50 construction jobs will be created.

Mr. Catapano introduced Chris Valsamos, Managing Member of BCV Realty, LLC to Board Members. Mr. Valsamos stated we are excited about the project; the building is approximately 98,000 sq. ft. and is one the largest buildings in the Hauppauge Industrial Park. The building is very diverse it has a great manufacturing area and one of the largest freezer/refrigerators on Long Island. Currently it is a refrigerator only but the intention is to upgrade it to a freezer as there are a lot of requests for freezer space on Long Island. Mr. Valsamos stated they also would like to upgrade the building and make it greener with regard to energy use. Mr. Valsamos said we are in communication with Scott Naskin, of Sun Nation to upgrade to solar panels. We do not plan to use it for direct use but to give the electricity generated back to the community; it is estimated that residents will save approximately 10%. There is also a project to tie in the facility to the Suffolk County Sewer System. To attract a good food manufacturer it is vital that they are connected to the sewer system. The building needs a new roof which is needed to install the solar panels. Mr. Valsamos indicated the building was previously occupied by Castella Imports, a food manufacturer. The building was vacant for approximately six months but we had a short term lease with Whitsons Culinary Group. We have a lease with Seviroli Foods, Inc.; they are located in Nassau County. They are looking to consolidate their business from outer lying States. Seviroli sells raviolis to supermarkets and they have done well during these difficult times.

Mr. Catapano stated the Agency commissioned a Report in April 2019 that studied the Hauppauge Industrial Park and the greater Long Island economy. The Report identified nine industry clusters that could thrive on Long Island and one of them is the food manufacturing processing cluster although it is the smallest cluster. However, it is still an important industry in the economy of Long Island. Mr. Slaughter asked do you have general contractor and sub-contractors in line that you plan to use and would any of them be from outside of Long Island. Mr. Valsamos replied when he ran Castella he always used local companies. Instead of using a company like Waste Management we used Maggio and instead of using ADP Alarm System we would rather use a company like Check Mate. There is an emphasis on using local vendors where possible even paying the 5 to 8% premium is worth it to give back to the local economy and vendors. Mr. Slaughter said I would ask that you reach out to the local Building Trades Council so they will have an opportunity to bid fairly on any of the work that may be coming. Mr. Harvey stated it seems like a large project and it might fall into the speculation category; you don't currently have a signed tenant is that correct. Mr. Valsamos replied we have a lease with Seviroli Foods. The lease is subject to and states there are contingencies for the IDA and also certain obligations to be met by BCV Realty, as the landlord. Mr. Harvey asked are they going to be the sole tenant and Mr. Valsamos replied yes they will lease the entire building.

Mr. Harvey inquired regarding the proposed employees of 20 in the first year and in the second year 25 is the estimate whether they based on what the company is going to provide or is it something you came up with as an industry standard. Mr. Valsamos replied it is a little mix bit of both and conversations with them. From a former manufacturer, the size of the building and what it entails to be in that building is how we came up with the number, it is a conservative number. Mr. Harvey stated you understand Suffolk County Industrial Development Agency we are very concerned about economic development and the proposal of jobs. You will have approximately 20 - 45 jobs associated with the project is that a correct assumption and Mr. Valsamos replied that is correct. The company that will lease the building Seviroli Food has excelled and thrived in this unfortunate pandemic virus environment. They are in the frozen ravioli industry and it has thrived but the food service part of the company to restaurants has suffered like everyone else. Seviroli Food has a facility in New Jersey and they plan to consolidate into this facility. Mr. Giordano asked if the lease is contingent on the approval of the IDA; is it included in lease. Mr. Valsamos replied yes it is one of the main factors. Mr. Valsamos stated there are other obligations that BCV as a landlord has to meet like sewer hookup and a new roof; these are all also creating jobs for the community. Ms. Wright stated it is encouraging to hear they are consolidating here with a non-New York based facility.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$7,735,000 for BCV Realty, LLC facility.

Unanimously carried 5/0. A roll call was taken and it was unanimously carried 5/0.

OLD BUSINESS

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

Mr. Catapano presented Exhibit B. Contract Pharmacal Corporation (CPC) develops, manufactures and packages pharmaceuticals, over-the-counter drugs & dietary supplements for pharmaceutical companies, retail and wholesalers.

Mr. Catapano stated Contract Pharmacal Corporation (CPC) was approved last month at the October 22, 2020 IDA Meeting. The project was for a lease of 73,000 square feet at 150 Engineers Road, Hauppauge, NY 11788. It was an expansion and will create an additional 40 jobs to their workforce which is over 1,300 employees at the current time. A public hearing was held on November 10, 2020 and no comments were received. The public hearing was left open until November 18, 2020 at 3:00 p.m. for any comments and none were received.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$3,600,000 for Contract Pharmacal Corporation (CPC) facility.

Unanimously carried 5/0. A roll call was taken and it was unanimously carried 5/0.

Ms. Wright indicated that Garrett Gray, Counsel to Contract Pharmacal Corporation (CPC) of Weber Law Group just joined the Meeting. Ms. Wright told Mr. Gray the final resolution was approved for the project and Mr. Gray thanked Board Members.

Rechler at Gabreski, LLC (245 Roger's Way): Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit C. The Hampton's Business District is the development of a business and technology park by Rechler Equity/Rechler at Gabreski, LLC selected by Suffolk County to develop approximately 50 acres of land and 500,000 sq. ft. known as the Hampton Business District at the County owned Gabreski Airport in Westhampton Beach pursuant to a long term ground lease.

Mr. Catapano stated Rechler at Gabreski, LLC (245 Roger's Way) at the County owned airport is the fourth building that will be constructed. They have identified the tenant as Amazon, which was discussed at the last IDA Board Meeting. This project was initially approved by Board Members on October 22, 2020. A public hearing was held on November 10, 2020 and one public comment was received. The public hearing was left open until November 18, 2020 at 3:00 p.m. and we did not receive any further comments. The public comment received at the hearing was by Matthew Aracich, President of the Nassau/Suffolk Building Trades Council. This facility is on County land and the Suffolk County master lease with Rechler requires that prevailing wage be paid to the construction workers. Mr. Aracich was inquiring about the conveyer system that Amazon will include within the building. Mr. Catapano stated the electrical outfitting for the conveyer system will be part of the construction budget of Rechler. The Agency will put him in touch with the Amazon people to see if there is a potential for use of his group to install their system. Mr. Catapano indicated that he received an email from a local resident concerned about whether Amazon will use the airport for cargo and concerned with the airplane noise. Mr. Catapano stated we again checked with Amazon and they indicated there are no plans to use the Airport. Mr. Catapano said he also checked with the Airport Management Office and Gabreski Airport is considered a general aviation airport, cargo freight is prohibited and would require FAA approval and public input there are any plans for air freight of any kind. Mr. Weir stated the Gabreski lease that was set up by the County stated they are not permitted to use the airport facility. Ms. Wright said there is a restriction that there needs to be non-aviation businesses at Gabreski and Rechler does not have access to the runways.

After further discussion and;

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

RESOLVED to approve a final resolution for a lease transaction in the approximate amount of \$35,910,796 for Rechler at Gabreski, LLC (245 Roger's Way) facility.

Unanimously carried 5/0. A roll was taken and it was unanimously carried 5/0.

Minutes

The Minutes of the October 22, 2020 Regular IDA Meeting were accepted by Board Members.

After further discussion and;

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

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

Unanimously carried 5/0. A roll call was taken and it was unanimously carried 5/0.

The Meeting adjourned at 1:05 p.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for December 17, 2020.