



DRAFT MINUTES
IDA REGULAR MEETING
JANUARY 28, 2021

Present: Kevin Harvey, Vice Chair
Anthony Giordano, Secretary
Sondra Cochran, Treasurer
Josh Slaughter, Member

Excused Absence: Natalie Wright, Chair
Gregory Casamento, Member

Also Present: Anthony Catapano, Executive Director
Kelly Murphy, Deputy Executive Director
Daryl Leonette, Executive Assistant
Regina Halliday, Bookkeeper
William Wexler, Esq., Agency Counsel
Andrew Komaromi, Esq., Harris Beach PLLC, Transaction Counsel
William Dudine, Esq., Katten Muchin Rosenman LLP, Transaction Counsel
William Weir, Esq., Nixon Peabody LLP, Transaction Counsel
David Chauvin, ZE Creative Communications
Andrew Presberg, Esq., Counsel to Perfume Worldwide, Inc./PRNK1, LLC
Jared Presberg, Esq., Counsel to Perfume Worldwide, Inc./PRNK1, LLC
Piyush Golia, President, Perfume Worldwide, Inc./PRNK1, LLC
Tom Stringer, BDO Site Selection, representing Henry Schein, Inc.
Brian McDonald, Director of Facilities, Henry Schein, Inc.
James Mullins, Senior V.P. Global Services, Henry Schein, Inc.
Gerard Meuchner, V.P. Chief Global Communications Officer, Henry Schein, Inc.

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 12:35 p.m. by Kevin Harvey, Vice Chair of the IDA.

Mr. Harvey stated this is the January 28, 2021 Annual/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.

Mr. Harvey 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. Mr. Harvey 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.

ANNUAL BUSINESS ITEMS**Election of Officers**

The proposed slate of Officers was approved by Board Members.

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

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

Natalie Wright – Chair
Kevin Harvey – Vice Chairman
Sondra Cochran – Treasurer
Anthony Giordano – Secretary

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Committees

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

After further discussion and;

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

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

AUDIT & FINANCE COMMITTEE: Kevin Harvey, Chair
Anthony Giordano
Sondra Cochran
Natalie Wright

GOVERNANCE & COMPLIANCE COMMITTEE: Gregory Casamento, Chair
Josh Slaughter
Natalie Wright
Vacant

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Mr. Catapano stated that the Suffolk County Legislature appoints the Board Members. The Agency currently has a vacancy and there is a proposal, two resolutions for both the Suffolk County Industrial Development Agency and the Suffolk County Economic Development Corporation to fill the vacant spot. The vacant position was previously filled by Grant Hendricks. Mr. Brian Beedenbender was before the Suffolk County Legislature, Economic Development Housing and Planning Committee and was approved. The resolutions to fill the IDA and EDC board positions will go before the full Suffolk County Legislature on February 2, 2021 for approval. If approved by the Suffolk County Legislature, Mr. Beedenbender could be a sitting Board Member at our next meeting which is February 25, 2021. Mr. Beedenbender will then fill the vacant position on the Governance & Compliance Committee.

Schedule of 2021 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 except for the holidays in the months of November and December.

After further discussion and;

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

RESOLVED, to approve the 2021 Schedule of Meetings of the Suffolk County Industrial Development Agency.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Signatories on Agency Accounts

Mr. Harvey 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 2021:

Natalie Wright
Kevin Harvey
Sondra Cochran
Anthony Giordano

Anthony J. Catapano
K. Kelly Murphy

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

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

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Agency Counsel

After further discussion and;

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

RESOLVED, to continue to retain William Wexler, Esq. as Agency Counsel for 2021 at a rate of \$350 per hour.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Bond Counsels/Transaction Counsels

After further discussion and;

Upon a motion by Ms. Cochran, seconded by Mr. Slaughter, 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 2021 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 4/0. A roll call was taken and it was unanimously carried 4/0.

Agency Auditor

After further discussion and;

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

RESOLVED, to continue to retain Sheehan & Company as the Agency Auditors for 2021 in the amount of \$24,000.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Agency Accountant

After further discussion and;

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

RESOLVED, to retain PKF O'Connor Davies Accountants and Advisors formerly known as Albrecht, Viggiano, Zureck & Company, P.C. as the Agency Accountants and not to exceed \$35,000 for 2021, however, if needed to utilize up to the balance of the cap space available that was not spent in 2020 due to timing issues with COVID-19.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Review and Readoption of Agency Policies

Mr. Harvey indicated that the Agency must annually readopt the Suffolk County Industrial Development Investment Policy. Mr. Harvey asked Mr. Wexler if there were any changes regarding language since last year; Mr. Wexler replied there were no changes

After further discussion and;

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

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

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Mr. Harvey indicated that the Agency must annually readopt the Suffolk County Industrial Development Property Disposition Policy.

After further discussion and;

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

RESOLVED, to readopt the Disposition of Property Guidelines policy for the Suffolk County Industrial Development Agency.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

NEW BUSINESS

Perfume Worldwide, Inc./PRNK1,LLC: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. Perfume Worldwide, Inc./PRNK1, LLC is a wholesale, e-commerce distributor of brand-name fragrances, health and beauty products. The Company plans to expand operations and product lines to include food, coffee and personal consumer accessories. Mr. Catapano stated Perfume Worldwide, Inc./PRNK1, LLC is interested in purchasing a building located at 135 Spagnoli Road, Melville, NY. The Company currently leases the same building on a short term three year lease. They also plan to expand into other product lines which they will explain to the Board shortly. The Company is currently leasing 135 Spagnoli Road, Melville with an option to purchase the building. They plan to purchase the building and continue operations, outfit it and raise the roof and renovate. Mr. Catapano stated the project is approximately \$30 million dollars presently and in all locations they have 420 jobs. The IDA is only involved in the project at 135 Spagnoli Road, and is not involved in their Ronkonkoma facility located at 2020 Ocean Avenue. The IDA will be tracking the Melville facility, they have 68 jobs currently and they are planning to add 50 new jobs. The total number of jobs for the 135 Spagnoli building will be 118 jobs with an annual payroll of a little over \$5 million and \$44,000 annually per job. There will be 78 construction jobs estimated to be created from the renovations by the Company.

Mr. Catapano introduced Piyush Golia, President, Perfume Worldwide, Inc./PRNK1, LLC and Andrew Presberg, Esq., Counsel to Perfume Worldwide, Inc. to Board Members. Mr. Presberg stated Perfume Worldwide has been in business for 10 years and has grown tremendously in that time. The Company was sharing space with a family affiliate company known as Perfume Center of America located in Ronkonkoma, which is an Islip IDA project. Mr. Presberg said they occupy approximately 100,000 square feet in that building and they have no room to expand there. Perfume Worldwide Inc. secured space in Melville for future expansion in an approximate 119,000 square foot building. Mr. Presberg stated the building is a low ceiling building with a height of about 22 feet and as a distributor they need to raise the roof to maximum zoning permitted to about 40 feet. Mr. Presberg stated the Company leased the building in Melville in May 2019 with a short-term three year lease. They have a very tight window within the next couple of months to expand and exercise a fixed option to purchase this building. The owner does not want to sell this building; they would rather have us not exercise the option. We are not going to exercise the option until we know we have financing and IDA benefits that would accommodate the acquisition of the facility.

The cost of the building is approximately \$18 million to acquire; \$7.5 million for renovations; and \$3.5 million for machinery and equipment. The Company would not invest this money in the facility with 15 months left on the lease unless it was able to acquire it. The Company has looked at alternate sites, they would most likely also move from Ronkonkoma and get a larger facility elsewhere to house all operations. They looked at a facility in North Carolina which was 560,000 square feet for \$15 million it is quite a difference in price. This is not what the Company wants to do they are rooted in Long Island. Perfume Worldwide, Inc. has 68 employees in their Melville facility. They project an additional 50 jobs plus within 2 years of completion of this project. The revenue for the Company has grown over the past 10 years and so has the employment.

Mr. Golia thanked Board Members for their time. We continue to grow aggressively, 11 years ago we had 3 people working full time and now we have over 400 people. Mr. Golia stated in Melville we were able to hire 68 new people in the last year and a half. We are an e-commerce distribution company that does beauty and personal care. We have also gotten into other categories outside of personal care. We are involved in hair care, skin care and beauty appliances. The appliances are very bulky and we need additional space, especially cubic space. Our plan is to continue to expand into food. Mr. Slaughter stated you have outlined your process, it was described as a short term option and you would like to consolidate. Do you expect to be in the Melville facility for 15 years, Mr. Golia said yes we are investing a lot in the property. On the e-commerce side, we are doing 100,000 shipments each week. This requires a lot of technology but also vertical space to be efficient, this is why we would prefer to own the building or have a long term lease. Mr. Golia said the Company's plan is to stay on Long Island if we are going to invest so much. Most of the Company's senior management has been with the Company for more than 10 years. Mr. Slaughter said if you did not receive approval is it likely that you would leave Long Island if you were not able to receive incentives. Mr. Golia replied on the facility side we would have no option, we would have to consider moving elsewhere to be able to justify investments that we have to make. Mr. Slaughter said I reviewed the local vendor list and it did not list any contractors on Long Island. Do you know who you would utilize for the work, have you spoken with general contractors, building trades on the Island. Mr. Slaughter said this is important to us that the money that is invested for the taxpayers is passed on to local workers and the impact to the economy. Mr. Golia said they are using all local Long Island resources, we have utilized H2M Architecture firm and we have had a long term relationship with them. A key component is raising the roof and we received a quotation from a local Long Island roofer. Mr. Presberg added we have spoken to two or three local contractors already. Mr. Slaughter said could you please reach out to the Long Island Construction Trade Council to give them an opportunity to bid and Mr. Golia said yes we will. Mr. Harvey stated you are proposing 50 new jobs over two years, in addition to creating 75 construction jobs from the proposed renovations. The proposed salaries for the permanent jobs are \$2.4 million is that correct and Mr. Golia replied yes. Mr. Harvey said it looks like with 50 jobs created over 2 years you will create \$2.4 million in salaries for new employees. Mr. Harvey noted as a result after two years you will have covered the cost of the tax abatement that the IDA is considering giving you. The remaining 3 – 15 years the benefit will be over \$31 million and that is an investment worthy of consideration. Mr. Giordano said has your Company been to the IDA previously, Mr. Presberg stated the Company had an equipment lease with the Town of Islip IDA. Mr. Giordano and you honored all the terms and requirements and Mr. Presberg said yes. Mr. Presberg stated we are not moving jobs from Ronkonkoma to this facility.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$29,935,000 for Perfume Worldwide, Inc./PRNK1, LLC facility.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Henry Schein, Inc.: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit B. Henry Schein, Inc. is a worldwide distributor of healthcare products and service to dental and medical practitioners. Mr. Catapano stated the Agency has a history of assisting Henry Schein, Inc. In 1978, Henry Schein was originally based in Port Washington, NY. The Company's first entrance into Suffolk County was in 1994 and had 35 employees at that time. The Company initially leased 135 Duryea Road, Melville but then a few years later purchased the building. The IDA also assisted Henry Schein with the adjacent building located at 80 Baylis Road, Melville. The Company leased that building and added a 25,000 square foot addition. Both of the locations are adjacent to each other and comprise the Company's World Corporate headquarters. The Company has grown tremendously and now employs over 1,200 people in Melville at both buildings. Mr. Catapano stated there was an article in Newsday today about the Board considering the project for Henry Schein, Inc. The Company is the last Fortune 500 companies on Long Island. It is important to assist this Company although they are a publicly held company; it is about the individuals that are employed there. There are over 1,200 jobs to be retained at the World Corporate headquarters in Melville and the average salary is over \$130,000. Mr. Catapano stated the proposed project is approximately \$15 million for renovations and purchase equipment to both facilities. Mr. Catapano stated he has visited the facility and it is in need of updating and modernizing. They are recommitting to the Melville area and want to extend and renew the lease for 15 years at 80 Baylis Road.

Mr. Catapano introduced Tom Stringer, Site Consultant, BDO, for Henry Schein, Inc. to Board Members. Mr. Stringer introduced Jim Mullins, Sr. V.P. Global Services; Gerard Meuchner, V.P. Chief Global Communications Officer and Brian Macdonald, Sr. Director of Facilities to Board Members. Mr. Stringer thanked Mr. Catapano and Ms. Murphy for all their hard work. Mr. Stringer stated BDO is a long time service provider of Henry Schein for audit, tax and advisory work. Henry Schein is probably Long Island's best business ambassador to the world and largest corporate citizen that we can be proud of. The charity work and public service work that Henry Schein does is exceptional. When COVID-19 started Henry Schein, Inc. was front and center representing Long Island, they secured and returned over 70 million pieces of Personal Protection Equipment (PPE) to the United States. The Company was only one of five distributors that is on the Health and Human Services Task Force.

Mr. Stringer stated that they started this process three years ago and the Company undertook a global project to evaluate its footprint and operations to try and maximize efficiencies across the stream of operations. As a public example of this; Newsday and The Wall Street Journal covered this extensively with the spin-off of the animal health division so the Company could focus on business needs which was very apparent during the Pandemic. After the spin-off was created the Company examined the real estate footprint and looked at significant growth, and are there better ways to service our employees and customers. Within this examination came the study of the Melville Campus and part of the findings and experiences with the employees; the corporate campus is not

what it should be. It should be a beacon corporate asset used to attract and attain talent. Mr. Stringer noted this is extraordinarily important to the Company. Working in conjunction with the IDA and ESDC over the past couple of years we conducted a site search to compare options. Ultimately, we believed that re-investing here in Melville with the assistance of our State and local partners is the best choice. Mr. Stringer stated the campus consists of two buildings one owned (135 Duryea Road, Melville - 105,000 sq. ft. on 7.7 acres) and one leased (80 Baylis Rd., Melville – 185,000 sq. ft. on 10.84 acres). The combined taxes for both buildings are approximately \$890,000. Henry Schein, Inc. currently has 1,223 employees with a few extra employees in other locations. The annual average salary is \$131,000 annually not including the benefits package. The 1,223 jobs generate approximately \$160 million a year in annual payroll for Long Islanders. The site itself contributes \$240 million a year in direct expenditures that go to the Long Island economy. We would propose as part of the project about \$15 million to renovate and re-equip the facility. The goal is to correct inefficiencies that we noticed in the building including upgrading the technology and use the building as a beacon and return talent to the campus as the pandemic starts to end. Mr. Stringer noted that Henry Schein intends to utilize union labor for the work on-site as well as vendors. It is our ongoing business practice to do so.

Mr. Stringer introduced Jim Mullins, Sr. V.P. Global Services, Henry Schein, Inc. to Board Members. Mr. Mullins stated we are recommitting to maintain our global headquarters on Long Island and we plan to stay. We moved to Port Washington in 1978 and to Melville in 1994, the plan is to make significant improvements to the buildings. These improvements are to attract and maintain our workforce and we want to continue that. Henry Schein, Inc. has been a positive force on the Long Island economy and community; we are a Fortune 500 Company for the last 19 years ranked on the list as one of the worlds most admired companies. Henry Schein, Inc. social responsibilities; the Company hosts the back to school program for the last 23 years, working with local social services organizations. The program provides thousands of Long Island children with books, backpacks and school supplies to start the school year. Mr. Mullins stated the Company also supports Long Island Pediatric Cancer center affiliated with Northwell Health and Stony Brook through donations and our marketing program. Mr. Mullins indicated he has worked for the Company for 32 years and thanked the Board for their time. Mr. Slaughter asked if you are not able to receive assistance you will transfer 300 jobs off the Island and potentially up to 800 jobs is that accurate. Mr. Mullins replied we are committed to staying on Long Island it has been very challenging with the tax burden we have to contend with. The intention is to retain the 1,223 jobs here on Long Island that is the plan and we appreciate the collaboration with the Board. Mr. Slaughter it is critical that we keep you here; the IDA's get a lot of negative attention sometimes we want the taxpayers to know that this is saving hundreds of jobs. Mr. Slaughter said you mentioned that you are committed to union labor I appreciate that as well. Mr. Slaughter said union construction jobs are important for our middle class families and a boost to the economy as well. Mr. Mullins stated we will continue to do the right thing. Mr. Harvey stated parameters for the IDA and local economic development, job retention and to not cooperate with Henry Schein, Inc. who has been a very good corporate customer for Long Island over the years, would be harmful to all the residents of Long Island. I personally am very much in favor of moving forward with your request. Ms. Cochran stated I have been on Long Island for over 50 years. I have known families that were once low income and were employed by Henry Schein and now have become middle income. Ms. Cochran stated she is 100% in favor of this project.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$15,000,000 for Henry Schein, Inc. facility.

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

Regent Baby Products, Inc. (400 Rabro LLC): Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit C. Mr. Catapano stated the applicant wants to postpone the consideration for their application until the February 25, 2021 IDA Meeting. Mr. Catapano stated no further action is necessary.

Minutes

The Minutes of the December 17, 2020 Regular IDA Meeting were accepted by Board Members.

Long Island First Policy: Proposed additional language to clarify the Policy.

Mr. Catapano presented Exhibit D. With regard to the Agency's Long Island First Policy, some additional language was drafted to clarify and enhance the existing Policy. We were asked to hold over the discussion until the next Board Meeting. Mr. Catapano stated that the Local Labor Trades have asked to have some input and had wanted to provide comments on the Policy.

After further discussion and;

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

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

Unanimously carried 4/0. A roll call was taken and it was unanimously carried 4/0.

The Meeting adjourned at 1:45 p.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for February 25, 2021.