



ACCEPTED BY BOARD MEMBERS 1/28/21

MINUTES  
IDA REGULAR MEETING  
DECEMBER 17, 2020

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

Excused Absence: 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  
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  
Greg Gordon, ZE Creative Communications  
Dan Deegan, Esq., Forchelli Deegan Terrana, LLP, Counsel to Piping Rock Health Products, LLC  
Albert Anastasi, Piping Rock Health Products, LLC  
John Aguanno, CFO, Piping Rock Health Products, LLC  
Irene Fisher, Esq., Piping Rock Health Products, LLC  
David Cordts, V.P. Operations, Piping Rock Health Products, LLC  
Peter Curry, Esq., Farrell Fritz, Counsel to Prospect Sports Partners, LLC  
Jacklyn A. Zitelli, Farrell Fritz, Counsel to Prospect Sports Partners, LLC  
Kenneth Henderson, Authorized Representative, Prospect Sports Partners, LLC  
Anthony Orso, Prospect Sports Partners, LLC  
Michael Orso, Prospect Sports Partners, LLC  
David Starr, V.P. Agape Community Sports Services for Prospect Sports Partners, 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 December 17, 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](mailto:info@suffolkida.org) or they may be mailed to the Suffolk County Industrial Development Agency.

## **NEW BUSINESS**

**Piping Rock Health Products, LLC:** Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. Piping Rock Health Products, LLC is a manufacturer and distributor of health products (food supplements and vitamins). The Company has their lineage with the Rudolph family, the original owners of Nature's Bounty (NBTY). The Company has approximately 11 buildings in Suffolk County and they are looking to expand further. The Company will add an additional 110 jobs to Suffolk County. The project is located at 90 Davids Drive, Hauppauge, NY which is a vacant building. The building was formerly part of the Thomson Reuters Data Center complex in Hauppauge which involved two buildings with two entrances. The overall Thomson Reuters property consists of three lots with two entrances on Parkway Drive South and Davids Drive. The project involves the purchase of one of the buildings at 90 Davids Drive, Hauppauge and they plan to renovate and equip the approximate 44,950 square foot building on approximately 3.43 acres of land. The proposed building will be used for manufacturing, warehouse and packaging health products (vitamins and food supplements). Mr. Catapano indicated the total project is approximately \$15 million, overall the company currently has approximately 793 jobs on Long Island at all of their locations. In Suffolk County they have 564 jobs with an average salary of \$50,000. The project will not result in any relocations of facilities or jobs being shifted to this building and this will be there 12<sup>th</sup>. location. This will create net new jobs of 110 over a two year period with an average salary of \$37,000. The building is currently a data center that must be converted to the nutraceutical/pharmaceutical standards. It is estimated there will be an added 50 construction jobs due to the renovation stage.

Mr. Catapano introduced Peter Curry, Esq., Farrell Fritz, Counsel to Piping Rock Health Products, LLC to Board Members. Mr. Curry introduced Irene Fisher, General Counsel; Albert Anastasi, Business Development; John Aguanno, Chief Financial Officer; Dave Cordts, V.P. Operations, of Piping Rock Health Products, LLC to Board Members. Mr. Curry stated this project is to acquire and upgrade a 45,000 square foot building located at 90 Davids Drive, Hauppauge, NY. The applicant plans to purchase and spend approximately \$15.2 million in terms of the purchase, upgrade and purchase of equipment. The Company has a strong presence in Suffolk County.

Ms. Fisher stated Piping Rock Health Products, LLC is a vertical manufacturer, marketer and retailer of vitamins and other health products. The Company's employees are control freaks, and control every facet of the manufacturing process. The only process we do not control is how the herbs are grown. We start with the highest quality protocols, ingredients, lab technicians to make a high quality product. Ms. Fisher stated the Company is headquartered on Long Island and have been for decades. Scott Rudolph is the Company's Chief Executive Officer and was the former CEO of Nature's Bounty (NBTY). Nature's Bounty was started by Scott Rudolph's father Arthur Rudolph, the Grandfather of Michael Rudolph who is the President of the Company. This is a family tradition and

are dedicated for decades to the vitamin business. The entire senior management team has come over from NBTY to work for Piping Rock. Everyone that is involved in this project on this call is from NBTY, the entire management team. We have an experienced team with knowledge in IDA protocol and IDA processes in making sure that jobs are created. We have a dedicated team that will exceed your expectations. We are keenly focused on our employees who are referred to as associates. We have more than 500 associates on Long Island and close to a 1,000 across various facilities. As a headquartered company on Long Island we want our associates to know they are the heart of the business. We have been voted one of the best places to work on Long Island for three years in a row. The Company has grown tremendously. Our associates are happy to work for us we have family picnics, chocolate on Valentine's Day. We are a family that is dedicated to our associates and they come first and that is why they are happy. Our products are made in the United States on Long Island and we use local vendors (local labor force, bottlers, labelers). When the Company renovates we purchase equipment and create the highest quality space. Piping Rock is an FDA governed facility focused on quality; we create small rooms and negative pressure rooms. Ms. Fisher indicated that Piping Rock is an essential business, remaining open during the COVID 19 Pandemic. We adopted an extensive COVID-19 protocol that has been praised by a number of immunologists. We take the position of any positive COVID-19 cases we report them directly to the health authorities. The last conversation with the immunologist, I explained our protocol that our facility is sanitized on a daily bases by a company called ServPro. The facility is sanitized so that our associates feel comfortable coming to work. We are about creating good jobs and increasing our presence on Long Island. Ms. Fisher stated we want to continue to stay on Long Island. We need the Agency's assistance, the opportunity to buy quality manufacturing properties that do not come with environmental issues is few and far between and that was pre-COVID. We have worked very hard to find 90 Davids Drive, Hauppauge and plan to spend millions of dollars to take it from a vacant building to a world class manufacturing facility. In order to acquire this building we are being forced to pay far more than we would like. Our costs for equipment have gone up, everything continues to go up and this is why we need the opportunities the IDA can provide. Ms. Fisher stated she hopes that the Agency can look at what kind of business we are, jobs we will create and the cultural benefit we have here on Long Island.

Mr. Curry stated as you can see from the application, the Company employs 565 in Suffolk County and approximately 800 employees in locations throughout Long Island. This project will create 110 jobs in Suffolk County by the second year. The renovations and upgrading of the premises will push the aggregate value of renovating and equipping over \$10 million. This is an additional benefit to the County and an opportunity for the County to increase the size of health, pharmaceuticals and nutraceutical companies within the County. Mr. Harvey asked this question is directed towards Mr. Catapano, I believe the relief is 29% that is equal to \$580,000 over 15 years, Mr. Catapano said that is correct. Mr. Harvey stated that is a savings of approximately \$39,000 a year. Mr. Harvey said with the 110 jobs to be created in the first two years, starting year three the average salary would be \$36,880 that appears to be a benefit of \$4,000,000 in annual payroll to new employees. Mr. Harvey indicated if you take the \$4,000,000 of new payroll benefits to new prospective workers the third year to the fifteenth year it will provide \$42,000,000 in additional salary and benefits to new workers which will help economic development of Long Island. This does not include the 50 construction jobs that the applicant said will be the result of the renovations and construction to be made. I believe the Company speaks for themselves as far as economic development and the IDA's ability to help in making sure the applicant moves forward and stays on Long Island. Mr. Catapano said the Pharma/Nutra Industry has its roots in the vitamin and health supplements area and then evolved to the generic over the counter drugs to now also into prescription generic drugs. All three phases are bolstering the pharmaceutical and nutraceutical industry in Suffolk County. This is a very

important industry to the region. Ms. Wright stated this is a sizeable net gain of additional new jobs to the County. We are happy to see the continued growth and success on Long Island it is not always the easiest place to do business and certainly not the least expensive. The commitment to do business and grow the business here is welcomed. Ms. Wright stated we are all for trying to build the cluster of nutraceutical, pharmaceutical manufacturers to recognize the important role they play.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$15,204,000 for Piping Rock Health Products, LLC facility.

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

### **OLD BUSINESS**

**BCV Realty, LLC:** Request for a final resolution for a lease transaction.

Ms. Wright stated BCV Realty, LLC application was withdrawn. Mr. Catapano presented Exhibit B. Mr. Catapano stated the tenant in the building will be Seviroli Foods, Inc. and they requested that BCV withdraw their application. Seviroli maybe filing an application with the Agency at the appropriate time. The Agency had a public hearing scheduled for December 15, 2020 and that was cancelled. There is no further action that needs to be taken by Board Members.

**Prospect Sports Partners, LLC:** Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit C. The project is to create a regional tourism destination Sports & Medical Complex called DestiNation KP for multi-sport events, leagues, sports training, camps and national tournaments. There are four parts to this project; sports multi-fields and indoor complex; office building for sports medicine and generic medicine the tenants will be Pro-Health and their affiliates. The third part is the common areas; common roadways and infrastructure; parking for the development. There will also be a fourth phase, a 50,000 square foot medical office building which is not part of this project. The project involves the two agencies of the Suffolk County Economic Development Corporation (EDC) as the local development corporation of Suffolk County. The EDC part is the indoor and outdoor athletic fields and training facilities with their role to provide tax-exempt/taxable bonds. The applicant that will be running the fields, leagues is a not-for-profit known as Agape Community Sports KP. The applicant for the Suffolk County IDA part of the project is Prospect Sports and they are also the overall developer of the entire facility. The IDA's portion of the project is the 50,000 square foot medical/sports office building and some of the pro-rated common areas such as roadways and parking. The IDA Board previously approved this project in February 2020, for a preliminary approval. Earlier today there was a meeting of the Suffolk County Economic Development Corporation and they approved their part of the project to issue tax-exempt bonds for the athletic indoor and outdoor sports facilities. Mr. Catapano indicated a public hearing was held on December 15, 2020 and we received one comment from Legislator Robert Trotta. Legislator Trotta represents the district in which this project is located in Kings Park. Legislator Trotta indicated that he was in favor of this project although he questioned whether the applicants were the proper entities to proceed with this project. However, Prospect has the long term ground lease with Santilli Family Trust. The property previously was a sand mine operation. Mr. Catapano indicated that his

understanding with the approvals from the Town of Smithtown was that there was a hill that needed to be leveled off in order to construct the fields. This may be what Legislator Trotta was alluding to with regard to sand mining it. The public hearing was left open until December 16, 2020 at 3:00 p.m. and no further comments were received. Mr. Catapano stated Mr. Daniel Deegan, Forchelli Deegan Terrana LLP represents the project and he submitted numerous letters of support for the project from non-for-profits and individuals. Mr. Giordano asked when do they plan on starting the development, and Mr. Deegan stated we have all the approvals from the Town; we are waiting on financing and plan on starting in the spring. Mr. Giordano said you initially listed many different organizations about thirteen in total which would take part in the program; some did not know they were involved and have all these questions been answered. Mr. Deegan said since our initial meeting in February, we have had numerous meetings and outreach and solidified all relationships that we presented to the IDA and EDC they all want to be part of this project. Mr. Slaughter asked has the developer had contact with the local trades so they have an opportunity for bid. Mr. Henderson said we have had multiple discussions with local general contractors as well as sub-contractors we are working through the process. Mr. Slaughter said have you had any contact with Matthew Aracich, President of the Building & Construction Trades Council can you please contact him to get any information out to contractors and Mr. Henderson replied we will reach out.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$11,815,000 for Prospect Sports Partners, LLC facility.

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

### **Minutes**

The Minutes of the November 19, 2020 Regular IDA Meeting were accepted by Board Members.

After further discussion and;

Upon a motion by Mr. Giordano, seconded by Mr. Harvey, 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 1:15 p.m.

The next meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for January 28, 2021.