



ACCEPTED BY BOARD MEMBERS 3/25/21

MINUTES
IDA REGULAR MEETING
FEBRUARY 25, 2021

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

Excused Absence: Natalie Wright, Chair

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
Dan Deegan, Esq., Forchelli Deegan Terrana LLP, Counsel to Regent Baby Products Corp.
Jay Pomerantz, V.P., Regent Baby Products Corp.
Roy Pomerantz, Owner/Member, Regent Baby Products Corp.
Tom Stringer, BDO Site Selection, representing Henry Schein, Inc.
Brian McDonald, Director of Facilities, 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 12:45 p.m. by Kevin Harvey, Vice Chair of the IDA.

Mr. Harvey stated this is the February 25, 2021 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.

OLD BUSINESS

Perfume Worldwide, Inc./PRNK1,LLC: Request for a final 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 indicated that the Board approved this project on January 28, 2021. The Company is currently leasing a building located at 135 Spagnoli Road, Melville, NY. The building is 119,000 square feet and they are on a short term lease as a stop gap measure and they also have an option to purchase. The Company also has a leased facility located in Ronkonkoma, NY. Perfume Worldwide, Inc. intends to renovate and raise the roof of the 135 Spagnoli Road building. The Company will create 50 net new jobs; they presently have 68 positions at the Melville location. The Agency will be tracking the Melville facility not the Ronkonkoma facility since we do not want to double count jobs with the Town of Islip IDA. The project is estimated to create approximately 75 construction jobs. The public hearing was held on February 23, 2021 and no comments were received. Mr. Catapano indicated that the Company had a labor settlement/proposed settlement and it was circulated to the Board if anyone has any questions or comments. Mr. Giordano asked what was the final determination with the labor settlement with their employees has anything changed. Mr. Catapano said to my knowledge it is still the same and we received a legal opinion from Bill Wexler, Agency Counsel where Mr. Wexler did not feel that it was an adverse impact for the project. Mr. Giordano asked has there been a settlement and Mr. Presberg said it has been settled since 2018, it has not been signed off by the court. It has already been funded and disclosed on their financial statements. There were 82 people who made a claim and they will get a certain period of time to get their money. Mr. Giordano asked how did all this happen and Mr. Presberg said there was an issue regarding overtime and a 20 minute break. Mr. Presberg stated it was a required break and they did not calculate it into their hourly wage and it should have been paid time. A labor lawyer took on clients that raised that dispute it has been settled and the largest amount was given to the plaintiff's lawyers. Mr. Catapano said in your letter to the Agency it stated that the Company did not do this on their own they sought out advice from labor counsel experts before they implemented the policy of deducting the break time from paid hours. Mr. Presberg agreed, the Company thought that what they were doing was proper with the advice of labor counsel. Ms. Cochran asked in the end who was right and Mr. Presberg replied it was a settlement no determination that anyone was wrong or right. They consented to putting a certain amount of money into a fund so that the claimant can reach into. Mr. Harvey said my understanding would be that both parties believed their interpretation of the law was correct and negotiated a settlement that was acceptable to both minus the outstanding couple of issues mentioned.

Mr. Beedenbender joined the meeting.

Mr. Slaughter stated maybe Mr. Wexler can answer, the second question on the application; was there any Federal, State, local law regulations were there any violations issued originally with this or government violations issued. Mr. Presberg said there was no government violation, it was a private dispute and Mr. Wexler agreed. Mr. Presberg addressed Mr. Slaughter indicating that it was listed on

their financial statement it was disclosed to the Agency there was a specific paragraph in the financials that showed money was accrued and put aside for this settlement. Ms. Cochran asked

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how are they handling this going forward, Mr. Presberg stated I think they are paying them for their break period. Mr. Giordano said one of the concerns is although everything is legal from the perception stand point; we are giving tax breaks to a company that is hurting an employee you have to understand our circumstances. Mr. Presberg replied at the time they thought they were following proper policy and the law and doing what they were supposed to do. Mr. Wexler stated when this issue came up I researched all the open source material and litigation on electronic case filing (ECF) it was a legitimate dispute on whether or not break time has to be considered over-time or straight pay. The Company's labor counsel viewed it one way and the plaintiff's attorney viewed it another, the matter was settled. Mr. Slaughter stated the policy was changed and are paying for their time properly, Mr. Presberg they were not paying them improperly the policy was different then it is now. Mr. Giordano said there is not going to be another labor dispute and Mr. Presberg indicated not to my knowledge. Mr. Beedenbender said since he is a new Member and was not on the Board when this project was first considered, he will abstain from the vote.

After further discussion and;

Upon a motion by Mr. Casamento, seconded by Ms. Cochran, it was;

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

The motion carried 5/0/1 with Mr. Beedenbender abstaining. A roll call was taken and the motion carried 5/0/1 with Mr. Beedenbender abstaining.

Henry Schein, Inc.: Request for a final 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 Henry Schein, Inc. is one of the last Fortune 500 companies on Long Island listed on NASDAQ stock exchange. The world corporate campus consists of two buildings in Melville, NY one is leased and one is owned totaling 290,000 square feet. The Agency has a history of assisting the Company going back to 1993, in total this is the fourth project we are involved with them. Prior to 1993 Henry Schein was located in Port Washington, NY they moved to 135 Duryea Road in Melville with 35 jobs they now have over 1,200 employees in Melville. Mr. Catapano stated public companies are constantly courted by other States and countries but with the assistance the Agency has provided over the years, I think the Agency could take some credit for their growth. The current project is a \$15,000,000 project with renovations and upgrading. It is a retention transaction to keep 1,223 jobs with an annual average salary over \$131,000. The Board previously approved the project at the last Board Meeting, January 28, 2021. A public hearing was held on February 23, 2021 and two comments were received from Legislator Piccirillo and Legislator Trotta and they were circulated to the Board along with a link. Mr. Catapano stated he can read their comments if anyone would like. The Agency also received a call from Legislator Kennedy she was concerned with whether they are a threat to move. Some of her constituents were concerned with regard to what the IDA's mission is and no other comments were made. Mr. Giordano asked Mr. Catapano to please read Legislator Piccirillo comments. Mr. Catapano read Legislator Piccirillo comments to Board Members. Legislator Piccirillo said he doesn't blame the Company for asking for government hand-outs. He also stated the Company is receiving \$3.1 million in tax aide and \$2.1 million off of property taxes for 15 yrs. Mr. Catapano stated it would

be 10% savings and I have it at 13% savings. There are 1,223 people making over \$131,000 annually and these tax breaks will be put on the middle class families in the Half Hollow School

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District that can't afford to live on Long Island. If the Suffolk County Industrial Development Agency didn't exist New York State would have to come up with a tax policy that engaged businesses to stay on Long Island. Instead of an end around system, through IDA's that we have politically appointed people on both sides of the isle giving out millions of taxpayer money without any legislative oversight. I am here today asking you to join me in asking the State to have legislative oversight of the IDA Board. I think we are elected for that oversight purpose. I think the County Legislature should be involved in the decision making process, I think it's a slight to the legislature and our constituents that the tax dollars are being spent in this fashion without elected representatives having any say. I am going to write a letter to the State along with Legislator Trotta and I would like to have the legislative oversight. Thank you for your time today. Mr. Catapano stated there is oversight of the IDA's since 1969, for 51 years this is how the State has handled local economic development the mission is the assist businesses. The Board is appointed by the Suffolk County Legislature to carry out the mission of the IDA. Mr. Harvey stated these comments regarding tax breaks for larger companies have come up before. As a board member we take the decisions we make very seriously, when it comes to dealing with tax benefits, hence taxpayer dollars. In the private sector the competition is immensely strong for good corporate parties and it is extremely difficult to compete. There are counties and townships all over the country that are looking to lure good corporate players that we have locally away from us and take the jobs away from and the economic development. Henry Schein is a home grown corporate partner that provides tremendous financial benefits to the Long Island economy. Mr. Harvey stated personally, we can't afford to lose such a valuable employer to another region. It would violate our obligation to promote, develop and retain strong local economic development and we encounter this problem over and over again with criticism from people in the public sector that don't know how difficult it is to keep the private sector here on Long Island. Mr. Giordano said in reference to the middle class taxpayers, I am sure Henry Schein is hiring and retaining middle class people they have over 1,200 employees. I would be interested to see in what we give in tax breaks to how much we affect the economy in a positive way by all the ancillary projects. Why pick on a company with 1,200 employees. Ms. Cochran added I do affordable housing for the State of New York, Federal Government and Local Government. We have had several people come through that have been long and short term first time home buyers. They received education from the moment they decided to purchase a home until closing. Some of these people are low income and they got a job with Henry Schein, Inc. that taught them how to save retirement benefits to allow them to achieve the American dream. Ms. Cochran noted that she supports this project. Mr. Giordano stated I am visiting in South Carolina and the amount of businesses moving here from the Northeast is enormous, anything we can do to enhance keeping businesses on Long Island is greatly needed. Mr. Slaughter said this project is very important it has a lot of good paying jobs, globally it is easier for them to leave Long Island they have the resources. At the last meeting they said if this doesn't move forward 300-400 jobs would move elsewhere. This action today saves hundreds of jobs. This is an important company in the region, for the construction portion they are committed to using local trades. Mr. Slaughter stated that he is happy to support Henry Schein, Inc. Mr. Beedenbender stated as a previous member of the legislature and now an IDA Board Member there maybe reforms that are needed by New York State. The suggestion that the Legislature should have the approval is wrought with peril, I think it's good that we are an appointed, unpaid body. I think it is scandalous if elected officials who need to raise money, are the final arbiters in this decision. I think it is important that the public realizes that. Mr. Harvey said as I mentioned before we take our fiduciary responsibility regarding Long Island taxpayers very seriously. Young people of Suffolk County are leaving because there is no economic opportunity for them. To allow a good corporate partner like Henry Schein, Inc. to move to North Carolina that is 1,200 people that will leave Long Island. There

is a fine line we draw between spending the taxpayer's money and providing benefits. These decisions are made as a board, and we make them carefully and with due diligence. Criticism is easy

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from the outside when you are not involved in the decision making process. Henry Schein is a great home grown company and we would like to continue that relationship. Mr. Catapano stated that Henry Schein, Inc. is working on receiving assistance from New York State.

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 \$15,000,000 for Henry Schein, Inc. facility.

The motion carried 4/0/2 with Mr. Casamento and Mr. Beedenbender abstaining. A roll call was taken and the motion carried 4/0/2 with Mr. Casamento and Mr. Beedenbender abstaining.

Ms. Cochran left the meeting.

NEW BUSINESS

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

Mr. Catapano presented Exhibit C. Regent Baby Products Corp. (400 Rabro LLC) is a wholesale distributor of baby and pet products (e.g. pacifiers, bottles, wipes, apparel, toys, bathing and travel accessories, safety items). Mr. Catapano stated the Company is looking to purchase a building located at 400 Rabro Drive, Hauppauge. The building is an IDA project by the name of Trophy Depot. Trophy Depot is an e-commerce company that sells trophies and sports business awards through on-line purchasing. They have been hit hard by the pandemic with sports leagues closing down and school sports being non-existence. The Agency, in the next month will be addressing possible recapture issues with Trophy Depot. Our counsels have said while the two are linked together they are independent and we can move ahead with the consideration of the purchase of the building by Regent Baby Products. The Company is currently located in Jamaica, NY they own a 85,000 square foot building and they are looking to relocate to 400 Rabro Drive, Hauppauge in the Town of Islip. They also own a 131,000 square foot warehouse on Marcus Drive, Melville which is warehouse and distribution with 4 employees. Regent Baby Products Corp. also owns a company by the name of Pet King pet care products. They are interested in purchasing, renovating and equipping a 104,264 square foot building located at 400 Rabro Drive, Hauppauge. The renovations may include a partial removal of some of the mezzanine space for higher cube warehouse operations. They plan to create 28 new jobs, primarily warehouse and distribution and some administrative functions. Trophy Depot did a tremendous job updating the building. They added an electronic conveyor system that he needs to unwind and leave the building. It may take 6-18 months before Regent Baby can occupy so Trophy Depot maybe leasing back for a certain period it is unknown at this time. Mr. Catapano said as of last night it appears that Regent Baby Products will not be occupying the full building they may lease out a third of the building to an unrelated third party until there able to grow into the space.

Mr. Catapano introduced Dan Deegan, Esq., Forchelli Deegan Terrana, LLP Counsel to Regent Baby Products Corp. (400 Rabro LLC). Mr. Deegan introduced Jay and Roy Pomerantz they are principles

and owners of the Regent Baby Products Corp. Mr. Deegan indicated that Regent Baby Products Corp. is a wholesale distributor of baby and pet products. They have to move from their current

location in Jamaica, NY. This is an extremely price sensitive business there is competition all around the world. The Company has considered relocating to other areas such as New Jersey, etc. They would like to relocate to Suffolk County, they currently own a building in Melville, NY. They would like to make this facility located at 400 Rabro Drive, Hauppauge there corporate headquarters. Regent Baby Products Corp. is in a contract to purchase this building. Mr. Deegan stated the Company would like to purchase the building occupied by Trophy Depot we have been asked by them to let them unwind their operations which could be between 6 – 18 months. The new facility is larger than the current building and they would appreciate some flexibility from the IDA Board to be able to lease out approximately 1/3 of the building. Mr. Deegan stated he would like to have Mr. Jay Pomerantz and Mr. Roy Pomerantz give a history of Regent Baby Products Corp. to Board Members. Mr. Roy Pomerantz stated the Company was founded in 1946 by my father and he worked until he was 91 he passed two years ago. His three sons are all in the business we grew-up in Seasingtown, Long Island. We are very excited, we are in the baby category which is not easy to be in. We have a tremendous track record for compliance and we have never had a recall. We also produce a very well-priced product, we are in the value sector. One of our major customers is the Dollar Tree. Mr. Jay Pomerantz said about 15 years ago we started a pet company we sell to TJ Maxx under difference license names, Animal Planet and Humane Society. We have a very paternalistic relationship with our employees many have been with us for many years. Mr. Giordano asked the Company has 28 employees relocating to Melville and adding 4 more are they residents of Queens, Mr. Roy Pomerantz responded some are from Queens and Long Island. Mr. Giordano asked they have all agreed to make the move, and Mr. Jay Pomerantz responded with the IDA assistance we will be able to remain loyal to these workers. Mr. Slaughter asked can you explain your process of looking for space in New Jersey being cheaper is it absolutely necessary to make this project work on Long Island if not granted that you may relocate to New Jersey. Mr. Jay Pomerantz responded primary interest was New Jersey there a lot of warehouses, there is a tremendous cost savings. Our preference is to stay on Long Island. Mr. Roy Pomerantz stated we bring in our containers from the global terminal in New Jersey there are a lot of logistical benefits. We pay a lot of money to truck the containers from the port we bring in about 1,000 containers a year. Mr. Harvey indicated you mentioned the space is larger than your current facility and you are going to move your 28 employees from the facility in Jamaica to Long Island. There was mention about future growth for the company I know it's difficult to predict any future jobs what do you anticipate for growth. Has the growth curve been steady for the past 5-10 years. Mr. Roy Pomerantz replied I expect to increase jobs and the business will continue to grow. As we have all seen from the last year nothing is etched in stone. We have a lot of famous brands and hopeful we will be able to show growth. Mr. Casamento asked why are you looking to relocate to Long Island rather than New Jersey and Mr. Roy Pomerantz replied we have a facility in Melville when we have to make transfers between facilities there is a huge logistical benefit. From a practical stand point a number of key employees are on Long Island, if we are going to grow where better to do it than Long Island. Mr. Jay Pomerantz added when we do make the move our employees from Queens will move to Long Island we like having employees close to the proximity of where they work. Mr. Beedenbender asked Mr. Catapano, the previous occupant Trophy Depot is it going out or shrinking, and Mr. Catapano stated he probably will move somewhere else to a smaller location. Mr. Beedenbender do we know how many employees of the previous business are affected and Mr. Catapano said about 20 employees, he has tried his best to try and survive this pandemic. Mr. Beedenbender asked there is a proposed PILOT schedule in the application can you tell me if this is greater or less than or equal to the PILOT schedule of the previous occupant. Mr. Catapano replied this is less, Trophy Depot was a 15 year term but this project is for a 10 year term. Mr. Beedenbender you have warehouse staff it seems to be a good salary is that sales and

administrative staff, and Mr. Roy Pomerantz replied yes. Mr. Harvey asked did you say Trophy Depot is going to lose 20 jobs, Mr. Catapano replied he has tried to keep them but has furloughed some, he has about 20 employees currently but had over 70 employees at one point. Mr. Jay Pomerantz
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indicated that he has spoken to the owner of Trophy Depot and has expressed interest in any employees that he recommends, we would be interested in keeping them on.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$19,775,000 for Regent Baby Products Corp. (400 Rabro LLC) facility.

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

Minutes

The Minutes of the January 28, 2021 Annual/Regular IDA Meeting was postponed to the March 25, 2021 IDA Meeting, due to lack of quorum.

Governance and Compliance Committee: Add new Board Member Brian Beedenbender to the committee.

Mr. Catapano presented Exhibit D. Mr. Catapano stated the Governance and Compliance Committee is Chaired by Greg Casamento, along with committee members Josh Slaughter, Natalie Wright and to add newly appointed member Brian Beedenbender. Mr. Brian Beedenbender is replacing Grant Hendricks on the Board.

After further discussion and;

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

RESOLVED, to appoint Brian Beedenbender to the Governance and Compliance Committee.

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

After further discussion and;

Upon a motion by Mr. Beedenbender, 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 1:30 p.m.

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