



SUFFOLK
COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY

Steven Bellone
Suffolk County Executive

DRAFT MINUTES
IDA REGULAR MEETING
AUGUST 18, 2021

Present: Natalie Wright, Chair
Anthony Giordano, Secretary
Sondra Cochran, Treasurer
Brian Beedenbender, Member
Gregory Casamento, Member
Josh Slaughter, Member

Excused Absence: Kevin Harvey, Vice Chair

Also Present: Anthony Catapano, Executive Director
Kelly Murphy, Deputy Executive Director
Daryl Leonette, Executive Assistant
William Wexler, Esq., Agency Counsel
Andrew Komaromi, Esq., Harris Beach PLLC, Transaction Counsel
William Weir, Esq., Nixon Peabody LLP, Transaction Counsel
Melissa Bennett, Esq., Barclay Damon, LLP, Transaction Counsel
Greg Gordon, ZE Creative Communications
Lisa Broughton, S.C. Department of Economic Development & Planning
Jonathan Keyes, S.C. Department of Economic Development & Planning
Jacqueline McCormack, S.C. Department of Economic Development & Planning
Dan Deegan, Esq., Forchelli Deegan Terrana LLP, Counsel to Mark – 10 Corporation
John Gordon, Esq., Forchelli Deegan Terrana LLP
William Fridman, CEO, Mark – 10 Corporation
Mark Fridman, President, Mark – 10 Corporation
James O'Boyle, President, Trophy Depot, Inc./JIMAR Realty, LLC
Marian O'Boyle, Owner, Trophy Depot, Inc./JIMAR Realty, LLC
William J. Camera, CPA, William J. Camera & Co. Certified Public Accountants & Advisors for Trophy Depot, Inc./JIMAR Realty, LLC
Mark Blaustein, Esq., Counsel to Trophy Depot, Inc./JIMAR Realty, LLC
Lynn Montag, CPA, Sasserath & Co., for Trophy Depot, Inc./JIMAR Realty, LLC
Alan Sasserath, CPA MS, Sasserath & Co., for Trophy Depot, Inc./JIMAR Realty, LLC
David Rosenberg, Esq., Rosenberg Fortuna & Laitman LLP, Counsel to Trophy Depot, Inc./JIMAR Realty, LLC
John Cush, Iron Workers Local Union 361
Theresa Sanders, Urban League
Tom McCambridge, Albanese Organization
Rosalie Drago, Commissioner, Suffolk County Department of Labor
Natasha Snook, Owner, NSG Court Reporting

Ms. Wright indicated that the documents for this meeting can be accessed and are posted to the IDA's website at <https://www.suffolkida.org/resources/> under the Board Meetings tab.

The Regular Meeting of the Suffolk County Industrial Development Agency held in Media Room #182 located in the lower level of the H. Lee Dennison Building, 100 Veterans Memorial Highway, Hauppauge, NY was called to order at 12:30 p.m. by Ms. Wright, Chair of the IDA.

Members of the public were able to listen and view the Meeting through the Agency's website and will be connected to the Agency's YouTube Channel. Ms. Wright indicated that there is a stenographer in attendance today.

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.

PUBLIC COMMENT

Ms. Wright asked if there was any public comment at this time and Mr. Catapano stated that John Cush, Iron Workers Local 361 would like to address the Board. Mr. Cush stated he is a Business Agent for Iron Workers Local 361 representing hundreds of Suffolk County taxpayers and residents that all go through a three-year apprenticeship program. This program produces the most productive and safest iron workers and teaches them what is required to get their jobs done efficiently. Iron working is an extremely dangerous occupation to attempt to do it without the proper training is a recipe for disaster. Mr. Cush stated the Agency granted tax breaks to Hartz Mountain Industries for their new facility being built in Melville, NY. Hartz Mountain has taken these tax breaks from Suffolk County and allowed steel workers from Alabama to build their project. Mr. Cush stated that many of these workers brought in from out of state received little training. This information came to his attention because the contractor used short-cuts to put up the steel on the site. Short cuts that a certified worker would not attempt, these short cuts led to an accident last Saturday that left several workers injured and one hospitalized, requiring surgery. Mr. Cush indicated that he has photographs for anyone that would like to see of a forklift laying on its side. Mr. Cush is concerned about hiring un-skilled cheap labor, measures need to be taken so that Long Island based contractors be given preference on Suffolk County tax payers subsidized projects. Mr. Cush stated that he heard the workers that were injured should make a full recovery and we can all be thankful for that. He hopes that measures are taken at the IDA level to insure that the next accident by unskilled labor doesn't happen. Please take measures to insure the recipients of tax breaks do the right thing and hire local responsible contractors. Mr. Cush thanked Board Members for their time and addressing these concerns.

NEW BUSINESS

MARK – 10 Corporation: Request for an inducement resolution for a lease transaction.

Mr. Catapano presented Exhibit A. The Company is a manufacturer of force and torque measuring instruments, used for quality control and research applications in many industries worldwide such as medical devices, automotive, aerospace, packaging, consumer products, etc. The Company is an essential supplier to medical and pharmaceutical companies working on research, testing and treatment for COVID-19. Mr. Catapano indicated the company currently owns a 12,000 square foot building located at 11 Dixon Avenue, Copiague, NY. They are interested in purchasing a 31,500 square foot building located at 160 Oser Avenue, Hauppauge, NY to be used for manufacturing and administrative offices. The Company needs a larger space in order to continue to grow. Mark-10 Corporation currently has 50 employees with an annual payroll of \$4.6 million and an average salary of \$93,000 including management. They intend to create 5 jobs, an increase of 10%, over a two year period once they are operating in the new facility.

Mr. Catapano introduced Dan Deegan, Esq., Forchelli Deegan Terrana, Counsel to Mark – 10 Corporation, William Fridman, CEO and Mark Fridman, President of Mark – 10 Corporation to Board Members. Mr. Deegan stated this is an exciting success story for Long Island and Suffolk County. The Company started in 1979, and moved to Hicksville, NY in the 80's and then moved to Copiague, NY in 2004. They are located in a small

building 12,000 square feet, they have been growing even through COVID they need more space for their employees and materials. The Company has over 200 products in their catalog, which is basically measuring devices of force. The Company is very proud of the quality of the jobs they produce they are well paying jobs between \$54,000 - 65,000 a year. Mr. Deegan stated the employer provides full benefits to their employees with no contribution for healthcare. They also have profit sharing for all employees to participate if they choose. The problem the Company is having is needing more space and they have looked at several locations in Florida. The Company has a list of properties in Florida and the taxes are less than half of what the new building on Long Island would cost. They are in contract for the building on Oser Avenue, Hauppauge but it is subject to the financial assistance from the IDA they cannot make the move without it. Mark – 10 Corporation is also applying for a SBA loan. Their customers are nationwide and international for these products there is a lot of competition and other places have much lower taxes and real estate. Mark – 10 Corporation also spends millions of dollars a year on local vendors they are constantly buying supplies. The economic impact that has been created by this family and the business is tremendous. Mr. Deegan stated that Bill Fridman, Mark – 10 Corporation is an innovator, inventor and an engineer he started out as a consultant. Mr. Fridman was asked to design these products and ultimately started manufacturing.

Mr. William Fridman, CEO, Mark – 10 Corporation addressed the Board. Mr. Fridman stated we make products that can tell you what force it took to break it. As an example he used a bottle of water and stated their product shows the torque needed to remove the cap. The equipment measures either force or torque. Mr. Mark Fridman, President, Mark – 10 Corporation stated they have been supplying industries all around the world. There are examples in our everyday lives that the product can be used such as a bag of potato chips, some of our machines can measure what the opening force is for the bag of chips. We provide a machine that a packaging company and/or a medical device company would put into their quality control lab to test their product before it reaches the customer. We sell a lot of our products to China and we are very proud of that. Mr. Deegan said we are projecting 5 additional employees which is a 10% growth in the current workforce, we are hoping to grow even more. Given the uncertainty of COVID 19 we were successful as an essential business everyone knows that the future is uncertain. Mr. Fridman indicated when we moved into the Copiague facility in 2004 we had 15 employees, today we have 50 employees 17 years later which is about 2 net new employees a year. Ms. Cochran asked do you do your own purchasing and engineering design and the machine shop is in one space and Mr. Fridman replied yes we don't do painting, plating and sheet metal. Mr. Fridman stated we don't have enough equipment to do everything some has to be farmed out. Ms. Cochran will you one day do it all yourself and Mr. Fridman replied part of this extension will allow us to add more capacity to do more in-house. Mr. Giordano asked if we don't give your company the assistance you need you are not going to buy the building and Mr. Fridman replied correct. Mr. Giordano asked do you have a building in Florida that you are considering and Mr. Fridman said we have looked at a few buildings. Mr. Giordano said if you do not receive the aid what will you do focus on Florida and Mr. Fridman said we hope we don't have to do that. Mr. Beedenbender said in the application it states you could move to Florida and you stated that you had examples of buildings that you looked at in Florida with a tax base model can you please provide that. Mr. Deegan said yes he has copies and they were distributed to Board Members. Mr. Beedenbender said we are not given this information to review and it is helpful in evaluating any statement from a business. Mr. Casamento stated he thinks this is a great success story. Mr. Slaughter asked have you received any tax incentives from Nassau or Suffolk Counties in your prior facilities in the past and Mr. Fridman said no. Mr. Slaughter asked has anything changed in the recent years it has always been a high cost environment here. Mr. Fridman replied our expenses have grown, we provide medical insurance for all of our employees including their families. There is a big difference supplying 10 people versus 50 people with insurance. Mr. Slaughter asked do you intend to use Long Island based contractors for the construction or are you looking at any from outside the area and Mr. Deegan replied they are not going to have out of state workers we will comply with Suffolk County IDA's Long Island First policy. Mr. Giordano stated the average wage for your employees is \$63,000 although your average salary for your three executives is \$753,000 that is a significant difference. Three people make 1/3 of your total payroll and you are coming to the IDA for assistance, the salaries are significantly higher than your employees what justifies these salaries. Mr. Deegan responded the three people are the owners and the family, the ownership and innovation and the decades of building up this business to

where it is as opposed to a wage quote. They don't receive money outside of that amount in terms of dividends that is the conversation from being the owner of the business. The Company's employees are in a market place where they have to be competitive, the jobs are considered well-paying jobs for the skill level. Their salary is a significant wage along with all the health benefits. Mr. Deegan said it should be looked at as owners of a company not executives. Mr. Slaughter asked if there is a certain skill set for your employees that requires special training and is there a lot of turn-over in these positions. Mr. Fridman said the lowest level worker would be approximately \$17 an hour and the highest being an engineer at approximately \$110,000 a year. The Company has clerks, accounting, tech support, sales and machine shop workers need special skills that are in high demand.

After further discussion and;

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

RESOLVED, to approve an inducement resolution for a lease transaction in the approximate amount of \$9,506,500 for Mark – 10 Corporation facility.

Unanimously carried 6/0.

OLD BUSINESS

Trophy Depot, Inc./JIMAR Realty, LLC: Request to waive recapture of benefits.

Mr. Catapano presented Exhibit B. Ms. Wright asked Mr. Wexler to give Board Members an overview of this project. Mr. Wexler stated in the past when we have had to recapture it occurred approximately 5 times over 10 – 15 years. Generally, we would send a letter requesting payment for recapture and they would send us a check. This instance is different this is a request by Trophy Depot/JIMAR Realty LLC to have the IDA waive the clawback or recapture of the IDA benefits that have been provided to the Company during the past seven years in the amount of \$671,781 consisting of sales and mortgage recording tax exemptions and real property tax abatements. The Board's responsibility consists of three things; was there a force majeure; whether the Board will waive or enforce recapture or clawback of \$671,781 and if so how much of the \$671,781 if all or a portion of is subject to recapture. Mr. Wexler gave a background of what has happened; in 2015 the IDA awarded Trophy Depot/JIMAR Realty LLC benefits including property tax abatements, sales and mortgage recording tax exemptions. Since 2015, the companies have saved \$900,000 in real property taxes as a result of the PILOT. In the lease one of the provisions is if the applicant stays for between 3 and 6 years of the total of 15 years the recapture amount is 75% which we realize is \$671,781 that is the number we are working with. On April 29, 2021 JIMAR Realty LLC sold the building, that's a triggering event of the lease to recapture the \$671,000. The applicant agrees to stay for the 15 year term as it is part of the inducement and if they leave early it is subject to recapture. Mr. Wexler stated the applicant needed to sell and we were not ready to engage in this so working with applicants counsel at the time Mr. Catapano, Ms. Wright, Ms. Murphy and I came up with a formula of what to do. Mr. Wexler said we decided to let them close and escrow the money, so currently there is \$671,781 being held in my escrow account. The Company is claiming that there was a forced majeure, I am going to ask William Dudine, Esq. to tell you what force majeure is and how it relates to the documents. Force majeure in brief, is an unforeseeable set of circumstances that prevents someone from fully performing on a contract. Mr. Rosenberg, Esq., Counsel to Trophy Depot, Inc./JIMAR Realty, LLC who was formerly a member of the Board for 17 years will explain that they believe that the Corona Virus was a force majeure. As a result of that, they could not continue to perform under the agreements and had to sell and that should relieve them of their burden of the recapture amount. Mr. Wexler stated we will proceed today the following notions of due process and fairness to all involved as the applicant will appear before you by counsel and an accountant whatever they feel is necessary to explain why they think this board should waive the recapture. The Board can ask any questions you deem appropriate to Mr. Rosenberg or to whoever testifies. After the applicants have provided you with whatever evidence and witnesses they believe are appropriate to make their case you will hear from both William Dudine, Esq, Transaction Counsel and William Camera, CPA who the Board can engage you to give a CPA perspective of what the numbers show, his belief

of their records. This has been going on for several months, the applicant and their accountants and Mr. Camera have been exchanging documents so he can give you an opinion of what he believes the financial issues are. Once we are finished the Board thinks it is appropriate you may have a discussion as to is this a result of a force majeure, will the Board waive the recapture and ancillary how much of the recapture that the Board feels is appropriate to waive.

Mr. Wexler introduced Mr. David Rosenberg, Esq., Rosenberg Fortuna Laitman, LLC counsel to Trophy Depot, Inc./JIMAR Realty LLC to Board Members. Mr. Rosenberg and Mr. William Camera, CPA, William J. Camera and Co., Certified Public Accountants and Advisors for Trophy Depot, Inc./JIMAR Realty, LLC gave their presentations to Board Members and Natasha Snook, court reporter/stenographer, NSG Court Reporting is present and transcribing the record of the Trophy Depot, Inc./JIMAR Realty, LLC presentations and portion of the Board Meeting which is contained in a separate transcript.

After further discussion and;

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

RESOLVED, to table the request to waive the recapture of benefits for Trophy Depot, Inc./JIMAR Realty, LLC.

Unanimously carried 6/0.

(There is a separate transcript of the minutes of the proceedings of the Trophy Depot, Inc./JIMAR Realty, LLC presentations and discussion taken by NSG Court Reporting, LLC.)

Minutes

The Minutes of the July 22, 2021 were accepted by Board Members.

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

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

Unanimously carried 6/0.

The Meeting adjourned at 3:45 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for September 14, 2021 which was a scheduling change from the previous schedule.



MEETING DATE: 8/18/2021

SCIDA PROJECT ABSTRACT

APPLICANT NAME: Mark-10 Corporation CONTACT: William Fridman, Member

AND ADDRESS: 11 Dixon Avenue, Copiague, NY 11726 PHONE: 631-842-9200

PRINCIPALS: William Fridman (50%) and Vera Fridman (50%)

PRODUCT/SERVICES: Manufacturer of force and torque measuring instruments, used for quality control and research applications in many industries worldwide, including medical devices, automotive, aerospace, packaging, consumer products, etc. The Company is an essential supplier to medical and pharmaceutical companies working on research, testing and treatment for COVID-19.

PRESENT FACILITIES: 11 Dixon Avenue, Copiague, NY 11726

Own: X Acreage: 1 Sq. Ft. 12,000 11 Dixon Avenue, Copiague, NY 11747

NEW LOCATION/TAX MAP#: 160 Oser Avenue, Hauppauge, NY 11788
Town of Smithtown - Tax Map # (0800-182-01.022.005)

PROJECT DESCRIPTION: Purchase and renovate an existing 31,500 square foot building located at 160 Oser Avenue, Hauppauge to be used for manufacturing and administrative offices.

PROJECT COSTS

AUTHORIZATION SOUGHT: \$9,506,500 Lease Transaction

Purchase price of existing building	\$6,331,500
Cost of renovations to existing building	2,500,000
MANUFACTURING EQUIPMENT (Sales Tax Exempt)	200,000
NON-MANUFACTURING EQUIPMENT	300,000
ENGINEERING & ARCHITECTURAL FEES	50,000
LEGAL FEES	25,000
FINANCIAL CHARGES	100,000
OTHER FEES/CHARGES	
TOTAL PROJECT COSTS	<u>\$9,506,500</u>

EMPLOYMENT

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Locations)	50	\$4,665,336	\$93,307
PRESENT (Suffolk County)	50	4,665,336	93,307
PROPOSED 1ST. YEAR	2	107,000	53,500
PROPOSED 2ND. YEAR	3	149,000	49,667
GRAND TOTALS	55	\$4,921,337	\$89,479

Project is estimated to create 7 construction jobs.

COMMENTS:

REVISED 4/23/15
SCIDA PROJECT ABSTRACT

MEETING DATE: November 20, 2014

CONTACT: James O'Boyle, President
PHONE: 800-286-7096

APPLICANT NAME: Trophy Depot, Inc.
 AND ADDRESS 171 Rodeo Drive
 Edgewood, NY 11717

PRINCIPALS: James O'Boyle & Marian O'Boyle

PRODUCT/SERVICES: Assembly, engraving, printing and distribution of awards and trophies for schools, sporting leagues and other competitive organizations and business/corporate awards.

PRESENT FACILITIES: Own X Lease _____ Acreage _____ Sq. Ft. 45,000 sq. ft.

NEW LOCATION/TAX MAP: 400 Rabro Drive, Hauppauge, NY 11788
 Tax Map # 500-24-1-18.007

PROJECT DESCRIPTION: Purchase, renovate, equip an existing 105,000 sq. ft. building including a 17,000 sq. ft. mezzanine for a total of 122,000 sq. ft. on 7.14 acres. The Company will occupy the entire space for its operations but may lease out 25,000 sq. ft. of space for two or three years.

PROJECT COSTS: AUTHORIZATION SOUGHT: \$13,000,000 Lease Transaction

PURCHASE OF EXISTING BUILDING	9,000,000
RENOVATIONS TO EXISTING BUILDING	500,000
INSTALLATION OF EQUIPMENT	3,000,000
FINANCIAL CHARGES	335,000
OTHER FEES/CHARGES, ETC.	165,000

TOTAL PROJECT COSTS \$13,000,000

<u>EMPLOYMENT:</u>	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Facilities)	52	\$2,488,824	\$47,862
PRESENT (Suffolk County Only)	52	2,488,824	47,862
PROPOSED 1 ST . YEAR	58	2,706,048	46,656
2 ND . YEAR	68	3,065,508	45,081

The Company also employs a seasonal workforce of approximately 20-40 people annually for 25-30 weeks during peak business periods.

COMMENTS: 11/20/14 – Inducement resolution approved for an approximate \$13,000,000 lease transaction. Voting: 6 (JM,GH,PZ,SC,AG,KH) – 0. Absent: (GC).
 4/23/15 - Inducement resolution approved for an amended application for a new project location
 Voting: 6 (JM,GH,PZ,AG,SC,KH) – 0. Absent: (GC).
 7/21/15 - Public hearing held.
 7/23/15 - Final resolution approved for an approximate \$13,000,000 lease transaction.
 Voting: 6 (JM,PZ,KH,SC,GC,AG) – 0. Absent: (GH).
 11/18/15 - Project closed for an approximate \$13,000,000 lease transaction.
 4/29/21 – Project was terminated and building sold to Regent Baby Products (400 Rabro LLC) which is a new IDA Project. Trophy Depot is leasing back the building for up to 18 months.