



ACCEPTED BY BOARD MEMBERS 7/28/22

MINUTES
IDA REGULAR MEETING
JUNE 23, 2022

Present: Natalie Wright, Chair
Kevin Harvey, Vice Chair
Josh Slaughter, Member
Brian Beedenbender, Member
Cris Damianos, Member

Excused Absence: Gregory Casamento, Secretary
Sondra Cochran, Treasurer

Also Present: Anthony Catapano, Executive Director
Kelly Murphy, Deputy Executive Director
Daryl Leonette, Executive Assistant
Lori LaPonte, Agency Accountant
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
Connie Cahill, Esq., Barclay Damon, LLP, Transaction Counsel
Greg Gordon, ZE Creative Communications
James Madore, Newsday
Jay Ratican, Hartz Mountain Industries, Inc.

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 the Arthur Kunz Memorial Planning Library Conference Room located on the 2nd Floor of the H. Lee Dennison Building, 100 Veterans Memorial Highway, Hauppauge, NY was called to order at 12:50 p.m. by Ms. Wright, Chair of the IDA.

This is the June 23, 2022 Regular Board Meeting of the Suffolk County Industrial Development Agency and for the record, we do have a quorum present. The Meeting is being held both as an in-person Meeting and remotely pursuant to "Chapter 1 of the Laws of 2022 of New York State, permitting any public body to hold public meetings by telephone and video conference and/or similar device". The Meeting is also being live streamed. Members of the public may listen and view the Meeting via the Agency's website www.suffolkida.org. Watch Meeting menu option, and will be linked to the Agency's YouTube Channel.

Mr. Catapano proceeded with a roll call Natalie Wright, Kevin Harvey, Josh Slaughter, Cris Damianos are attending in-person and Mr. Beedenbender is attending remotely. Mr. Casamento and Ms. Cochran are absent and there is a quorum.

Ms. Wright welcomed Cris Damianos as a new Board Member.

PUBLIC COMMENT

Ms. Wright asked if there was any public comments and Ms. Murphy replied there are no public comments.

OLD BUSINESS

Hartz Mountain Industries, Inc. (Spagnoli Road Site): Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit A. Hartz Mountain Industries, Inc. (Spagnoli Road Site) plans to construct a 411,000 sq. ft. building on a 31.32 acre site. The new building will be leased to prospective tenants and used for manufacturing, warehousing and distribution operations. Mr. Catapano stated that this project was tabled at the May 20, 2021 IDA Meeting and was initially approved at the April 28, 2022 IDA Meeting. A public hearing was held on May 16, 2022. The final resolution was presented to Board Members at the May 19, 2022 Meeting and the motion failed to carry. Mr. Catapano stated some Board Members were interested in having the National Development Council (NDC) prepare a report on Hartz Mountain Industries, Inc. (Spagnoli Road Site) project. Mr. Catapano stated the report was distributed yesterday and hopefully Board Members had an opportunity to review it.

Mr. Catapano indicated that Mr. Jay Rhatican, Assistant General Counsel & V.P. of Land Use and Development is present to answer any questions Board Members may have. Mr. Rhatican stated since the last Board Meeting on May 19, 2022 we have worked with NDC and received the report yesterday. Mr. Rhatican indicated that he was informed that the representative from NDC is not here today and maybe it would be prudent to discuss this at a meeting when Mr. Gremse is present to answer any questions from Board Members. Ms. Wright stated we received the report with very short notice and very little time to review. Mr. Beedenbender said this project should be tabled because the outcome will not be any different than last time, it won't get resolved today he stated he was not sure if Mr. Damianos can vote. Mr. Wexler said that Mr. Damianos can vote today he took the Oath of Office already. Mr. Harvey said in support of what Mr. Rhatican said I think it makes good sense since the author of the report is not here and he has the knowledge that we should table this. Mr. Slaughter agreed said he only reviewed the report briefly and has more questions for Mr. Gremse.

After further discussion and;

Upon a motion by Ms. Wright, seconded by Mr. Damianos, it was:

RESOLVED, to table the request for a final resolution for Hartz Mountain Industries, Inc. Spagnoli Road facility.

The motion carried unanimously to table 5/0. A roll call was taken for the vote.

500 Broad Hollow Road, LLC: Request for a final resolution for a lease transaction.

Mr. Catapano presented Exhibit B. 500 Broad Hollow Road, LLC is involved in hotel ownership and management. The project involves the demolition of an existing 89,588 square foot vacant office building on 3.0 acres. Construction of a 103,555 square foot four-story hotel with 143 rooms and 148 surface parking spots. Mr. Catapano stated this is the Residence Inn property located at 500 Broad Hollow Road, Melville, NY. The property has an existing blighted vacant building on it for 10 years. Board Members reviewed and approved this project at the May 19, 2022 Meeting. The public hearing was held on Tuesday, June 21, 2022 no one attended the hearing and no comments were received.

Mr. Slaughter stated that he voted not in favor at the May 19, 2022 Meeting he felt the applicant provided information on occupancy rates and different data based on COVID 19 related issues and how it impacted the industry. Mr. Slaughter said the fear is behind us now all the mandates have been lifted and we have gotten

past all the shut downs. The applicants consultant provided different numbers based on pre-COVID 19 information based on those numbers he felt the need was not there to support the project. The applicant came before us with a previous project, they made the case of construction challenges and higher costs for the historic building. Typically, they want to come before us for assistance on hotel projects and this project doesn't have those similar challenges so he feels that the project could move forward without the assistance. Mr. Damianos stated he does not think that we are out of the woods yet regarding COVID. This building is going to serve the corporate environment of Route 110. He is not certain of the long term of people whether they will return to their offices, as people do not seem to want to go back to work. He indicated that he would not come to the same conclusion as Mr. Slaughter that we are out of the woods and people will go back to their offices people. Ms. Wright stated in areas related to travel, public transportation or hotels as it's associated with business travel are still significantly impacted because our culture of work has shifted. Our day to day is operating "as normal" there is still limited travel.

After further discussion and;

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

RESOLVED, to approve a final resolution for a lease transaction in the approximate amount of \$39,380,000 for 500 Broad Hollow Road, LLC facility.

The motion carried 4/1 with Mr. Slaughter voting no. A roll call was taken for the vote.

Long Island Industrial Partners 2013 Project: Request to consent to remove a parcel.

Mr. Catapano presented Exhibit C. Long Island Industrial Partners (2013 Project) was a bi-county IDA proposal to invest \$20 million in Suffolk County to rehabilitate and make energy efficient 2 million square feet of space. Mr. Catapano stated this was a bi-county project with the Nassau County IDA and our role was about 22 parcels in Suffolk County to upgrade warehouses and industrial properties owned by Long Island Industrial Partners. This was a joint undertaking and the closings occurred simultaneously. Mr. Catapano stated we had a parcel removed earlier this year, 100 Spence Street, Bay Shore, NY that was sold to David Peyser Company by Long Island Industrial Partners. The David Peyser Company is a manufacturer of sportswear and apparel. The Board had to approve the consent to the removal of that parcel from Long Island Industrial Partners which also became an IDA project (David Peyser Co.). This is another parcel located at 450 Commack Road, Deer Park, NY in the Town of Babylon and they are requesting removing it from the portfolio of 20 parcels. They are redeveloping the property for retail use and it does not conform to what we do at the IDA, it make sense to consent to the removal of the parcel. Mr. Catapano stated Mr. William Dudine, Esq., Katten Muchin Rosenman, LLP, Transaction Counsel is attending the meeting via Zoom if anyone has any questions. Mr. Harvey asked how come we received such late notice on this on the Agenda is there is a time constraint requirement for this the question is directed to Mr. Dudine. Mr. Dudine responded there is not a time constraint, the occupants of the building are not in a rush but they would like to get this done. Mr. Dudine as to why you got such late notice he referred to Mr. Catapano and Mr. Catapano said there was a mix-up we did not realize that it needed to go on the Agenda. Mr. Harvey said it is unusual for something to appear the day of the Meeting he wanted clarification. Mr. Catapano said on occasion this happens. Mr. Beedenbender asked Mr. Dudine this parcel was included in 2013 when the IDA approved it would removing this changed the benefits in anyway. Does the recipient get benefits in total that they can move this parcel out. Mr. Dudine responded the way the transaction works is each parcel has its own separate payment-in-lieu-of tax (PILOT). As a parcel is removed the PILOT is removed.

After further discussion and;

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

RESOLVED, to approve the consent to remove a parcel (450 Commack Road) for Long Island Industrial Partners 2013 Project facility.

Unanimously carried 5/0. A roll call was taken for the vote.

Venture One Acquisitions, LLC: Information only for this meeting.

Mr. Catapano presented Exhibit D. Venture One Acquisitions, LLC is a real estate development company. The project involves the demolition of an existing vacant 90,702 sq. ft. office building and construction of a new 123,970 sq. ft. industrial warehouse facility for lease to one or more tenants. Mr. Catapano stated the Company is changing their ownership entity that was originally submitted with Venture One Acquisitions, LLC and its affiliates. The majority owner will be an USAA Insurance related company (90%) and Venture One Acquisitions, LLC (10%) and Venture One and its affiliates will be managing the property. This is going to require the Agency to redo and conduct a supplemental public hearing for the change in ownership structure for this project. We wanted to inform the Board of this and it will be presented at the July 28, 2022 Meeting. Mr. Catapano said Mr. Andrew Komaromi, Harris Beach PLLC, is the Transaction Counsel for this project if anyone has any questions. Mr. Beedenbender said is it the same structure that we approved at the previous meeting just ownership and Mr. Komaromi replied everything is the same. The issue is that the final approval happened with one entity and before closing of this transaction. If they did this transaction after the closing they would have to come back to the Board similarly. They are forming the contracts into joint venture between the two parties. Mr. Harvey stated there will be a public hearing within the next 30 days and Mr. Komaromi said yes.

Minutes

The Minutes of the May 19, 2022 IDA Meeting were accepted by Board Members.

After further discussion and;

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

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

Unanimously carried 5/0. A roll call was taken for the vote.

The Meeting adjourned at 1:10 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for July 28, 2022.