

Nassau County Industrial Development Agency

Board Meeting Minutes

June 30, 2015 5:00 p.m.

**I. Board Roll Call**

John Coumatos	Present
Chris Fusco	Present
Tim Williams	Present
Mike Rodin	Present
Gary Weiss	Present

Others Present

Joseph J. Kearney, Esq.  
Edward A. Ambrosino, Esq.  
Paul O'Brien, Esq.  
Milan Tyler, Esq.  
Joseph Foarile  
Colleen Pereira  
Nicholas Terzulli, Esq.

**II. Approval of May 13, 2015 Board Meeting Minutes**

Gary Weiss moved to approve. Chris Fusco seconded the motion. The motion carried unanimously.

**III. Bills and Communications**

NCIDA Executive Director Joseph Kearney said that in April, 2015 the Board approved a resolution for the Agency to have an outside economist review the totality of the benefits awarded and economic impact of all projects approved since 2010. Board congratulated Staff; Staff thanked Board.

**IV. Committee Reports**

Governance and Finance Committee provided updates.

**V. Unfinished Business**

NA

## VI. New Business and Discussion

### a. JQ III / Publishers Clearing House

Joseph Kearney said this a proud moment for Nassau County. An iconic company, internationally known, whose patience was sorely tried during last few years has decided to stay on Long Island, when they certainly could have decided to leave NY State. This project partners a great company with a great Nassau County developer solving two problems at once. The project will ensure Publishers Clearing House stays in Nassau County, and provides certainty for landlord regaining their footing after the relocation of Cannon.

Howard Stein, Esq., attorney for Publishers Clearing House, thanked the NCIDA for the opportunity; staff and Board have been fantastic to work with, and have been steadfast in their efforts to ensure Publishers stays in Nassau. The company started in 1954 in Port Washington, and now has a payroll in excess of \$40 million with over 400 employees. Publishers will, conditioned on NCIDA assistance, refurbish and occupy approximately 170,000 sq. ft. of space in 300 Jericho Quadrangle.

Mr. Kearney said the building is approximately 310,000 sq ft and Publishers will occupy approximately 55%.

Mr. Kearney said the job covenant will provide that Publishers maintain not less than 444 jobs during term of lease and create an additional 66 new jobs, for a total of 510. It estimated that 55 construction jobs will be created as a result of the tenant build out. Applicant estimates there will be ultimately 1200 employees in the building including Publishers relocation.

William Cornachio, Esq., attorney for JQ III said none of this would be possible without NCIDA support. Building may appear nice to look at; however, the building is functionally obsolete and the interior needs major renovations, including elevators and various other mechanical upgrades. Without NCIDA support, this project would not happen.

Mr. Kearney said that the total Project budget is \$64 million; Publishers will spend \$27 million on tenant improvements, and JQ III will send \$37 million on tenant and building improvements.

Paul O'Brien said the proposed PILOT is a 20 year term, consistent with other corporate headquarters projects undertaken by the NCIDA. The PILOT will keep the base taxes constant for 17 years with increases in the remaining three years. The PILOT schedule starts with 2018/2019 Tax Years; the applicants will pay otherwise applicable taxes from now until then. If Publishers leaves or defaults, the NCIDA has a right to curtail PILOT to a 10 year PILOT, if default occurs within first 10 years of PILOT term. If default happens within second 10 years, NCIDA has normal default and recapture rights.

Mr. Kearney said the project falls within NCIDA's adoptive reuse policy as the property requires renovation to be marketable; and, project falls within the Strategic Assistance Financial Policy's knowledge based protocol as the jobs retained and created by Publishers Clearing House are technology driven.

Mr. Williams thanked the Applicant.

Chris Fusco, NCIDA Board Member, asked if either JQ III or Publishers retained a general contractor for construction work. JQ III said that they most likely will act as their own GC, but tenant has right to choose for their work.

Mr. Fusco asked if either party has reached out to Nassau Suffolk Building Trades Council. JQ III said not yet, but they routinely use a mix of union and non-union contractors, but they are aware that a building of this size requires using contractors with approved apprenticeship programs. Mr. Fusco said he is more concerned with a living wage. Both JQ III and Publishers agreed to reach out to Building Trades Council.

Mr. Williams said he happy is NCIDA was able to secure retention of Publishers and appreciates hard work performed by all involved. The real story, which is not told by media, is that Long Island companies are creating so much value they are targets for purchase.

Mr. O'Brien said there are three resolutions for Agency to consider: NCIDA 2015 34- SEQRA Resolution; NCIDA 2015 -35 Pilot Deviation Resolution; NCIDA 2015 -36 Final Approving Resolution. Chris Fusco moved to approve all three resolutions. Gary Weiss seconded the motion. The motion carried unanimously.

b. Resolution Addressing Governance Matters

The Board considered to the recommendation of the Governance Committee. Gary Weiss moved to approve NCIDA 2015 – 37 Agency Governance Update Resolution. Chris Fusco seconded the motion. The motion carried unanimously

c. Information Assurance / Cyber Defense Facility Resolution


The Board considered to the recommendation of the Finance Committee. Tim Williams moved to approve NCIDA 2015 - 38 Information Assurance / Cyber Defense Research Facility Resolution. Gary Weiss seconded the motion. The motion carried unanimously.

VII. Adjournment

Tim Williams moved to Adjourn at 6:00 p.m. Unanimous voice vote in favor.

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Timothy Williams  
Chairman



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Gary Weiss  
Secretary

b. Resolution Addressing Governance Matters

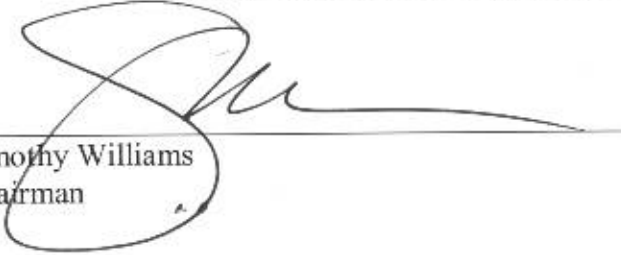
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VII. Adjournment

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Timothy Williams  
Chairman

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Gary Weiss  
Secretary

Nassau County Industrial Development Agency

Governance Committee Minutes

June 30, 2015 5:00 p.m.

**I. Board Roll Call**

John Coumatos	Present
Chris Fusco	Present
Tim Williams	Present

Others Present

Joseph J. Kearney, Esq.  
Edward A. Ambrosino, Esq.  
Paul O'Brien, Esq.  
Milan Tyler, Esq.  
Joseph Foarile  
Colleen Pereira  
Nicholas Terzulli, Esq.

**II. Business and Discussion**

a. Review of Governance Matters


The Committee reviewed and agreed to recommend to the full Board:

- Updating transactions process guidelines memorandum;
- Providing the County Executive with a statement of qualifications for new Board Members;
- Confirming appointment of Agency special counsel.

Tim Williams moved to recommend; John Coumatos seconded; the motion carried unanimously.

**III. Adjournment**

Unanimous voice vote to adjourn. The meeting adjourned at 5:30 p.m.

  
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John Coumatos  
Chairman

Nassau County Industrial Development Agency

Finance Committee Minutes

June 30, 2015 5:00 p.m.

**I. Roll Call**

Gary Weiss	Present
Chris Fusco	Present
Tim Williams	Present

Others Present

Joseph J. Kearney, Esq.  
Edward A. Ambrosino, Esq.  
Paul O'Brien, Esq.  
Milan Tyler, Esq.  
Joseph Foarile  
Colleen Pereira  
Nicholas Terzulli, Esq.

**II. Business and Discussion**

- a. Review Statement from respondent to RFQ for Information Assurance / Cyber Defense Research Facility

NCIDA Executive Director Joseph Kearney said the idea of creating centers of study and business incubation started at the outset of County Executive Mangano's administration in 2010. NCIDA approved a financial assistance package with Steel Equities in 2010 for their acquisition and renovation of the former Pall Corporation headquarters on Northern Boulevard in East Hills. As part of the financial assistance negotiation, the developer pledged to donate a leasehold interest of 10,000 sq ft as a research facility / incubator.

NCIDA staff researched the burgeoning field of cyber security, and realized that because of Long Island's history in innovation, technology and defense, creating a catalyst for cyber security industry would be a good fit for the allocated space.

Steel Equities originally pledged to donate 10,000 sq ft in the "Pall" building; however, because of a requested expansion by one of their tenants, the developers asked the NCIDA if they could donate the space in another property, namely 2 Seaview Boulevard, Port Washington. Subject to Board approval, Staff of the Agency recommends that the Agency accept the substitution.

New York Institute of Technology (NYIT) a leading, national technology university located in Old Westbury, New York has an already established cyber security program, and has been actively looking for both private sector and governmental partners to expand their research in the field. NYIT is currently in the process of being named a National Center of Excellence by the NSA in the area of Cyber Defense and Information Assurance.

NYIT was the only respondent to the NCIDA's RFQ. NYIT envisions using the donated space for both classified and unclassified research.

NYIT's cyber security project team is led by University Chief of Staff, Peter Kinney, and Dean of the School of Engineering and Computing Sciences, Dr. Nada Anid.

Mr. Kinney said industry contacts, faculty, and staff are all seeking space to conduct classified and unclassified research in cyber security, and this facility would be a perfect fit for this area of research.

Paul O'Brien, NCIDA Transaction Counsel, said, Steel Equities has agreed to lease 10,000 sq. ft. on a "rent free" basis and the point of this meeting is to consider designating NYIT as the successful respondent of the RFQ, subject to their official designation by the NSA as a National Center of Excellence. Mr. Kinney said NYIT is currently certified by NSA, but they are awaiting official designation, which should occur before September, 2015.

Mr. O'Brien continued that the legal relationship will be directly between Steel Equities and NYIT.

Tim Williams, NCIDA Chairman, asked about the expected relationship between the research facility and NYIT students. Dr. Anid said this facility will attract talented students seeking a career in that field; students will apply to work in that program.

Mr. Kearney said he is hopeful that technology will spin out from the research center which will result in the creation of new companies and new jobs.




Gary Weiss, NCIDA Board Member, said that this is a really important and growing industry, and he is happy to support this effort.

The Executive Director asked for a motion to conditionally designate NYIT as the successful respondent to the RFQ. Tim Williams moved to conditionally designate NYIT; Gary Weiss seconded the motion. The motion carried unanimously.

III. Adjournment

Unanimous voice vote to adjourn. Meeting adjourned at 5:15 p.m.



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Gary Weiss  
Chairman