

Nassau County Industrial Development IDA (“IDA”)

Board Meeting Minutes

November 8, 2018

6:30 PM

1. Board Roll Call

John Coumatos	Present	Anthony Simon	Present
Amy Flores	Present	Lewis M. Warren	Present
Chris Fusco	Present	Timothy Williams	Present
Richard Kessel	Present		

Others Present:

Joseph J. Kearney
Joseph Foarile
Andrew D. Komaromi, Esq.

The meeting was called to order and began with the pledge of allegiance. Thereafter, the roll was called and Board Chairman Kessel noted an amendment to agenda which was the removal of final approvals for Nassau Steel, LLC and 400 WJS LLC.

II. Public Comment Period

Chairman Kessel opened the meeting to public comment. Aaron Meyer, a representative of the Oceanside Civic Group, rose to discuss the Woodcrest Village Park project, specifically the PILOT, the project’s effect on the community, and reconsideration. As members of the Oceanside Civic Group opposed to the project were still en route, Chairman Kessel suggested that the public comment period be adjourned so everyone would have a full and fair opportunity to participate.

III. New Business

A. Acutis Diagnostics, Inc.

Acutis Diagnostics, Inc. (“Acutis”) CEO Jibreel W. Sarij and attorney Peter Curry presented the application to the Board. Acutis is currently in East Northport and desires to relocate to Nassau County because it has outgrown its present facility of 10,000 square feet and requires a larger facility where it will expand research and development in medication monitoring. Acutis will acquire and renovate a building of approximately 40,000 square feet at 400 Karin Lane, Hicksville. The current occupant is a light manufacturer who is leaving Long Island shortly before closing. The total project cost is approximately \$13 million. Acutis employs approximately 90 employees and intends to hire another 55 employees within the next three years. The salary range for employees is between \$45,000 and \$600,000.

Chairman Kessel thanked Mr. Sarij and noted that they had met a month earlier. The Chairman observed that Mr. Sarij was referred to the IDA by County Legislator Lafazan. The Chairman further noted that it is important for the IDA to maintain a good working relationship with the County Legislature and expressed his appreciation to Legislator Lafazan for referring the Applicant to the IDA. Chairman Kessel also noted that the County Executive was pleased that the Applicant desired to grow in Nassau County and that this project fits within the County Executive's goals of retention and expansion of employment opportunities.

Member Fusco inquired about any applicable contact with the Nassau/Suffolk Building Trades. Mr. Curry mentioned that they were not yet in contract to acquire the property because they could not secure an IDA contingency clause. However, once they are in contract, the Applicant will begin to reach out.

Member Williams asked if the Applicant planned on recruiting from local universities or partnering with local school districts. Mr. Sarij responded that they currently have interns working on site and are looking to engage with NYCOM medical students in the future.

Member Flores asked Mr. Sarij to expand on recruitment efforts, especially local hiring. Mr. Sarij explained that the positions are primarily scientific and they do plan on encouraging the hiring of local residents.

Member Warren inquired as to how long it would take for the Applicant to begin operations in Nassau County. Mr. Sarij responded that it would depend on the current tenant and the contractors work.

Member Flores inquired as to any resource the board members could be directed to relating to the Applicant's published findings. Mr. Sarij advised that such material could be provided upon request.

Hearing no further comment, Member Warren moved to approve a preliminary inducement resolution. Member Simon seconded the motion. The resolution was approved unanimously.

B. Altice USA, Inc.

Attorney Daniel Deegan and Dan Ahouse of Altice USA, Inc. ("Altice") presented the application to the board. Mr. Deegan noted that Altice was one of the largest employers in Nassau County and one of the nation's largest broadband operators located in 21 states. The proposed project entails a renovation of the operations, engineering and technology departments and a new studio complex of 40,000 square feet for News 12, featuring the latest technology. Mr. Deegan observed that Altice has been an existing client of IDA, with a long standing relationship with the County.

Chairman Kessel stated that Altice is an important employer in Nassau County and that News 12 has been an extraordinary contributor to Long Island and that the upgrade of the facility on Bethpage is warranted. The Chairman then opened the floor to questions by the board.

Member Fusco asked about any applicable contact with the Nassau/Suffolk Building Trades. Mr. Deegan responded that they were in the early stages of the project and had not yet begun that conversation.

Member Simon commented that it is very important to speak to the Building Trades and urged the project to be built with local labor. Member Wilson concurred with Member Simon's comment.

Member Williams and Member Warren inquired as to hiring Nassau County residents and recruitment efforts at local colleges. Member Coumatos stated that the renovation was a great opportunity for Bethpage.

Hearing no further comment, Member Fusco moved to approve a preliminary inducement resolution. Member Williams seconded the motion. The resolution was approved unanimously.

C. Public Comment

Chairman Kessel re-opened the public comment period.

Mr. Meyer urged the IDA to exercise its standard policy as to project monitoring and material requirements as they relate to the Woodcrest Village Park project. Mr. Meyer stated that the project was not known to anyone in the area before it was approved and the application for financial assistance was riddled with inconsistencies, factual misstatements, and outright misrepresentations. Mr. Meyer then began to explain those inconsistencies and noted that the project would put additional stress on an area traffic situation that is less than optimal.

Chairman Kessel thanked the Oceanside Civic Group for attending and noted that he spoke with their town councilperson. Chairman Kessel urged the group to meet with the IDA's General Counsel.

Member Williams noted that before the IDA took any vote with regard to the project, he did consult with Dr. Harrington and she did not express any opposition. Member Williams also noted that he spoke with the business manager of the school district and they also did not raise any objection. As to the traffic issues, Member Williams concurred that there were issues with traffic in that area but that those issues were best addressed with the Town.

Chairman Kessel then closed the public comment portion of the meeting.

D. ACS System Associates, Inc. (Project II)

Attorney Nicholas Terzulli presented the application to the board on behalf of ACS System Associates, Inc. ("ACS"). Mr. Terzulli reminded the Board that ACS was granted a preliminary inducement for a project in Woodbury earlier this year and was now before the Board for another project located at 118-120 Swam Street in Westbury. Mr. Terzulli noted that the Westbury facility will serve as an approximately 28,000 square feet metal fabrication facility. 75 percent of the

work performed by ACS requires project labor agreements. ACS is committed to creating an additional 20 full time jobs at the Westbury facility.

Chairman Kessel noted that he had the pleasure of meeting the owners of ACS and that project fits within the County's goals of retention and expansion of employment opportunities.

Member Williams asked how many people would be kept at the Westchester facility and what is presently at the location in Westbury. Mr. Terzulli responded that approximately 5 employees will remain in Westchester and that the site is currently being used as a storage facility.

Chairman Kessel asked Mr. Komaromi if the transactions can be closed at the same time, which Mr. Komaromi indicated in the affirmative so long as a public hearing and final approval were adopted.

Member Flores inquired as to the type of additional full time jobs to be created. Mr. Terzulli responded that they are metal fabricator positions.

Member Fusco inquired as to the number of union members employed by ACS. Mr. Terzulli responded that 75 percent of the employees are union members.

Hearing no further comment, Member Simon moved to approve a preliminary inducement resolution. Member Williams seconded the motion. The resolution was approved unanimously.

E. Mattress Firm, Inc.

Attorney Daniel Deegan presented the application to the board on behalf of Mattress Firm, Inc. ("Mattress Firm"). Mr. Deegan recited the history of the property, from its evolution as the former Sleepy's corporate headquarters to its sale to Mattress Firm, a publicly traded company. Mr. Deegan refreshed the Board's recollection that following the merger with Mattress Firm; hundreds of jobs at the facility were downsized, resulting in a recapture of financial assistance and an adjustment of the PILOT. Mattress Firm recently filed a strategic bankruptcy to divest itself from certain leases and other financial requirements but is committed to keeping up to 175 jobs in Nassau County once it emerges from the bankruptcy.

Member Williams inquired as to how the agreement can be structured to ensure that the IDA is a senior, protected creditor. Mr. Deegan replied that the closing will not occur until the bankruptcy plan is approved.

Chairman Kessel observed that this was not a normal transaction for the IDA. He remarked that he had an impressive meeting with Mattress Firm's Human Resources team and Mr. Deegan and the prime goal of this application was to protect the jobs of the people here. Chairman Kessel further noted that without IDA intervention, it is quite possible that a number of people might lose their jobs.

Member Simon asked what assurances will be given to ensure that the 175 job commitment will be maintained. Mr. Deegan replied that the obligation will be met by way of the annual reporting by the Mattress Firm to the IDA.

Member Williams asked if there were any stores closing in Nassau. Mr. Deegan responded that one store was closing in Oceanside.

Chairman Kessel noted that most of the warehouse jobs will remain where they are but that Mattress Firm has requested flexibility to move the office jobs out of the facility to comparable space within Nassau County.

Hearing no further comment, Member Williams moved to approve a preliminary inducement resolution. Member Fusco seconded the motion. The resolution was approved unanimously.

F. Euroamerican Funding Group, LLC

Attorney Daniel Deegan, along with Gina Colletti for Euroamerican Funding Group, LLC (“Euroamerican”), presented on behalf of Euroamerican. Mr. Deegan acknowledged Rosemary Olsen from Town of North Hempstead CDA (“CDA”). The property in question, which is 1/3 of an acre, is located in New Cassel and owned by the CDA. The property is blighted and empty and was formerly a motorcycle repair facility. In an effort to revitalize the area, CDA issued an RFP and ultimately selected Euroamerican to redevelop the property. The project would be a mixed use project, 10 units with 3000 square feet of retail space. All the units would be affordable, targeted at seniors, aged 62 and older. Mr. Deegan represented that the Town of North Hempstead is in favor of the project as evidenced by a rezoning by its own motion to permit the same.

Chairman Kessel mentioned that this is an area in critical need of housing and retail and fit the mold of the types of future IDA projects this board would be supportive of.

Member Williams asked about the nature of the financing. Mr. Deegan replied that the project would be financed with HOME funds, conventional financing and private equity.

Member Fusco asked if a general contractor had been selected. Mr. Deegan replied that a general contractor has not been selected but that Euroamerican was going to reach out to the Building Trades to see if they could be involved in the project.

Member Flores inquired as to the methodology for determining how seniors can apply for the units. Mr. Deegan mentioned that the town will spearhead the process, most likely by lottery.

Member Williams asked whether there would be a conflict between securing IDA benefits and receiving federal HOME funds. Mr. Deegan replied there would be no conflict.

Hearing no further comment, Member Simon moved to approve a preliminary inducement resolution. Member Flores seconded the motion. The resolution was approved unanimously.

G. Southern Wine

Attorney Daniel Deegan presented on behalf of the applicant, Southern Glazer’s Wine and Spirits, LLC (“Southern Wine”). Mr. Deegan noted that Southern Wine is one of the largest privately held companies in the United States. It currently owns a property in Syosset, which the IDA provided financial assistance to 10 years ago. Southern Wine is looking to expand its operations and acquire the building next door and build an 80,000 square foot

warehouse. They are looking to raise the legal commitment of jobs from 750 to 900, most of which are union jobs.

Chairman Kessel mentioned that he met with representatives from Southern Wine. He clarified that the job commitment under the previous project was 750 and that the company, at times, has exceeded that number to 1,000. Should this project be approved, that commitment would rise to 900.

Member Fusco mentioned that the previous project was built in collaboration with the Building and Trade Council.

Member Warren commended Southern Wine on this acquisition.

Hearing no further comment, Member Williams moved to approve a preliminary inducement resolution. Member Simon seconded the motion. The resolution was approved unanimously.

H. 101 Marriot Resolution

Attorney Lisa Cairo presented on behalf of the applicant, Royal Blue Hospitality, LLC (“Royal Blue”). The application before the IDA is a 6 month extension of time to close on financial assistance and approve an assignment of benefits to Royal Blue, which is a subsidiary of a company which owns and manages 60 hotels.

Chairman Kessel observed that any assignment requires County consent, which has been approved. The chairman further noted that there would be no new financial assistance but merely a transferring of the previously approved IDA financial assistance package. The chairman concluded his remarks by underscoring the importance of the hotel as a hub of the Nassau Coliseum and disclosing a personal relationship with a previous owner of the hotel who is long removed from any interest.

Hearing no further comment, Member Williams moved to approve the consent resolution. Member Warren seconded the motion. The resolution was approved unanimously.

I. Appointment of Danielle Oglesby as Deputy Director

Chairman Kessel moved to adopt the resolution authorizing the appointment of Danielle Oglesby as Deputy Director of the IDA. Chairman Kessel spoke favorably about Ms. Oglesby’s background in economic development. Member Williams seconded the motion and the appointment was approved unanimously.

At 8:38 p.m., a motion was made by Member Simon, seconded by Member Flores to adjourn the Board meeting so that the Finance Committee could convene.

IV. Finance Committee

The Finance Committee meeting was called to order by Chairman Warren.

Chairman Warren recognized Joe Foarile, who gave a short presentation. Member Williams inquired as to expenditures relating to cellular telephones and it was agreed that cellular telephones would be permitted for business reasons only. Chairman Warren then discussed how the budget would be uploaded onto the PARIS System with a copy to the County Executive, County Clerk, and Clerk of the Legislature.

Chairman Warren observed that the budget hasn't changed materially since last year.

Member Williams asked whether a provision has been made for a study by LIU-Post Global Institute, which was answered affirmatively.

Hearing no further comment, Member Williams moved to recommend the budget to the full IDA board. Member Flores seconded the motion. The resolution was approved unanimously. The

V. Budget

Chairman Kessel then reconvened the full board meeting.

Chairman Kessel recognized Member Warren, who recommended the budget and commended Mr. Foarile for his work.

Hearing no further comment, Member Fusco moved to adopt the budget as recommended by the Finance Committee. Member Simon seconded the motion.

The resolution was approved unanimously.

VI. MPD Group Discussion

Mr. Komaromi briefed the board on a rare situation relating to MPD Group where 2018-2019 school taxes turned out to be approximately \$30,000 less than what was anticipated. No further action was required.

VII. Approval of Meeting Minutes

Member Williams moved to approve the September 5, 2018 minutes. Chairman Kessel seconded the motion. The motion carried unanimously.

VIII. Bills and Communications

Chairman Kessel reported that there were no bills or communications to report.

IX. Treasurer's Report

Mr. Foarile explained that the Treasurer's Report handed out to board members is through October 31, 2018 and briefly summarized the results.

Chairman Kessel suggested that look into reducing paperwork. Member Simon suggested that using tablets may reduce paperwork.

X. Committee Reports

Chairman Kessel reported on two positive meetings regarding Woodcrest and the Building and Trades Council. Chairman Kessel thanks Member Fusco and Simon for organizing the meetings. Member Fusco and Member Simon concurred on that the meetings were positive and productive.

A brief recess was then held.

XI. Unfinished Business

The Board then discussed 2017 jobs reporting. The Chairman noted that staff will be reporting back to the board with concrete recommendations as to those applicants who have not met their thresholds so the board can take further, appropriate action.

There was also a request from the Carlisle Group, LLC requesting an additional 120 day extension to close due to the deteriorating health condition of its principal.

Member Williams inquired as to assurances that would ensure the project is completed. Mr. Komaromi indicated that he could explore this issue with counsel, such as securing a life insurance policy.

There was a unanimous voice vote on the extension.

XII. Adjournment.

Chairman Kessel noted that the next IDA meeting is December 12 at 6:30 pm. Chairman Kessel thanked the staff for putting the agenda together and noted that starting in January, they would disclose an annual board schedule that would be adhered to and designate quarterly meetings to deal with policy issues.

A motion to adjourn was made by Member Williams, which was seconded by Member Simon.

Nassau County Local Economic Development Corporation (“LEAC”)

Board Meeting Minutes

November 8, 2018

9:00 PM

1. Board Roll Call

John Coumatos	Present	Anthony Simon	Present
Amy Flores	Present	Lewis M. Warren	Present
Chris Fusco	Present	Timothy Williams	Present
Richard Kessel	Present		

Others Present:

Joseph J. Kearney
Joseph Foarile
Andrew D. Komaromi, Esq.

The meeting was called to order and Chairman Kessel opened the meeting to public comment. There being none, the Chairman moved to discuss New Business.

A. New Business

A resolution appointing board officers was presented to the Board for consideration. There being no discussion, a motion was made by Member Warren and seconded by Member Simon. In the interest of disclosure, Member Williams said that he serves as chairman of a not-profit which has benefitted from LEAC bonds.

A motion to adjourn the LEAC meeting so that a meeting of the Finance Committee could convene was made by Member Williams, which was seconded by Member Simon.

B. Finance Committee

Finance Committee Chairman Warren called the LEAC Finance Committee to order.

There was a presentation by Joe Foarile regarding the budget for LDC.

Hearing no further comment, Member Williams moved to recommend the budget to the full LEAC board. Member Flores seconded the motion. The resolution was approved unanimously.

The LEAC board then reconvened the meeting.

C. Budget

The Chair recognized Member Warren who provided a report of the Finance Committee and recommended the 2019 LEAC budget.

Hearing no further comment, Member Williams moved to adopt the budget as recommended by the LEAC Finance Committee. Member Simon seconded the motion. The resolution was approved unanimously.

D. Approval of Meeting Minutes

Member Warren moved to approve the March 28, 2018 LEAC Board minutes. Member Fusco seconded the motion. The motion carried unanimously.

XIII. Treasurer's Report

Mr. Foarile briefly summarized the Treasurer's Report handed out to board members, which was for a time period through October 31, 2018.

Chairman Kessel mentioned that the board will need to sign the oath card.

There being no further business, Member Simon moved to adjourn the LEAC meeting, which was seconded by Member Warren. The motion carried unanimously.

