

TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION

MEETING MINUTES

APRIL 17, 2019

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Gary Pollakusky
Ann-Marie Scheidt

EXCUSED MEMBERS: Scott Middleton
Frank C. Trotta

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Executive Assistant
Alan Wax, Wax Words, Inc.
Charles Vigliotti, American Organic Energy
Armand P. D'Amato, Park Strategies, LLC
Eric Russo, Vanbrunt Juzwiak & Russo, PC

Chairman Braun opened the meeting at 12:09 P.M. on Wednesday, April 17, 2019, in the Economic Development Conference Room on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

AMERICAN ORGANIC ENERGY (AOE) – UPDATE

Mr. Vigliotti presented an update to the Members on the status of the American Organic Energy (AOE) anaerobic digester project. Mr. Vigliotti explained to the Members that his company has been recycling organic material for 30 years and has been in business for 42 years. Almost all commercial food waste on Long Island ends up in landfills in North Carolina, Virginia or Upstate. Mr. Vigliotti explained the process of using vegetative waste as a resource: the food waste decomposes naturally in an enclosed environment where it is broken down to its basic carbon nitrogen components. It then

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gives off gas in enclosed tanks that is captured and used as electricity to power the plant itself. The excess will be sold off to LIPA through an interconnection agreement with PSE&G. A power purchase agreement was recently approved by LIPA.

In addition, renewable natural gas will be produced for vehicle fuel which will be put into the National Grid pipeline. The Town's landfill generates gas but right now doesn't produce enough "good gas" to monetize it. The combination of the landfill gas and the bio gas from this project will help produce more energy and allow the Town through an agreement with AOE to monetize that gas. This is expected to generate a net figure of approximately \$450,000 to the Town per year over 20 years. Through an agreement with the Suffolk County Department of Public Works, any residual that is created will be taken to the Bergen Point wastewater treatment plant resulting in tens of millions of dollars to the County.

Mr. Vigliotti detailed the \$90 million budget for this endeavor. The main processing building will be 50,000 square feet and fully sealed under negative air so there will be no outside odor detection. The project reached out to the local community prior to applying for permits and received their endorsement. While all discretionary permits are in place, a building permit has not been issued yet. They do have site plan approval, but slight modifications will need to be made. Work is being done to obtain tax-exempt bond allocation. Suffolk County has pledged their bond allocation; the rest will be requested from the State. Ms. Mulligan added that the PILOT and sales tax exemption will go through the IDA, the bonds and mortgage recording tax exemption will go through the LDC.

A final authorizing resolution will be considered once all the bond allocation has been gathered. Mr. Grucci informed the Board that property that he owns is relatively close to Mr. Vigliotti's composting facility. Mr. Grucci, in his former role as Town Supervisor, helped facilitate Mr. Vigliotti's move from East Moriches to his current location some time ago. The attorneys advised that this is not a conflict of interest.

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Mr. D'Amato and Mr. Vigliotti left the meeting at 12:25 P.M.

MINUTES OF MARCH 20, 2019

The Minutes of the March 20, 2019 meeting were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Ms. Scheidt and seconded by Mr. Callahan. All voted in favor.

MINUTES OF MARCH 20, 2019 AUDIT COMMITTEE MEETING

The Minutes of the March 20, 2019 Audit Committee meeting were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Pollakusky, seconded by Ms. Scheidt and unanimously approved.

REAFFIRMING ALL RESOLUTIONS PASSED SINCE 2014

This resolution reaffirms all action taken by the Board since 2014.

The motion to approve this resolution was made by Ms. Scheidt and seconded by Mr. Pollakusky. All voted in favor.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for the period ending March 31, 2019. The normal interest and monthly expenses were noted. The PARIS report and audited financial statements were submitted on March 26, 2019 to the Authorities Budget Office.

The motion to accept the Operating Statement for March was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

CEO'S REPORT

Risk Manager

Ms. Mulligan informed the Board that the contract with the current Risk Manager ends on April 30th; the new Risk Manager starts in May.

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Board Assessments

Comments received on the board assessments were favorable. The issue of serving the community improved with starting the workforce development program in 2018. A new initiative has been put in place for 2019 to reach out to companies that don't have a current relationship with the Town to outline the advantage of the IDA and LDC and to learn of their long-term strategic plans. Mr. Tullo is leading this effort.

American Organic Energy

Approximately \$25 million in additional bond allocation will be needed from the State for this project. The LDC can also grant 100% of the mortgage recording tax exemption. The straight lease transaction will go through the IDA.

The motion to close the LDC meeting at 12:36 P.M. was made by Mr. Grucci and seconded by Mr. Callahan. All voted in favor.

The next LDC meeting is scheduled for May 15, 2019.