

TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION

MEETING MINUTES

JUNE 19, 2019

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

EXCUSED MEMBER: Scott Middleton

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
William F. Weir, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Alan Wax, Todd Shapiro Associates
Justin Feldstein, Audio Den / VANA
Chris Parles, Audio Den / VANA
Eric Russo, VanBrunt Juzwiak & Russo, PC
Daniel Deegan, Forchelli Deegan Terrana, LLP
Sam Glass, Scalamander Cove, LLC
Douglas Partrick, Heatherwood
Christine Linsalato, Heatherwood
Richard Andreoni, Heatherwood
Peter Curry, Farrell Fritz, P.C.
Marc Saffren, m3 Development

Chairman Braun opened the meeting at 12:09 P.M. on Wednesday, June 19, 2019, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

MINUTES OF MAY 15, 2019

LDC Meeting
June 19, 2019

The Minutes of May 15, 2019 were previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci and seconded by Mr. Trotta. All voted in favor.

MINUTES OF MAY 17, 2019

The Minutes of May 17, 2019 were also previously sent to the Members for review. The motion to approve these Minutes as presented was made by Mr. Grucci, seconded by Mr. Trotta and unanimously approved.

CFO'S REPORT

Ms. LaPonte presented the Operating Statement for the period ending May 31, 2019. The regular expenses were noted along with a small charge for stationery. The final payment to the former risk manager was made.

The motion to accept the Operating Statement for May was made by Mr. Grucci and seconded by Mr. Trotta. All voted in favor.

TESLA SCIENCE CENTER – APPLICATION

This project is expected to cost approximately \$18 million and the application includes the possibility of bond financing, historic tax credits and funding from an entity in Georgia. Marc Saffren addressed the Board about his application for the Tesla Science Center/Friends of Science East on Route 25A in Shoreham, Nikola Tesla's last laboratory. They are looking to expand their facility that resides on 16 acres. Included on the property are several buildings once owned by AGFA; AGFA created a Department of Environmental Conservation (DEC) site which has since been cleaned and capped. Tesla's lab, which has been designated a national historic place, will be restored and was never involved in the DEC clean up. The applicant is \$7.2 million into this project and have applications before Empire State Development and the State Parks Department for a total of approximately \$5 million in funding. Several private donors have expressed interest in matching funds. Mr. Saffren explained that a donor needs to transfer money through a municipality before they can be distributed to a non-profit. The LDC could

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potentially be the administrator of these funds; a facilitation fee would be agreed upon. The applicant is also pursuing historical tax credits between \$2 and \$4 million.

Mr. Pollakusky joined the meeting at 12:17 P.M.

Several donors have pledged significant amounts of money which Mr. Braun requested be put in writing; Mr. Saffren said this would not be an issue. Mr. Weir explained that when donors pledge money you can draft a letter that the funds will either be used to pay down debt or operate the facility. There is no liability to the LDC if there is any default on the bonds. Mr. Saffren informed the Board that the Executive Director of the Tesla Science Center is of counsel to Mr. Middleton's law firm, Campolo, Middleton and McCormick, LLP. The firm provides pro bono legal advice to the Tesla Science Center. The LDC's role in this project could include receipt of donations and the issuance of LDC bonds and historic tax credits.

Mr. Pollakusky made a motion to accept the application and schedule a public hearing. The motion was seconded by Mr. Grucci and unanimously approved.

Mr. Saffren excused himself from the meeting at 12:29 P.M.

AMERICAN ORGANIC ENERGY – SUPPLEMENTAL INDUCEMENT RESOLUTION

A public hearing was held this morning, Ms. Mulligan read the comments received to the Board. All questions regarding these comments were answered by Counsel. This project will be located indoors which will address odor issues and the property is zoned properly. It has Planning Board approval and has been reviewed by multiple different state and local agencies. The taxpayers have no liability to pay for the bonds. The tax-exempt bonds have increased to an amount presently estimated to be approximately \$80 million but not to exceed \$95 million and the taxable bonds will be approximately \$20 million but not exceed \$30 million. The IDA and the company will enter into a separate straight lease transaction with respect to the facility whereby the IDA will grant IDA

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economic development benefits to the company. This resolution approves total tax-exempt and taxable bonds in an amount not to exceed \$125 million in the aggregate.

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

The bonds for this project will be sold at a limited public offering to accredited investors. Financing is anticipated to be completed by the third quarter of this year, the anaerobic digester is expected to be on-line by the end of 2020.

The motion to close the LDC meeting at 12:45 P.M. was made by Mr. Grucci, seconded by Mr. Pollakusky and unanimously approved.

The next LDC meeting is scheduled for Wednesday, July 17, 2019.