



Theresa Ward
Chairperson

**ACCEPTED BY BOARD
MEMBERS ON 09/28/17**

MINUTES
SCEDC REGULAR MEETING
JULY 27, 2017

PRESENT

Theresa Ward, Chair
Peter Zarcone, Treasurer
Anthony Giordano, Secretary
Kevin Harvey, Member
Gregory T. Casamento, Member
Sondra Cochran, Member

ABSENT

Grant Hendricks, Vice Chair

ALSO PRESENT

Louis Bekofsky, Suffolk County EDC, Executive Director/CEO
Angela Glaser, Suffolk County EDC, Administrative Assistant
Anthony J. Catapano, Suffolk County IDA, Executive Director
Kelly Morris, Suffolk County IDA, Deputy Executive Director
John McNally, Suffolk County IDA, Associate Director Marketing & Outreach
Daryl Leonette, Suffolk County IDA, Executive Assistant
Regina Halliday, Suffolk County IDA, Bookkeeper
William Wexler, Corporation Counsel
Andrew Komaromi, Partner, Harris Beach PLLC
Cornelia Cahill, Partner, Barclay Damon
William Weir, Partner, Dixon Peabody
James Madore, Reporter, Newsday
David Chauvin, Vice President, Zimmerman/Edelson, Inc.
Robert Trotta, Suffolk County Legislator

Christina Delisi, Legislative Aide, Suffolk County Presiding Officer DuWayne Gregory
Kimberly Scalice, Legislative Aide, Suffolk County Legislator Tom Cilmi
Kristi Reynolds, Chief of Staff, Suffolk County Legislator William J. Lindsay III
Greg LiCalzi, EVP/Investment Banking–Public Finance, Gates Capital Corporation
Seth Stein, Partner, Moritt Hock & Hamroff LLP
Karen Boorshtein, Pres. & CEO, Family Service League of Long Island
Shari Feld, CFO, Family Service League of Long Island

The Regular Meeting of the Suffolk County Economic Development Corporation was held in the Media Room #182 in the Lower Level of the H. Lee Dennison Building, 100 Veterans Memorial Highway, Hauppauge, NY, and was called to order by Theresa Ward at 12:32 pm.

PUBLIC COMMENT

Ms. Ward opened the public comment portion of the Suffolk County Economic Development Corporation Meeting.

No comments were received for the Public Comment portion of the Suffolk County Economic Development Corporation.

After further discussion and;

Upon a motion by Peter Zarcone, seconded by Kevin Harvey, it was:

RESOLVED, to end the Public Comment portion of the meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 6/0.

New Business — Family Service League, Inc. (“FSL”)

Theresa Ward stated that SCEDC had a new application from Family Service League, Inc. (“FSL”) and asked Lou Bekofsky to present it to the Board. Mr. Bekofsky stated that he was pleased to present the application to the Board and gave a brief background on FSL.

Mr. Bekofsky stated that FSL is a New York State non-for-profit organization incorporated in 1926, and is one of the largest not-for-profit social service organizations in the entire region serving 50,000 people annually. The organization has 60 programs with over 21 locations throughout Suffolk County, and provides a wide range of mental health, counseling and other social services. FSL is an outstanding member of the community with partnerships with Northwell Health, and the Regional Economic

Development Council has awarded FSL for some of its work with healthcare record interphases. SCEDC has also done some work with FSL in the past.

Mr. Bekofsky stated that FSL's application was a two-part application for tax-exempt bond financing. The first part is for construction of a 13,000 sq. ft. health and wellness center at 1452 Fifth Avenue in Bay Shore. The new facility will be adjacent to a current Iovino Family Center at 1444 Fifth Avenue, which sees approximately 1,700 clients per/week. The facility will feature a client based non-retail pharmacy, substance abuse and mental health suites, and a medical suite with three physicians' offices. Mr. Bekofsky stressed that this was very important because many of the clients are of low income and do not have access to transportation so having a physician on site will increase their ability to receive primary medical care in addition to other services that FSL provides.

In addition to the new construction, the second part of the application is for the refinancing of approximately \$1.5 million in taxable loan that was used to purchase two properties; one at 1452 Fifth Avenue, Bay Shore, where the new health center will go, and another at 321 Terryville Road, Port Jeff Station, which is currently being used as a respite care program. The total project cost is \$8.475M. FSL is requesting tax-exempt bond financing for the entire amount. Mr. Bekofsky noted that while the SCEDC is not bound by the same job creation standards as the IDA, the application proposes to create 50 new jobs, 25 in the first year and 25 in the second year.

Mr. Bekofsky then turned the meeting over to Karen Boorshtein, President and CEO of FSL, Seth Stein, transaction attorney for FSL, and Greg LiCalzi, Executive Vice President of Gates Capital Corporation, investment banker for FSL, for any questions.

Ms. Ward mentioned that in the application there was reference made to REDC funding and asked what it had been awarded for. Ms. Boorshtein replied that it was \$500,000 for the new construction as an incentive grant to build within five years, with the expectation of additional jobs.

Karen Boorshtein then expanded on FSL's partnership with Northwell Health, stating that FSL has been working with Northwell Health at its current facility at 1444 Fifth Avenue, Bay Shore, since 2011, where Northwell Health provides the primary care physicians to treat FSL clients who have behavioral health issues from either substance abuse or severe mental illness. She indicated that over the years it has been demonstrated that with the collocation of care between FSL providing the annual healthcare and Northwell Health providing the medical care, FSL clients have a reduced number of ER visits and a reduced number of patient hospitalizations. Ms. Boorshtein went on to say that Northwell Health has committed to providing 5 days a week primary care specialty, as needed, at no cost to FSL and that this initiative will help FSL to expand the work it currently does.

Peter Zarcone asked how did the concept of the new facility come about. Ms. Boorshtein replied that the concept began about 1½ to 2 years ago when FSL's Executive Staff and Board Members met to discuss the organization's growth at its current location at 1444 Fifth Avenue, Bay Shore. She indicated that with the changes in healthcare, it needed to ramp up integrated care.

Sondra Cochran referenced FSL's statement in the application that it sees about 1,700 clients per week at the Lovino facility, and asked if FSL had a projection for the new facility. Ms. Boorshtein said that FSL hoped to have an additional 300 or 400 clients per week, stating that a lot of it was dependent upon what Northwell Health would provide to FSL, as well as its hiring of more staff for the mental health and substance abuse clinics.

Tony Giordano asked if Petrocelli was the contractor for FSL. Lou Bekofsky stated that Petrocelli Construction was listed in the application as the contractor. Mr. Giordano stated that Petrocelli was also on the Board of FSL, and asked if it would present a conflict of interest.

Seth Stein, the transaction attorney for FSL, stated that, under New York Not-For-Profit Corporation Law, a Board Member would need to disclose the conflict of interest and could not participate in discussions and deliberations with regard to the matter. The Board Member would also demonstrate that the conflicted transaction was in the best interest of the organization; in other words, that it was otherwise a good deal, or at least comparable to any other transaction. The Board Member would not attend the Board Meeting where the contract is approved and would recuse himself, but be available for questions, but not comment or vote on it at all. Mr. Stein stated that this is standard procedure in this type of situation.

After further discussion and;

Upon a motion by Sondra Cochran, seconded by Gregory Casamento, it was:

RESOLVED, to grant the \$8.475M preliminary inducement to Family Service League, Inc.

Unanimously carried 6/0.

Old Business — Family Residences and Essential Enterprises, Inc. (FREE)

Theresa Ward then directed the Board to Old Business, and Lou Bekofsky turned the meeting over to Bill Weir to address SCEDC's issuance of tax-exempt revenue bonds in 2012 on behalf of Family Residences and Essential Services ("FREE").

Mr. Weir stated that FREE, a not-for-profit organization with multiple sites across Suffolk County, was selling one of the projects SCEDC financed in 2012, and was seeking redemption of a portion of the 2012 bonds for the release of a parcel at 108 Hoffman Lane in Islip. FREE was selling the facility, which contains offices and is a bus depot and transportation center, to a for profit organization. He stated that under the Tax Code, FREE was required to pay down the outstanding amount of bonds on approximately \$725,000, for which a total amount of \$350,000 would be redeemed, and was asking the Board's approval on the bond modification. Mr. Weir indicated that the transaction was scheduled to close before next Friday, August 4, 2017.

After further discussion and;

Upon a motion by Gregory Casamento, seconded by Sondra Cochran, it was:

RESOLVED, to approve the bond modification.

Unanimously carried 6/0.

MINUTES

The Minutes of the May 18, 2017, and June 22, 2017, Meetings were accepted by the Board.

After further discussion and;

Upon a motion by Kevin Harvey, seconded by Theresa Ward, it was:

RESOLVED, to adjourn the Regular Meeting of the Suffolk County Economic Development Corporation.

Unanimously carried 6/0.

The Meeting adjourned at 12:55 p.m.

The next Meeting of the Suffolk County Economic Development Corporation is tentatively scheduled for August 24, 2017.