

ECONOMIC DEVELOPMENT, HIGHER EDUCATION & ENERGY COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development, Higher Education and Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Wednesday, March 12, 2008, at 2:00 p.m.

MEMBERS PRESENT:

Legislator Wayne Horsley, Chairperson
Legislator Steven Stern, Vice-Chair
Legislator Cameron Alden
Legislator Lou D'Amaro
Legislator John Kennedy

ALSO IN ATTENDANCE:

Presiding Officer Bill Lindsay
George Nolan, Counsel to the Legislature
Joe Schroeder, Budget Review Office
Joe Muncey, Budget Review Office
Brendan Stanton, Legislative Aide to Legislator Horsley
Debbie Harris, Legislative Aide to Legislator Stern
Linda Bay, Legislative Aide to Legislator Losquadro
Charles Stein, Vice, President, Suffolk County Community College
Ben Zwirn, County Executive's Office
Todd Stebbins, County Executive's Office
Tom Isles, Director, Planning
Caroline Fahey, Department of Economic Development
Joe Sanseverino, County Executive's Office
Michelle Isabelle Stark, Economic Development/WFH Arts Council
Jim Bagg, Council on Environmental Quality
Mitchell Pally, Weber Law Group
Ray Zaccaro, Babylon Arts Council
Debbie Alloncius, AME Legislative Director
Hermann Beck, Greater Westhampton Chamber of Commerce
Muriel Weyl, Greater Port Jefferson/Northern Brookhaven Arts Council
John Coraor, Cultural Affairs Citizens Advisory Board
Allan Varela, Greater Port Jefferson/Northern Brookhaven Arts Council
Allison Cruz, Smithtown Arts Council
Diana Cherryholmes, Huntington Arts Council
Lynda A. Moran, Islip Arts Council
Other Interested Parties

MINUTES TAKEN BY:

Alison Mahoney, Court Stenographer

MINUTES TRANSCRIBED BY:

Kim Castiglione, Legislative Secretary

(The meeting was called to order at 2:03 P.M.)

CHAIRMAN HORSLEY:

All right. May we please stand for the Pledge of Allegiance.

Salutation

May we all stand for a moment of silence for all of those who have fallen overseas in protecting our freedoms. And may I say a short prayer for the Governor and his family.

Moment of Silence Observed

CHAIRMAN HORSLEY:

Thank you very much. Would you please be seated? All right. Good afternoon everybody and welcome to the Economic Development, Higher Education and Energy Committee of February -- of March. This is wrong. March 15th, isn't it?

MS. ORTIZ:

No.

CHAIRMAN HORSLEY:

The 12th. There we go. I'm looking at the agenda here, and I'm thinking, well, this doesn't look right. But of March 12th. When I was teaching this morning I think I asked them the same question. I didn't know then, either. But I'm glad everybody is here.

We have a public portion today. We also have a presentation. But what I would like to do first, because I have a special request from our Department of Economic Development that some of her peoples have to leave early, so I wanted to go to the agenda first if that is all right. Carolyn, you want to come on up? Carolyn, welcome. And thank you. And I'm truly concerned that you're worried about your department.

MS. FAHEY:

Thank you.

CHAIRMAN HORSLEY:

I'm pleased to see that -- and their time schedules. Did you want to speak before --

MS. FAHEY:

I would defer if you want to do the public portion first. We do have certain individuals here speaking on several resolutions. So if you want to do the public portion first, then we can talk about the resolutions. I'm fine with that.

CHAIRMAN HORSLEY:

I'm getting a comment from our Counsel here. I'm not sure that I can separate this. I have quite a few, Carolyn, to go through.

MS. FAHEY:

I'm fine, because a lot of the -- a lot of the public that are here speaking on our resolutions do have other things to get back to, so I would like to give them the opportunity to speak and then we'll do the resolutions?

CHAIRMAN HORSLEY:

Since you put in your special request I am here to serve our County Executive and his Department of Economic Development.

LEG. ALDEN:

Ouch.

MS. FAHEY:

And we appreciate it.

CHAIRMAN HORSLEY:

I'm killing Cameron today. What we'll do is we'll go to the public portion, and we'll start with Hank Back, is it? From the Chamber of Commerce.

MR. BECK:

Is my handwriting that bad?

CHAIRMAN HORSLEY:

It says "Greater", then I lost you. What is it, Greater --

MR. BECK:

Greater Westhampton Chamber.

CHAIRMAN HORSLEY:

Westhampton Chamber, I'm sorry.

MR. BECK:

I put in two cards, so which am I up here for now?

CHAIRMAN HORSLEY:

You are on number one, which says 1048.

MR. BECK:

Okay. That's Legislator Schneiderman's proposal to change the resolution with the ACAP, the Gabreski Airport Assessment and Environmental Committee. I'm a member of that group as well, as well as I am of the General Advisory Committee that was set up for the airport. It's been extremely successful in its implementation of the way it's set up. It is something that has worked so well because it's given every stakeholder in the community a chance to have their voice heard and to have their issues resolved successfully.

It's been a two-and-a-half year process, and we've made more progress in that time than I think the whole airport project has in the last 10 or 12 years. It's an excellent panel that works well together. The way -- what this proposal would do is change the way some of the members are selected and put another layer of approval in the way of the process. It's been successful now. I don't think we have to repair anything. It works as well as it does.

It would require the Legislature now to make approvals on at least three of the members of the committee. It would also require that the chair of the committee be the head appointed by the County -- by the County Executive. Right now the chair comes from -- is selected from amongst members of the committee. And right now it's a man named Beecher Halsey. He's actually our second chair, the first chair resigned. And again, I see nothing in this that would add any procedural advantage to our committee. It would only get in the way of what has already been a very successful group.

It's been successful in balancing all the needs of the community. Its chairman comes from amongst the group themselves. The appointments come from the County Executive, and they are all local people, and it's all worked very well. I don't see the need for another layer of approvals. And that's essentially all it would do. I think that putting that in there would also include a possible risk of damage to a procedure that's already been very successful.

P.O. LINDSAY:

What's the other issue?

CHAIRMAN HORSLEY:

The other issue is 1160.

MR. BECK:

1160 is the approval -- the adoption of the findings for the FGIS on the Gabreski Airport Hamptons Technology Park. Again, I've been involved with that from the beginning and with all the community efforts that have gone into it. And I would urge you to establish the -- to accept the standards that have been developed.

Everybody has had a chance. It's worked through all the layers from the State through the County through the town. There's been cooperation all across the board. I think every -- virtually every standard that we could pick has been addressed in this. And I think that it's one of the most comprehensive -- I mean -- comprehensive groups of issues that have been resolved.

We had, in addition to the regular community members involved in this, also we had Bob DeLuca from the Group for the South Fork, who is on the committee and also served as advisory. We have a local hydrogeologist, so as far as environmental issues go, it couldn't get any more local than that, a man who's very active, Bob {Moger}. We have had input from every aspect of the community on this. And I think we have technically solved virtually all the issues that could be -- could be resolved. I don't know if there's any more that could be added to it. I think they've done an incredibly fine job.

This is, of course, under the leadership of Jim Morgo, who was then head of the Economic Development Commission. And it's worked so well and been so smooth that I just urge you to adopt it. It's something that as the business representative from the Chamber of Commerce, we represent about 250 members in our local area, right around Greater Westhampton. We look forward to this project with great anticipation. It means a great deal. We have no other industry on the east end other than tourism. This represents a job center, a high-tech job center that's going to generate not only tax money for the surrounding community and the County, but also develop jobs that are relatively high paying jobs that we think will give people in our community a chance to be able to stay there. And we view it as a very positive component of the economic plan that the County provided for the east end. So I just urge you to establish it. That's about it.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Beck. Let me just say just quickly that we thank you for your service and the fact that you're taking the time out to make our County better.

MR. BECK:

Thank you. It's always my pleasure.

CHAIRMAN HORSLEY:

All right. Mr. Ray Zaccaro from the Babylon Arts Council.

MR. ZACCARO:

Hello. Thank you, Mr. Chairman. I'm here to speak to you today about Resolutions 1222 and 1223, regarding County funding of the arts and cultural affairs organization throughout Suffolk County. As you are well aware and Legislator Stern as well, the Babylon Arts Council has worked very hard to make the most out of our funding through the Suffolk County Cultural Affairs Office. We feel that it has been a signature aspect of the Town of Babylon that's improved the quality of life in our town.

Expand that out County-wide, Suffolk County benefits greatly from the cultural organizations on several levels. Number one, possibly most importantly on the quality of life issue, providing an outlet for people to experience and engage in arts activities. But number two, and actually of equal

importance, is the economic impact. Suffolk County's cultural affairs organizations bring in millions of dollars of revenue, tax revenue, to the County and straight throughout -- they have an economic impact on every aspect of Suffolk County and the individual townships as well.

The Town of Babylon has responded very strongly to the works of the Babylon Arts Council by improving some of the parks where our arts activities are featured, specifically Tanner Park in Copaigue and others as well. So we can't speak strongly enough about the need for more funding, but we certainly support these resolutions.

And something else to look forward to the progress of the Cultural Arts Advisory Board is this new regrant program, which we spoke about several months ago here. This is a very progressive step in the right direction to ensuring that smaller cultural organizations have the ability to sustain themselves in a positive way and to continue to work with Suffolk County, represent Suffolk County, and for Suffolk County to take credit for cultivating those organizations. So I fully support that.

On a personal note, I would like to thank you and our Legislators from the Town of Babylon for my service -- my time in service at the Babylon Arts Council. Tomorrow is my last day with the Arts Council and I look back on my time here very fondly. But I know that we would not have been able to grow to the size that we've been able to and to accomplish what we have been able to accomplish without your support, especially Legislators Mystal, who's not here, and D'Amato and Stern, and of course, Chairman Horsley. We thank you very much for your encouragement and your sponsorship of our organizations. And again, I encourage you to support these resolutions. Thank you.

CHAIRMAN HORSLEY:

Ray, thank you very much. And let me publicly thank you for your efforts, not only past, but certainly with the arts in Babylon. We truly treasure the fact that you were there to push for us and that you did a great job. I wish you well with the Congressmen -- Congresswoman, and that we expect big things from you in the future. Thank you again.

MR. ZACCARO:

Thank you very much. I appreciate it.

CHAIRMAN HORSLEY:

All right. Charles K. Stein from the Suffolk Community College.

MR. STEIN:

Good afternoon. I was here in November, and I promised I would come back and give you a quick update on where the College stands. Before I do, I wanted to take a moment to introduce our Vice-President for Economic and Workforce Development who just joined us, James Whitten. And I would like him to introduce himself and give you his background.

CHAIRMAN HORSLEY:

James, welcome.

MR. WHITTEN:

Thank you. Thanks, Chuck. I'm Jim Whitten. I hail from Portland, Maine, so I am new to your area. I'm excited to be here. I have almost a 20 year background in higher education, training in employment, workforce development and economic development. And I'm really excited to be in this area to work with this great college and keep working on the economic development strategies for the area. So thank you for the time today and I look forward to working with all of you.

CHAIRMAN HORSLEY:

Jim, as a committee here that oversees economic development as well as the college, we are delighted that you are here, and we look eagerly to work with you as well. I mean, that's -- you know, we'll have a common goal.

MR. WHITTEN:

Great. Thank you very much.

MR. STEIN:

I also want to bring up John Lombardo from our corporate training center, who has some exciting news that we learned about officially last night.

CHAIRMAN HORSLEY:

Well, after five million we'll take anything at this point. Welcome.

MR. LOMBARDO:

Good afternoon. I would like to make an announcement that the College has received a federally funded grant for manufacturing training in addition to what we received for the incumbent worker training. We received \$1.6 million for equipment specific training, which will be housed in the new building that we plan on, I think, putting the shovel in the ground in the beginning of May. It's a great program. It enhances the sustainability of that, which is being successful now.

We will be training and certifying sheet metal workers, machinists and welders, which are three extremely deep shortages in our region. And we're very grateful, and your continued support has helped us move this forward. Thank you.

CHAIRMAN HORSLEY:

And congratulations to you and your department. I tell you, we're on a roll, aren't we here with Suffolk Community College? Things are good.

P.O. LINDSAY:

Can I ask a question?

CHAIRMAN HORSLEY:

Yes, absolutely. Presiding Officer Lindsay.

P.O. LINDSAY:

The question is you said you are going to certify sheet metal workers -- in manufacturing of duct work or installation?

MR. LOMBARDO:

No. The term sheet metal workers in this particular case is metal fabricators that build cabinets and enclosures for the electronics industry.

P.O. LINDSAY:

Thank you.

MR. LOMBARDO:

You're welcome.

CHAIRMAN HORSLEY:

Again, congratulations.

MR. LOMBARDO:

Thank you.

CHAIRMAN HORSLEY:

Mr. Stein.

MR. STEIN:

Thank you. Just briefly, since I've been here -- was here in November, we are estimating our enrollment for the whole year, assuming the summer comes in where we plan, an enrollment increase of about 3.3%. And I wanted to let you know that because I know that's something that you have been interested in.

As we look toward putting together our budget for the '08-'09 year, which takes affect on September 1st, we have some concerns. The budget that was proposed by, I guess now our former Governor, includes a reduction in our FTE aid. And there are some other items that have not been funded by the State, which pose a concern to us.

In addition, we're facing the very same thing that Suffolk County faces as it looks toward its subsequent year budget; increases in health insurance costs, collective bargaining costs, pension costs, etcetera.

The enrollment increase has also brought with it additional costs associated with supplies and people to put in front of the classroom. These are things that we do take into consideration as we move forward. We recognize the financial constraints that the State and the County are looking at. Our goal, though, is to maintain a viable college and to minimize as much as possible the impact on the students, which as you know, students now carry 42% of the burden. And we're hopeful that we can craft a budget that will work for everyone. And we'll keep you posted as we go forward.

P.O. LINDSAY:

Can I ask a question?

CHAIRMAN HORSLEY:

Sure. Legislator Lindsay.

P.O. LINDSAY:

Mr. Stein, back a few years we were in a situation where enrollment was declining, I mean, if you go back probably six years ago. And we were told you needed more money because of the declining enrollment. Now we have increasing enrollment, and you say it's still more costly to us.

MR. STEIN:

Well, many things occur. Number one, enrollment only pays a portion of the cost. Number two, we've had increases in collective bargaining and all of that.

P.O. LINDSAY:

I realize that. But enrollment going up means that you need more of a subsidy or --

MR. STEIN:

No. Enrollment going up means that there are more costs in operation and the partners who fund the College, which consists of the students, the State and the County --

P.O. LINDSAY:

Okay. But that's contrary to what was told to us a few years ago when -- with declining enrollment.

MR. STEIN:

I -- this is not a simple answer. I mean, if enrollment goes up or down, you still have to turn the lights on, you still have to heat the buildings, you still have to --

P.O. LINDSAY:

I realize that.

MR. STEIN:

So there are costs involved. What I'm saying, though, is that as enrollment goes up, there are

specific costs to that training; the supplies, the faculty, etcetera.

P.O. LINDSAY:

I realize that. But there is economies of scale with a larger enrollment, no?

MR. STEIN:

Oh, there are, except the fact that we're pushing 92 to 94% utilization in the classrooms right now.

P.O. LINDSAY:

Okay.

CHAIRMAN HORSLEY:

Let the negotiations begin. Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. I guess two questions. First, can you speak to what the current number of enrollment increase is? I remember there were numbers that it was on the decline, then numbers that it was on the rise. And at this point --

P.O. LINDSAY:

He said three million.

MR. STEIN:

The budget that was adopted for the current year, the final budget adoption, included a 2% increase in enrollment. And we're at about -- we're estimating about 3.3. But that's also including the police class that's this year. We don't anticipate another police class next year, so that's going to have an impact next year.

LEG. STERN:

And, of course, we have challenges as we go through our budget process here the at the County level of government. I guess my question is how do you see things going at the State level right now as they go through their process?

MR. STEIN:

What time is it? You know, I can't comment on the State level at this moment. We've had a -- it's been an interesting day, as you know, and I'm not sure where everything is going to shake out.

LEG. STERN:

All right. Thanks.

MR. STEIN:

I'm hopeful. Let's leave it at that.

LEG. STERN:

Sure.

MR. STEIN:

The only thing that's on the table right now is the State proposed budget, which includes a \$50 reduction in FTE aid. And that reduction represents about \$870,000 to Suffolk Community College.

LEG. STERN:

All right.

CHAIRMAN HORSLEY:

Mr. Stein, in this budgetary dance -- and I haven't been doing it as long as you have, obviously -- do you see that the game is when the Governor proposes his budget, the Legislature restores

oftentimes cuts? I mean, is that the general game?

MR. STEIN:
Historically --

CHAIRMAN HORSLEY:
Much like on the high school levels.

MR. STEIN:
Historically that has occurred. There was a year -- about five years ago, I think -- where there was reduction in State aid that the State Legislature did not restore.

CHAIRMAN HORSLEY:
So I assume that you guys are active in the mix right now starting to talk it up and working with us, of course, for State fair share?

MR. STEIN:
I'm dancing as best I can.

CHAIRMAN HORSLEY:
There you go. Start now. Okay. Thank you very much. Is there anything else?

MR. STEIN:
Thank you for your time, and thank you for your continued support.

CHAIRMAN HORSLEY:
As always, Mr. Stein. All right. Ms. Muriel Weyl from the Suffolk County Arts.

MS. WEYL:
Yes. I'm on the Suffolk County Arts and Cultural Affairs. I'm also a board member of the Greater Port Jefferson Arts Council, Greater Port Jefferson-Northern Brookhaven Arts Council. And I'm really here as a public citizen tonight. I'm not talking about money because we always ask for money. We need continued support always. But I just want to take a minute to enhance your memory since I have had this long memory of Suffolk County and living here for 40 plus years and watching -- and watching it grow, watching it for business development, for the university -- in Suffolk Community College development and watching the arts grow here and the importance -- seeing the importance of what the arts mean to our community, right?

I know several people who have moved from Nassau County to Suffolk County because we have so much to offer here. I know how our particular Arts Council brings world class music, world class -- and I'm comparing that to New York City. New York City, which has the breadth -- we serve film, arts, dance. We serve the public schools. And there are programs which -- which -- Master Arts Programs, which the children get. My own children when they grew up, right, looked -- when they went to other parts -- left Suffolk County and went to other parts of the world as well as to the United States, looked for places to live which would give them an opportunity to participate and to see the arts. And that's what people look for here.

So I want very much to stress that and have an opportunity to help you remember how much we have grown and how important we are in the whole Long Island picture. So thank you very much for giving me that opportunity.

CHAIRMAN HORSLEY:
You're very welcome. Allan Varela, arts funding from the Greater Port Jeff-Brookhaven Art Council.

MR. VARELA:
How are you?

CHAIRMAN HORSLEY:

Just fine, Allan.

MR. VARELA:

Hello, everybody. Allan Varela, Executive Director of Greater Port Jefferson-Northern Brookhaven Arts Council. I also serve on the Arts Advisory Board. And because I'm not busy enough, I was just elected Chair of the Long Island Music Hall of Fame. So my message --

CHAIRMAN HORSLEY:

Congratulations.

MR. VARELA:

Thank you. I did consider demanding a recount, though, because of my schedule. But my message today is simple, to bring a perspective and possibly echoing what Ray has already said, that a lot of times I hear people talking about the arts and the different arts groups and, oh, we're giving to the arts groups, and we're giving -- what I would like to point out is that the arts are an investment for our community. The arts, through the State and Federal Government, they've done constant surveys that a dollar, I think, is a 2 to 1 ratio, maybe 2 1/2% -- you know, 2.5% back, not 5% times back. So if you put in a dollar, you are getting two dollars back, \$2.50 back.

And so I would just like to say thank you for what has been given, and please consider that this is an investment, that it does bring more funding back to the community that can help indeed other programs grow. So I just wanted to put in that reminder. And thank you very much for the funding that we've gotten so far.

CHAIRMAN HORSLEY:

Thank you very much, Mr. Varela. Mr. John Coraor?

MR. CORAOR:

John Coraor. I'm Director of Cultural Affairs for the Town of Huntington, but I'm here to speak to you this afternoon as the current Chair of the Cultural Affairs Citizens Advisory Board. And on behalf of that CAB, I want to thank all of you as well as your other Legislative colleagues for your continuing support of funding for the Cultural Affairs Grant Programs.

This has been a particularly challenging year for the CAB in making its grant recommendations to you. As you may know, the income from the hotel-motel tax was down somewhat this year. It's always tough to give out to less money, as you all are familiar when there's tight budget times. But that's made your Legislative budget support all the more critical to be able to allow these valued programs to continue in the community.

The other challenge we faced was the fact that historically about two-thirds of the organizations that have been funded through the County's Cultural Affairs Grant Program have typically received less than \$5,000. And so this year we were faced with the challenge of how do we deal with the fact that these beloved community groups can no longer receive support directly from the County through our grant program. And the CAB was very pleased that its recommended program is before you in Resolution 1222 of a community regrant program has gone forward to this point. It is before you for consideration.

We feel that this is a win-win solution, that the County support can still be provided to these organizations that are very much a part of our community and serving all of our communities across the County, but do so in a way that delegates the administrative responsibility for those grants to our non-profit arts councils. And so these groups do not receive the support directly from the County, but it is going to the arts councils and then being regranted by them. We feel that this is a creative solution which allows the County to benefit by the lessened administrative burden. The communities benefit by the continued grant support and it is really the kind of creative solution that

we're continuing to look for in the CAB.

You've heard already from several CAB members, and there are others in the audience. And certainly if you have any questions about the grant recommendations you have received, please don't hesitate to ask them.

CHAIRMAN HORSLEY:

We just so happen to have one. Legislator Alden.

LEG. ALDEN:

Hi. Thanks for coming down. You mentioned before you are the Chairman of the Board?

MR. CORAOR:

Yes.

LEG. ALDEN:

Oh, good. What kind of criteria do you use? Because there's some places in here that the money is, like, jumping all over the place as far as, you know, almost like similar services would get -- for instance, if you go down the list; 20,000, 5,000, 5,000, 18, five. So the amount of money going to the individual organizations kind of jumps all over the place. The other thing is -- so I would like to know what kind of criteria you use on that. Do you take into consideration what we as Legislators have already done in the budget? Because a lot of times some of these groups that are in here have been funded by Legislative initiatives.

MR. CORAOR:

What groups are maybe receiving from the Legislature through other channels is not a consideration in terms of CAB recommendations. Our recommendations are based on a number of different factors; the number of people served, the quality of the programs, the uniqueness of the programs, the availability of similar programs in that area, whether this is a very unique service in that particular area of the County. There's quite a wide range of those factors that are considered.

LEG. ALDEN:

I don't know if you can provide this to me, but could you provide a list of the people that were turned down either through the Chairman or to us individually as Legislators?

MR. CORAOR:

I don't have that available to me right this minute.

LEG. ALDEN:

Not today.

MR. CORAOR:

I'm sure that the Office of Cultural Affairs could provide that to all the Legislators.

LEG. ALDEN:

Okay. Because glaring, as far as I'm concerned, we have a Marine Museum, and it's right next to the golf course over in West Sayville, and I don't see them on the list.

MR. CORAOR:

I don't believe they were an applicant this year. Michelle, can you confirm that?

MS. STARK:

They did not apply for a grant this year. There were a couple of groups that didn't apply and they're one of them.

LEG. ALDEN:

Okay. But then it brings me to my like last point, and then I'll quiet down here. I would think that we would want to do more of a concerted effort and coordinated effort to provide cultural activities and cultural opportunities throughout all of Suffolk County. So I find it just a little bit strange that you wouldn't look at what we've done in the budget and maybe even augment something that we already did in the budget or you can -- not ignore, but you wouldn't have to use other resources where we've already given them money in the budget. You could give resources to another not-for-profit or organization that, again, would provide the cultural opportunity. So that's a suggestion I'm making that maybe in the future you look at what we've done in the budget and when people come to you with requests like this that that could be part of an overall plan for Suffolk County, how to provide these opportunities.

MS. STARK:

Well, we're constantly trying to improve the program so we'll certainly take that into consideration. Thank you.

LEG. ALDEN:

And through the Chair, maybe if we could schedule some time at a future meeting and coordinate something along those lines because I don't --

CHAIRMAN HORSLEY:

As far as the process and --

LEG. ALDEN:

Yeah, and I don't understand why --

CHAIRMAN HORSLEY:

An Education process for us.

MS. STARK:

Can I -- I would also like to point out that this year we're creating subcommittees to actually, of the Arts Advisory Board, to look at the grant process and how it can be improved as well as looking for external sources of funding. I mean, we would be happy to meet with you and, you know, we have a subcommittee who is looking at process so perhaps they could come in front of this committee in the future.

LEG. ALDEN:

Good, because this is a pool of money that by law we have to distribute, not this way, you know, you guys just determine through the grant process, but we have to take that money and we have to distribute it to cultural affairs programs, arts and cultural affairs. Yet if we use what we use in the budget also and took a bigger look at this I think we might be able to get a better, you know, better distribution or a better product in the end.

MS. STARK:

Sure. I mean, the subcommittee could certainly come in front of the Legislature -- of this committee in the next month or so after they meet.

CHAIRMAN HORSLEY:

Surely. Thank you very much and we'll take you up on that, Ms. Stark. Any further questions? Thank you very much. We do appreciate you being here today. Mr. Frank Nitto from the Empire Zone from Bactolac.

MR. NITTO:

How are you doing? I'm not from Bactolac. I'm actually from Local 28, Sheet Metal Workers Union, also representing the building trades today.

CHAIRMAN HORSLEY:

Oh, I'm sorry.

MR. NITTO:

One of the reasons I'm down here today is because we're against, in total dis-support of adoption of Bactolac going into the Enterprise Zone. The reason being that one of the contractors that is the construction manager of that project has a reputation of hiring subcontractors that don't pay area standards. Also, one of the big things we believe with the Empire Zone, we're totally for that and bringing any kind of business into Suffolk County that is going to help strengthen our tax base, but we would believe that it should be high paying jobs and jobs that you can support. We believe that this will not benefit local -- will not benefit the general public by allowing this portion of the Empire Zone being changed into this area. We would hope that you would look into this more or postpone this or table this law.

CHAIRMAN HORSLEY:

Okay.

MR. NITTO:

Thank you very much.

CHAIRMAN HORSLEY:

Thank you, Mr. Nitto. Mr. D'Amaro. Mr. Nitto, please.

LEG. D'AMARO:

Okay. You kind of -- I just want to go over that again.

MR. NITTO:

Sure.

LEG. D'AMARO:

I appreciate your statement, I appreciate you coming down. I just want to understand what you are saying to the committee. You are talking about a resolution that was previously tabled in this committee, 1094; correct?

MR. NITTO:

Yes.

LEG. D'AMARO:

All right. And you are opposed to the resolution and the basis of your opposition, if you could just restate that for me.

MR. NITTO:

Well, basically what it is, is that I represent the construction trades and the contractor that is going to be building that building isn't going to be using area standards, which means that if what this is intended to, the Empire Zone, is supposed to create jobs --

LEG. D'AMARO:

Can you forgive me for interrupting? What do you mean area standards? You mean the State Building Code you are talking about?

MR. NITTO:

Instead of paying people \$40 an hour they're going to be paying \$10 an hour to build that building.

CHAIRMAN HORSLEY:

I think he's referring to prevailing wage.

MR. NITTO:

Prevailing wage. That's what I'm talking --

LEG. D'AMARO:

Oh, prevailing wage. Okay.

MR. NITTO:

Yes. They will not be paying prevailing wage on that job.

MR. D'AMARO:

And you are saying that you have I guess actual or specific knowledge that the contractor that's --

MR. NITTO:

Subcontractors of JLM Construction, which is the construction manager of that, do not pay area standards.

LEG. D'AMARO:

Okay. Thank you.

MR. NITTO:

Thank you.

CHAIRMAN HORSLEY:

Thank you, Mr. Nitto. We appreciate you coming down. Ms. Diana Cherryholmes from the Huntington Arts Council.

MS. CHERRYHOLMES:

Yes. Good afternoon.

CHAIRMAN HORSLEY:

It's good seeing you again.

CHAIRMAN HORSLEY:

Thank you. Same here. This is better than Christmas. That's what a ten year old --

CHAIRMAN HORSLEY:

We like to please.

MS. CHERRYHOLMES:

Yes. That's what a ten year old in Huntington Station recently said in his first day of a guitar instruction program that we have located right off of Lowndes Avenue working with the Tri-CYA. These youth were given a guitar to keep, their own guitar strings, a strap, a carrying case. This is better than Christmas for these kids that don't have these kind of opportunities for music instruction. And this is what you do, Suffolk County Legislature, bringing the arts directly into the lives of the citizens that don't have other opportunities for creative expression and learning a new skill.

I represent the Huntington Arts Council. We have a number of programs and we serve approximately over 750,000 Suffolk County residents and their visitors every year through a number of programs. And this one guitar program is just an example of how arts in education and arts expression can reach the lives of individuals and thereby reaching the lives of this one youth's family and so on. So I thank you very much for your support of the arts in our community and I ask you to support the resolution 1222 and 1223.

CHAIRMAN HORSLEY:

Some have said the Legislature is like Santa Clause, but we're pleased at your comment.

MS. CHERRYHOLMES:

Okay. Thank you.

CHAIRMAN HORSLEY:
Hang on one second.

MS. CHERRYHOLMES:
Sure.

CHAIRMAN HORSLEY:
Legislator Alden.

LEG. ALDEN:
Are you a member of the Advisory Council?

MS. CHERRYHOLMES:
No, I am not.

LEG. ALDEN:
Is somebody from your organization a member?

MS. CHERRYHOLMES:
No, they are not.

LEG. ALDEN:
Okay. Thanks.

CHAIRMAN HORSLEY:
Okay? Thank you very much. Ms. Allison Cruz from the Smithtown Arts Council. We're doing the Island.

MS. CRUZ:
Yes, we certainly are. Good afternoon. How are you?

CHAIRMAN HORSLEY:
Good.

MS. CRUZ:
I will be brief, but I will tell that I came today to thank you for your support and to talk about the amendments, but after hearing this discussion would like to change my tune just a bit. Being the Executive Director of an arts council and working very closely with the Suffolk County Office of Economic Development, and personally myself being a 13 year elected school board member, I know a lot about having to tighten our belts in tough budget times.

I just would like to simply assure you that your department has put us through the ringer this year. They have made us accountable for our money, which is wonderful, because I see both ends of it. Would I like to say I don't want them to put us through the ringer? Yes, but it's the taxpayer side of me says it's wonderful. And I want to assure you that they're doing a wonderful job. We have collaborated on our forms, we have grouped together so that we all know who the other people are funding on our level so that we are trying to share services. We are joining, not presenting duplicate programs. So as a thank you I want to thank you for your support and you should know that your dollars that you give to us are working harder. Thank you.

CHAIRMAN HORSLEY:
We are pleased that you share our pain. Thank you. Mary Cappasso from the Brookhaven Arts Council.

MS. CAPPASSO:

Good afternoon. First, I'd like to just tell you a little bit about myself. I'm new to this game. This is the first time I have ever done anything like this. I have been the Executive Director of the Brookhaven Arts Council since last January and became full-time Director this past June when I retired from less than I would like to say years of teaching elementary school. The Brookhaven Arts Council is very grateful, along with the rest of the arts councils in Suffolk County, for the funding that has come through the County in the past and I would like to urge you to support continued funding.

To put a little bit of a personal face on things today I would like to give you some examples of programs that we run in the Town of Brookhaven, where we support through Suffolk County dollars. We have a gallery at the Bald Hill Brookhaven Amphitheater, which we run programs in for 12 months of the year, which are attended by and exhibited in members and non-members of the Brookhaven Arts and Humanities Council. We run youth programs including our youth chorus, which meets every year during the month of July and performs at one of our signature events, which I'll mention a little bit about in a minute. And we also have workshops in the cultural arts for the youth of our community. We cater to every end of the demographic spectrum from youngsters as young as four years old to our seniors, whose age they would rather I didn't mention.

The final event that I want to just point out to you is our Brookhaven Choral Festival which takes place each year at the Brookhaven Amphitheater in July. We are accompanied by a professional orchestra. We have about 110 singers in the adult chorus as well as 30 to 50 singers in the youth chorus, and we are attended by a crowd of more than 5,000 when it doesn't rain all over us. I would like to issue an invitation to all of you to come on out to Brookhaven any time you'd like and visit us and see where some of this money is going.

In the very near future we have our Childrens Art Program, which will be going up in our gallery entitled Refrigerator Art, which is based on the concept that every child's first exhibit space was Mom's refrigerator. So we'd like to invite you to come on down and see all those refrigerator doors and everybody's artwork stuck up on it with a magnet and maybe it will take you back a little. But thank you again for your continued support.

CHAIRMAN HORSLEY:

Thank you very much, Ms. Cappasso. Good luck with it, with the program.

MS. CAPPASSO:

Thank you.

CHAIRMAN HORSLEY:

Ms. Lynda A. Moran from the Islip Arts Council.

MS. MORAN:

Good afternoon. I also am very new to this position. I'm the new Executive Director of the Islip Arts Council and representing the founding Director, Lillian Barbash, here at this event. I thank you very much for giving us the opportunity to come and speak to you to thank you for the generous funding that you have supplied to the Islip Arts Council for the programs that we provide. We aim at providing cultural excellence for the Town of Islip by having multifaceted and diverse programs.

Your support has allowed us to hold Sunday free concerts at the Bay Yard Cutting Arboretum in both the winter and in the summer, and of course Bay Shore band shell, which is part of revitalization of downtown Bay Shore. And of course culminating in the July 12th, 2008 New York Philharmonic free concert which brings close -- last year brought close to 70,000 people, tourists, to our area through your help and generous funding. So I thank you very, very much and if you have any questions I would love to help you out if I can.

CHAIRMAN HORSLEY:

Thank you very much, Ms. Moran. I don't think we have any questions, but I used to be with State Parks and I remember the Philharmonic coming. What a big day that was for so many thousands of people and you guys have to be congratulated bringing that to Long Island.

MS. MORAN:

Well, thank you very much.

CHAIRMAN HORSLEY:

Thank you. All right. Ms. Jaime Siegel concerning 1160 and 1048. Oh, Mr. Jaime Siegel. I'm sorry.

MR. SIEGEL:

It happens all the time. Jaime Seigel. I'm here to thank you on number 1160. Basically I've been here many times before to cajole, harass, pester and bother in general the Legislature and different committee members. I wanted to thank you because we finally got it right. The community is happy, I think the County is happy. And I think a thumbs up goes to the County in general, the Legislature, I'd like to thank Economic Development, CEQ, Planning and anybody else who had their hands on this project. Finally I think everybody is happy with the project and it's a project that's going to be a well done project.

The community is very supportive of it at this point and it was a really nice thing to see everybody get together on it, compromise here and there and complain a little bit here and there, and everybody listened and worked together. It's very rare that something like this happens and I wanted to take the time to actually come down and thank you guys because you were really instrumental in helping us along as a community in the beginning when we thought things were going a little too quick. You guys put the breaks on it and I just wanted to thank you.

I also wanted to speak on number 1048, which basically I'm a member of the ACAP Committee that Mr. Schneiderman is talking about, and my opinion on that is if it ain't broke, don't fix it. We're doing a good job the way it is now and I think that we should just keep it the way it is going and not make any changes right now with that committee. And I wanted to thank you again. It's been a pleasure working with everybody in getting this together.

CHAIRMAN HORSLEY:

Mr. Siegel, on 1048, is there anybody on the board that, to your knowledge that, I know you can't speak for them, that has a differing opinion than you? Because I have heard only good things about the committee and how it's working.

MR. SIEGEL:

I have only heard good things about the committee from my fellow members. We're all quite satisfied and the community as a whole I know is satisfied the way the committee is going. We've done good things with this and, again, it's a cooperative effort. We've come before you and come before the Legislature saying some projects are good, some projects are bad, and we've made an effort to try and be as fair as possible and as reasonable as possible. We're working well with both the airport manager and the County Executive, the Legislature, and all the various entities involved, CEQ, Planning, so on and so forth. So again, I think it's no need to make a change. It's not broken, let's keep it going the way it is going.

CHAIRMAN HORSLEY:

Okay. Thank you very much, Mr. Siegel.

MR. SIEGEL:

Thank you very much.

CHAIRMAN HORSLEY:

All right. That concludes the public portion. Anybody else like to be heard? Just quickly, Carolyn, why don't you come on up, but Mr. Nolan would like to address us on a matter of import to the

committee.

MR. NOLAN:

I just want to notify the members of the committee that on Tuesday there's going to be a procedural motion before the members of the Legislature. We didn't file this in time to have it go through the committee. It has to do with the LIPA litigation that's being handled by Irving Like. He has asked during the litigation up to this point at certain points he's used the Hudson River Associates to help him, assist him, in the litigation. At this point he needs more help from them, thus we have to come up with more money to pay Hudson River Associates and it's going to be -- the resolution is going to call for an additional \$45,000. I'm going to try to get Mr. Like to come down Tuesday to be available to answer questions or to address the Legislature in executive session, we're not sure yet, just to speak about the need for Hudson River at this point.

CHAIRMAN HORSLEY:

Has the \$45,000 been -- is it in the budget? Is that something in that line?

MR. NOLAN:

It's in our account here at the Legislature for consultants.

CHAIRMAN HORSLEY:

Excellent. Okay. Any questions of Mr. Nolan? Very good. Thank you very much, George. Ms. Fahey, we're going to go through this as quickly as possible because we certainly want to get to the Riverhead Resorts.

MS. FAHEY:

From what I understand, the Presiding Officer is quite interested in the ski area, so I think --

CHAIRMAN HORSLEY:

He's ready to go. We saw him trying on his ski boots in the back room before.

MS. FAHEY:

Just really quick on some of the speakers. I appreciate the opportunity for them to come and express their concerns and their support for certain resolutions.

With regards to the cultural arts program, all the compliments that you heard really are due to Michelle Isabelle Stark, who is the Program Coordinator for Cultural Affairs. Michelle does a phenomenal job in coordinating the program, bringing it to the new level. Those people that do move out do miss what we have here and they are quite -- other communities are quite envious of what we have here with Michelle and with the programs that we offer. So I think all the kudos should go to Michelle.

CHAIRMAN HORSLEY:

Not the Legislature?

MS. FAHEY:

Yes. Well, you fund Michelle, so we appreciate it.

CHAIRMAN HORSLEY:

I'm kidding, Carolyn.

MS. FAHEY:

I know. IR 1048, which is a Local Law to establish the Gabreski Airport Conservation and Assessment Committee. As you heard from the two speakers, ACAP already exists through the creation by executive order. It works well. The community members are very happy with the way

that ACAP is reviewing potential projects at the airport. They make their recommendations to CEO, to the County Executive, to this panel and to the full Legislature when the Legislature considers leases. Again, if it's not broke, don't fix it.

A few things on Legislator Schneiderman's resolution. He appoints -- the Legislature appoints the members. I haven't heard any comment as to if he's upset with some of the members or disenchanted with some of the members, so I'm not sure why he wants to change that process. He also appoints the County Executive's rep as Chair. Right now the Chair of the committee is a community member and we find that that's extremely important to let the panel adopt their own Chair.

And on a technical issue it says eight members and I think he only put seven, so there is a technical issue with how it's listed. I think the panel works well. I think this committee has been pleased with what they have done. The department is extremely pleased on how they address applications and I ask you to leave it alone as well as it's working now.

1094 has been tabled subject to public hearing. The public hearing was recessed at the last meeting, so we go back to the full Legislature on that. 1160 is adopting a policy regarding the development of the Hampton Business and Technology Park and a SEQRA review finding statement for the generic environmental impact statement already prepared and adopted by the Town of Southampton. This panel and the full Legislature have throughout the last 28 years asked for the industrial park at Gabreski to move forward. We are finally moving forward. Three years ago we made an agreement with the Town of Southampton that the County would allow the town to have site plan and zoning oversight over the 58 acres.

With that, the town went and created an airport plan development district, an overlay district of zoning and site plan requirements. They adopted their environmental impact statement. They've adopted their finding statement last July. What's in front of you now is the County's finding statement which as an involved agency we need to adopt. SEQRA and that process is not my forte. Jim Bagg is here and Tom Isles is here. They were instrumental in helping us prepare this, so if there's any questions on this finding statement they're here also to answer questions. Chair, I don't know if we want to go one by one or you want me to go through everything and then have questions? How do you want to handle?

CHAIRMAN HORSLEY:

Why don't we see if there are any questions. I think that may push the agenda forward because I do -- I'm anxious to get to the presentations, but I certainly don't want to leave any, you know, anything on the table here that we don't want to -- allow everybody to speak on these issues. So if we may, may we go to the resolutions. We are starting with the tabled Home Rule Messages.

Tabled Home Rule Messages

1048, Adopting Local Law No. 2008, A Local Law to establish the Gabreski Airport Conservation and Assessment Committee. (Schneiderman).

P.O. LINDSAY:

Table subject to call.

CHAIRMAN HORSLEY:

I have a motion to table subject to call.

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Stern. Anything on the motion? All those in favor? Opposed? It is tabled

subject to call. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

1094, Adopting Local Law No. 2008, A Local Law amending the Suffolk County Empire Zone Boundaries to include Bactolac Pharmaceutical, Inc., (SCTM Nos. 0800-185.00-01.00-029.000; 032.000; and 050.003). (Co. Exec.)

P.O. LINDSAY:

Motion to table.

CHAIRMAN HORSLEY:

Motion to table. We have a public hearing. Second by Mr. D'Amaro. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

Introductory Resolutions

1160, Adopting a policy regarding the development of the Hampton Business and Technology Park and a State Environmental Quality Review Act findings statement for the final Generic Environmental Impact Statement. (Co. Exec.)

LEG. STERN:

Motion to approve.

CHAIRMAN HORSLEY:

Motion to approve by Legislator Stern. I'll second the motion. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

1183, Appointing Jordan K. Wilson as a member of the Suffolk County Industrial Development Agency (IDA). (Montano).

P.O. LINDSAY:

Motion to table subject to call.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Motion to table subject to call by Presiding Officer Lindsay, seconded by Legislator D'Amaro. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

1187, Accepting and appropriating a 100% reimbursed grant from the U.S. Department of Housing and Urban Development for an Emergency Shelter Grants Program and authorizing the County Executive to execute an agreement. (Co. Exec.).

LEG. STERN:

Motion to approve.

CHAIRMAN HORSLEY:

Motion to approve by Legislator Stern.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Second by Legislator D'Amaro. All those in favor?

LEG. ALDEN:

On the motion. Just amend it and put it on the consent calendar.

CHAIRMAN HORSLEY:

And to be placed -- is that okay with the tabler? I mean the agreeer? The Legislator. I knew I'd get that. When I get moving you throw a kink in my armor here. Okay. We've got it amended to be placed on the consent calendar. All those in favor? Opposed? It has been approved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

1188, Accepting and appropriating a 100% reimbursed grant from the U.S. Department of Housing and Urban Development and authorizing the County Executive to execute agreements. (Co. Exec.)

Do we have a motion to approve?

LEG. ALDEN:

Approve.

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Stern. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

LEG. ALDEN:

Consent calendar, right.

CHAIRMAN HORSLEY:

With the consent calendar. Absolutely, that's in there. If it isn't, it is now.

1199, Accepting and appropriating a grant award amendment from the New York State Urban Development Corporation, D/B/A Empire State Development Corporation (ESDC) for an Entrepreneurial Assistance Program Center 50% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

LEG. D'AMARO:

Motion to approve.

CHAIRMAN HORSLEY:

Motion to approve by Legislator D'Amaro.

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Second by Legislator Stern. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote)**

LEG. ALDEN:

That's consent too, right?

CHAIRMAN HORSLEY:

No, that's 50%, so you can't. I'm on it. I'm in the groove now.

LEG. ALDEN:

I hear you.

CHAIRMAN HORSLEY:

Okay.

1206, Accepting and appropriating a 100% reimbursed grant from the U.S. Department of Housing and Urban Development for a Home Investment Partnerships Program and authorizing the County Executive to execute an agreement. (Co. Exec.)

LEG. STERN:

Motion.

CHAIRMAN HORSLEY:

Motion to approve with adding it to consent calendar?

LEG. STERN:

Absolutely.

CHAIRMAN HORSLEY:

Seconded by Legislator D'Amaro. All those in favor? Opposed? So moved. **(Vote: 6-0-0-0 Presiding Officer Lindsay included in the vote).**

1222, Authorizing 2008 funding for Suffolk County Culture, Film Commission and Visual Media Arts Programming. (Co. Exec.). Do we have a motion?

LEG. STERN:

Motion to approve.

CHAIRMAN HORSLEY:

Motion to approve by Legislator Stern.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Second by Legislator D'Amaro.

LEG. ALDEN:

On the motion.

CHAIRMAN HORSLEY:

On the motion.

LEG. ALDEN:

What's account 6410-4770?

CHAIRMAN HORSLEY:

Ms. Fahey?

MS. FAHEY:

That's Economic Development's appropriation and object. That's where the money is budgeted. It's the Operating Budget.

LEG. ALDEN:

This came out of the Operating Budget?

MS. FAHEY:

Correct.

LEG. ALDEN:

What was the amount for last year?

MS. FAHEY:

I'll have to rely on Joe.

LEG. ALDEN:

Who picked the organizations to be funded?

MS. FAHEY:

I'm going to ask Michelle to come up. This is a result of Michelle's work, again, with the cultural arts community and with the Film and Motion Picture Commission that this Legislature appointed.

LEG. ALDEN:

I remember we just started this a couple of years ago, though, right? This one for the film?

MS. STARK:

No, the Film Commission has been in existence since '78 I think as well as the cultural.

LEG. ALDEN:

With this kind of money?

MS. STARK:

With this kind -- we have funded film festivals.

LEG. ALDEN:

This is \$212,000 that I don't really remember us budgeting last year.

MS. STARK:

It's in the budget every year. I think last year it was 210. It's been as high as 235, and I believe as low as 200.

MS. FAHEY:

Each year the funding is used to fund different types of programs. This year between the Film Commission and the Cultural Arts Committee and Michelle's office, these are the projects they want to focus on this year with this year's funding. In years past it's been different types of organizations and such, but this is bigger umbrella organizations and bigger programs that encompass all of the groups.

MS. STARK:

I might just mention this, that before County Executive Levy came into office the Film Commission was pretty much nonexistent. Since he came into office and appointed a Film Commission they're very proactive and now they're looking for funding for their programs.

LEG. ALDEN:

All right. Maybe that's the thing that I --

MS. STARK:

I oversee both the Film Commission and Cultural Affairs as well as the administration of the contract for the Long Island Convention and Visitors Bureau. So what we attempt to do is make all three of

those programs work better together, better integrated. But these are very active groups, and I think you can see from the cultural group that's here that, you know, they really are professional in how they approach these programs with the limited resources they have.

LEG. ALDEN:

I don't want you to be, you know, that fully aware of where I'm coming from. At the beginning of the year I had all my districtwide initiatives, including cultural groups and things like that. They were stricken by the County Executive. Through the work of the Legislature we restored those moneys, and I have to thank the Legislators that went along with that.

CHAIRMAN HORSLEY:

We're here for you.

LEG. ALDEN:

I hear you. Thank you. But I do want to see, and I've said this for a number of years, I would like to see an overall, you know, like plan or a little bit more coordinated type of plan of where we are going with this. We have money in our budget that came out of individual Legislator's district initiatives that, you know, if used properly could either augment this or provide, you know, a nicer distribution or more effective distribution. That's all I'm saying. Instead of taking from this program you got a bunch of money, you got a bunch of money from this program, you got some over there, and if you don't look at everything and distribute the money, you might not be getting your biggest bang for the dollar. That's all I'm trying to say with this.

MS. STARK:

Yeah, actually it's a good point because the decisions on this funding are made as early as August through -- and then the Arts Board gets together to look at the applications for cultural funding in November. Then they make their decisions early in -- I should say their recommendations early in January. So I guess the first time that you see the plan, I mean, this is a plan but it's developed actually before the beginning of the year. The first time you see it as a Legislative body is when it's put in a resolution for funding.

LEG. ALDEN:

Actually, I'm looking, and you are probably not going to be happy with this, but I'm looking to get you more involved in the budget process when each individual Legislator puts in their requests, and we put a lot in for cultural and arts type of programs. So, at that point in time maybe you should be brought in so at some point, a couple of hours, you can give us an overview of here's what we're trying to accomplish and maybe some money should go this way or go that way. That's all. I'm trying to make a suggestion here. It is going to give you a little bit more work, but, that's job security, so.

MS. STARK:

Bring it on, yeah. That's fine. I mean, the point is, though, that we know probably as early as August for some of the programs, but until the Arts Board gets together in January -- early January we would know what their recommendations are. I'm not sure the timetable of when you make your decisions on --

MS. FAHEY:

I --

LEG. ALDEN:

Say for instance, and I brought it up before. The Suffolk Maritime Museum. That's a jewel that we have. It's right over next to the golf course in West Sayville. They weren't even aware, and I'm not sure if they weren't aware or were aware, but they do have a new Director, and she was not aware of the timetables on getting any of these applications in. And that's something that, you know, it's not in my district but I would like to see some coordination because they have got some great ideas

for programs that would fit right in with, you know, like our whole idea of what we are out here in Suffolk County.

MS. STARK:

I would like to speak to that because every year -- arts groups are severely resource constrained. Whenever there is a change in an arts organization usually they fail to follow-up with their funders right away because they're dealing with all kinds of other crises. We have funded the Long Island Maritime Museum in the past. This is the first year, I believe, that they haven't been funded and until I get a notification of a change of contact, the information goes to the contact that has been provided to us by the institution. So I just want you to be aware that they have --

LEG. ALDEN:

I'm not faulting you on it. I'm just saying that --

MS. STARK:

I understand.

LEG. ALDEN:

That I would like to have seen a little bit of money go to the Maritime Museum because they do have some programs where I think it's going to benefit as far as a tourist industry and they want to partner in with a bunch of other programs that are in existence. So, you know, it would have been a beneficial type of arrangement.

MS. STARK:

But we do provide notice of this application through our Information Office and also we have a mailing list that we send the application notification to and we do it a number of times. And frequently we follow-up two or three times, but there's only so much we can do to bring groups and get them to fill out applications.

CHAIRMAN HORSLEY:

Okay. What we'll do, Legislator, we'll make sure that Michelle comes back and we'll talk the process over and if there are any additions, inclusions, things like that, we can deal with that in the next month or two. How's that?

LEG. ALDEN:

Sounds great.

CHAIRMAN HORSLEY:

Okay. All right. I think we have a motion to approve as well as a second, right?

MS. ORTIZ:

Yes.

CHAIRMAN HORSLEY:

All those in favor? Opposed? So moved. It's been approved. **(Vote: 5-0-0-0).**

1223, Authorizing cultural tourism and development funding for 2008. (Co. Exec.). I'll make a motion to approve. Is there a second on the motion?

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Second by Legislator Stern. All those in favor? Opposed? So moved. It's has been approved.

(Vote: 5-0-0-0). Congratulations, Michelle, and good job to all.

MS. STARK:

Thank you.

MS. FAHEY:

Mr. Chair, if I might. I just wanted to -- I'm sure -- I don't know if Brendan and you have advised the committee, but the April committee meeting is going to be held at Gabreski Airport. We felt that it would be nice to have the panel, especially the committee members who are new to Economic Development, to come out, get a tour of the airport, the civilian side, a tour of the Air National Guard portion and then to hold your committee meeting there. I thought it would be nice for you guys to visualize the industrial park area, what it looks like now and hopefully what it might look like in a few years. And also to have a visualization of the airport when you consider the Capital Program.

LEG. ALDEN:

Do I have to take a train out there? Bus? Limousine?

MS. FAHEY:

That's up to your Chair.

CHAIRMAN HORSLEY:

We'll deal with the details later.

LEG. ALDEN:

Mr. Chair, I have one other question, quick question.

CHAIRMAN HORSLEY:

Sure.

LEG. ALDEN:

It's pretty much a view, though. On the presentations, number two, is update, Suffolk County Electrical Agency?

CHAIRMAN HORSLEY:

Yes.

LEG. ALDEN:

That's the one that gets electric from New York Power Authority and distributes it for economic development purposes?

CHAIRMAN HORSLEY:

Right. It is my understanding -- I think your question is the same question I have. Apparently there are some vacancies on that committee and we don't know enough about it. Mr. Pally is our -- is the Chair of that committee.

LEG. ALDEN:

Good. And, unfortunately, if I don't get to it -- maybe I will just state it right now, but I have to leave in a little while.

CHAIRMAN HORSLEY:

I'm trying to rush.

LEG. ALDEN:

No, I know you are. But one thing that has puzzled me is Newsday seems to be one of the largest

allocations for cheap electric out of this agency. And I would just wonder, you know, how many jobs they're keeping here looking at right as Newsday goes through, you know, another round after round of layoffs, what the wisdom is in continuing that cheap electric going to Newsday if they are going to continue layoffs of the magnitude that they're talking about, so.

CHAIRMAN HORSLEY:

Okay. We're going to have to explore that, I guess.

LEG. ALDEN:

No, just a question.

CHAIRMAN HORSLEY:

Okay, I understand that. Thank you. Okay. Mr. Pally? As Mitch is walking up to the podium, Mitch is truly one --

MR. PALLY:

Do you want me to sit here or there?

CHAIRMAN HORSLEY:

I think sitting would probably be better. Mitch is certainly one of the better known people from Long Island, so involved in economic development, has been for so many years of being an officer in the LIA for many, many years, now in practice with Morty Weber and Group and certainly our representative on the MTA Board. I'm just doing that off the top of my head. I don't have anything in front of me, so I'm sure there are a million other things, a soccer coach --

P.O. LINDSAY:

Skier.

MR. PALLY:

Cross country only.

CHAIRMAN HORSLEY:

There you go. Mr. Pally, we have two issues we're going to discuss today. We wanted to just briefly talk about the energy.

MR. PALLY:

I'll be more than happy to do that first.

CHAIRMAN HORSLEY:

We just don't -- I think we need an education for some of us newer folk.

MR. PALLY:

Sure. I've been a member of the Electrical Agency since I believe 1988 and Chair since 1999, when the referendum was approved by both the Legislature and the people of Suffolk County reformulating the Electrical Agency. The agency has seven members. Unfortunately, at the moment it only has five because there are two vacancies from the Legislature. One, Joseph {Padol} of Northport, unfortunately died a number of months ago, and Irving Like, who was another legislative appointee, reassigned I guess about a week and a half ago. And as a result of that, we have at the moment five members. There are four members appointed by the County Legislature, three members appointed by the County Executive. The County Executive appoints the Chair and I have been the Chair for many years in that regard.

The Electrical Agency's sole responsibility, the only one we have, is that by statute, by State statute we get five megawatts of economic development power from the New York Power Authority that we allocate to companies in Suffolk County meeting the State Legislative criteria, a certain amount of

energy usage, job gains, job retention, those type of activities. So we allocate our five megawatts within -- we have at the moment seven companies that do receive power and have received power. Over the periods of time we do change those companies based upon circumstances. One of the problems, however, has been for the last number of years is that the program expires June 30th of every year because the State Legislature has only extended the program for one year periods of time. Up until June 30th this year it expires, June 30, 2008.

CHAIRMAN HORSLEY:

And this five megawatts, can it be changed? Is that flexible?

MR. PALLY:

The number can only be changed by the State Legislature. The date certain can only be changed by the State Legislature. The criteria can only be changed by the State Legislature. So we are bound by their determinations in how we -- now, we obviously can allocate the money based upon company's needs, but the criteria we use, the amount of electricity we get to distribute, and how it is done is strictly based upon State law.

CHAIRMAN HORSLEY:

And the megawatts themselves, are they a reduced cost, are they free?

MR. PALLY:

They are reduced cost.

CHAIRMAN HORSLEY:

That's what I figured.

MR. PALLY:

Right. It is subsidy that the New York Power Authority by State law provides to the companies. We get the power from NIPA, NIPA gives it to LIPA, LIPA gives it to us, we give it to the company. Now in reality it is the same electron, if you know what I'm saying. It's all accounting, it's not different power.

CHAIRMAN HORSLEY:

Yeah, it's over the transmission lines. I got it. It's just a reduced price.

MR. PALLY:

It's a reduced price that the companies pay and then NIPA subsidizes that to themselves based upon the State law.

CHAIRMAN HORSLEY:

They'll back charge LIPA for the money. Okay.

MR. PALLY:

Right, and the companies pay the wheeling charges and all of that aspect of it. So depending upon their usage, will to some degree depend upon how much money they save. We get five megawatts, Nassau County gets five megawatts. Westchester County gets five megawatts. There are many Upstate counties that get more because of course that is where NIPA is. But that's all determined by the State Legislature itself.

LEG. STERN:

And it's renewed every year. Is it ever discussed? Is it ever an issue or is it just pro forma approval every year?

MR. PALLY:

Well, no we -- well, there's two different renewals. The State Legislature of course has to renew the program.

LEG. STERN:

That's the one I'm talking about.

MR. PALLY:

If they don't renew the program we're out of business.

LEG. STERN:

Understood. But at the State level it's just a pro forma -- is there ever any discussion about --

MR. PALLY:

No. There have been over the years a number of discussions relating to changing the program, because this is only one of a variety of many different lower cost, I never use the word low, lower cost energy programs that the State of New York has. We have some companies in Suffolk County that get power directly from NIPA, bypassing the Electrical Agency. Brookhaven National Lab is one that gets power directly from NIPA. We are not involved in that in any way, shape or form. There are a number of companies that get power from the State and from NIPA by statute. Northrop Grumman used to do that. Madison Square Garden still does that, and there are a variety of others which over the years the State Legislature in its wisdom have done.

The State has tried over many years to change the program. In fact, a number of years ago, I believe it was three years ago, there was a State commission formed to make recommendations to the State Legislature and to the Governor about reformulating all of the economic development power programs. I was honored to be a member of that commission. Unfortunately, we wrote a great report and it's not easy as you can imagine to get Upstate interest and Downstate interest to agree or to reach a consensus on economic development power programs, especially since most of the low cost power comes from Upstate and goes Downstate. So there are a wide variety of factors involved. We wrote what we thought was a very good report, a series of recommendations, and unfortunately the Legislature has ignored them and continues the easy method, which is just to extend the program another year.

If you ask me will the program be extended beyond June 30th I would say yes because it's not just these seven companies, there are hundreds of companies in New York State which would be impacted by that and I don't think the State Economic Development, you know, Department would be happy that that happened because many of these companies have contracts that are dependent upon the lower cost power as a result of that. So it is always -- can I tell you today it will happen? No, because the Legislature and the Governor could decide not to do it. Has it happened in the past? Yes. Normally it happens at the end of the session because they know that the end date is June 30th so they try to work something out. They don't work it out, the easy way is let's extend it another year so that we can make another year to try to work it out. That's been the history of the program.

CHAIRMAN HORSLEY:

Legislator Alden.

LEG. ALDEN:

Mr. Pally --

MR. PALLY:

Yes, sir.

LEG. ALDEN:

Thanks for coming down. Do you have a list of the people that get it?

MR. PALLY:

Yes, I do. We have seven companies that are -- that we provide power for directly. As I said, there

are many other companies that can't get power in other ways. These are the seven companies that we provide power for. In amount of power, highest to lowest, Stellex Monitor Aerospace gets the most power that we provide. Then it's Ellanef, that's E-L-L-A-N-E-F Industries. Then is Plascal Industries. Then is Air Industries, then is Crescent Duck Farm Incorporated. Then is Newsday, then is Castella Imports. Those are the seven companies, and I also can provide to the members their employment numbers.

We normally look at the employment numbers at the end of the year, meaning the end of the year in relation to when the power is offered, because of course since the Legislature, the Power Program officially ends June 30th, we cannot have a contract that goes beyond June 30th because we can't offer something the State Legislature does not offer. So we're in the process now of re-looking at, as we do in the spring, the employment numbers and then the board will make whatever determinations it believes is appropriate for the period of time starting July first.

LEG. ALDEN:

Just as a follow-up to that, though. Do you review each one of these companies? And, for instance, not to pick on them, but Newsday. Newsday at one time was a local company. Now it's obviously owned by somebody that's not from Long Island. They are in the process of downsizing --

MR. PALLY:

Yes.

LEG. ALDEN:

So you would, on a normal basis, and not just for them, but anybody that's on that, you would normally look at that --

MR. PALLY:

Yes.

LEG. ALDEN:

And question whether the allocation is --

MR. PALLY:

Yes. That's what we do, usually in the spring, and then we make a determination in preparation for the program continuing, which of course we don't know, but we hope that we would make decisions starting July first.

LEG. ALDEN:

So, a hypothetical --

MR. PALLY:

Because we end up with year to year contracts, so Newsday's contract, as do all of them, expire June 30th.

LEG. ALDEN:

Okay. But hypothetical, so a company that, you know, was taken over by an international company and starts to downsize, they would probably get a reduction or they might even get knocked out of the program?

MR. PALLY:

Newsday's allotment has been reduced a number of times over the years, as was Northrup Grumman's to some degree over the years.

LEG. ALDEN:

Yeah, because they downsized and moved out of Long Island.

MR. PALLY:

Right. And we have reduced them. We have not eliminated it completely. They get .35 megawatts or less than one or less than a half of one because Newsday at the moment still has 1,750 people who work on Long Island for them. So as a result of that we did not eliminate it. We reduced it and shifted some of the power to another company which had employment gains. And I don't want to speak for what the board may or may not do at our May meeting, but obviously those are issues which we look at.

LEG. ALDEN:

Okay. And another question, then. Hospitals, they don't fall under your program.

MR. PALLY:

Usually no, because there are certain standards that the State Legislature wrote into the law, and so as a result of that, only certain -- mainly manufacturing or other companies which produce something can apply. There are other programs, as I indicated, that hospitals and other service industries may be eligible for, but they do not come under us.

LEG. ALDEN:

Okay. And if I were to call your office I could get what the savings is to -- a comparison between what the normal price is --

MR. PALLY:

Yes, absolutely.

LEG. ALDEN:

Okay. Good. Thanks.

MR. PALLY:

And as I said, that depends on each company's usage, when they use the power, how much they use it. There are wide variety of factors that are involved in that. So I don't want to just say well, they save X on average. It's a whole different -- each company is its own entity in that regard.

LEG. ALDEN:

Thank you.

CHAIRMAN HORSLEY:

Legislator Lindsay.

P.O. LINDSAY:

I was asking the same thing, there isn't a standard discount per megawatt or kilowatt?

MR. PALLY:

No. It's a whole series of circumstances because if -- some of these companies who use power have three shifts. The third shift, which was the 12 to 8, gets a significantly reduced rate than somebody who's using power at two o'clock in the afternoon.

P.O. LINDSAY:

More demand.

MR. PALLY:

Right. So there is a wide variety of factors that come into play as a result of that. But we would be more than happy to provide you with that.

P.O. LINDSAY:

What would you say, though, 20%, 10%?

MR. PALLY:

No. I would say usually it's about 15%, give or take. I don't want -- each individual company, some save more, but usually it's about 15%.

CHAIRMAN HORSLEY:

Now, is it an application process?

MR. PALLY:

Yes, there's an application.

CHAIRMAN HORSLEY:

The company has to be aware of this?

MR. PALLY:

We make the County Economic Development Office aware of it. We always tell them when we have -- when we are going through the process. They have someone who usually attends our meetings. We try to put information out to the various chambers. The problem is you have to have a certain amount of energy usage, so most companies on Long Island and in Suffolk County don't apply, cannot apply, because unless you are a big energy user -- some of these companies are food storage companies; because of their extensive energy usage, they can apply because they meet the standard that the State set. It's not a program for small businesses. I don't want to give that impression. While we'd love to do it, we can't do it because of the nature of the application process. So there are very few companies on Long Island that can apply and we try to take care of as many of them as we can.

CHAIRMAN HORSLEY:

And one more question. Can the economic development folk use this as a tool to entice people to come to Long Island?

MR. PALLY:

Well, if we had power to give them, yes.

CHAIRMAN HORSLEY:

Obviously you don't, then. It seems like it is very tight.

MR. PALLY:

Right. We have allocated all five of our megawatts.

CHAIRMAN HORSLEY:

We can't say, you know, hey, listen Dupont, if you want to come to Long Island we'll cut you 5%.

MR. PALLY:

We wish we had more power. You know, when that has happened, you know, we have worked directly with either with LIPA or NIPA to try to provide that power to a company that is taking -- coming into Suffolk County in that regard. But the only way we could give somebody else power is to take it away from somebody else, and that's a difficult -- you can't do that in the middle of the year because you have a contract. Can we look at it now? The answer is yes, but you are still taking it away from somebody else.

CHAIRMAN HORSLEY:

One final question for myself. Is there any criteria that if a company is making, because of their high energy usage and numbers of employees, and that they are going green in the future or putting monies into green technologies to reduce their energy needs, can we use this as an incentive to promote environmental issues?

MR. PALLY:

We have talked about that aspect of it. We have not implemented that because we're not quite sure how to do that because the number of savings is very dependent upon a wide variety of factors. We don't want to get into a situation where we say to somebody you have to do certain things. Most of these companies before they take advantage of our program have done anything possible to save money on energy through NIPA's programs, through LIPA's programs, and they come to us basically as a last resort to try to keep them in Suffolk County. So almost all of them have already done that, but we're looking at even better ways that we can facilitate that.

CHAIRMAN HORSLEY:

All right. You good? Everybody? Mitch, thank you very much for the update on that. Obviously one of our questions, was this an active group and do they actually still meet? We didn't know.

MR. PALLY:

We meet when we have to something to do. We don't meet on a regular basis because most of the time the same -- you know, once you start the process at the beginning of the year we're locked into it until the end of the year unless there are really extenuating circumstances. And most of these companies continue, they supply us with the job numbers, they supply us with their energy use, they pay their bills which they pay to the County Department of Public Works and we make sure obviously that happens to the extent we can. So we normally come back in the spring to look at okay, what happened during the year, what are the job criteria that we're going to create for the following year, do these companies want to continue. If not, are there other companies that have applied to us for the power. So that's normally what happens.

CHAIRMAN HORSLEY:

I guess basically what we're saying is we're going to be giving you your two new board members shortly, then.

MR. PALLY:

We would hope so because we have a meeting scheduled in May and that would be very helpful.

CHAIRMAN HORSLEY:

Very good. Okay. Let's move on. This is an exciting moment for Long Island. This is certainly an interesting concept. As I said, the Presiding Officer Lindsay has already got his snow boots ready to go. Why don't you tell us about this story and what it means for Long Island.

MR. PALLY:

Okay. Well, Riverhead Resorts, as you can see, and these have been in, for these of you who have ever gone to Riverhead Town Hall, duplicates of these have been up there for many months, obviously. Riverhead Resorts was awarded a contract by the Riverhead Town Board in January of this year to develop the 755 acres of recreationally zoned property within the Calverton, former Calverton Naval Weapons Facility. As you know, that property was transferred from the United States Government to the Town of Riverhead. In 1998 it was finalized. It was designed for economic development purposes. That's what it says in the transfer. In addition to the 2,927 acres inside the fence, with that went about 3,000 acres outside the fence, which were transferred to New York State Department of Environmental Conservation for protection, for open space protection, whatever, and there are certain parts inside the fence that are in the Pine Barrens Core that are also protected in that regard. Of that, the remainder, 755 acres, was zoned recreational by the Town of Riverhead in 1998.

They have been trying over these years to find an appropriate developer, for lack of a better term. We bid on it when the town went to a bid back in 2007 and were lucky enough to be awarded the contract in January of 2008. We were are in our due diligence period at the moment. That period ends July 15th of 2008. We have already paid the Town of Riverhead over two million dollars. We have a contract with them that will end up costing Riverhead Resorts somewhere in the vicinity of

\$160 million for the land. We hope to be able to develop what is there, which is a multifaceted, year round tourism destination resort, encompassing eight different resorts on the property. It's designed to take Long Island's tourism industry, which as we all know has been very seasonal in nature. We do great from May to September, we don't do so good the rest of the months because we have no real attractions of any major size to attract people to the Island and to Suffolk County. And this will become, we hope will, a multifaceted tourism destination resort which will be available 24 hours a day, 365 days a year, to attract people for a variety of activities.

I have handed out, and I think you distributed to them, a fact sheet and a brochure which we have been handing out obviously. I'll just take a moment to go through that. If anybody needs other copies -- I think you have, right? There are eight themed resorts encompassed in the concept, each with their own hotel rooms, timeshares. This is designed to be a multi-day facility. It's not designed to be a day trip, although obviously we know there will be day trippers who come. That's the tourism term for people who come and go in the same day. But there will be a wide variety of activities for people in that regard.

We're going after basically four different types of visitors, and these are visitors we believe that have never come to Long Island in the past. Obviously, number one, as part of this project there will be a 100,000 square foot convention center with a hotel complex to that. You can see that at the bottom of the map there. That is designed to make Long Island a player in the convention and association business.

CHAIRMAN HORSLEY:

The square footage on that would be?

MR. PALLY:

A hundred thousand square foot convention center. As a guide, Suffolk County's multi-purpose facility, which is the largest open space for lack of a better term, that we have I believe is 58,000 square feet in the main room, which is where the track meets are held and the graduation --

CHAIRMAN HORSLEY:

At Suffolk Community, at Grant.

MR. PALLY:

Grant, yes. This would be at least a hundred thousand. In addition to that, we will have a hotel attached to it so that Long Island can finally be a major player in the convention and association business, which is a --

CHAIRMAN HORSLEY:

Do you have a venue for the hotel as yet?

MR. PALLY:

No.

CHAIRMAN HORSLEY:

This is all conceptual.

MR. PALLY:

It's conceptual, but we know it's going to be there. I can't tell you what flag it's going to be or any of that. We're still in that process of attracting that, but we have had a number of inquiries from companies to do it. So that's the first marketing goal that we have. Long Island has never been a player of that. There are hundreds of conventions and association meetings that occur in the State of New York over the year. Long Island cannot attract most of that because we don't have a facility and a hotel with it to be able to do that. That's goal one.

Goal two is that New York City, as you know from this Mayor, and I'm sure in former mayors, is hoping to attract 50 million visitors a year. And for those of you who have been walking in New York City lately, just about every third person that you walk past is talking in a language other than English, which is fantastic in that regard. And just about every store in New York City at the moment has a sign in their window which says we accept Euro dollars because that's why people come to this country and that's why they come to New York City. Fifty million visitors, if we can get a small percentage, which we can, we believe we can, we can attract them to Riverhead for lengthier stays. As I've said, the Mayor will get them from Germany to New York, all we have to do is get them from the City to Riverhead.

CHAIRMAN HORSLEY:

So they go from there to Tanger to --

MR. PALLY:

To Tanger would be a perfect place for that, absolutely. I mean, Tanger is a great attraction, as we all know. They attract millions of people every year and all you can do there is shop. And that's not taking anything from my friends at Tanger, but that's what you do at Tanger, is shop and walk and shop in that regard. And the more shopping that occurs, the more money Suffolk County makes.

CHAIRMAN HORSLEY:

Cha-ching.

MR. PALLY:

So they're very glad that that occurs in that regard. The third aspect is the sports lifestyle resort. For all of us who have been soccer coaches, lacrosse coaches, basketball coaches, baseball coaches, and have been involved with kids who have been in those programs, most of the major tournaments that are held are not held on Long Island, not because we don't have baseball fields, but because we don't have places where other activities occur. Why do people go to Disney World for a baseball tournament? It's not because the baseball field is any better or bigger, it's because after the game the family has things to do right there. That's the purpose of attracting them here in our sports lifestyle resort, because we will have great multitudes of activities for everyone to do.

And the fourth aspect of it is there are 40 million people who live within a six hour drive of this facility, including people who will get here obviously by the ferries, you know, Orient Point or Port Jefferson, from New England. Forty million people.

CHAIRMAN HORSLEY:

Forty?

MR. PALLY:

Forty, and that's a tremendous -- when you include New Jersey, Pennsylvania, all that. It was funny because people would say, you know, when we were talking about this and we were talking to people about this, one of our people from {Lito} International, which are the Disney people who are involved in the management and operation of the facility said, well, what are you doing -- and I live in Stony Brook. They said what do you do for attractions. I said to them it's easier for me to get to Disney World than it is to get to Six Flags, and all of us understand that. Because I can get on a plane at Islip MacArthur and be at Disney World in three hours. I might be on the George Washington Bridge for the next three hours trying to get to Six Flags. So that's the basis, one of the basis for the attraction of this facility, is the ability to attract people from MacArthur Airport, from the railroad at Ronkonkoma, from the ferries. Riverhead -- this situation is a perfect situation in which we believe we can attract these visitors to Long Island for multi-day stays.

Obviously as we go around the lake is the centerpiece. That is the site of the current, one of the current runways, which will be taken up. All of those materials will be used on site, recycled, used for contouring. For any of you who have been out to the site lately it's very flat. It used to be an

airport or air facility, so we hope to contour it, obviously, with a variety of different aspects to make it more scenic in that regard. The lake is the centerpiece of it.

We go around from the conference resort to the indoor water park to the indoor ski mountain and other winter activities in the mountain that we hope, that we believe will be a tremendous attraction. The Heritage Village, which we designed as an old Riverhead country fair with all kinds of rides and games for everyone. Our sports lifestyle resort, our camping facility, our equestrian facility, and our spa. Those are the eight resorts that go around the lake. They are all obviously interrelated in those contexts as they go. And that's what Riverhead Resorts is.

We are just in the process of starting the SEQRA process. We have not actually started yet. We're in the process of our due diligence, environmental review. A variety of questions will be hopefully answered during that review which we assume will take about two years. As you can see, we have designed the concept based upon the existing regulations which are on the property, whether they're tiger salamander ponds or the Pine Barrens Core area or the Peconic River buffer, which has to be preserved. We have done all of that and our belief is that this will provide over 3,000 union construction jobs when it's under construction, over 2,200 permanent jobs of all different types at the facility. It will add millions of dollars obviously to Riverhead School District, the Town of Riverhead, the County of Suffolk, for real property taxes, and we believe millions of dollars in new sales tax because these are people who are coming to Long Island for the first time and they will be a major boom to our tourism industry in that regard. That's what Riverhead Resorts is.

At the moment we hope to finish our SEQRA process and get all of our permits in 2010 when we hope to start construction. We hope to open in the spring of 2013, which we all may think is a long time away, but in the development process it's tomorrow with everything that we have to do. So we're in a, you know, we're doing lots of things as we go along. That's a quick synopsis of the project and I'd be more than happy to answer any questions that anybody has.

CHAIRMAN HORSLEY:

I think we have some and I will start with Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Mitch, from the time the shovel goes in the ground, I guess you went through what the, probably the ideal timeline would be. Is the plan here to open in phases or does the construction go on throughout the entire facility and everything is open as of day one?

MR. PALLY:

It is intended to open in phases, but you have to have a critical mass of activities and lodging available when you open for the first time. So it's not like let's just build the hotel and we'll just open the hotel. You have to have a wide variety of activities that go along with that because you have to give -- you want people to come and have things to do. And if they come and don't have something to do they won't come back and they will tell their friends obviously not to come back. So while it is in phases and we are working on exactly what those phases will be, a large portion of the project will be finished before we open, especially in relation to the hotel rooms, the activities, the ski mountain, the water park, the Heritage Village. A lot of that will be open, will be completed, as part of that.

LEG. STERN:

And what would you anticipate would be your needs regarding infrastructure, the town level, the County level, the kinds of things that perhaps we should be aware of so that the infrastructure needs are fit into the timeline so that we're not playing catch up after the fact.

MR. PALLY:

Well, we obviously are looking at all of those during the SEQRA process because we have to identify issues and then mitigate whatever issues come up. We have had conversations with the Suffolk

County Health Department about sewage issues, about water recycling. We intend this to be completely lead certified, the project. That's our intent. We intend to use a wide array of new and innovative recycling measures, whether it's water, whether it's sewage, whatever it happens to be. We've started those discussions with the Health Department. We haven't applied for anything because we haven't gotten to that point. But we have had very good discussions with the Health Department on a number of those issues. Obviously a new sewage treatment plant will be built as part of this aspect of it and that will obviously come forward.

Obviously we will have issues relating to transportation. How are people going to get there other than parachuting them in. The road network, the train system, the airport. We're going to hopefully identify all of those issues as we go along and indicate where we believe either infrastructure improvements have to be made or the existing system can alleviate those. So I don't want to -- I can't tell you at the moment we have identified anything specific, but we understand that there are going to be a variety of infrastructure improvements that we're going to pay for, whether it's a town level, or the County level or the State level from the road system.

CHAIRMAN HORSLEY:

Would that include the sewage system?

MR. PALLY:

Yes.

CHAIRMAN HORSLEY:

That will be totally financed outside of the County.

MR. PALLY:

Yes. Obviously it is permanent by the County, which we understand and we will go through all of that. We will pay for that. And not only are we taking care of our sewage, we're taking care of the Town of Riverhead's sewage issues from their Town park, which you can see is in the upper left hand corner. The Town of Riverhead is building a 63 acre park there. As part of our agreement with them we will be taking care of their sewage issues.

CHAIRMAN HORSLEY:

That's interesting. Boy, Phil, he bargains well. I like that.

MR. PALLY:

Phil bargains very well.

CHAIRMAN HORSLEY:

I think that's great.

MR. PALLY:

Yes.

CHAIRMAN HORSLEY:

Let me ask you again on the sewerage issue. There are anticipated plans that there's going to be an industrial park right nearby.

MR. PALLY:

Yes.

CHAIRMAN HORSLEY:

Is this something that you guys are coordinating or talking about coordination of the entire Calverton area?

MR. PALLY:

Yes. Well, there is, as you know, where it says business park, that is an existing park. That's the Berman property that he bought about six years ago. That continues to be -- there are a variety of industrial users there now and there are others coming forward.

CHAIRMAN HORSLEY:

I understand there is going to be another industrial park right next door. Is that correct?

MR. PALLY:

Yes. In addition to that, to the east of the mountain is the Rechler Equities Industrial Park.

CHAIRMAN HORSLEY:

I didn't know if that was for public knowledge yet.

MR. PALLY:

Oh, yes. That was awarded, so that is another 300 acres that has been zoned industrial. And then there is R755, which was zoned recreational, and we are anticipating working with all of the users on the property for a comprehensive sewage treatment plant.

CHAIRMAN HORSLEY:

Which makes sense.

MR. PALLY:

Yes, we all agree.

CHAIRMAN HORSLEY:

Share costs and the like.

MR. PALLY:

Yeah. We all agree.

CHAIRMAN HORSLEY:

Very good. Very interesting. Are there any further questions from you guys?

P.O. LINDSAY:

No, just why is he here?

MR. PALLY:

Well, we're here because, number one, this is the biggest economic development project --

CHAIRMAN HORSLEY:

Absolutely.

MR. PALLY:

-- proposed for Suffolk County. Number two, we believe it will be very advantageous to Suffolk County for it to happen. And number three, we would encourage those people who support the project to continue to be supportive of the project. There are a wide variety of State, County, town, local permits, local issues that we're going to face, and we're hoping that people will understand --

CHAIRMAN HORSLEY:

You are looking for allies.

MR. PALLY:

Well, we're looking for people who understand the economic development benefits of the project, the environmental constraints that we are taking into account, in the hope that they will understand how important this project is to the County and all the people in the County.

P.O. LINDSAY:

And you're not asking for money?

MR. PALLY:

We're not asking for money.

P.O. LINDSAY:

We love you, Mitch.

CHAIRMAN HORSLEY:

Not even for sewers.

MR. PALLY:

Not even sewers. Our agreement with the town is that we will pay full real property taxes to the -- whatever the town assessment is, and obviously whatever the town assessment is the County gets its portion of that as does the school district. We're not in the Empire Zone so we're not asking for Empire Zone credits. All we're looking for is support and understanding.

CHAIRMAN HORSLEY:

Now, are you -- the financing of this project, obviously it must be large.

MR. PALLY:

We're estimating at the moment between one and a half and two billion dollars in the total build-out.

CHAIRMAN HORSLEY:

One and a half to two billion dollars.

MR. PALLY:

Yes.

CHAIRMAN HORSLEY:

Yeah, that's a good figure.

MR. PALLY:

That's even more than Suffolk County spends I think.

CHAIRMAN HORSLEY:

No, it's not. We're still the big boys in town.

P.O. LINDSAY:

Not yet.

CHAIRMAN HORSLEY:

That's right. The budget hasn't been approved yet. I lost my thought after that. Let me ask you, the financing of it, is it in place at this point? Do you have a prospectus out? What stage of financing --

MR. PALLY:

We are working with BayRock. As you can see, they're part of our development team. We complied with the qualified and eligible sponsor requirements of the Town of Riverhead, and we believe that when appropriate, when necessary, the financing will be there. BayRock has made certain commitments and others have made commitments that are public knowledge that were made to the Town Board of the Town of Riverhead. We believe that, you know, we know that the financing will be there when we get to that point. We're a ways away, as you know, from starting construction.

CHAIRMAN HORSLEY:

Right.

MR. PALLY:

So those issues continue to be worked on, but when the time comes financing will be there.

CHAIRMAN HORSLEY:

You're confident that that kind of --

MR. PALLY:

Yes.

CHAIRMAN HORSLEY:

Resources are available.

MR. PALLY:

Because this is a one of a kind --

LEG. D'AMARO:

They have the land.

MR. PALLY:

This is a one of a kind project in the northeast. There is nothing like this in the northeast.

CHAIRMAN HORSLEY:

We agree.

MR. PALLY:

And part of that is because it's very difficult to find 755 recreationally zoned acres anywhere in the northeast. Finding 755 acres is one thing, finding it recreationally zoned -- we only need one variance from the Town of Riverhead to build this, which is one height variance for the mountain. But we believe we have showed the town in using air rights that we will transfer from other portions of this property where we're not exceeding going to the maximum that we would be allowed to, that we can transfer development rights from one portion of the property to another portion of the property. The mountain will still be smaller than the Stony Brook University Hospital height is.

CHAIRMAN HORSLEY:

What is that height?

MR. PALLY:

I believe 410 feet above sea level because it's built on a hill, the hospital. So ours is built basically on flat land. If you can see the picture, the design, it looks like a mountain. It's not designed to look like a building, it's designed to look like a mountain, although everything happens inside. Nothing of it happens outside of it.

CHAIRMAN HORSLEY:

Can I ask what it is made of? What is the mountain going to be made of? I know this is a dumb question, I'm just --

MR. PALLY:

Well, we have a wide variety of options at the moment. For any of you who have seen the Denver Airport, it's somewhat designed, the new Denver terminal, is somewhat designed like this and there are wide variety -- there are 50 indoor ski facilities operating in the world today, 50. We tend to be very parochial in this country that if there's not one here they don't exist. Well, in reality they do

exist, they're just not here at the moment. Although the first one which will open will be at Xanadu which is in the New Jersey Meadowlands, which is part of that shopping center that is being built right by the new Giant Stadium.

CHAIRMAN HORSLEY:

Right.

MR. PALLY:

That will be, I believe, 120 feet high. But it is not designed to be a resort attraction, it's designed to be something you do when you're done shopping for the day.

CHAIRMAN HORSLEY:

Let's go skiing.

MR. PALLY:

Which is perfectly appropriate for that aspect of it. But, you know, there is a wide variety of ways in which it can be done. Different places have different aspects of it, and we'll pick the one that the engineers and the construction manager believes is the most appropriate for here. But as you can see, it's designed to look like a mountain. We've already had conversations with DEC about using some of the outside as open space because that's basically what it is in that regard. We believe it can be done.

CHAIRMAN HORSLEY:

Would this kind of, and I know this is so far away from this kind of stuff. What would be the costing of, you know, like to go to a park like this, I mean, to go skiing --

MR. PALLY:

I really couldn't tell you at the moment.

CHAIRMAN HORSLEY:

You don't know. It's an unfair question. But I'm just curious to see, you know, we're talking about the average citizen or is this high end skiing.

MR. PALLY:

No. Obviously our market is for people who are going to be there for a number of days, whether it's a weekend or the week.

CHAIRMAN HORSLEY:

So we're going wine tasting and skiing, you know, hit the Alps.

MR. PALLY:

Right, that's the intent. The east end has a wide variety of attractions now. We are going to compliment those by bringing people out to the facility who once they get there will never need their automobile. We're hoping, number one, they don't bring their automobile to get to us. And, number two, once they get to us they won't need their automobile either inside the facility or outside the facility to get to many of the different attractions. It depends to a large degree on factors, you know, that happen in the next four or five years, but, you know, we have -- believe that this can be a very successful project. Otherwise I will tell you we wouldn't have already paid money to the Town of Riverhead that we can't get back. So we've already made payments to the town that the town keeps regardless. So, you know, people don't like to give up money they don't have to if they don't believe something is going to be successful and can be done.

CHAIRMAN HORSLEY:

And what kind of public process do you have to go -- what hurdles? I know SEQRA and --

MR. PALLY:

We will go through obviously the entire SEQRA process. I have been out, you know, for the last six months talking to any group on the east end that is interested in hearing. I'll be going tonight again to the Calverton Civic Association. I was there in November.

CHAIRMAN HORSLEY:

And the reception is so far?

MR. PALLY:

The reception of most people is they'll believe it when they see it, okay, because it is a very dynamic --

CHAIRMAN HORSLEY:

I used to run a zoning board and I used to worry about, you know, little things. But, going to build a mountain in my backyard.

MR. PALLY:

But most people, you know, most people we have talked to are very supportive of reusing the property. Obviously the property has not been on the tax rolls for at least ten years. It was given to the town by the U.S. Government for a dollar for the specific purpose of economic development. That's what it says in the transfer document. And people have been through a wide variety of projects that for whatever reason didn't come to fruition over those period of time, and they are to some degree sceptical. I understand that. I would be the same way. But, you know, they have never gotten to a point where we have a contract with the Town of Riverhead to buy the property and we've already given them money that we will not get back if it doesn't work. So we're going to make sure it works. So there's a whole public process that we go through with SEQRA, with all of the environmental review, with all of the permits that we're going to need from everybody, and that's a whole public process. But we hope that, you know, we believe that in the end this will be something which will be a tremendous benefit to not only the east end, but to everyone who lives on Long Island.

CHAIRMAN HORSLEY:

Mr. D'Amaro.

LEG. D'AMARO:

Yes, thanks. Mitch, how are you?

MR. PALLY:

Good. How are you, Lou?

LEG. D'AMARO:

Fine. This is a zoning and land use attorney's dream come true I would imagine.

MR. PALLY:

It is a lot of work.

LEG. D'AMARO:

I have seen some zoning work in my day and this takes the cake. But anyway, congratulations. It looks like a well thought out type of project and the town is on board with you obviously --

MR. PALLY:

Yes, yes.

LEG. D'AMARO:

-- in trying to get this done. If it comes to fruition it helps, you know, the Suffolk economy and other levels as well. I was just curious. What anticipated volume of visitors do you need to sustain the project?

MR. PALLY:

We are actually working of those numbers at the moment because those obviously facilitate into -- there will be somewhere in the vicinity of 3,500 to 4,000 keys, which are the number of rooms. Now, obviously somebody who comes for seven days gets counted seven times because they are there every day spending money. That's how you do it in the hotel business and I have learned a lot about the hotel business over the last year as part of that. But our anticipated numbers, depending upon the time of year and other factors that are involved, are between eight and 15,000 people a day who will be on site.

Now, they don't -- the benefit of having a resort is that they don't all come and all leave at the same time because there's no event that they have to get there for 12 o'clock on Sunday. Everybody comes in, the event ends at three and then everybody leaves. These are people who are there for a period of time so they are coming and going is really their own timing, not timing that we create for them, which makes it better from a transportation perspective because it spreads it out more during the day and doesn't concentrate it in certain times. But those are the numbers we are looking at. Now, some of those people will obviously be people who may live on the east end and come and leave.

LEG. D'AMARO:

Right.

MR. PALLY:

Hopefully others will come from Europe and be there for seven days and then leave, go back on the plane and leave.

LEG. D'AMARO:

Sure. But part of the business model has to be daily visits.

MR. PALLY:

Absolutely.

LEG. D'AMARO:

Yeah, it has to be.

MR. PALLY:

Absolutely. We understand that.

LEG. D'AMARO:

And so there are 4,000 rooms, keys.

MR. PALLY:

Yes. That's the concept, yes.

LEG. D'AMARO:

How many parking stalls do you have?

MR. PALLY:

That's something we're working on at the moment because obviously it is not -- once you get there you will not need your automobile, either internally or externally. So our goal is to provide

disincentives for people to come by automobile. Obviously some people will, we know that. Those are the numbers we are working on at the moment under, you know, as part of the SEQRA process. We have to look at what that mix is going to be, how much we can attract by bus, from the train station, from the airport, from the ferry, from a wide range of other options that we will provide for people to get there. Because it's in our best interest not to have to create lots of parking spaces, number one, for the environment, but number two, we don't want to waste space by having parking spaces. We would much rather use it for revenue raising activities as part of that. So those are issues we are going through at the moment.

LEG. D'AMARO:

Okay. Thank you.

MR. PALLY:

My pleasure.

CHAIRMAN HORSLEY:

Is anything else you would like to add?

MR. PALLY:

No, I appreciate very much the opportunity to come by and, you know, as things happen we'll obviously keep the committee and the Legislature informed, but we think it is a tremendous opportunity for Suffolk County. In our opinion it's the fruition of what was intended when the property was no longer used by the U.S. Navy and Northrop Grumman. That use went away. We might like the fact that it went away, we might not like the fact that it went away, but it went away. Now we have to try to reuse a piece of property that has already been used, which is a major point that we try to make. We're not cutting down trees, we're not using virgin property. It is property on which there are buildings, there are runway, the property has already been used. Everybody believes in redevelopment.

CHAIRMAN HORSLEY:

Adaptive reuse. I love it.

MR. PALLY:

That's what this is, just a different use.

CHAIRMAN HORSLEY:

And why not build a mountain.

MR. PALLY:

And why not. If you don't have dreams, you don't do it.

CHAIRMAN HORSLEY:

Great vision, Mitch. I'm impressed. It's a great story.

MR. PALLY:

I thank you for your time. I really do.

P.O. LINDSAY:

Thanks, Mitch.

CHAIRMAN HORSLEY:

We thank you for being here today.

MR. PALLY:

Thank you.

CHAIRMAN HORSLEY:

Meeting adjourned?

LEG. STERN:

Meeting adjourned.

CHAIRMAN HORSLEY:

Motion to -- the two of us. All in favor? Good.

(The meeting was adjourned at 3:58 P.M.)

{ } Denotes Spelled Phonetically