ECONOMIC DEVELOPMENT

HIGHER EDUCATION

and

ENERGY COMMITTEE

of the

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held at the Airport Administration Building Conference Room at the Francis. S. Gabreski Airport, Westhampton, New York, on Wednesday, April 16, 2008.

MEMBERS PRESENT:
Legislator Wayne Horsley - Chairman
Legislator Steve Stern - Vice-Chair
Legislator Lou D'Amaro
Legislator John Kennedy

MEMBER NOT PRESENT:
Legislator Cameron Alden

ALSO IN ATTENDANCE:
George Nolan - Counsel to the Legislature
Joe Schroeder - Budget Review Office
Joe Muncey - Budget Review Office
Renee Ortiz - Chief Deputy Clerk of the Legislature
Ben Zwirn - Deputy County Executive
Carolyn Fahey - Economic Development
Charles Stein - Suffolk Community College
George Gatta - Suffolk Community College
Debra Alloncius - AME
Nick Anastasi - Economic Development
Gail Lolis - County Attorney's Office
Ken Huber - Local 138
Dennis Adrian - Local 138
Joe Montalbano - GYNLECET
Donald Fiore - IBEW Local 25
John Shepard - DC-9
Ken Harney - IBEW Local 25
Tracy Stark - Town of Riverhead Empire Zone
Anthony Ceglio - Gabreski Airport Manager

Debbie Harris - Aide to Legislator Stern
Leslie Kennedy - Aide to Legislator Kennedy
All other interested parties

MINUTES TAKEN BY:
Alison Mahoney - Court Stenographer

MINUTES TRANSCRIBED BY:
Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 4:00 P.M.*)

CHAIRMAN HORSLEY:
I will ask Legislator Stern to lead us in the Pledge.

SALUTATION

CHAIRMAN HORSLEY:
May we just please stand for a moment of silence for all those men and women who -- who stand guard for us in protecting our freedoms across the sea. And after visiting the Air National Guard, we're ever reminded of how important our military is in keeping our freedoms.

Moment of Silence Observed

Thank you very much. Please be seated. Okay. Welcome to the Economic Development, Energy and Higher Education Commission -- Committee of the County Legislature at our portable home, the Gabreski Airport, who we had just gone through a -- not only a tour, but we toured the National Guard and Air Guard Headquarters, which -- which shares part of the Suffolk County properties here.

LEG. KENNEDY:
Wait a minute. Did they let you sit in the cockpit?

CHAIRMAN HORSLEY:
And the economic dollars that are shared by the Federal Government through the Air Guard are really quite amazing. It was in the tunes of -- what was it, about 55 million, I believe, it was? At least. It was a large number. And we're very impressed about what they -- not only what they give back to us as a -- as for their service to our country, but also to our economy as well. And that was truly appreciated. All right. Again, welcome. And John, I'm glad you've joined us. I have several cards that people would like to address us. The first is -- for the public portion is Mr. Dennis Adrian, LM3 Contracting Bactolac Pharmaceutical. Welcome.

MR. ADRIAN:
Good afternoon.

CHAIRMAN HORSLEY:
Good afternoon.

MR. ADRIAN:
I'm there to discuss LMJ Contracting Bactolac Pharmaceutical. They're building a project up in Hauppauge. And from what I understand, they're trying get $6 million in tax relief. And they're building the project not to the area standards that all the locals set pay wise. And, you know, we feel they should build the project at the area standard rate, because the money is coming from, you know, the Development Agency. So with that, I'd like to know if we could also put in to you guys to take a look at the New York State Apprenticeship language. So if I hand these out --

CHAIRMAN HORSLEY:
Sure. Did you want to hand them to the Clerk? This way they get a copy and put it in the record. Thank you.

MR. ADRIAN:
Would it be possible that we could get that tabled until we get a meeting with Bactolac to hold off on them getting a tax relief?

CHAIRMAN HORSLEY:
We will discuss that. We're not going to answer your question. You're addressing us as the public

portion. That is what you are -- you would like to have us to have done?

MR. ADRIAN:
Please.

LEG. D'AMARO:
Could I ask a question? I'm sorry, your name again.

MR. ADRIAN:
Dennis S. Adrian.

LEG. D'AMARO:
Mr. Adrian, we have before us a resolution that's going to expand the Empire Zone boundary. Okay. So, you know, the question I have -- your -- you have a -- you're coming to the committee today asking us to table this resolution?

MR. ADRIAN:
Please.

LEG. D'AMARO:
And what is it about the Empire Zone boundary that you object to?

MR. ADRIAN:
Well, the Empire Zone is for economic development, correct? To bring, you know -- right?

LEG. D'AMARO:
Yeah. Sure.

MR. ADRIAN:
And this company is putting up this building, and they're paying substantial wages. When you go on the job and you talk to the guys, they're not making the area standard. And we feel being that they're getting tax money they should have to build the project at the prevailing rate.

LEG. D'AMARO:
Right. But is the prevailing rate a requirement of the expansion of the expanding Empire Zone?

MR. ADRIAN:
Not on private work. But what I wanted to do is that -- I wanted -- that's why I gave you this language, to see if you can adopt it.

LEG. D'AMARO:
Adopt it into what, though?

MR. ADRIAN:
The Empire Zone. The Suffolk County/Riverhead Empire Zone.

LEG. D'AMARO:
It was my understanding that Empire Zones were created by the State. I'm not so sure that we have jurisdiction to impose --

MR. ADRIAN:
Okay.

LEG. D'AMARO:
-- that type of requirement, which, by the way, I agree with you, and I would like to see the proper wage paid, but is that really something that we can do in connection with just expanding the

boundary itself.

MR. ADRIAN:
I'm here asking you. I mean, I don't know. I would think that you could adopt it, right?

LEG. KENNEDY:
If I could just jump in.

CHAIRMAN HORSLEY:
Legislator Kennedy.

LEG. KENNEDY:
Yes. Thank you. And I appreciate Mr. Adrian coming out. He's not only a constituent, but he's a representative of 138. I'm very familiar with this project as the rest of the committee members know. I think to answer the first question, I don't think that we have the ability on our own to actually add the prevailing wage requirements to Empire Zone designation. As I understand it with the State Statute, what happens is there's an initial evaluation that's done by the Empire Zone, in this case, I think it's the Riverhead Floating Empire Zone.

CHAIRMAN HORSLEY:
That's correct.

LEG. KENNEDY:
There's an initial calculation that's done as to whether or not there's going to be a benefit to the area, vis-a-vis job creation and things such as that. And then it comes to us to go ahead and, I guess, do a confirmation as to our willingness to allow that boundary to expand. But I believe the only role that we as a legislative body play is the willingness or a consent to physically expand the boundary.

Now, I think Mr. Adrian brings, I think, a number of good points -- and we talk about them quite often; that clearly any time we have municipal work done, obviously we want vigorous and strong enforcement, so much so that I know the County Executive has gone forward with recent resolutions to compel contractors to have certified employment lists and also to bolster the District Attorney's role for doing on-site enforcement.

However, when it comes to the Empire Zone and to the IDA, both of those things are authorized by the State Legislature. And I believe what's going to have to happen is it's going to have to be incumbent upon labor to make that argument to the State Delegation to go ahead and to include both of these provisions.

CHAIRMAN HORSLEY:
So you're amending State Law?

LEG. KENNEDY:
I believe, Mr. Chair, that's the route that's going to have to occur. Now, what's happened in this case is this project, I think, is very clear or a good illustration of a project that's a worthwhile and worthy project, it's a 40,000 square foot building in the Hauppauge Industrial Park. Bactolac is a pharmaceutical manufacturer. It's got a fairly decent sized payroll in the Hauppauge area now, and it stands to expand that payroll by 53 individuals.

Unfortunately, they've elected at this point to go ahead and retain a construction manager that's known to the labor community as notorious for being anti-labor. They're represented by Mr. {Curry} from Farrell Fritz. I've had extensive conversation with him. I do know that there is a meeting between the developer -- I'm sorry -- the owner of the company and two of the other trades. And I believe there's a willingness or a commitment on the part of Bactolac to go ahead and meet with the operating engineer. Nevertheless, anything that the owners would do at this point is

permissive. We don't have the force of law.

CHAIRMAN HORSLEY:
Is Mr. Adrian's -- does he have representation at this meeting that is forthcoming?

LEG. KENNEDY:
I've been told that there is -- yes. I've been told that the owner will reach out, that they will have a meeting --

MR. ADRIAN:
He hasn't yet, though.

LEG. KENNEDY:
No. As of yet, they have not. And as a matter of fact, the operating engineers have had to go so far as to actually put up a formal picket on the property because the original site clearing work that's being done there is being done by a non-union faction. Therein lies the dilemma.

LEG. D'AMARO:
Just to pick up my question. How does it -- let's say we tabled this today, what happens next?

MR. ADRIAN:
I would like to have a chance to talk to the attorney and to the company, Bactolac, to see if moving forward --

LEG. D'AMARO:
You can do that whether we table this or approve this.

MR. ADRIAN:
But they're not entertaining me at all though.

LEG. D'AMARO:
Oh, so you want us to use our tabling of the Empire Zone in order provide you an opportunity --

MR. ADRIAN:
I would like that, yes.

LEG. D'AMARO:
-- to pressure the developer.

MR. ADRIAN:
I don't want you to pressure him, but --

LEG. D'AMARO:
Well, what do you want us to do?

MR. ADRIAN:
Well, can't you call them up and try to facilitate something?

LEG. D'AMARO:
But the bill I'm voting on here is the expansion of the Empire Zone, I'm not negotiating a labor contract here. I just want to follow the logic here. I want to make sure if I'm going to vote to table this, I need to know what happens after that.

MR. ADRIAN:
What happens after it?

LEG. D'AMARO:
Yeah. I'm not going to inject myself into a project negotiation. I can't do that.

MR. ADRIAN:
Right. Well, I would like to have a meeting with them, and I would like to try to get some equity out of the job by putting our membership to work there. That's my goal here. That's what I'm trying to do. So I figured I could come here and maybe talk, you know, to this body and you guys could help us.

LEG. D'AMARO:
Well, what you're trying to do, shouldn't that requirement be imposed by the State of New York? That's part of the Empire Zone.

MR. ADRIAN:
I didn't get that far yet. I mean, I would have to look it into it.

LEG. D'AMARO:
Okay.

CHAIRMAN HORSLEY:
Mr. Kennedy, anything else?

LEG. KENNEDY:
Again I --

CHAIRMAN HORSLEY:
There are several other people that want to speak on this.

LEG. KENNEDY:
I know. I appreciate, though, Mr. Adrian making the trip out here. He and I have had a number of conversations, as I have with the members of the labor community. And I know that -- well, why don't we let the balance of the speakers go through. I appreciate you coming out.

CHAIRMAN HORSLEY:
Before you go, Legislator Stern.

LEG. STERN:
Maybe you know, I guess I will ask other speakers and colleagues when they come up, but what, if anything, is the State Government doing about this particular issue? Do you know of any pending legislation at the State level that speaks to this issue?

MR. ADRIAN:
No, I don't.

LEG. STERN:
Are they considering up in Albany at all?

MR. ADRIAN:
I haven't even been -- this is as far as I have been with it yet.

LEG. STERN:
Okay. Thank you.

MR. ADRIAN:
Thank you.

CHAIRMAN HORSLEY:
Mr. Joe Montalbano.

MR. MONTALBANO:
How you doing, guys? Thanks for seeing me today.

CHAIRMAN HORSLEY:
I heard you flew in.

MR. MONTALBANO:
That's what they thought.

CHAIRMAN HORSLEY:
That's good.

MR. MONTALBANO:
All right, guys. I'm here to talk about the same project; I guess, what you are putting on the table today. And, you know, I'm a resident of Suffolk County, and I think it's a great thing that we're trying to have this talk and work to keep a contract, a customer, a business on Long Island, who has been on Long Island and wants to expand and doesn't want to expand somewhere else. They want to stay here. I think it's a great idea. I think the Empire Zone is a great idea to a point.

You know, my point is like Mr. Adrian said, you know, besides the $6000 in tax relief, I mean, most of the Empire Zone, it goes a lot further than that; you know, it goes the lowest interest rates they can give, you know, breaks to incentives to employers for employees and stuff, utility breaks --

CHAIRMAN HORSLEY:
Utility breaks, right.

MR. MONTALBANO:
It's large. If you look at it, the numbers are even higher. And I think that economic development should start when the shovel goes into the ground, you know? I represent, you know, the Greater New York Laborers, but I represent the middle class on Long Island. I mean, that's most of my guys. Most of these Building Trade members here, that's who we are; we're the middle class people, where the blue-collar workers. We're the guys that build and work everything that you have -- any big project that you've been on, we've built it.

We're just looking for -- you know, if you want to add them to the Empire Zone, you know, we would like to see that it's done by area standards, you know, that they pay a prevailing wage at least. I mean, you know, I've gone through -- I haven't done all the numbers and checked it all out, but I've rolled through the Brookhaven Empire Zone. I saw some out-of-state plates on the construction projects. You know, you're getting people from all over. You know, I mean, I think if you're going to give tax breaks to a company that's going to stay on Long Island, they should have Long Island people build it.

LEG. KENNEDY:
Mr. Chair, can I ask the speaker --

CHAIRMAN HORSLEY:
Sure. Please. Legislator Kennedy.

LEG. KENNEDY:
Joe, you know, we've heard that this construction manager that this firm has chosen to select does not have a good reputation of labor, but as you know, you know, I mean, I'm a dirt lawyer by trade. You know, I don't swing a hammer or whatever. Do you know if this outfit, LMJ, can you tell us what their history has been?

MR. MONTALBANO:
Their history is they're not good for labor; they don't -- they don't go good on any job, and they're a big problem for us. You know, with our contractors that -- our contractors that do prevailing wage jobs and they pay the right wages, you know, it's a conflict. It's tough for them to compete against a contractor that's not paying the area standards and paying really low wages. And it's tough. It's tough.

LEG. KENNEDY:
And when, you know, a contractor that's doing the right thing in that, you know, they're maintaining a valid workforce, they have a trained workforce, what do you guys bring to the table that a nonunion outfit that's working with a gang of out-of-state guys or something doesn't have? Why would a contractor go to you guys to bring our union laborers as opposed to somebody else?

MR. MONTALBANO:
Well, you know, we have apprenticeship programs, all the unions trades do. You know, our guys go through a big process. It's not like it was years ago where years ago, maybe your father would bring you to the job and you teach them. You know, now it's an apprenticeship program, and you've got to go to school, you have to build a certain amount of hours. It's approved by the State. You know, so we have a trained skilled staff, we have OSHA training, you know, you name it, across the board. Name it, my guys take it. And it's a yearly or bi-yearly -- you know, we train to get certified.

LEG. D'AMARO:
So you're position --

CHAIRMAN HORSLEY:
Go ahead.

LEG. D'AMARO:
If I may. So your position as opposed to Mr. Adrian is that since we have the authority to expand the district, that we can therefore impose certain requirements.

MR. MONTALBANO:
You know, I don't know what the law is, that's for you guys to understand. But I'm just trying to explain to you --

LEG. D'AMARO:
I'm just asking -- you know, I just want to make sure I understand where you are coming from. So you are saying to us that, you know, look, if we're going to grant these benefits to a company, tax benefits and other types of benefits that you talked about, you know, we have that authority, we have that discretion, here in Suffolk County, then, you know what? There's certain items that we'd like addressed as well. One of them being what you're talking about today, paying the standard wage, the area wage.

MR. MONTALBANO:
I just like to -- oh, go ahead. I'm sorry.

LEG. D'AMARO:
So if I agree with that, okay, where I -- where you lose me a little bit, and maybe you can help me with it, is if we table this, then -- so how do we -- you know, how am I imposing that condition?

MR. MONTALBANO:
I don't know how the table would work to be honest with you. I just wanted to --

LEG. D'AMARO:

There would be no action, it wouldn't even go to a vote to the full Legislature, it would be sitting in this committee on its agenda. We all leave this room today, and -- you know, so now I tabled the resolution, I didn't give these benefits, which also an argument, a strong argument is made that that's good for economic expansion and development and job creation as well, and it's now sitting here. So what's going to happen to bring resolution to this?

MR. MONTALBANO:
I don't know. I would have to say, like Scott said, you know, it's -- I don't want you guys to feel that I put you guys in a position, like you had said, that -- you know, I don't want to be trying to force the hand of the builder.

LEG. D'AMARO:
Well, I may not even have a problem with that, okay, because if I have the authority and the discretion to do this, maybe I do want to force somebody's hand. But how does that happen after today?

CHAIRMAN HORSLEY:
What is the next step? And maybe one of the questions we should be asking, we're understanding from Mr. Kennedy that there's a meeting that is supposed to be occurring with Bactolac itself on this Friday. Are you part of that meeting, do you know?

MR. MONTALBANO:
I can -- I think I can make myself be there.

CHAIRMAN HORSLEY:
I'm not setting it up.

MR. MONTALBANO:
If they're going to have a meeting, I would probably be there. But, yeah, I think it would be a great thing if you could do it. I think basically, you know --

CHAIRMAN HORSLEY:
Again, we're not doing it. We understand that there is a meeting from Mister -- from Legislator Kennedy that has been set up. I have heard this from Mr. {Curry's} office as well.

LEG. KENNEDY:
Yes.

CHAIRMAN HORSLEY:
I'm not sure what the end result is going to be.

LEG. KENNEDY:
No. I don't think anybody does.

MR. MONTALBANO:
No one knows where we're going to be from here. Right now, we're driving down the road. We have to figure it out. But we want to bring these issues to you guys.

CHAIRMAN HORSLEY:
That's good. I'm glad you are.

MR. MONTALBANO:
And just to let you know, I mean, I cover prevailing wage for Long Island for the Laborers, that's my main job, all right, and labor management. I spoke to my people and some of the other building trades, and we're going to -- we're going to forge forward and try to get not just -- not just to try to get this job, but all the Empire Zone, whether we have to go to the State or whatever we have to

do.

LEG. D'AMARO:
I agree with you. I think you have to go to the State of New York to do that.

MR. MONTALBANO:
We plan on going to the State. We want to get a change so that it does become a prevailing wage law area.

CHAIRMAN HORSLEY:
Provisional area.

MR. MONTALBANO:
Provisional area. Because, you know, you are giving up so much for a company, okay? Now, I did a little research. I know that Governor Spitzer, our previous governor, sent out 3000 letters to corporations that had said -- about 10,000, that said that they were going to increase employees, they were going to do this, they were going to do that, and there were certain things that they were supposed to -- criteria that they were supposed to meet. Three thousand out of 10,000 did not meet that criteria, okay? They were also talking -- the New York State Assembly was also talking about making amendments where they would get -- they would actually reverse the tax relief if they didn't meet certain criteria at a certain time.

LEG. D'AMARO:
Let me follow --

CHAIRMAN HORSLEY:
Just job enhancement; if they came through with the jobs that they said they were going to have? Right. I'm familiar with that.

MR. MONTALBANO:
Also, there's companies what they were looking to -- also I'm not saying -- I'm not saying that I know -- because I don't know this for a fact, but there are companies and they've looked into making an amendment also that they will -- there are some companies that will just change their corporation name just to the get the tax reliefs and the benefits and not change anything with their employee status as far as increasing the numbers. So they're looking for enforcement on that too. So there are some things that need to be fixed. It's not totally broken, but we do want to track it along the way, and we want to make it fair for everybody.

CHAIRMAN HORSLEY:
Mr. Montalbano, I understand what you are saying, and I'm very sympathetic to what you're telling us. How to change the actual State Law, we're talking about a great deal of time I'm thinking. How does that affect Bactolac? I mean, that's --

MR. MONTALBANO:
I don't know. I'm just telling you where I'm going. I don't know how I'm going to get there.

CHAIRMAN HORSLEY:
All right. But your going. Okay.

MR. MONTALBANO:
I'm going. I'm here today, and that's what I'm speaking for.

LEG. D'AMARO:
I just want to follow my thought to a conclusion. You know, we table, now there's an opportunity at least time wise to go and try and somehow negotiate what we all -- what we agree should be the proper wage paid.

MR. MONTALBANO:
Uh-huh.

LEG. D'AMARO:
But I have to do a little balance here, because the State of New York didn't give me that tool; it's not imposed as a condition of an Empire, Zone, you know, and I do want to create the jobs and I do want the expansion, does the applicant walk at this point? I'm not privy to any of this.

MR. MONTALBANO:
Right. I don't know either, lou, to be honest with you.

LEG. D'AMARO:
Well, it's an important question.

MR. MONTALBANO:
Absolutely.

LEG. D'AMARO:
All right. Because if we're talking about a couple of hundred jobs or an expansion of 50 jobs, you know, I sit on these budget committees also, and, you know, we do need the economic expansion. So, you know, my initial question is that it's not that I'm against what you are saying, but in my mind, as a decision maker, I have to balance this. And I don't know sitting here today if I table this and an opportunity is presented and there's no plan to go forward on how we're going to accomplish this --

CHAIRMAN HORSLEY:
Right.

LEG. D'AMARO:
-- does the applicant just walk away from the table and say, you know, what, I can go down south.

LEG. KENNEDY:
If I can chime in and make a suggestion, and I know we do have a couple more speakers, but I think there are some very real issues that labor has brought to the table. And as a matter of fact, we have gone through one tabling cycle. I also appreciate the position, I guess, that you're articulating, that we as Legislators are in, you know, whether we have sought it or not.

For whatever reason, the State of New York in its wisdom decided to go ahead and give us this gatekeeping function, but we never had any opportunity to define what the parameters were associated with the provision of the program. I know we also have somebody here from Economic Development who can maybe tell us what about the vetting process. I think we have a unique opportunity here by virtue of the calendar. As we know, we have --

CHAIRMAN HORSLEY:
That thought crossed my mind.

LEG. KENNEDY:
-- a week off for the Jewish Holiday next week, and our General Meeting is on the 29th. I might make the suggestion that we discharge without recommendation if the balance of, you know, the committee feels in that way, pending upon some dialogue that's supposed to occur, which we've heard. Laborers in the DC-7 are scheduled to meet. And I've been given a commitment by the attorney for Bactolac to meet with 138, with the operating engineers as well.

CHAIRMAN HORSLEY:
Could you try to keep the gentlemen that have talked today involved in this?

LEG. KENNEDY:
Of course. Not only will I keep everybody else in the labor community informed, by I'll keep my colleagues informed, cognizant of the fact that really the only thing we're talking about here is promoting some dialogue between labor and the contractor.

CHAIRMAN HORSLEY:
If we were to discharge without recommendation, that's not a plus or a minus, it's just -- we're just moving it to the general body of the Legislature and --

LEG. KENNEDY:
It's no expression of approval or disapproval amongst any of us.

CHAIRMAN HORSLEY:
Then it can be tabled or turned down at that point.

LEG. KENNEDY:
Absolutely.

CHAIRMAN HORSLEY:
That's what you're proposing.

LEG. KENNEDY:
But again, what I will also say is I think Legislator D'Amaro brings up a very poignant and real concern that you know we -- all have us that sit on the Legislature empathize with and I think are very interested in promoting the quality of life that we have here in Suffolk County and want to support and promote, you know, the construction that's done by union labor. But we can never go beyond the authority that's granted to us in this statute. And we are, in essence, at this point very delicately trying to look at what this very ministerial function is right here.

CHAIRMAN HORSLEY:
Mr. Montalbano, could you -- what is that, two weeks from now?

LEG. KENNEDY:
The 29th.

CHAIRMAN HORSLEY:
The 29th.

LEG. KENNEDY:
Today is the 16th.

CHAIRMAN HORSLEY:
Can you -- could you fairly address this in that period of time so that we could make a determination one way or the other?

MR. MONTALBANO:
Yes. I will fast track -- if you don't -- what I would like to do is I would like to contact the State also and see what kind of -- you know, if there's anything that they can help us with the situation as far as the Empire Zone status.

CHAIRMAN HORSLEY:
With recognition that we can turn it down at that meeting as a body.

MR. MONTALBANO:
Absolutely. Absolutely. But, you know, if we have a little time, then in the meantime I know there's

a meeting set for Friday. The last thing I would like to say is, you know, I do represent, you know, the Building Trades, but the bottom line is, you know, we live in Suffolk County, you know, we're --

CHAIRMAN HORSLEY:
We're in this together.

MR. MONTALBANO:
You know, every one of us in this room, you know, if your wives go to the store, they go, hey, you know, bread is up an extra 50 cents, ham is up an extra $2.

CHAIRMAN HORSLEY:
We got it.

MR. MONTALBANO:
Gas is up.

CHAIRMAN HORSLEY:
We hear this every day.

MR. MONTALBANO:
So we're the middle class.

CHAIRMAN HORSLEY:
So are we, by the way.

MR. MONTALBANO:
Absolutely. And that's all I'm speaking for.

LEG. D'AMARO:
That's a great point. I just want to make one other point. You know, we talk about discharge without recommendation, we talk about tabling. You know, the discharge without recommendation is an expression that, let's put it to the whole body. But I'm not sure I'm prepared to do that until we consider the bill on the agenda and maybe hear from Economic Development.

CHAIRMAN HORSLEY:
Absolutely. No. I wasn't ruling that out.

LEG. D'AMARO:
I wanted to make that clear, because, you know, another cycle in a couple of weeks. You know, it's not that egregious unless there's a compelling reason why we need to act quickly. So I want to hear both sides before we really make that decision.

CHAIRMAN HORSLEY:
And in all fairness, Bactolac would be at that General Meeting as well. So they will have an opportunity to represent themselves.

LEG. KENNEDY:
Well, unfortunately, I guess they must have had some scheduling conflict. I know neither Mr. {Curry} or --

CHAIRMAN HORSLEY:
Which is fine. They don't have to be here.

MR. MONTALBANO:
Gentlemen, thank you for your time.

CHAIRMAN HORSLEY:
Thank you. Mr. John Shepard, DC-9.

MR. SHEPARD:
Gentlemen, how are you?

LEG. D'AMARO:
Hi.

CHAIRMAN HORSLEY:
How are you.

MR. SHEPARD:
I'm not going to waste your time. You know, I'm with what Scott said and Joe. And I would just like to read one sentence from the State Empire Zone Website.

CHAIRMAN HORSLEY:
Okay.

MR. SHEPARD:
To qualify -- because it's the eligibility and certification -- to qualify for certification, a business must be able to demonstrate that it will create new jobs and/or make investments in the Empire Zone and be consistent with the local zone development plan, including a cost benefit analysis. And as Joe said, I mean, that's got to start when the shovel goes into the ground. Because the relief that this guy is asking for and what you are going to give them or grant them is coming off the backs of -- you know, as Joe said, the working stiff, you know, the working class. So I want you to consider that.

CHAIRMAN HORSLEY:
Are you comfortable with the schedule which --

MR. SHEPARD:
Yeah. It would be nice if we could arrange some kind of meeting.

CHAIRMAN HORSLEY:
You have two meetings. And then it would go in front of the entire Legislature, and they would make a determination, yes or no, accepting this Local Law.

MR. SHEPARD:
Absolutely.

LEG. KENNEDY:
Mr. Chair, can I interject for a second?

CHAIRMAN HORSLEY:
John, I couldn't stop you.

LEG. KENNEDY:
Are you aware, John, Mr. Ellis, I think, is supposed to be meeting with Bactolac?

MR. SHEPARD:
Yes. That is a different -- that's the carpenters, the painters and allied.

LEG. KENNEDY:
Carpenters, painters and allied. All right.

MR. SHEPARD:
Which we have not been invited to the party yet. So if somebody can keep us --

CHAIRMAN HORSLEY:
Is this party, John?

LEG. KENNEDY:
Well, you know, I have to tell you. It is an interesting place to be. As challenging as residential real estate is, I think I'd rather be there.

MR. SHEPARD:
Rumor has it, it was in your blood.

LEG. KENNEDY:
One would say. One would say, yes.

LEG. D'AMARO:
Can I ask you, how do you know that the standard area wage is not being paid?

MR. ADRIAN:
I can answer that if you want.

MR. SHEPARD:
I'm a gambling man, I would lat it to odds, if you would like.

MR. ADRIAN:
Can I answer that?

CHAIRMAN HORSLEY:
I think we can get that from Economic Development.

LEG. D'AMARO:
Just by the reputation of who is --

MR. SHEPARD:
Yeah. I mean, this is not the first dance that we have had with LMJ. I mean, out in Brookhaven, you know -- if I may, out in Brookhaven, building after building after building after building after building after building, you know.

LEG. D'AMARO:
They're not breaking any law either.

MR. SHEPARD:
Well, you know, I'm glad you said it first, because you can go out there and there aren't even port-a-potties out there, all right. They're running out into the woods to take care of their physical needs. You know, all things said. When they cheat over here in this little bit, they're probably cheating over here and over here and over here. You know, they're probably cheating you and me.

LEG. D'AMARO:
All right.

CHAIRMAN HORSLEY:
They're not on trial at this point.

MR. SHEPARD:
You started it.

LEG. D'AMARO:
No. I was just wondering if you had a copy of something. Okay.

CHAIRMAN HORSLEY:
I think we can ask whether they're being paid prevailing wage from Economic Development. I think we can get that from --

MS. FAHEY:
That's not something we keep.

CHAIRMAN HORSLEY:
We can't? I thought they could.

MR. SHEPARD:
And I mean, you know, what are they bringing, 53 new jobs or something you said like that? You know, which is all well and good, but if all these jobs pay minimum wage, you know, let me be the first to say it, go down south. You know, that ain't going to help me. That ain't going to us. That ain't going to help anybody here. You either, because, you know, what are you going to have to do? You are going to have to raise taxes to make up for what they're not paying.

LEG. D'AMARO:
I'm not raising taxes.

LEG. STERN:
Whoa, whoa, whoa.

MR. SHEPARD:
Thanks, fellas. I appreciate it.

CHAIRMAN HORSLEY:
Kevin Harney.

MR. HARNEY:
Good afternoon, Legislators. I represent Local 25 of the IBEW. The jurisdiction that this facility is being built in is in my area. I represent Suffolk County. I oversee all the construction from Route 110 to the William Floyd Parkway.

We were aware of this project about three months ago. And at that time, what we did is we went ahead and made overtures to the construction manager of LMJ, and we did it through a number of meetings. We went ahead with telephone calls by numerous business agents. We had our contractors try to contact LMJ figuring that if our contractors went ahead and contacted them, they would be talking from businessman to businessman and keep the union out of it. So what happened is probably 10 or 12 phone calls later, there's been no return phone calls. There's been absolutely no promise of dialogue. Absolutely none.

CHAIRMAN HORSLEY:
All right. Are you aware of this meeting that's --

MR. HARNEY:
I am not aware, because we have had no dialogue. We don't have a presence on the job yet. We will have a presence. Contractors have looked at it. It's a nice job, it's 47,000 square foot. It's very heavily electrically involved. We have build probably 85% to 90% of the HIA area over the years.

Our argument here is simply this: We're not even getting a chance to get a bite at the apple. And

yet, there's no shyness in LMJ coming to the table to ask for the expansion or the pharmaceutical company to ask for the expansion of Empire Zone. So I don't see how the playing field is level. We have ample ways -- we understand it's a very, very competitive workplace out there, and we have tools to be very competitive. But when you're not invited to the dance, you can't even entertain, you know, a bid proposal.

CHAIRMAN HORSLEY:
Mr. Kennedy, it's your party. Are you going to invite them, IBEW?

LEG. KENNEDY:
Kevin, what I know of through Mr. {Curry} is that Bactolac has elected to go ahead and do some revision on their mechanicals, notwithstanding the fact that they started the site clearing and, I guess, there's concrete there. Is that it? How far has it gone.

MR. ADRIAN:
They're starting excavation, and they are starting to pour some concrete. The drainage is in the ground.

LEG. KENNEDY:
Okay. What I'm told by them is -- and they did give a commitment early on -- that LMJ was supposed to put out the bids to all contractors, regardless of whether they were union or nonunion contractors. They expected the time frame is going to be another four to five week from now that those mechanicals were going to be revised and the bid packages would be ready and available for dissemination. And all I can rely on is the commitment that I got from the their counsel, from Mr. {Curry}. And I've had brief conversation with Ms. Reynolds. You know, they indicated that they were going to go forward, they were going to instruct Bactolac to have LMJ, you know, make the mechanicals available for all the contractors out there.

MR. HARNEY:
And, John, this is the first time I'm hearing of it, because, again, we have had no dialogue. A simple returned phone call -- we're in the business -- we're in the people business.

LEG. KENNEDY:
Sure.

MR. HARNEY:
We interface with our contractors and our builders and our clients every single day of the week. Dialogue and return phone calls are the key to our industry. So, pardon me, I have to be a little bit suspect of that, because up until this point, we have not gotten one return phone call. We even ran it by our attorney for consideration of mailing a registered letter to say, listen, you know, you get the letter, there's no argument about losing messages. They decided not to go there. We decided to continue to press forward with the phone calls.

LEG. KENNEDY:
Okay.

CHAIRMAN HORSLEY:
Mr. Harney, if this meeting does take place on Friday, John, you are going to keep them in the loop so you have some idea?

LEG. KENNEDY:
Absolutely.

MR. HARNEY:
Like I said, up until this point, we've made an honest effort, myself and another business agent, have made numerous phone calls. And our contractors have also made phone calls, and nothing has

been returned.

LEG. KENNEDY:
What I will say so that you, you know, Kevin, you are aware and the members of the committee, my dialogue has been primarily with Mr. {Curry} from Farrell Fritz, who represents Bactolac. I can't say that I -- I can't make a commitment beyond what I've gotten with the attorney. And the attorney has indicated that he'd tell Bactolac to instruct LMJ. I've never had contact with LMJ directly, and my exposure with Bactolac has been limited. But I think they're cognizant of the fact that, you know, they picked LMJ, we didn't. So they have to have the communication with LMJ. Forty-three of their 53 jobs are going to create $30,000 a year, you know, wages. Now, in my Legislative District, and in any Legislative District, that's not necessarily something that's, you know, coming anywhere close to middle class. As a matter of fact, that's close to being eligible for Federal subsidies.

CHAIRMAN HORSLEY:
All right.

MR. HARNEY:
Okay.

CHAIRMAN HORSLEY:
Mr. Harney, thank you very much. We understand your point of view. Mr. Donald Fiore, also of IBEW.

MR. FIORE:
Good afternoon.

CHAIRMAN HORSLEY:
It's always good to see you.

MR. FIORE:
Likewise. My name is Donald Fiore. I am the business manager of Local Union 25. I chose to talk on this subject, the same subject as my other brothers have been talking on. And let me just give you a little light on LMJ, because this name keeps on coming up, and it seems like nobody has been in -- I have been in contact with LMJ on different projects, especially in the area of Brookhaven county.

CHAIRMAN HORSLEY:
Is LMJ, are they the general -- they're not the general contractor, are they?

MR. FIORE:
They will act as a general --

CHAIRMAN HORSLEY:
He is the general --

MR. FIORE:
Or a construction manager. It depends on what the job entails.

CHAIRMAN HORSLEY:
So they would be in a position for, say, labor agreement or something like that?

MR. FIORE:
Yeah.

CHAIRMAN HORSLEY:

Because they're overseeing the entire job?

MR. FIORE:
Yeah, I would say so.

CHAIRMAN HORSLEY:
Okay. Interesting.

MR. FIORE:
And I echo what Kevin said and what the other business agents have said, it's very frustrating when you try to talk to somebody, and they won't talk with you. And that's when nothing gets done. If you want to get something done, we all know that communication is the key. Well if there's no communication, you're not going the get anything done. And I'm suspect of LMJ because of my dealings with them. The area that he's building in Brookhaven is in the Empire Zone, and he strictly builds nonunion all the way down the line. And his people, I know for a fact, do not get prevailing rates. They don't even come close to prevailing rates.

And you have to hear us when we say, you know, we're part of the pedestal of Suffolk County and Nassau County, because we represent both the counties, but Long Island is our home. I have been living on Long Island for over 40 years -- I'm in Suffolk County for 40 years. I lived in Nassau County prior to that. We make good wages, but we're not rich. We don't fall into the rich. We fall into the middle class. But the best part of the tradesmen that go out there and work every day, we recycle our money back into the County. The money we make, we don't take it and stick it in our pockets and run down south someplace or run to another area. Our money is spent on our children, on our wives, on our families, on our houses. And that's what's great about the trades. The trades put the money back into County for recycling. It's one thing leading to the next.

That doesn't happen with the people at LMJ. And I'm suspect about this meeting, because -- well, first of all, the meeting, I think, is only with two trades. Good for them, if they have broken through, if they have broken through. We don't know that for a fact, do we, Legislator Kennedy?

LEG. KENNEDY:
I know that the meeting is going to occur with 66 and with the Carpenters.

MR. FIORE:
Okay.

LEG. KENNEDY:
That I know is certain.

MR. FIORE:
Because my theory is, you know, a leopard never changes its spots, all right?

LEG. KENNEDY:
I can tell you, just to go further, I got a commitment that there would be a meeting with 138 before the 29th. Now, it would appear to me that it would just be smart for, you know, Bactolac or for their attorney to go ahead and sit down with all of you or to sit down with Jim {Kassaline} or some representative of the --

MR. FIORE:
That would be fine. That would be fine. Now, you know, as far as the -- this talk about IDA and the State and the County, I believe that the County can put pressure on the State, because what the State is doing then is they're giving you something that you have to live by that may be juxtapose to what you believe in or what you have to do for your constituents. So I think there is something that the Legislature can do there. And I'm not trying to take it away from us, but I believe that you have the ability to do that.

I would ask for a postponement on this. I think it's necessary. I think it's necessary for further investigation, not only on the Ledge side, but also on the trade side. I think we can -- we can work together on that. And I believe that's the proper thing to do. But I have --

CHAIRMAN HORSLEY:
Is two weeks enough? I mean, is that --

MR. FIORE:
I don't know if that's enough, I have to tell you.

CHAIRMAN HORSLEY:
Because what we could do, it could be tabled if the Legislature has this -- if they're on that -- of that opinion at the Legislative Meeting two weeks from now.

MR. FIORE:
Right.

CHAIRMAN HORSLEY:
That is still an option that the Legislature has. What Mr. Kennedy is recommending is that we just send it to the General Legislature with no recommendation from this committee and see if it gets worked out within those two weeks, and then the project can move forward.

LEG. KENNEDY:
If I can, I offer that -- and you know, Legislator D'Amaro brings up a very good point, a very salient point. It's certainly not for me to speak as to how any of my colleagues will or will not cast a vote. I offer that as one of the many -- one of the possibilities that we have before us. As the Chair knows, we can approve, we can table, we can discharge without recommendation.

CHAIRMAN HORSLEY:
That's what we can do.

LEG. KENNEDY:
Exactly.

CHAIRMAN HORSLEY:
The Legislature can approve or not or table.

LEG. KENNEDY:
If it discharges from here today, there's a 13 day time period in which a variety of things can happen; either Bactolac does nothing and sits down with everybody and we become aware of that on the 29th, or Bactolac sits down and says, perhaps there's some middle ground we can work out. Or perhaps, you know, any variety of things might happen. If we table it today, though, then we look at, what, six to eight weeks?

LEG. D'AMARO:
This next meeting.

MS. HARRIS:
May 13th is the next General Session after April 29th.

CHAIRMAN HORSLEY:
Six weeks.

MR. HARNEY:
And then signing of the bill, assuming if it ever passes, would take 30 days roughly.

LEG. KENNEDY:
All I lay out to you is one of the things that we have to consider here is as we try to do what we may or may not be able to do in addressing what you are bringing to us is look at what may or may not be occurring on the other side of the equation with this manufacturer.

MR. FIORE:
And, you know, we put our trust with you guys. You know, we're not here to do anything else but to speak to you, give you our woes. And we know that you guys are going to do the right thing.

LEG. STERN:
If nothing else, I mean, take out the name of the company and take out the name of this particular project, and this is a significant issue. So I'm glad that we're addressing it today regardless of how, you know, ultimately this particular project goes, because there's a need for this issue to be addressed either at our level of government or certainly up in Albany.

MR. FIORE:
I appreciate that Legislator Stern.

LEG. KENNEDY:
I was never aware of the extent of the implications here where we give a consent to a manufacture that maybe undergoing a substantial amount of construction work --

CHAIRMAN HORSLEY:
I would certainly be amenable as Chair of this Committee, if this committee so desires, to put together a letter to the State Economic Development Committee that this is something that we're interested in them looking at if that is something we would like to do. I would have had no problem with that.

LEG. D'AMARO:
Question for you. The Prevailing Wage Law does not apply here by itself; is that correct?

MR. FIORE:
That's correct.

CHAIRMAN HORSLEY:
If it was a County contract, you would have to pay prevailing wage.

MR. FIORE:
Right. You guys are saying if a contractor came here and said you have to pay the prevailing rate -- that's a failure with -- not on your part.

LEG. D'AMARO:
It's not a State contract here. It's just Empire Zone.

LEG. STERN:
It's a glaring omission.

MR. FIORE:
But there's a problem there and there's a failure, and I think that has to be addressed. I know you guys are going to do the right thing.

LEG. D'AMARO:
Let me just follow up on that. The concern that I have, as I'm hearing it today, though, is that you have tried to engage in some good faith -- not negotiations, but at least reaching out.

MR. FIORE:
Never a negotiation, always a reaching out.

LEG. D'AMARO:
And we have already seen demonstrated what from what you are saying that the contractor or the applicant here is not cooperating at all.

MR. FIORE:
Without a doubt.

LEG. D'AMARO:
Or even willing to talk. So I'm not sure that even discharging this bill is the right message to send at this point. You know, again I have to weigh on the other side, you know, how does the delay affect the project, how does it affect whether the process even continues, the job creation. But, you know, I would be much more encouraged or inclined to even dismiss without recommendation today and get it to the Legislature if I was hearing that, you know, we have had some feedback and we're encouraged, so don't make a recommendation, we'll take the 13 days. But what you are saying is up until this point, nothing has happened.

MR. FIORE:
If you put everything in a paper bag and shook it, you wouldn't hear anything. That's how much was done. It's an easy way of putting it.

LEG. D'AMARO:
Okay. Thank you.

LEG. KENNEDY:
Thank you, Don.

MR. FIORE:
I'm sure you will do the right thing. I thank you very much.

CHAIRMAN HORSLEY:
Thank you very much. We appreciate you being here today. All right. Would anyone else like to be heard? That's my last card for the public portion. Carolyn, would you like to say something on this issue, knowing that --

MS. FAHEY:
I know. It's getting late.

CHAIRMAN HORSLEY:
It is.

MS. FAHEY:
I'll answer your questions. I'd be more than happy to answer questions. Just to clarify a few things I'm sure the Legislature already knows, there's no grant here, there's no cash. All the benefits that the company might receive are based upon performance, based upon the job creation and the investment made. There is a time frame issue. April 19th was the deadline for this Local Law. We have asked the State to extend that time to the beginning of May knowing that the Legislature was at the end of April. We don't -- they've offered that extension, but if we ask for another extension again, there might be, you know, some repercussions. We don't know what they are. But there is a time issue with this.

LEG. STERN:
Quick question. When you say the beginning of May, is there a particular date in May?

MS. FAHEY:
No. We asked for the beginning -- first week of May knowing that the Local Law needed to get passed by the Legislature on the 29th, the County Executive needs to hold his public hearings, and then it needs to be signed. We asked for up until the beginning of May to get it adopted by the Legislature.

LEG. STERN:
Because the next General Session is May 13th, which would only be one week later.

MS. FAHEY:
May 13th, and then the County Executive needs to have his public hearing, so now we're looking at the beginning of June. So there is a time --

LEG. D'AMARO:
Who grants that extension?

MS. FAHEY:
New York State Empire State Development.

LEG. KENNEDY:
This was an initial content to participate, and that's time limited. When you extend on the -- was is the thing that's being extended?

MS. FAHEY:
The process is -- and I'll try to do the big picture, and if there's details, I'll ask Tracey Stark to join me. But the process is that the Local Zone Board does a preliminary review of an application and a preliminary cost benefit analysis based upon the employment projections and the investment projections at that time. We submit a preliminary request to New York State the look at that project and do a preliminary review saying, yes, it qualifies as an RFP, now go forward and do the full fledged application, which is a lot more in depth than the initial application, do your Local Law, get your concurring resolution from the Town of Smithtown, in this case, and then send everything back up to us. You have a certain time from when they say initial blessing to getting the application to them.

That deadline for this project was April 19th. We asked for an extension to the beginning of May, first week in May, hoping the that the Legislature would adopt on the 29th, the County Executive could hold his hearings, so on, and then we would move forward. We would have to then go back and ask for another extension if it's not adopted on the 29th.

LEG. D'AMARO:
But that's not a policy consideration. They've already -- they've already determined -- they meaning the State -- that this is a good thing, it should happen. I mean would the extension be granted as a matter of course coming from the County?

MS. FAHEY:
Yeah, it would be. But there is a deadline down the line. And what ends up happening is that it's a ripple affect. Not meeting your deadline and asking for extensions, that reflects on your performance evaluation that the State does on the Empire Zone as a whole. Our Empire Zone was rated number one last year in evaluation of performance. Your grant funding is then based upon your level of performance. If you end up continually asking for delays on projects and not moving them forward, your evaluation will be lower; therefore, your grant in the end could be lower. So there's whole ripple affect here with this project.

LEG. KENNEDY:
But, Carolyn, you're asking us to go ahead and be cognizant of this time frame when we just heard a half a dozen speakers tell us that in most cases with Empire Zone tax credits, they've never had an

opportunity to go ahead and have any of their issues addressed or met.

MS. FAHEY:
Legislator, it's a State Program. The Suffolk County Empire Zone reads application and reviews applications on the criteria set for the by the State. I mean, if there is an issue, and I understand the issue at hand, you know, it is a State issue, and it needs to be addressed at the State as a whole.

If the County Legislature determines to start imposing an additional criteria on the County Empire Zone, it will be only to those businesses located in Huntington, Babylon, Smithtown and the five East End towns. It will not be a condition that's imposed on Empire Zone business in Brookhaven or Islip. They have their own Empire Zone. So on the face of it, you are going to be having additional criteria for those towns only. The Townships of Islip and Brookhaven have their own Empire Zones, and they will not have this criteria imposed on them. So there will be a different criteria. The time frame is important. Our granting is important. Last year, Tracey, what was our grant amount.

MS. STARK:
Thirty four-five.

MS. FAHEY:
Thirty four thousand-five hundred dollars. That was a third of our budget last year. I mean, it's a significant amount. So the timing issue is there.

CHAIRMAN HORSLEY:
So if we discharge this without recommendation, we've got this 13 day window. Do you have conversation with the company to say you've got some Legislators that are very concerned about how they're handling their business?

MS. FAHEY:
I believe the company is well aware of the concerns that the Legislature has. Legislator Kennedy has been in touch with them.

LEG. D'AMARO:
They're not hearing them. They're not even returning phone calls at some point.

CHAIRMAN HORSLEY:
We can turn them down.

LEG. D'AMARO:
So, you know, at some point, we have to stop --

CHAIRMAN HORSLEY:
-- on the 29th.

LEG. D'AMARO:
You know, they're very aware, and they're very aloof, and yet we get working men and women that come to us and say, hey, cut us a break here, hear our voice, and they're not even returning phone calls.

MS. FAHEY:
I'm not going the answer for the company. It's not criteria --

CHAIRMAN HORSLEY:
And I don't expect you to.

MS. FAHEY:

It's not a criteria of the program that we look at to move this forward.

CHAIRMAN HORSLEY:
We've got two weeks.

LEG. D'AMARO:
Are you suggesting that the criteria of the program limits what we can consider to this resolution?

MS. FAHEY:
No. What I'm saying is that we present a project to the Legislature that meets the criteria set by State Legislation.

LEG. D'AMARO:
Okay. That's something much different. In fact, the State Legislation may grant us this approval process precisely for the reasons; to take a look at how it's affecting our local economy and what we can do to improve it.

MS. FAHEY:
Maybe.

CHAIRMAN HORSLEY:
And how the employees are being paid is part of the economic development issue.

LEG. KENNEDY:
What was the total amount of tax relief that we had last year through projects that were enrolled?

MS. FAHEY:
Through the Suffolk County Empire Zone projects?

LEG. KENNEDY:
Yes.

MS. FAHEY:
I don't know off the top of my head. I can get that to you.

LEG. KENNEDY:
Well, this project can go up to six million at the end of project.

MS. FAHEY:
Right. The initial estimate was about six million, right?

LEG. KENNEDY:
And it's important that we preserve this business tool for you as you go about trying to maintain business, attract business and grow business.

MS. FAHEY:
Correct.

LEG. KENNEDY:
But the magnitude of tax relief that's provided in total is probably something that's important for us to be aware of as well, because we are -- we consented to the expansion of a mail house not too long ago over, I believe, in, what is it, Amityville or Mastic?

MS. FAHEY:
Huntington, uh-huh.

LEG. KENNEDY:
We have done several Empire Zone extensions. And cumulatively, if you look at the total amount of tax relief that we're consenting to, I imagine it's substantial.

MS. FAHEY:
I can put that together for you.

LEG. KENNEDY:
Again, I think it -- I know I've got an interest in that, because I think it's something that, you know, if I'm facilitating that, I want to know that somehow there's going to be a benefit not only to the business' employees but to the individual that are going to build the building that the employees are going to be in. You know, that's significant.

LEG. D'AMARO:
Can I ask you another question? The project is going forward now, the construction, is that accurate?

MS. FAHEY:
My understanding, and, again, I won't speak for the company, but the last I spoke to the company they've done the excavation, and they have not let out any bids on anything else. That's my understanding.

LEG. STERN:
They have actually poured concrete?

MS. FAHEY:
I don't know. I can't confirm or deny that.

MR. ADRIAN:
There is some concrete in the ground. Yes, there is.

LEG. D'AMARO:
They, meaning the company, if you know, Carolyn. So are they waiting to go further with the bid process in the course of waiting to see whether or not the Empire Zone approval passes?

MS. FAHEY:
I don't know that.

LEG. D'AMARO:
It seems to me if you are clearing or constructing, it sounds to me --

MS. FAHEY:
I don't know. I don't know if the Empire Zone designation is the impetus for the project as a whole. I don't know that.

LEG. D'AMARO:
Let me state my thought another way. We're talking about 13 days as opposed to 40 days. So is that going to somehow impact -- what I was asking before -- the applicant not going forward with the project?

MS. FAHEY:
The applicant's decision not to go forward? I can't answer that.

LEG. D'AMARO:
Okay. And the applicant is not here.

LEG. KENNEDY:
Carolyn, what else do you have in the pipeline right now?

MS. FAHEY:
On Empire Zones?

LEG. KENNEDY:
Yeah.

MS. FAHEY:
I think there is one more coming to the Legislature, another company in the Hauppauge Industrial Park.

LEG. KENNEDY:
Do you know who the construction manager is? And tell me again, they -- Bactolac is representing that it's going to create how many new jobs with this expansion?

MS. FAHEY:
I believe 53 new jobs on the conservative side.

LEG. KENNEDY:
Okay.

LEG. D'AMARO:
I think, you know, we can be all for the Empire Zone and the economic expansion and the job creation and at the same time be in favor of, you know, making sure that standard area wages are paid. And so my concern here is that, you know what, if I'm not going to impact the project by giving a little breathing room here, you know, why not?

MS. FAHEY:
It's your prerogative, Legislator. I present to you a project that meets the criteria, and it's your --

LEG. D'AMARO:
Well, I'm asking a little more than that. If you give a me a compelling reason why the delay would substantially jeopardize the project and therefore the positive economic impacts that the project brings, you know, I would like to know that now.

MS. FAHEY:
I can't give you any other reason than the timing of the project for the purpose of process with the Empire Zone and down the line it could effect our grant amount. I can't talk to you about the status of the project and whether or not this delay is going to you impact it. I can tell you this resolution was laid on the table to the Legislature on February 5th, it's two months, it's going to be three months now if you delay it again. I believe the --

LEG. D'AMARO:
We tabled this before?

LEG. KENNEDY:
Yeah, the public hearing.

LEG. D'AMARO:
Public hearing, that's a requirement of law.

MS. FAHEY:
We recessed it.

CHAIRMAN HORSLEY:
We recessed it.

LEG. D'AMARO:
We did?

MS. FAHEY:
Yeah. I mean, it's been recessed in order to allow for some conversation to take place. Why that conversation hasn't taken place to the extent that everyone wishes it to, I can't answer that. But it has been tabled in order to give time for that conversation.

LEG. D'AMARO:
Well, okay.

CHAIRMAN HORSLEY:
Do you want to make a motion?

LEG. KENNEDY:
Actually, I'm going to ask for a recess. Can we adjourn for two minutes?

CHAIRMAN HORSLEY:
Two minutes.

LEG. KENNEDY:
Yeah.

CHAIRMAN HORSLEY:
Which door do we go out?

(*A FIVE MINUTE RECESS WAS HELD*)

CHAIRMAN HORSLEY:
Okay. I'd like to bring the committee back to order. And thank you for that moment. We are going to go to the agenda, which would be -- the motion is on Tabled Prime **1094, Adopting a Local Law amending the Suffolk County Empire Zone Boundaries to include Bactolac Pharmaceutical, Inc (COUNTY EXEC).**

Mr. D'Amaro, do you have a motion.

LEG. D'AMARO:
I'm going to offer a motion to table the resolution. And just once you get a second, I just have a brief statement.

LEG. STERN:
Second.

CHAIRMAN HORSLEY:
Seconded by Legislator Stern.

LEG. D'AMARO:
I just want to say that, you know, as I said during the comments, there's a balance in my mind going on here. We do want the project, we do want economic development, we do want job creation. It seems like the project is going forward. I think to err on one side or the other, I don't see much harm coming to the applicant, if we take two, three or four weeks and give an opportunity to impose or try to impose something which I think is fair and reasonable, which is a reasonable wage.

You know, I think that some of the speakers made a very valid point. First of all, we have discretionary authority over this, and I think we should exercise it. And second of all, I think that, you know, it's really time that the entire process has to be looked at. We have to start talking about, you know, why isn't this being imposed on the State level. But at the same time, I think it just doesn't really do much harm to provide a reasonable opportunity for you folks to try and have a discussion at least one last time.

CHAIRMAN HORSLEY:
It is my opinion -- Legislator Stern, did you want to say something?

LEG. STERN:
After you, Mr. Chairman.

CHAIRMAN HORSLEY:
Okay. It is my opinion that economic development, which is my life, is that -- is cut two ways. Economic development is also that people deserve to have a prevailing wage and deserve to have a fair wage. And when one side is so outspoken against or not even in consideration of those facts -- and the fact it is that when we give out, and we deal with public taxpayer dollars, which is the Empire Zone is public taxpayer dollars, that we have to be cognizant that if we had a State contract here, they would have had to pay prevailing wage. This is no different. I think there' an omission in the State Law. I think it's got to be changed. And to us, I think this gives the breathing room for all of those present here today to discuss it. And we'll bring it to the table, we'll vote it up or down next time this committee meets.

LEG. STERN:
Certainly there's a glaring omission here. And rather than have this type of debate and this kind of discussion, I think it's imperative that the State Legislature address this issue as we go forward to set that criteria. I don't believe that we are setting criteria where we don't have authority. I think we are using our best judgment here to ensure that, yes, there should be an expectation on the part of business that government can do what it can do in order to promote economic development in our area. But there should also be an expectation on the part of the hardworking men and women of Suffolk County that their government is going to be here to ensure that the right balance is struck.

LEG. KENNEDY:
Mr. Chair, I'm going to add to that. I think it's about equity and it's about a level playing field. And when we as electeds move forward and give consent to this, we should be doing this so that all people have an opportunity to go ahead and participate fully. And I think it's incumbent -- I think it's an important message for those that go out there; businesses that want to stay, that want to expand, we want our Economic Development Department to work with them and work with them in earnest, but we want it to ultimately be to the benefit of all that are here.

CHAIRMAN HORSLEY:
Sure.

LEG. KENNEDY:
So I will support it.

CHAIRMAN HORSLEY:
Okay. So the motion is to table 1094, there's a second on the motion by Legislator Stern. All those in favor? Opposed? So moved. It's been **TABLED (VOTE:4-0-0-1 - Not Present - Legis. Alden).**

UNKNOWN AUDIENCE MEMBER:
Thank you.

MR. ADRIAN:
Thank you.

MR. MONTALBANO:
Thank you.

CHAIRMAN HORSLEY:
All right. **Introductory Resolution 1264, amending the 2008 Capital Budget and Program and appropriating funds in connection with the airport improvements.**

I'll make a motion to approve, there's a second by Legislator D'Amaro. All those in favor? Opposed? So moved.

APPROVED (VOTE:4-0-0-1 - Not Present - Legis. Alden).

The remaining two that are on our agenda, 048 and 1183 look like they have already been tabled subject to call, so they're moot. Yes.

MS. FAHEY:
Just one more thing. I would just like to let the Legislators know that at the April 29th meeting you will see a CN. For those of you who were on the tour, you know that we are going to present a CN for use of the airport industrial park property, about two-and-a-half acres, by the East End Little League. They came to us with short notice. The Airport Conservation Advisory Panel has reviewed it. But there will be a CN in front of you on the 29th to allow them to use the airport property.

CHAIRMAN HORSLEY:
We love the Little League.

MS. FAHEY:
You've got to love them.

CHAIRMAN HORSLEY:
Okay. Motion to close, second by Legislator D'Amaro. All in favor? Opposed? Abstentions?

(*THE MEETING WAS ADJOURNED AT 5:06 P.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY