

**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 in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, November 19, 2009.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Steve Stern - Vice-Chair
Legislator Cameron Alden
Legislator Viloría-Fisher
Legislator John Kennedy

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
Jim Whitten - Suffolk Community College
All other interested parties

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 2:23 P.M.*)

CHAIRMAN HORSLEY:

Ladies and gentlemen, please stand for the Pledge of Allegiance.

SALUTATION

And please, may we all stand for a moment of silence for the men and women who protect our freedoms both home and abroad and keep them safe.

MOMENT OF SILENCE

All righty. Good afternoon, everybody. Welcome to the November 19th Economic Development, Higher Education and Energy Committee Meeting. We have no presentation, which is an unlikely scenario for my committee.

MR. NOLAN:

Unprecedented.

CHAIRMAN HORSLEY:

Unprecedented, yes, that is true. And there seems to be glee amongst the members. With that, we will go to the public portion, which I have one card, and that's from Jim Whitten, of course, from Suffolk County Community College. Jim.

MR. WHITTEN:

Good afternoon. Jim Whitten, the Vice-President of Workforce and Economic Development from Suffolk County Community College. On behalf of interim-president George Gatta, he asked me to give you a brief update of some of the workforce development programs we're working on now, not a presentation, a comment. I'll be brief, I promise.

First of all, you see on the resolutions today, there are over six grants that are being awarded from New York State Department of Labor regarding workforce training programs. We just wanted to let you be aware there's over \$250,000 worth of grant funds coming in those resolution. In particular, one that we're really excited about is the Emerging and Transitional Worker Training Program in partnership with the local Department of Labor, which will enable us to develop some green programs from LEED certification training programs, a rating person for energy, as well as home efficiencies and solar and photovoltaic installation and training programs. So those are all coming about.

And lastly, I just wanted to -- I know I've seen some of you this week at the Advanced Energy Conference that Stony Brook and the Advanced Energy Center was putting on today. And we've been working in partnership with a number of entities developing technician training for Smart Grid development training for Long Island. And the good thing was they had number of national presentations this week, and it's good to know that what we've been developing and working with everyone on is on target. So I just wanted to give you an update on that and -- on behalf of the college. And that's it. If there are any questions, I'll be happy to answer them.

CHAIRMAN HORSLEY:

Thank you, Jim. We're glad you are here. We are interviewing Mr. Michel today. He is going to -- or he may be, he may be -- Mr. Michel. Jim, this is a question. I'm leading up here. And one of the things I noticed on his resume was that he performed a job fair over in Brookhaven. And I just thought that was a dandy idea for something that the College and the County and the Legislature, this committee should take a look at some time in the near future, because there's a lot of people out there that are crying -- there's a crying need. And I just wanted to know while I've got both you guys here in one room that are you interested? Is that something that we can work on?

MR. WHITTEN:

Of course.

CHAIRMAN HORSLEY:

Great. That's all I have. Ms. Fisher.

LEG. VILORIA-FISHER:

Hi, Jim. I was at the Energy Conference yesterday. I didn't see you, but I saw Nyna. And I introduced her to Bob Dowell, because he was talking to me about how he goes to the State University, to Stony Brook, for their people who are trained their for LEED. And I said, "well, why not Suffolk Community College?" So, you know, you are doing important work at the College. And when my Energy Task Force is up and running, I expect you to be an important part of that, because it's about green homes, green jobs.

And you and I met at Connie Kepert's office and spoke about this, because Connie is spearheading the program in the Town of Brookhaven. And we want our students to not only be trained in the -- on the technician level, but for a professional career level, you know, ranging from installation up to the design of Smart Grids.

MR. WHITTEN:

If I could just add to that. One of the components we're working on with smart -- Smart Grid technician training is not just the technical piece of it, but the back office piece and the professional piece, how it relates to managing the Smart Grid pieces. So if you're looking at a computer screen and you're seeing all the different energy rates that are going on at once and how to manage that energy comes across the grid in the system, you're going to need people not only with traditional technical skills, but analytical skills as well. And that's part of the curriculum we're working on right now.

LEG. VILORIA-FISHER:

And the presentation by the Department of Energy and the call for out of the box ideas, I hope that we're bringing to our student and what kind of ideas they -- because they chose only 37, but it's only the first round. So maybe our kids can look at subsequent rounds and who knows. Thanks.

MR. WHITTEN:

Thank you.

CHAIRMAN HORSLEY:

Thanks, Jim. We appreciate you coming down today. All right. We're going to move to the agenda. First of all, let me note that Legislator Kennedy has an excused absence. Apparently his wife decided to lift a heavy box today and threw out her back. And if anyone has had a back injury before, you understand and sympathize. So that is where Legislator Kennedy is, he's aiding his wife.

First of all, by popular demand from all corners of the room, they have asked me to take **IR 2059, confirming the appointment of the County Commissioner of Economic Development and Workforce Housing (Yves Michel) out of order**. I make that motion, is there a second on the motion to take it out of order? Seconded by Legislator Viloría-Fisher All in favor? Opposed? It is taken out of order. So we are going to interview Mr. Michele, welcome.

MR. MICHEL:

Thank you very much.

CHAIRMAN HORSLEY:

Who I have known for, I guess, about a year maybe, two years. Wow. How time flies when you're having fun, huh? And I guess the first thing we could do is why don't you make a statement and say -- and talk about the job.

MR. MICHEL:

Absolutely. Thank you. First of all, good afternoon, everyone. I would like to thank you for considering me for this position. I'm extremely excited and elated to have this opportunity. I have been the Director of Economic Development for the Town of Brookhaven for the last two and a half years. We've done some very, very good things there. Also, I am Chief Executive Officer of the Brookhaven Industrial Development Agency, which works hand-in-hand with Economic Development. And I think this opportunity will give us all a position to work through this economic climate, but at the end, will come a lot stronger once it's over. So thank you very much for having me here.

CHAIRMAN HORSLEY:

Thank you very much. I've already talked to you about the length of his resume. It is exhausting. It is -- it is -- it's a great resume. I appreciate your background both in business as well as in government, and frankly that's -- that's the nature of this job. That's easy to start.

I did have a couple of questions. And I think the first time we met was over the issue of sewers and the relationship of sewers and economic development and the fact that we don't -- we have -- in Suffolk County, we are 70% unsewered. And I know there are many members of this Legislature who would like to move that ball forward. And I thought -- what is your feelings on that.

MR. MICHEL:

Well, you're absolutely right, Mr. Chair. The infrastructure for any smart development has to be your sewers. Once you have the sewers in place, that enables you to have more options. Very similar, when we met, it was Sewer District Number Two in the Town of Brookhaven in the Hamlet of Shirley for our Empire Zone. So within the Empire Zone, we work with all of the companies in that specific zone to petition them to get the sewers up and running. And I'm very happy to say that we opened the bids for the Sewer District Number Two last week, and we will have the contract signed by the end of year. So every development, every smart development, the infrastructure is the underbelly of your planned development, and sewers are critical to that. In addition, it takes the property value and increases. So it's a very, very smart way to move forward and a very economic way, if you will. So sewers are very important.

CHAIRMAN HORSLEY:

Thank you, Yves. And I had a feeling you were going to answer question just the way you did. And I just wanted let you know that, you know, that we're a team here and we expect moving that we'll be moving this ball together.

Just a quick note on the job fair. I saw that you were -- you were shaking your head that that was a good idea. I saw it on your resume and I said, "Hmm, that's a good project for Suffolk County." And, you know, notwithstanding that I think we should be talking together in the future about it and, of course, with the Community College and -- because I think that will be the perfect venue for it. But hopefully I won't see this in a press release tomorrow, but rather something we could work together on as a coalition, both the Legislature and the County Executive's Office as well as the Community College.

But I do have another question on another issue. I see that you have a background in venture capital, in seeking out venture capital. And for whatever reason, Long Island has been so behind the eight ball as far bringing in venture capital to Long Island. And I was just wondering is there any -- any thoughts on your part of how we can bring monies to Long Island for research and development and -- because we have so many assets and we have so many educational opportunities and things like that that we have to have good ideas out there. What are you thinking on this, Yves?

MR. MICHEL:

You're absolutely right. In all my experience with the venture capitalists in Southern California and Northern California and Silicon Valley it always comes with the human capital, the ideas that come from these very bright individuals. And once you market it, you package it in a way that they will

see that if they do invest in the talent that's here on Long Island with resources that we have, their return on investment will be realized.

So working very closely with the Angel Network, Stony Brook University, things along those ways. We have to market what we're doing. I think one of things that we will do better and we're doing very well now is to tell the world that Long Island has a tremendous amount of opportunity, not only in the existing infrastructure, but in -- in emerging technologies, emerging technologies like bio, like new homes, green, things along those ways, those things. Long Island, with the infrastructure, with the human capital, with the possibilities, is prime for that. I believe so.

CHAIRMAN HORSLEY:

Thank you. Good answer. Again, let me share that we also have that interest together. So if we can -- if we can work on the issue, I'd be happy to as well as I'm sure -- as well as the rest of this committee. May I pass this to other Legislators. Ms. Viloría-Fisher.

LEG. VILORIA-FISHER:

Actually, it's very good to have you here, Yves. Good to see you. And you really, in your last question, you answered the question I was going to ask regarding the Angel Network and the role that they play in helping to bring some of that venture capital, connecting it with those people who are taking a risk and using their talents to go beyond the ordinary to the extraordinary. I do want talk little bit about the importance of cultural arts in all of this and economic development and developing our area and the importance. Can I just have your views on -- I always like to go from sewers to the arts.

MR. MICHEL:

That's a good segue. The cultural arts, again, if we take stock of what Long Island has to offer, we are very uniquely positioned with our natural resources and also with the talent that we have to promote the cultural arts. We have a lot of individuals that are very talented in what they do, might it be cultural arts from a painting point of view or computer generated cultural arts. There's a tremendous amount of talent and intellect here.

And I think we visited with -- the commission here -- Upstate, Westchester, plain -- Pleasantville. And they have a cultural arts center that I was very blown away with. And if we take that footprint and bring it down to Suffolk County where there is a theater, where there is a cultural arts center where you can educate the young minds in appreciating and taking some of the natural beauty that Long Island has to offer, I think that is a major economic destination. In addition to that, it can sprout so many ancillary businesses around it. So I'm very, very excited about having that industry, and it is an industry, if you will, balloon.

LEG. VILORIA-FISHER:

As you know, I live in Setauket, so I get to take advantage of the Staller Center and what's grown around that, and the Wang Center bringing in so much in the diversity of cultural venues for us. And I think that can be replicated in other parts of the County, because it not only provides stage for performing arts, there's an arts gallery attached and there is the educational piece, educating musicians and artists. And I think that that could probably be replicated other places in Suffolk County.

When I was reading about -- about -- I'm forgetting his name, Bennett, "I Left My Heart in San Francisco," Tony Bennett and the school the he sponsored in Astoria and his excitement about that. Any time you see budding artists, budding entrepreneurs, anybody given encouragement and given the resources to move forward, it helps our community. So I know you have that vision. And I'm happy to have you here.

MR. MICHEL:

Thank you. And I look forward to working with everyone.

CHAIRMAN HORSLEY:

Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Mr. Michel, welcome. Good to have you here. I'd be interested in getting some of your thoughts on utilizing the skills -- and what I'm looking at here is really probably invaluable experience that you've had in some of your roles over the years. And being in a potentially very powerful position where economic development crosses with affordable workforce housing and utilizing your very committed background to working with our youth. I was wondering, you know, what you see as potentially your role in bringing our young people who we desperately want to all we can to keep here for generations to come to become better acclimated at an earlier age with economic opportunity, educational opportunity, and, of course, what we can and should be doing at every level of government, certainly the County level of government to provide affordable workforce housing for our young people. But I'd be interested to get you ideas on some of the things that you see being able to accomplish, particularly for our young people in terms of our economic development going forward.

MR. MICHEL:

That's an excellent question. Thank you. The young people here in Suffolk County feel that perhaps because of the options that they have they may look elsewhere as they grow and they get educated and they leave. I too, from my resume, you can see that I relocated to California, but I'm back. And I'm back because Long Island is, as I mentioned earlier, so unique in what it has to offer.

And as a young person, once they get a good understanding of, as Legislator Vivian-Fisher said, that given the right coaching, given the right atmosphere, given the right environment, they will grow. And given the right tools from an academic point of view, from an economic development point of view, once they understand how they can contribute, and I feel that once they contribute and they give, they get back ten-fold. So being very active with our youth, might it be a simple thing of teaching them to get involved in their community, helping -- helping be a part of their community as they clean up their community or participate in sports or things along those lines, then they become engaged, then they become a fabric of their community.

Once they are engaged, they're educated. Once they're educated, they see the opportunities from an economic development point of view and from a resident's point of view, they would want to stay here. And coupled with workforce housing, that will put them in a position to own a home, lay roots here in Suffolk County and be a part of that community for a very long time. So I think education, I think giving them the right stimulus, and the stimulus, I mean making them engage as part of their communities, they would want to stay here, they would understand the power that they can in giving back to the community, and they'll get it back and they'll be engaged. So thank you.

CHAIRMAN HORSLEY:

Legislator Alden.

LEG. ALDEN:

Hi. Thanks for coming down. If any part I misspeak, just correct me. I don't believe I've ever met you, and I don't believe you've ever called my office which I could be mistaken, but I never saw the call slip come in. And I would feel dishonest -- you seem like a nice guy, but I would feel dishonest voting for you for anything not having had the opportunity to at least speak to you on a one-to-one basis. And in the 12 years that I've been here, I don't think there's been a Commissioner that's ever been appointed or been proposed to this Legislative body that hasn't called and at least given me the opportunity to have a one-on-one discussion with you.

So I'm not prepared to make a judgement on you whether you're the greatest guy in the world for the job, the worst guy, that I like what you are going to do, that I don't like what you're going to do. But I would just, as a suggestion, you know, for maybe the future actions that, you know, you call up and sit down each Legislator. To me, I think that that's, you know -- - it's just a basic courtesy

to extend that opportunity to someone and allow them to get to know you, because it seems like -- I don't even have your resume actually, you know, I don't have it in the office, I don't have it here. So I think that -- I think that it would be, you know, a way -- and I don't like to make a paper decision, so your resume is important to get a little background to go back and forth, but I like the idea, you know, to show a little courtesy and a little respect to sit down with a Legislator who you're asking for a vote to be appointed to a very important position. You know, I would just think that that should be the norm. And you are going to have to do that in the future, I would think. But like I said, I'd be less than dishonest if I voted for you or voted against you. Thanks.

MR. MICHEL:

Well, thank you, Legislator, for your candor. And your point is well taken. And I apologize for not reaching out prior. I look for the opportunity to reach out to you afterwards.

LEG. ALDEN:

Don't take too long, I'm only here for a month.

MR. MICHEL:

I understand. Thank you for those comments. Thank you, sir.

CHAIRMAN HORSLEY:

All righty. Just another quick question, maybe a little harder to answer, but I think it will show your competence in answering questions. Legacy Village, have you had a chance to take a look at it? What are you thinking about it?

MR. MICHEL:

Well, I'm familiar with it from a conceptual point of view. In principle, we definitely need to address the workforce housing issue that we do have on Long Island. And I feel that conceptually, that is moving in the right direction. It's moving in the direction of providing house for our youth to enable them to remain on Long Island. And so I think using smart growth technology as we build workforce housing is -- is paramount for the future of this region.

CHAIRMAN HORSLEY:

Knowing that you come from Brookhaven, you don't have any secrets on how they're feeling, huh. I don't want answer to that. How do you feel -- and nothing specifically with specific nature -- what do you think about -- plus or minus the issue of a casino in Suffolk County?

MR. MICHEL:

I think the casino, the casino model has worked well in other regions of the country. I know that there is a commission that is looking -- looking at the revenues that a casino possibly here in Suffolk County can generate. And I know there's some opposition as well. One of the things with having a casino here or investigating to see a casino here, we have to be very mindful of all the different groups that are pro or con and weigh that very carefully prior to making any decision. So my answer is it works other places, we have to see if it will work here and be mindful as we move forward in investigating it.

CHAIRMAN HORSLEY:

A very astute political answer. I love it. That was good. This guy is all right. Okay. Any further questions from the Legislature? I'll make a motion to approve.

LEG. VILORIA-FISHER:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Viloría-Fisher. All in favor? Opposed?

LEG. ALDEN:

Abstain.

CHAIRMAN HORSLEY:

With one abstention. So moved. **APPROVED (VOTE: 3-0-1-1 - Abstention; Legis. Alden - Not present; Legis. Kennedy).**

Congratulations. And now it moves on to the full Legislature. I assume he would have to be there for that. I mean, that -- obviously, that's -- how does that work, George. I would recommend is too.

MR. MICHEL:

I plan to.

MR. NOLAN:

Right. He doesn't have to be, but normally a Commissioner candidate does come to the general meeting in case there are questions.

CHAIRMAN HORSLEY:

I'd call Cameron.

LEG. ALDEN:

You know what? I can't speak for other Legislators, but if you didn't call me, you might not have called a couple of other ones. And you have a couple of weeks now before the General Session, so you might want to at least introduce yourself to people that you're asking to support you and put you in a very -- and I'm going to say it, it's a valuable position for Suffolk County. It really determines our future. So that would be my suggestion.

MR. MICHEL:

Thank you very much. And that's a very, very valuable suggestion, and I will definitely do that. Thank you for that information.

CHAIRMAN HORSLEY:

Okay. Congratulations on moving to the next step. And we wish you all the best.

MR. MICHEL:

Thank you very much.

TABLED RESOLUTIONS

All right. We're moving to Tabled Resolutions from the last time. The first one being **1896, Adopting Local Law No. -2009, A Local Law to preserve the Montauk Point Lighthouse by amending Resolution No. 805-2009, A Local Law to reauthorize the hotel and motel tax. (Schneiderman).**

May I have a motion on this?

LEG. STERN:

Motion to table.

CHAIRMAN HORSLEY:

I'll second the motion. All in favor? Motion to table by Legislator Stern, I second the motion. Is there any discussion on this matter?

LEG. VILORIA-FISHER:

No.

CHAIRMAN HORSLEY:

All those in favor? Opposed? The motion has been **TABLED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

1900, Adopting Local Law No. -2009, A Local Law to reallocate hotel and motel tax revenues to enhance tourism promotion in the Peconic region. (Schneiderman.)

LEG. VILORIA-FISHER:

Motion to table.

CHAIRMAN HORSLEY:

Motion to table by Legislator Viloría-Fisher, seconded by Legislator Stern. All those in favor? Opposed? So moved. It's been **TABLED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

LEG. VILORIA-FISHER:

I just wanted to say quickly that there was very compelling testimony at our public hearings from the LICVB and members of the board. I believe very -- make a very strong statement that the East End, the Peconic Region, is very well represented on the board and that there is no lack of understanding of the needs East End enterprises. And so that's why I made a motion to table this. I think it would be diluting the impact of the Hotel-Motel Tax on our regional approach to tourism and economic development.

CHAIRMAN HORSLEY:

Thank you very much. Are there any further comments? Would anyone like to have any say on this issue?

INTRODUCTORY RESOLUTIONS

Okay. We're moving to the Introductory Resolutions. And the first one being **1985, Adopting Local Law No. -2009, A Local Law amending the designation of the boundaries of the Suffolk County/Town of Riverhead Empire Zone, amending the composition of the Zone Administrative Board and authorizing the County Executive to enter into a memorandum of understanding with the Towns of Riverhead, Babylon, Southampton and Huntington for the Administration of the Suffolk County Empire Zone. (Co. Exec.)**

Carolyn Fahey.

MS. FAHEY:

Now I don't have to repeat the title. Thank you. I'm here to talk about IR 1985, which as the Chair said, is reallocating acreage that is designated as zoned proper acreage. The Suffolk County Town of Riverhead Empire Zone was created in 1997. As you have in front of you is the current zone acreage. It's located in six different locations at this time. Every zone has a maximum of 1280 acres it's allowed to allocate into its district. We have about 1137 at the Enterprise Park in Calverton, 68 in downtown Riverhead, 48 at the Hampton Business Technology Park at Gabreski Airport, 25 acres in Wyandanch and two acres in Riverside. The maximum amount of subzones that a zone is allowed to have is seven. You have the five in front of you. There are actually two subzones in the downtown Riverhead area.

What this local law is doing, it's transferring 20 acres of undevelopable land from the Calverton property out in the Town of Riverhead the Melville property in the town of Huntington in order for the Department of Economic Development and the state and the region to retain Canon USA and to attract its new corporate headquarters to Suffolk County. This 20 acres would allow the Canon Headquarters to be in the Empire Zone proper for them to access the benefits allowed. That's it.

LEG. ALDEN:

Motion to table for a public hearing.

CHAIRMAN HORSLEY:

We have a motion to table by Legislator Alden. Is there a second on the motion? Second on the motion by Legislator Stern. Going back to the commentary, this was part of the original concept that Canon bought into, that they would be part of the Empire Zone?

MS. FAHEY:

The County's commitment to Canon was that we would transfer the acreage. Keep in mind that the final decision is made by Empire State, by New York State. This is just the application to transfer the acreage. It is part of their considerations in relocating their corporate headquarters. That decision is not made. There are individuals here from Canon today in case there were questions with regards to the project Seymour Leedman is the Executive Vice President, so he's here if you have any questions. They will be back if you want at the next committee meeting. Typically we only have companies come once, but that's okay. But it was part of the County's overall proposal in order to attract them to Suffolk County.

CHAIRMAN HORSLEY:

Carolyn, I know that we're going to lose one of our Legislators in a few moments. So if I don't ask the gentleman to come up, it is not out of disrespect. But they probably have to be here for the public hearing, so maybe that would be time to discuss the Canon proposal.

MS. FAHEY:

They'll be back in front of you after the public hearing.

CHAIRMAN HORSLEY:

All the Legislators are at the public hearing. That's why I was thinking that might be the better place to discuss the whole --

MS. FAHEY:

I don't think there are questioned posed at the public hearings, correct?

LEG. VILORIA-FISHER:

They are.

MS. FAHEY:

There are? Okay.

LEG. VILORIA-FISHER:

You're confusing the public portion with the public hearing. At the public portion we can't involve yourselves in dialog.

MS. FAHEY:

Okay. We'll have them back. That's fine.

LEG. VILORIA-FISHER:

Public hearing we can.

CHAIRMAN HORSLEY:

My apologies to Canon. We very much want you here. I'll say that as one Legislator.

LEG. ALDEN:

I'll join you, Wayne, in that statement.

LEG. STERN:

Mr. Chairman, the public hearing before the full Legislature, which is coming up in just a matter of days, would be the appropriate time to have the dialog.

CHAIRMAN HORSLEY:

We have a motion to table for the purposes of public hearing. All those in favor? Opposed? So moved. **TABLED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**. Thank you very much, Carolyn.

2004, Accepting and appropriating a grant award from the State University of New York for a Community College Workforce Development Training Grant Program for a Long Island Hospital Consortium 83% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Motion to approve by Legislator Fisher, seconded by Legislator Stern. All in favor? Opposed? So moved. **APPROVED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2005, Accepting and appropriating a grant award from the State University of New York for a Community College Workforce Development Training Grant Program for Audiovox Corporation 90% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Same motion, same second. All in favor? Opposed? So moved. **APPROVED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2006, Accepting and appropriating a grant award from the State University of New York for a Community College Workforce Development Training Grant Program for GKN Aerospace Monitor, Inc. 90% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Again, same motion, same second. All in favor? Opposed? So moved. **APPROVED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2007, Accepting and appropriating a grant award from the State University of New York for a Community College Workforce Development Training Grant Program for People's Alliance Federal Credit Union 90% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Same motion, same second. All in favor? Opposed? So moved. **APPROVED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2008, Accepting and appropriating an amendment to the College budget for a grant award from the State University of New York, for a Community College Workforce Development Training Grant Program for Developmental Disabilities Agencies 67% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

Same motion, same second. All in favor? Opposed? So moved. **APPROVED (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2009, Accepting and appropriating a grant award from the New York State Department of Labor, for an Emerging and Transitional Worker Training Program, 100% reimbursed by State funds at Suffolk County Community College. (Co. Exec.)

I'll make a motion to approve with the addition that it goes to the Consent Calendar, seconded by Legislator Stern. All in favor? Opposed? So moved. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE:4-0-0-1 - Not present; Legis. Kennedy)**.

2060, Authorizing bonding of funds for prior appropriations in connection with the redevelopment to create a Homeland Security Technology Park (Hampton Business and Technology Park) at Gabreski Airport (CP 5735). (Co. Exec.)

I think that, Carolyn, we might want to have you up here. I'm not sure, do we have a motion on this? No, we don't.

LEG. STERN:

I make a motion to approve for discussion purposes. And I think we're going to have a question of Carolyn and probably BRO as well.

CHAIRMAN HORSLEY:

Okay. Seconded by Legislator Fisher. And, Carolyn, you're going to have to explain this one.

MS. FAHEY:

I can explain the intent of the resolution. Bill Hillman from DPW is here as to help with any questions on the specifics. The County is responsible for the main road and the utility infrastructure in the industrial park. This past summer I came before you and we appropriated two and a quarter million thinking that's what we would need in order to put the road in and the utilities in.

Since then, redesign has occurred and other things have occurred that Bill can go into detail. In addition to the two and a quarter million, we need an additional \$900,000. This money has already been appropriated. This is the bonding authorization for it. Keep in mind initially the County had anticipated \$6 million as its cost to do the roadwork and the utility and infrastructure in the industrial park if we were to construct the entire project. Because of what the leasee, Rechler Equities, is going to take on, they're going to take on about half of that on their own, the County is going to then incur about three million total for the infrastructure.

CHAIRMAN HORSLEY:

Are there any questions of Carolyn? Would you like to have Bill first. Thank you. Viloría-Fisher.

LEG. VILORIA-FISHER:

Thank you, Mr. Chair. I obviously can't recall the numbers from the meeting where Rechler came before us with their presentation. But what was represented at that meeting? Was it the three million or two and a quarter? Because we had a lot of discussion -- I think I remember Legislator Alden asking a lot of questions about what was involved in the lease, what was the cost benefit to us as a County, what were they providing, what were we providing. And if the number that we vote on was two and a quarter, I just want to know what was represented at that meeting?

MS. FAHEY:

The Legislature prior had adopted two resolutions appropriated about five and a half to six million dollars for the infrastructure at Gabreski Airport. We didn't bond it at the time because we weren't sure what we would be responsible for and what we get the leasee once we bid it out would cover. And once the -- the SEQRA needed to be completed also.

After the negotiations with Rechler Equities, it was determined that the County would be responsible for the main entry road, it would remain a County Road. So we would put that in and we would also do all of the trenching and the utilities along the main entryway. Over the summer, on the preliminary designs and the preliminary plans, we came to the determination that we needed two and a quarter million. That's what we would need in order to do our part.

LEG. VILORIA-FISHER:

I'm sorry, Carolyn. Can I just stop you a minute because I just want go back to my question which was at the meeting that we had -- that this committee had where we did pretty detailed questioning of the Rechler Corporation, was there a number presented to us? Was the number two and a quarter?

MS. FAHEY:

I presented that two and a quarter based upon the cost estimates was what we would need. In the interim, things have changed, and Bill can explain what has changed in order for us to come back to you.

LEG. VILORIA-FISHER:

Okay. All right. So I'll have Bill Hillman come up and ask him that question.

CHAIRMAN HORSLEY:

Sure. Bill, why don't you come up and you can answer that question. But I'd also like Lance, if you may, at Bill's conclusion to just give us a run-through on the dollars as far as BRO is concerned.

LEG. VILORIA-FISHER:

Okay, Bill, you are following my questioning which is that we did have -- looking at the cost benefit, looking at the lease deal that we would have, the benefit to the Rechler Corporation and to the people of Suffolk County and the taxpayers? We looked at the numbers that were presented to us on that day. And my concern here is that with the addition of another -- almost another million, does that benefit in your -- to us, to the Rechler Corporation? Does it release them of some of the cost that they were going to have? Bottom line, does it give them a better deal and a worse deal for us is what I'm looking at?

MR. HILLMAN:

I'm not sure I can answer those types of questions.

LEG. VILORIA-FISHER:

I'm going to go back to Carolyn with those types of questions. I think you're just up here to tell us why we need another nine hundred thousand. And then, you know, Carolyn and Budget Review can address the other piece of that.

MR. HILLMAN:

That's fine. The estimate DPW originally prepared had made some assumptions, best known assumptions, that we had at the time. We did not have the opportunity to sit down with Rechler to determine what they expected. We move forward with a design. And by the time the contracts had been signed and we actually got to sit down with Rechler, we were pretty advanced with our design.

At that point, it was clear Rechler wanted certain things. Not to say that they're not warranted, they -- it's just two different design parameters. So we have negotiated them to do certain parts of that and we would do certain parts of that. I was involved in those negotiations. I think they were fair, I think equitable.

However, going into some detail as to what transpired. The first thing -- first cost overrun -- and I think attached to the resolution is a summary of the cost overruns -- so I'm going to be going right through this, so if you want to follow along. The sanitary, it's my understanding that the sanitary was redesigned numerous times only to better the system and reduce the construction cost. So that redesign totals about \$100,000, but it saves about \$500,000 in construction.

The utilities made a few changes during the design process, which also cost them additional monies. And again, my understanding is that we had originally intended on releasing the utility package all at once; gas, electric, additional spare conduits. All those underground facilities were going to be packaged. We've since been told that they need to be separate packages.

LEG. VILORIA-FISHER:

I'm sorry, Bill, I don't have that attachment in my resolution.

MR. HILLMAN:

The first two were essentially sanitary modifications, utility modifications, you know, on the design end. When we get to construction, the changes for the utilities also resulted in some rise in cost. The separate lettings would also be a rise in cost. As far as the roadway goes, the existing facilities that our there, it had been our assumption that those utilities would be completely -- let me try to clear this up a little better.

There's two packages -- two designs and constructions going on; the utilities go in first, and then the highway group would come in and build the highway. That was the assumption. Once we coordinated with the utilities a little further, they said, "We're not going to put our conduits in the ground until the curbs are set." So now, we at the highway group, had anticipated not having to deal with utilities in our way. So now that we have the utilities in our way, we had to do a phasing of those utilities which again rises to additional cost.

Some of the things Rechler requested; there's a pretty good dip in the road as you come in the airport, and they requested that be filled in. Again, it's a reasonable request. But we had to do some redesign and that's also going to cost in construction. And then there's a ton of associated contingencies; survey, construction inspection. All those things, when the cost goes up, they also go up.

LEG. ALDEN:

This is not meant in an argumentative vein, but how much was the clean up cost? The property's contaminated, and we have to clean that up. And is this completed at this point?

MS. FAHEY:

It's a DPW project -- Health Department, I'm sorry -- a Health Department project. I think it's two million. I think that's what this Legislature appropriated for underneath the brownfields clean up for that piece of property. That's a piece of property that was contaminated by the Air Force when they held the property. The County has signed a VCA with New York State saying that the County would be responsible for the clean up. And that's been part of the Health Department's Capital Program for the past couple of years.

LEG. ALDEN:

Okay. And you and I already had the discussion on it, but I thought that that -- it would have made sense to disclose that at the time that we were talking about, you know, this project too, because in my mind, all of it goes together, whether we have to remediate the property because there was contamination, whether we have to fill in a dip, whether we have to -- you know, we've got curbs going in before the utilities, utilities going in before -- and we've had the discussion. I'm not meaning to be argumentative. Just in my mind, that was -- you know, that's part of the cost to the County.

MS. FAHEY:

Well, when I proposed and talked to you this past summer about the two and quarter million, I was referring to the six million that you had appropriated to the two infrastructure capital programs. I wasn't aware of what it was going to cost the Health Department to remediate that piece of property. And I didn't think you were assuming all of the County's projects in the parks. So it was a misunderstanding.

MR. HILLMAN:

Let me just expand on that a little bit more. I was in on some of the discussions with the Health Department. The clean up is really designated by the DEC and the levels of clean up are really specified by them. So the cost associated with that is directly -- is associated directly with the DEC's decisions as to extent of the clean up. So they say -- if DPW says, "you know, go out with a broom and sweep the driveway," that's all you have to do. But if they say, "Dig down 50 feet and remove 20,000 yards of cubic fill," you need to do that. So the regulatory agency has a tremendous amount of input as to the cost that the County will bear.

LEG. ALDEN:

Right. And that wasn't even my point. My point was that when I was looking at it, I thought all total costs involved in the transaction, because that's really what the taxpayer of Suffolk County is going to be paying, not just this one over here, this one over here, and then, you know, add them up later on. But anyway, thank you.

CHAIRMAN HORSLEY:

Carolyn, maybe -- you just might -- I know that Ms. Fisher is going to want further detail on it. When we say "additional design associated with Rechler requests," could you please explain that?

MR. HILLMAN:

There are stringent clauses in the agreement between the County and Rechler that provide the developer an out if the County does not meet certain timeline deadlines. For example, we need to have -- we need to deliver the road to them in a particular state by a particular deadline, and that deadline was extremely ambitious. So DPW began working on the -- on the design of the roadway immediately when we were told that this deal was real and it was moving forward, because if we had not, we would not be able to achieve that goal. And I didn't want -- we didn't want Rechler, the developer, to be able to get out of the contract because of something the department didn't achieve. So we progressed with the design. When we did have the opportunities to sit down with the developer, he requested certain modifications to the plans. Along with those modifications comes a design cost.

CHAIRMAN HORSLEY:

Was that a hammer over your head or was that -- did you agree with what they had proposed? Fair?

MR. HILLMAN:

I believe it was fair.

CHAIRMAN HORSLEY:

Okay. Lance, can I ask you just --

MS. FAHEY:

Can I interject, Mr. Chairman?

CHAIRMAN HORSLEY:

Sure, you can interject. You can bark if you want.

MS. FAHEY:

Also keep in mind -- as Bill discussed, DPW went as far and as long as they possibly could. And Rechler, until this Legislature approved their lease, had already been on the line for a lot of money in doing a lot of their due diligence. And if you buy land and you develop, you know that a certain point, you really don't go forward unless you know you have a lease and a commitment. So once this Legislature approved the lease and they got a signed lease, it was at that point where they employed the engineer to go out and do all those costly surveys and topographies and all the stuff that they needed to do. And it was based upon that that then required us go back and take a look at what DPW had laid out and designed and now what they need to have put in place to accommodate the hotel and all the other facilities that they wanted.

CHAIRMAN HORSLEY:

That's a good comment. I appreciate that, Carolyn. Lance, you want to go through this with us so we know what we're talking about?

MR. REINHEIMER:

Sure. I can't comment about the additional costs or the engineering or how that works, but this is a

little bit unusual because the process is that in 2006 and in 2007, the Legislature appropriated \$5.5 million. At that point in time, there was no bonding resolution because it was -- the project was in a conceptual phase; they didn't know who was going to be doing the development. We always anticipated and knew that the County would provide the backbone, utility and infrastructure improvements for somebody to develop; bringing in electricity, bringing water and sewage lines, improving roadways. But to the extent and how that was going to be done, was undetermined at that point in time.

The Economic Development came back to you earlier this year and asked for two million, two and a quarter million dollars for the infrastructure improvements. So now out of two and a half million dollars that was appropriated under Resolution 1364. They're saying now that we have better engineering, we have a lease in force, these are other additional improvements that have to be made in conjunction with the lease. At least that's what I gather from what they're saying.

So now that we know specifically what we're looking to use the money for, we can go forward and ask Bond Counsel to write a bond for \$900,000 for these specific improvements. So that's kind of an overview of the process. It's usually when you appropriate the money you bond it at the same time. This is like the land programs, where you have land, you don't bond them because you don't -- you haven't identified what land you're going to be buying in the future. So now that you know what you are doing, they're coming forward and saying, "Now we can go forward and we need to bond this so that the project can go forward."

CHAIRMAN HORSLEY:

Further question of Lance? Okay. Let me just ask Mr. Nolan at this point, are you satisfied with the answers you received?

MR. NOLAN:

Well, if Budget Review says it makes sense, that's fine with me. I just would say that, you know, if we've already appropriated the money, I don't know why they just didn't bring forward a bond resolution for the 900,000. I mean, that's normally how it's done. There isn't another resolution saying let's -- okay, now we're going to bond the money, here's approval of bonding the money. I assume there will be a bond resolution with this, but it's just unusual.

MS. FAHEY:

It is unusual, but I think Bond Counsel thought because of the timing between the appropriation and requesting the bond, he needed to explain the bond resolution. That's really what that is.

MR. REINHEIMER:

Yeah. If I can just interject too, because you're bonding \$900,000, Resolution 1364 appropriated 2.5 million. This is the first money that's being bonded from that 2.5 million. So in the future, it's possible that they could come back and ask for additional funds to be bonded under this original resolution.

CHAIRMAN HORSLEY:

And I expect they probably will. Legislator Fisher.

LEG. VILORIA-FISHER:

Getting back to Mr. Hillman, so what I'm understanding from your explanation, it wasn't kind of a prima donna or capricious, you know, "we want more." It was that in discover they found that there were topographical issues that had to be addressed in the design.

MR. HILLMAN:

Yes.

LEG. VILORIA-FISHER:

And our surveys, our preliminary surveys, hadn't identified those topographical problems?

MR. HILLMAN:

That's correct.

LEG. VILORIA-FISHER:

Okay. Thank you, Bill.

CHAIRMAN HORSLEY:

And he said it was fair. Any further questions from the Legislature? Is there anything else you would like to add, Carolyn? Lance, you are good? Everybody is good? Okay. We have a motion to approve, and I think that's the only motion on the floor. All in favor? Opposed? So moved. It's been **APPROVED (VOTE: 3-0-0-2 - Not present; Legis. Kennedy and Alden)**.

I have a motion from Mr. Stern to adjourn, seconded by Legislator Viloría-Fisher. All in favor? Opposed? So moved. We are adjourned.

(*THE MEETING WAS ADJOURNED AT 3:21 P.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY