

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, December 9, 2009.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Steve Stern - Vice-Chair
Legislator Cameron Alden
Legislator Vioria-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
Yves Michel - Commissioner of Economic Development
Carolyn Fahey - Economic Development
Yves Michel - Commissioner of Economic Development
Linda Bay - Aide to Minority Caucus
Paul Perillie - Aide to Majority Caucus
Brian Galgano - Aide to Legislator Horsley
Joe Schroeder - Energy Specialist - BRO
Dot Kerrigan - AME
All other interested parties

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 2:08 P.M.*)

CHAIRMAN HORSLEY:

Good afternoon, everybody. Welcome to the Economic Development, Higher Education and Energy Committee Meeting of December 9th, 2009. May we stand for the Pledge.

SALUTATION

And again, may we stand in a moment of silence for the men and women who protect us both home and abroad.

MOMENT OF SILENCE

Thank you. Please be seated. All right. In the spirit of the holidays, I have not asked anybody to do a presentation today. This is your last committee meeting?

LEG. ALDEN:

For now anyway.

CHAIRMAN HORSLEY:

For now?

LEG. ALDEN:

Right.

CHAIRMAN HORSLEY:

Fair enough. We certainly honor our colleague who for now is having his last committee meeting. And we appreciate the fact that you are here for this one, you know, making it your last.

LEG. ALDEN:

My pleasure, Wayne, especially with you as the Chairman.

LEG. VILORIA-FISHER:

Kumbaya.

LEG. KENNEDY:

Feel the love.

CHAIRMAN HORSLEY:

We are buds forever.

LEG. ALDEN:

I think so.

CHAIRMAN HORSLEY:

There you go.

LEG. VILORIA-FISHER:

On with it.

CHAIRMAN HORSLEY:

All right. Yes. Let's go on before we get lost in the love feast. And of course, there's a holiday party going on across the street. We certainly don't want to miss that.

LEG. VILORIA-FISHER:

For some.

CHAIRMAN HORSLEY:

Okay. Let's get to the agenda. First of all, is there anyone who like to speak in front of the committee? Carolyn? Local law. You want to wait until we get to the Local Law? Okay.

TABLED PRIME

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)

LEG. VILORIA-FISHER:

Motion to table.

CHAIRMAN HORSLEY:

Motion to table, I'll second the motion. All those in favor? Opposed? So moved. **TABLED (VOTE:5-0-0-0).**

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. KENNEDY:

Motion to table.

CHAIRMAN HORSLEY:

Motion to table by Legislator Kennedy, seconded by Legislator Fisher. All those in favor? Opposed? So moved. **TABLED (VOTE:5-0-0-0).**

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.)

I'll make a motion to approve, seconded by Legislator Stern. On the motion, Ms. Fahey, welcome.

MS. FAHEY:

Good afternoon. With me today is Seymour Leedman, the Executive Vice-President of Canon USA and Amy Newman, Senior Advisor for the Administrative Group of Canon USA. IR 1985 amends the zone boundaries of the empire Zone to reallocate 20 acres from the Calverton property in Riverhead to Melville to accommodate the relocation and expansion of Canon USA Headquarters.

Currently Canon is locate in five leased buildings in Lake Success in about 400,000 square feet. The new facility will be on 52 acres of which only 20 acres will be Empire-zoned property. It will be upwards of 900,000 square feet after Phase II is done. They will be transferring 1300 employees to the Melville site with a commitment to expand another 700 employees after the first ten years.

The resolution before you authorizes the Empire Zone to do two things. One is to transfer those 20 acres from Calverton to Melville. The other is to sign a memorandum of understanding between the municipalities where general purpose zone acreage lies in that helps to oversee the administration, the funding mechanism, the Zoning Board and all of the administrative components of the -- of running the zone. That's the purpose of the law. Mr. Leedman and Ms. Newman are here to answer any company-specific questions on the project. At the last meeting I did hand out this handout. Do you still have that or would you like new copies? I think you need new copies.

CHAIRMAN HORSLEY:

Hand them out to everybody. Some of us are just not admitting that we don't have it with us.

MS. FAHEY:

You know, I had it last meeting. I thought we handed it out, but I know the meeting got a little rushed. So maybe --

CHAIRMAN HORSLEY:

You did. You handed it out.

MS. FAHEY:

Oh, good. Thank you. So what you have in front of you is just an overview of the Suffolk County Town of Riverhead Zone. Every zone in the state is allocated 1280 acres. We're allowed to break that acreage up to a maximum up seven sites. What you see in front of you is we have 1137 acres at the Enterprise Park in Calverton, 68 acres in downtown Riverhead in two noncontiguous sites, 48 acres at Hampton Business Technology Park at Westhampton at Gabreski Airport, 25 acres in Wyandanch and two acres in Riverside. This 1280 acres does not include all the RFPs that this Legislature has approved. They are in addition to that. The two maps that you see attached show you where we're taking the 20 acres out of Calverton and where it's going in Huntington and Melville.

CHAIRMAN HORSLEY:

Carolyn, as part of -- just to restate I think what you just quickly mentioned earlier, the 20 acres were not going to be used for industrial purposes anyway, it's my understanding they were going to be -- remain as woods or whatever it may be.

MS. FAHEY:

Correct. They has had an overlay zone of protected acreage on them, so the town could not build on them if they wanted to.

CHAIRMAN HORSLEY:

Which makes this decision very easy.

MS. FAHEY:

There were concurring resolutions on the transfer of acreage adopted by the town of Riverhead and adopted by the Town of Huntington to accept them. So both municipalities have endorsed the transfer.

CHAIRMAN HORSLEY:

Just one question. Sure. Legislator Stern.

LEG. STERN:

Just very quickly. A general question really, Carolyn. When we take a look at the amount of acres that we have in our overall zone, and we seek to make changes to the acres in particular zones, are we -- are we guided or bound by any standards? Would we have discretion to divide these acres any way we see fit as long as it's done reasonably? Are there any guiding principles there on how we go about that division?

MS. FAHEY:

It's a County-wide zone so the guidelines are basically you can only have seven noncontiguous sites, but the State has to approve them and see the economic viability of each site. So what you're approving today is just the application to New York State, and then they will approve it. They have given us a preliminary okay on this, but they need to see more details of what's going to happen on that land. They want to see the acreage used to its best potential.

LEG. STERN:

So as long as we follow that pretty loose guiding principle, then it will be approved by the State?

MS. FAHEY:

I don't know if it's loose. I don't know what the State puts into their decisions. We've seen how this Empire Zone Program has such stringent guidelines, so I don't know if I would describe it as loose.

LEG. STERN:

That's really my question. Any decision that we make on how we divide our acres, we have to know that it's going to be reviewed by the State, ultimately, it's going to have to past muster with them. So we are, in fact, bound by some pretty strict guidelines here.

MS. FAHEY:

Correct.

LEG. STERN:

Thank you.

CHAIRMAN HORSLEY:

Sure. Legislator Fisher.

LEG. VILORIA-FISHER:

I'm sure we've gone over this before, but just to get it on the record, when we talk about 1300 jobs, can we just give just a little thumbnail sketch of the types of jobs that they will be? They're tossing this back and forth.

MR. LEEDMAN:

It will be management, technical system engineers. This will be our Headquarters for the Americas, so there will be a lot of management people for Canada, South America and the United States in this facility.

LEG. VILORIA-FISHER:

Thank you.

MS. NEWMAN:

The only thing I would add is that for the exempt level jobs that we're talking about, most of the additions, their average salary is between seventy-five and 80,000. So they're good high-paying jobs.

LEG. VILORIA-FISHER:

Okay. Thank you.

CHAIRMAN HORSLEY:

I like that answer. That's good news. In fact, a couple -- about a week or so ago, I mentioned it to one of my classes that I teach at Farmingdale, "Oh, by the way, down the street, next year, you know, we're going to be opening Canon, the new headquarters." I went on about it, and they were very happy to hear that as I was to tell them. Mr. Alden.

LEG. ALDEN:

I have one question about the administration of the Suffolk County Empire Zone. So those four towns are going to form like a sub-administration pool, or how is that going to work?

MS. FAHEY:

Each zone when it applies for designation -- when we applied back in the late '90's for designation of the Suffolk County Zone, you have to lay out a Zone Administration Board and who you are going to have sit on that. The State dictates that there be certain categories covered; education, financial, local community members. Right now, our zone has 13 members of which the County Executive is

on the Board as Chair or his designee, Town of Babylon has a representative. When we created acreage in Wyandanch, the Town of Babylon received a representative. When we created the zone at Gabreski and in the Riverside area, we gave the Town of Southampton a representative on the Zone Board. The other ten members are town appointees, two of which sit as their position; the Supervisor and the Community Development Director sit via position. The amending MOU will give Huntington a seat on the board.

LEG. ALDEN:

Okay. And they don't get stipends for that, right?

MS. FAHEY:

No. They're strictly volunteers.

LEG. ALDEN:

Good. Then my other question -- and I actually have I think one more after that -- but for coming to Suffolk County, where would you have put your headquarters? And did you do, you know, an analysis of, like, Georgia or North Carolina? What other places did you actually look at?

MR. LEEDMAN:

Connecticut and New Jersey. We actually moved part of our facility from Lake Success to New Jersey in the early '90's because we ran out of space. And we bought acreage in South Brunswick, and we moved an eastern region which we separated from the headquarters at that point.

LEG. ALDEN:

Did anything as far as education, did that play any part; Suffolk Community College, Stony Brook University here and other universities that could supply your needs for employees?

MR. LEEDMAN:

Yes. We actually have a relationship with Stony Brook University. We have an essay contest for students over there.

LEG. ALDEN:

How much -- how fast do you think these positions are going to be filled?

MR. LEEDMAN:

Well, according to schedule -- we hope to move into the new facility by January of 2013. Hope to have groundbreaking early next year. And then, over a ten year period, depending on the economy and a lot of other things, we hope to be able to hire those jobs. The jobs definition between empire Zone and IDA differs a little bit. We're going to have consultants, but we're going to have a big building to fill. And then we actually have, as Carolyn mentioned, a second phase with about another 200,000 square feet. So we're looking -- this will be one of Canon's three worldwide headquarters; there's one in Japan for Asia, there's one in London for Europe, and this would be the one for the Americas.

MS. NEWMAN:

We already closed with the IDA. So we made commitments on hitting certain creation of job targets over the next ten years.

LEG. ALDEN:

For management, I would imagine that, you know, you have a structure in place, some of those are going to be transfers out here. And what portion do you think will be transfers as opposed to new? I didn't catch the presentation before.

MR. LEEDMAN:

I'm not sure how many will be transfers as opposed to new. We're expecting almost all of the current management will move out. About 83% of our employees live Nassau and Suffolk County.

So we don't think we're going to lose many, especially management. And then as we expand, we'll have to hire additional management personnel.

LEG. ALDEN:

For the record, what's the major benefits to going into an Empire Zone?

MS. FAHEY:

They range from sales tax credit, wage tax credit, investment tax credit, some utility incentives.

LEG. ALDEN:

Are they eligible then for New York State Power?

MS. FAHEY:

I don't know. Honestly, I don't know if they're eligible for that in addition to the utility credits that come from the zone.

LEG. ALDEN:

Your utility -- the utility credits that go from the zone are basically LIPA credits or are they bigger than that?

MS. FAHEY:

No, they're LIPA credits.

LEG. ALDEN:

Okay. Thank.

CHAIRMAN HORSLEY:

Because of those credits that flow through LIPA, New York power Authority has very little involvement with Long Island, except a small group like Newsday and a couple of others.

LEG. ALDEN:

Small group? Newsday gets a lot of power from them.

CHAIRMAN HORSLEY:

I didn't say that they weren't getting a good deal. The numbers of companies are small. I'm sorry, Legislator Fisher has a question on Cameron's question.

LEG. VILORIA-FISHER:

Quick question. When you were talking about the members, you mentioned Babylon and Southampton, but not Riverhead.

MS. FAHEY:

No. Riverhead has the ten remaining positions.

LEG. VILORIA-FISHER:

Oh, the ten remaining positions. Okay.

MS. FAHEY:

Right. Of which two are by-position; the Supervisor and the Community Development Director.

LEG. VILORIA-FISHER:

Okay. I guess I missed the word. I heard you say town appointees, but I didn't hear Riverhead. It made me very curious because Riverhead has such a lion's share here.

MS. FAHEY:

What I didn't state was that with the new MOU, Huntington will get a position, but we're also giving

Riverhead another position to balance it off and to keep an odd number, which makes sense.

CHAIRMAN HORSLEY:

There you go. Kind of like the Legislature. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. And welcome. I'm pleased to hear about the way the project is going to go forward. Most of the questions that I had Legislator Alden addressed. But let me see if I can fine tune a little bit and then ask if you participate or will participate in a program. Eighty-three percent of your management you expect you're going to be able to retain and will remain with the company at this point and currently are Long Island residents; they're either from the Nassau or Suffolk area?

MR. LEEDMAN:

Well, I don't have a breakdown of our management, but 83% of our employees.

LEG. KENNEDY:

Of your employees?

MR. LEEDMAN:

Yes.

LEG. KENNEDY:

Okay. And in the first phase, the total number of employees involves, I'm sorry, how many, 200, 300, 400?

MR. LEEDMAN:

Well, the 1300 that are moving over plus new hires as needed.

LEG. KENNEDY:

Okay. Which is great. One of the things that I would ask is -- and Carolyn knows about this program -- we're always looking to try to help folks with home purchase, home relocation, things along those lines. And through our Community Development Program, you know, we have First-Time Home buyers Down Payment Assistance Program, which with corporate participation gets the benefit of ratcheting up to I believe 30 or \$35,000. And that's something that you are aware of or maybe partnering with or participating with?

MR. LEEDMAN:

Yes. We had heard about that from County Executive Levy probably about two years ago, and it is something we are following up with.

LEG. KENNEDY:

Excellent. That's good to hear.

MS. NEWMAN:

I'm also following up with the Long Island Housing Partnership

LEG. KENNEDY:

Who's an excellent resource. And as a matter of fact, for any of your existing employee base or new employees coming in, they're one of the purest, cleanest, most generic forms of information that any prospective purchaser can have access to. They do outstanding work. And I want to encourage you, you know, to utilize them heavily. Thank you.

CHAIRMAN HORSLEY:

Any further questions? One more just while I've got you here, Carolyn. The Empire Zone itself, is it -- are we at that point that this is the last division, or are we -- are we still -- can look forward to another opportunity to bring in a major corporation or whatever? What's the skinny on this?

MS. FAHEY:

Currently this is our seventh and final subzone, right. Unless we reconfigure the existing subzones, this is the max that the current State legislation allows us to have. But you know the Empire Zone Program is in flux.

CHAIRMAN HORSLEY:

Yeah, I know it's in flux. Does it guarantee -- they're grandfathered in, I would assume, right?

MS. FAHEY:

It's our understanding at this time, yes.

CHAIRMAN HORSLEY:

Well, that's a heck of an answer, "it is our understanding." Wow. But you mentioned, "subdivision of existing," is that possible?

MS. FAHEY:

The State enabling legislation allows you to have seven noncontiguous areas. This is our seventh. So unless we are to revisit the current areas and --

CHAIRMAN HORSLEY:

In other words, subdivide one that's already in existence.

MS. FAHEY:

You can't subdivide it, because that would give you an eighth. So you would have to take the acreage off of one area and reapply it elsewhere.

CHAIRMAN HORSLEY:

Oh, I see. Okay. All right. Well, we have an approval (sic) and a second on that with the pleasure that we cast our vote for this. All those in favor? Opposed? So moved. It's been **APPROVED (VOTE:5-0-0-0)**.

Thank you very much. And good luck and Happy Holidays.

MR. LEEDMAN:

Thanks. Same to you. Thank you.

MS. FAHEY:

They will be back before the full Leg next week.

CHAIRMAN HORSLEY:

Carolyn, they're actually doing the presentation next week or what's the...

MS. FAHEY:

That was not the intent. They're there for important questions.

CHAIRMAN HORSLEY:

Okay. Very good. We look forward to seeing you. Please, Christmas Party with us. All righty.

2112, Establishing a Long Island Power Authority Oversight Commission. (Romaine)

I'll make a motion to table this, seconded by Legislator Stern.

LEG. ALDEN:

On the motion

CHAIRMAN HORSLEY:

On the motion.

LEG. ALDEN:

In Budget Review, we actually had some resources that were dedicated to looking at and monitoring what the Long Island Power Authority was doing? Do we still have that? It was Mr. Schroeder that was doing that.

CHAIRMAN HORSLEY:

I can get an answer for you on it, because I'd like to know that myself.

LEG. ALDEN:

We actually had a watchdog committee. I'm just blanking on the guy's name that --

P.O. LINDSAY:

Gordian Raacke.

LEG. ALDEN:

Gordian Raacke.

P.O. LINDSAY:

You want to bring him back?

LEG. ALDEN:

Actually --

P.O. LINDSAY:

Yes or no?

LEG. ALDEN:

I wouldn't mind bringing him back.

P.O. LINDSAY:

Oh, okay. That's a switch.

LEG. ALDEN:

No, it's not. I think I put the last funding in there for Gordian and his group.

LEG. VILORIA-FISHER:

For CAC?

LEG. ALDEN:

I think I did. But we did have the ability to monitor it. And you don't know if Joe is doing that or not, right?

CHAIRMAN HORSLEY:

Oh, I think Joe is always on top of this. I discuss LIPA issues with him all the time if that's what you mean. But it's not a formalized committee.

LEG. ALDEN:

That was one of the reasons --

CHAIRMAN HORSLEY:

That's the reason Joe is here.

LEG. ALDEN:

No. But that's one of the reasons why we would get rid of that outside group, so to speak, that Mr. Raacke was in. And we took it on internally in our Budget Review.

MR. LIPP:

Joe Schroeder does monitor to the best of Budget Review Office's ability what goes on over at LIPA. It's very difficult to get information from them. We don't have a lot of legal power to get that information. We're constantly working with the various Legislators such as Legislator Horsley and Legislator Vilorio-Fisher on ideas in terms of energy initiatives. In fact, I've been working with him the last couple of days preparing sort of a policy piece and some recommendations related to energy issues in general, which at least indirectly relate to LIPA.

LEG. ALDEN:

Okay. Are you familiar with the proposal 2112, an oversight -- an oversight commission?

MR. LIPP:

The Romaine legislation, yes.

LEG. ALDEN:

Right. Is your reading of this that it would be a committee formed by this Legislative body that would attempt to elicit information or regulate? Because we have the consumer -- Consumer Protection, you know, actually, that was one of the things on our agenda always was a report on what LIPA was doing. And we had the Chairman of LIPA down here a number of times.

MR. LIPP:

My understanding of the resolution -- and I don't claim to be completely well versed in it -- but it's basically to do a study to evaluate how -- you know, and critique what they are doing, which we are constantly monitoring. And of course, you know, it's the prerogative of any Legislator to formalize a commission if they so desire. And of course, it's also the prerogative of individual Legislators to come forward ask us for -- you know, for instance, on any topic, including this memo to study various things.

LEG. ALDEN:

And where I'm going here is that -- actually, I'm going out the door. But after January 1st, when you guys all get sworn in again, you might want to revisit something similar to this or more of a formal presentation on it, because LIPA going right back to the formation of it, Suffolk County didn't -- you know, we didn't get the long end of the stick, we got the short end of the stick. And there's a whole bunch of issues; for instance, overcharges, there's lawsuits that are still pending. So there's a number of issues. Even the adjustment on what we pay for our electric, whether they're using gas to generate, whether they're using diesel to generate or even some of the -- that some portion that nuclear.

This is some area where we actually should devote a little bit of our time on a regular basis. And it works in -- or did work in Consumer Protection Committee. But whatever committee you form, you know, for next year, you might want to include something that on a regular basis, you know, once a month or even maybe on more of a basis than that, to find out what they are doing and monitor what they are doing, because they don't give you an adjustment on -- you know, the price of gas hit a 50 year low -- proportional 50 year low, and my bill went up. And I think every other consumer that came in and talked to me about their electric bill, it went up. So somebody really should be watching that. And also, the overcharging and that \$25 million loan that went to Nassau County and the adjustment that was made to Suffolk County. So there's still a whole bunch of open issues. And that's a suggestion, that's all.

CHAIRMAN HORSLEY:

Thank you. And I can't agree more. Legislator Kennedy.

LEG. KENNEDY:

Mr. Chair, I agree with a lot of what Legislator Alden is talking about. And I know that if it's the desire of the committee to go ahead and table, perhaps -- you and I have had some conversations about this -- we need to reemerge with this in the New Year. Not only do we have issues relating to some of what's come forward with the overall rate setting, but all of us read what our seniors have encountered with their struggles to try to get fair and accurate rate setting and then all of a sudden, the unveiling of multiple rate tiers from LIPA, certainly nothing I was aware of and I hazard to guess most of my colleagues here are unaware of it and none of our consumers or constituents knew it at all.

I'll also go to what was a recent apparent effort on the part of LIPA to go ahead and purchase the Barrett Power Plant when, in fact, when you look at the amount of generating capacity for some of our existing structures, they're widely disparate from what some of the newer structures are. A decision to go ahead and purchase and take on a 40 or 50 or 60 year old plant, a wide open question about repowering; who's going to bear the cost about repowering, whether or not there's even been a cost benefit analysis that's been done in the first instance, to me it's almost like trying to build, you know, a new village without an environmental assessment. It makes no sense. I think something very close to this has a lot of merit and is something that we need to embrace whether it be now or at the beginning of next year. I think it's got relevance for all of us.

CHAIRMAN HORSLEY:

Thank you very much, Legislator Kennedy. Legislator Vilorio-Fisher.

LEG. VILORIA-FISHER:

Cameron, your recollection is very good regarding Consumer Protection. I have the bill that we passed in May of 1999 regarding Consumer Protection and LIPA. And some of this now is no longer relevant, some pieces of this particular legislation, but the basic Legislative intent of having oversight -- I was a cosponsor of this legislation back in 1999 -- you raise a lot of the problems that led us to introducing this piece of legislation and passing it. And somehow over the years it fell off the radar. It was part of the Consumer Protection Committee for a very long time and fell off that radar. But I think that's why this commission would be good to have that kind of support and keep it before us.

CHAIRMAN HORSLEY:

All right. Thank you very much, Legislator Fisher. Legislator Alden, you'd like to ask questions of Mister --

LEG. ALDEN:

Hi, Joe. I think it would be more of a suggestion than asking questions. If in the future you could confer with whoever ends up being the Chairperson of Consumer Protection, whoever ends up being the Presiding Officer, even the Chairperson of this Committee, because I think they might be joint types of jurisdiction, you really should help in advising and crafting something that would take it to the next level as far as our observations of LIPA and the ability to go and try to monitor, try to create a structure that would -- would bring more publicity. And that's kind of what -- what we can do, we can bring the publicity as far as what they are doing, what they're not doing, that type of thing. So I would just say that that kind of should be your charge; look at it, try to craft something and then work with the Legislature in taking this to another level, which I think it really has to be revisited and should be done.

MR. SCHROEDER:

Yes. Thank you. We have issued many memos over my tenure here. Our jurisdictional authority, which we really have none over LIPA, limits our abilities to effect change at LIPA. We have made recommendations over the years to solicit the State Comptroller for assistance in determining whether LIPA's contract practices and certain policies were legitimate, whether they passed muster. Efforts to get the Public Service Commission to look at their work, even in the most recent exercise we went through with the acquisition of KeySpan by National Grid, we were very limited by what we

could address in terms of LIPA issues with the Public Service Commission. They were just not at all receptive to our input, because they don't have the regulatory authority over LIPA as well. So, yes, we are mindful of our charge to keep watch on them, we are diligent in that effort. Again, our jurisdictional authority has really limited us to commenting on what we see.

LEG. ALDEN:

But we have the power of the bully pulpit basically. And I remember with Legislator Viloría-Fisher when we started down the route that led to that resolution in 1999, LIPA absolutely did not want us shedding light on what they were doing. And they did show up, I have to say that. They would show up. But I think some positive things came out of those meetings. And whether people agree or not to having an all-appointed board or whether it should be elected, whether it should be from the area, you know, those are issues that should be explored. And I'm not being any champion of one or the other, but those are things that really have to be explored, including the charges, the whole nine yards with this. So it's more of a suggestion, that's all.

MR. SCHROEDER:

I agree. And we have been successful to a degree in influencing some of our -- advancing some of our concerns with LIPA. And if this Legislature doesn't do it, there really is nobody else doing it.

LEG. ALDEN:

I agree with you 1000 percent on that.

CHAIRMAN HORSLEY:

Joe, anything else you'd like to add?

MR. SCHROEDER:

No.

CHAIRMAN HORSLEY:

Good. I'd just like to make a quick comment on this whole issue. When Legislator Romaine put this bill into the hopper, there were quite a blow back from a whole lot of parties across the counties, which in my feeling on this is that we should take a strong look at the oversight issues of LIPA. And this is something that I think we should be taking up in the New Year.

This legislation fell short of what I think should be passed. However, the comments that even came back from LIPA was, "Listen, we do have oversight and that's the Comptroller and that's the Attorney General and that's the Authority Oversight Board," and stuff like that. I know what all those oversight issues are for those particular -- those particular entities; one is to look at the contracts to make sure that they are legal; the other one is the Attorney General, you know, to make sure that they're legally correct. And so there really is in my mind no entity that has direct oversight over the rates and those issues that directly affect our ratepayers.

Last year, Assemblyman Sweeney put in a bill to have the PSC oversee LIPA, and the bill passed. So there was enough recognition on the part of both Legislatures, both the Senate and the Assembly that this was a good idea. It went to the Governor's Office and it was vetoed. I don't know. Why can we have our own judgments on that.

However, there still is no oversight. And it's a good thing to have oversight. It's a good thing. And I think that the new LIPA who is talking of transparency, talking of issues that matter to ratepayers should welcome having oversight. And -- because I think that's the nature of the new LIPA. So for them to take positions that are to try to squelch any future oversight I think is a poor public policy.

So I think that we should look at this next year, we should look at it in a joint manner and discuss it amongst ourselves and how the best way to go about this. I have some ideas I will be talking about in the future. And I look forward to working with this committee to further them. Legislator Lindsay.

P.O. LINDSAY:

It's not that I disagree with either you or Legislator Alden. I think it is appropriate that this Legislature keeps these issues in the public eye, but understand one thing, that's our limit, to keep it in the public eye. The State Government is the one that effectuates, whether you want to talk about audits, whether you want to talk about legislation or whatever. We wouldn't have the authority. I am not a fan of creating another committee. I think that between Consumer Affairs and Economic Development, you have the ability now to look at these issues. And I think LIPA has always been -- and I think probably more so now -- is willing to come before this body and answer any questions that we have. And I think it's a matter of us moving into the New Year to do this.

In terms of the overcharge, the \$25 million, that's still part of an ongoing lawsuit that we thought we had a settlement on two years ago and it fell apart. But I know from talking to our attorney we have been taking depositions from them, and it's progressing through the courts. And one of these days it will get resolved.

CHAIRMAN HORSLEY:

To answer that, Legislator Lindsay, I agree with you on almost everything you have commented on. Those are the reasons why this bill is something that I cannot accept as well. But I think -- and again, going back to Cameron's comment on the bully pulpit, there are ways in which we can move this issue, because oversight is still a very viable thing. And to me the most viable alternative is the PSC, but maybe we can think of some other more creative ways to handle this issue. Okay. Anything else? Anyone else like to make any comments on this? With that, we will -- there's a motion to table. All those in favor? Opposed? So moved. **TABLED (VOTE:5-0-0-0).**

And again, I thank Legislator Romaine for bringing this important issue to our attention.

2137, Appropriating funds in connection with renovation and construction of facilities at Gabreski Airport (CP 5702). (Co. Exec.)

I'll make a motion to approve. Is there a second on the motion? Seconded by Legislator Stern.

LEG. ALDEN:

Explanation.

CHAIRMAN HORSLEY:

Sure, absolutely. Carolyn, you want to chat about this?

COMMISSIONER MICHEL:

I would like to chat on that. Thank you.

CHAIRMAN HORSLEY:

I'm sorry. My apologies.

COMMISSIONER MICHEL:

That's quite all right. Thank you. Good afternoon, everyone. Introductory Resolution 2137 is the request for the appropriations of adopted funds from the Capital Program in connection with the renovation, specifically the pavement of the remaining portion of the north perimeter road in totaling \$125,000. Again, I would like to underscore that this was adopted in the Capital Program. And we're here before you requesting it to be appropriated.

LEG. ALDEN:

Is this the road that's going to lead into that new portion that is going to be developed?

MS. FAHEY:

It's an existing road that we're just repaving up on the north side. There are new hangars going on

up there, yes.

LEG. ALDEN:

Okay.

CHAIRMAN HORSLEY:

Any further questions from the Legislature? Anybody else? Okay. We have a motion to approve. All those in favor? Opposed? So moved. **APPROVED (VOTE:5-0-0-0).**

2138, Appropriating funds in connection with Capital Project 5738 - Master Plan for Gabreski Airport. (Co. Exec.)

I'll make a motion to approve, seconded by Legislator Stern. Carolyn, you want to --

MS. FAHEY:

Mr. Chair, this is the Commissioner, Yves Michel.

CHAIRMAN HORSLEY:

Yves, I am sorry.

COMMISSIONER MICHEL:

It's quite all right. It's quite all right. Thank you. Again, this is the appropriation of funds that were adopted in connection to the completion of the master plan at Gabreski Airport. The request is for \$25,000. And we feel that this is what's needed to complete the master plan as we received additional input from community advisory board members to shape this master plan moving forward.

CHAIRMAN HORSLEY:

Okay. All righty. We have a motion to approve. All in favor? Opposed? So moved. **APPROVED (VOTE:5-0-0-0).**

2151, Accepting a grant award from the New York State Department of Transportation - Aviation Bureau, amending the 2009 Capital Budget and Program and appropriating funds in connection with airport fencing and security system (CP 5721). (Co. Exec.)

I make a motion to approve, seconded by Legislator Stern. And the question to Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. This is -- let's see. We are accepting New York State grant \$360,000, is that the full amount or is that just a percentage of what the cost is?

COMMISSIONER MICHELE

That is 100%.

LEG. STERN:

That's 100%. Thank you.

CHAIRMAN HORSLEY:

Any further questions? All righty. That being the case --

MS. FAHEY:

I have a comment.

CHAIRMAN HORSLEY:

Oh, Carolyn.

MS. FAHEY:

Finish.

CHAIRMAN HORSLEY:

All those in favor? Opposed? So moved. **APPROVED (VOTE:5-0-0-0).**

MS. FAHEY:

If we're at the end of the agenda, the committee process is probably a little more appropriate than the full Legislature. We have not always agreed on everything that's come before you, but I want to wish you well. I want to put on record that I've enjoyed working with you. I appreciate and have always enjoyed our dialog and wish you well.

LEG. ALDEN:

Thank you. I appreciate that.

CHAIRMAN HORSLEY:

All righty. From the Economic Development team. I guess that's it. Okay. Motion to adjourn.

(*THE MEETING WAS ADJOURNED AT 2:52 P.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY