

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 1, 2010.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Steve Stern - Vice-Chair
Legislator Thomas Cilmi
Legislator Ricardo Montano
Legislator Lynne Nowick
Presiding Officer William Lindsay - Ex Officio Member

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 - County Executive's Office
Yves Michel - Commissioner - Economic Development
Carolyn Fahey - Economic Development
Linda Bay - Aide to Minority Caucus
Paul Perillie - Aide to Majority Caucus
Bob Martinez - Aide to Legislator Montano
Walter Rabe - Suffolk County Downtown Revitalization Committee
Ron Beattie - Oakdale Chamber of Commerce
Dot Kerrigan - AME
All other interested parties

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 2:10 P.M.*)

CHAIRMAN HORSLEY:

May we all stand for a Salute to the Flag. Thank you.

SALUTATION

May we all stand for a moment of silence for the men and women who protect our freedoms across the seas as well as at home.

MOMENT OF SILENCE

Good afternoon, everybody, and welcome to the Economic Development, Higher Education and Energy Committee of December 1st, 2010. Welcome to December, everybody. Isn't it hard to believe? But we are here anyway. We don't have any presentation today. Are there any cards? It is up here. I got it. I'd like to call up at this time Walter Rabe with the Suffolk County Downtown Revitalization Committee.

MR. RABE:

Hi. I'm Walter Rabe. I am on the Suffolk County -- Walter Rabe. I am a member of the Downtown Revitalization Committee. I'm here this afternoon to speak on the \$500,000 additional money that is in the planning stages to be added to the other downtown revitalization money.

The program -- I've been in the program about eight or nine years now. And every year, over 30 downtown organizations submit plans to help revitalize the downtowns. I think it is a great program. I know there's a lot of support for this program. It's made a lot of the villages really look nice. It makes it attractive so people go downtown and shop and hopefully stay away from the box stores.

I know in Greenlawn -- it's one of the areas that I'm in -- it's done a great deal, but the project is not finished. It's only, like, half finished in Greenlawn. And I'm sure that's the case in a lot of other areas. So they usually ask for, like, over \$2 million in requests. And every year, the committee sits down and we go through all the paperwork, the grant applications, and we have a great grading system, and we pick out which programs we feel need the money for the current year. And the program has worked well. I hope you keep the program going and that you approve that extra \$500,000.

CHAIRMAN HORSLEY:

Thank you, Mr. Rabe. We appreciate your services to the County. And we too agree that that program has had a lot of benefits. Frankly, I just recently cut the ribbon on a WIFI system in Babylon Village. Babylon Village is now wired -- the downtown is now wired the economic -- the economic community in Babylon Village. That's the first on the Island. And that came from that program. So I was -- I'm proud of that. Yes, of course, Mr. Montano.

LEG. MONTANO:

Good afternoon, sir. I'm looking at the -- right now, I understand the way it works is you are member of the committee; am I correct? And you are appointed by one of the Legislators; is that correct?

MR. RABE:

That's correct.

LEG. MONTANO:

Okay. So your committee gets to review each project and make -- you rank them and you make a determination on which projects are worthy and which ones are less worthy even though they may be needed; is that correct?

MR. RABE:

That's correct. Like I said, there's over \$2 million requested, you know, and we have to chop that down. So we grade them on a lot of different aspects. You know, and we try to be very fair.

LEG. MONTANO:

And you have been, by the way. I think you have done a great job. I'm familiar with many of the projects, some of which have been in my district, and they've been excellent.

I'm just looking at the third Resolved Clause here, and it says, "That the Community Pride and Renewal Evaluation Committee will be comprised of the Presiding Officer, Minority Leader of the Legislature, Commissioner or his designee of the Department of Economic Development, Commissioner of Parks, Director of Planning, County Attorney." Now, most of those designees are within the Executive Department. But my question to you is that if, in fact, that is the committee, what would be your role as the Downtown Redevelopment Committee in terms of reviewing these projects? It seems to me that you would not make the designation for these projects, the projects that fall under this funding; am I correct in that?

MR. RABE:

Okay. Well, what the committee does is --

LEG. MONTANO:

Which committee?

MR. RABE:

The Downtown Revitalization Committee. There's one member on the committee that's appointed by every Legislator.

LEG. MONTANO:

I'm sorry, I didn't hear that. Say that again.

MR. RABE:

One member on the committee from each County Legislator.

LEG. MONTANO:

Right. That's the way the committee is composed -- comprised right now.

MR. RABE:

Right. We actually -- we actually go through all the applications, and we make up a list of which projects would get how much money. And we don't -- then we send it back to the Legislature --

LEG. MONTANO:

Right. I understand that.

MR. RABE:

-- who actually approves it. All right.

LEG. MONTANO:

But what I'm saying is under the existing system, your committee of which is 18 -- i believe 18

people and systems from the Department of Economic Development.

MR. RABE:

That's correct.

LEG. MONTANO:

What's the issue? Go ahead.

MS. FAHEY:

There are two separate programs. The Commissioner is going to address the CPR Program.

LEG. MONTANO:

Okay. I'm aware of that. Thank you. We'll get to that.

MS. FAHEY:

So the 500,000 that's being requested to be appropriated is separate and is going to still go through the Downtown Panel.

LEG. MONTANO:

We will get to that. Thank you. So you want to have -- based on my understanding, you wouldn't have any role in allocating this money; am I correct, or are you aware of that?

MR. RABE:

I have a role like every other committee member. Me and the other 17 members, we come up with the recommendations as to who should get the money, and we each have a vote. Then we come up with that list that's sent to the Legislature to approve it or not to approve it.

LEG. MONTANO:

But from what I understand, that's a different funding source. Are you aware of that?

MR. RABE:

This is the money that's allocated to downtown revitalization --

LEG. MONTANO:

I don't think he gets it. He doesn't get it.

MR. RABE:

-- and this is the only fund that I'm speaking on.

LEG. MONTANO:

All right. You know what? I appreciate it. I think these questions are probably a little more technical than -- so I'm going to leave questions for the department. And, you know, I do -- the committee's work has been excellent. We have a representative on that committee. You have done a great job, and I really do appreciate it.

MR. RABE:

Thank you.

LEG. MONTANO:

You are welcome.

CHAIRMAN HORSLEY:

Thank you very much, Legislator. Legislator Stern.

LEG. STERN:

Yeah. You know, just before we let Walter go. First of all, Walter, yes, let me also say thank you for your time and your dedication and your commitment. You and your colleagues on that committee do an outstanding job for all of us throughout the County.

And, yeah, I agree with Legislator Montano, these are some technical questions that need to be asked regarding this separate program that as a practical matter, if approved, would have to work with the committee in some way, how formal or informal that might be, to get community input, representatives of our various communities, their input, but that's certainly some questions that I'm sure we all have for the administration.

MR. RABE:

I'd like to make one more comment while I am at the microphone. This year, there was no money appropriated due to tight budget restraints. And I guess the Legislature will know this, but for other people that might be in the room, the committee has met at different areas of Long Island and gone to different villages to see how the money was spent. And, like, for example, next week we're going to Riverhead, and we're going to go through the projects that they've been spending the money on. In June, the committee came to Greenlawn, and we walked up and down the whole village and went over how the money was spent there. And we've done this in other areas; Port Jefferson and Patchogue, I believe. So this year we didn't have any money to give away, but we went out and checked up on all the projects that money was spent on to see that it was wisely spent and to see what the project looked like.

CHAIRMAN HORSLEY:

Thank you very much. Any further questions, Mr. Rabe? Thank you very much, Walter. We do appreciate it.

MR. RABE:

Okay. Thank you.

CHAIRMAN HORSLEY:

Robert, just for my own edification, we did -- the \$500,000 was eliminated in the '011 Budget? And is now included in the 2.5.

MR. LIPP:

Well, it's from 2010. If you want me to check what's in the 2011 Budget, I can do it and get back in a minute. This is 2010 money, we're appropriating 2010 money, not 2011.

CHAIRMAN HORSLEY:

Mr. Montano.

LEG. MONTANO:

Robert, just to be clear, the initial allocated -- it was -- my understanding was that it was a two-component program; 500,000 that was to be approved by the Legislature, and those programs were selected by the Downtown Redevelopment Committee; am I correct on that?

MR. LIPP:

Correct.

LEG. MONTANO:

And there was another 500,000 that was the County Executive's component. So in total, there was a million dollars allocated to this program, which was eliminated from the Capital Budget for the

Year 2010.

MR. LIPP:

Yes.

LEG. MONTANO:

All right. And what does this do? This bill restores how much and to which component; to the Legislature or to the County Executive?

MR. LIPP:

The Executive is the 500,000.

LEG. MONTANO:

But nothing for the Legislature -- the Legislative component.

CHAIRMAN HORSLEY:

Carolyn, why don't you come on up and enlighten us, there seems to be some confusion. Commissioner, I didn't mean to exclude you. I saw Carolyn shaking her head, so I knew that we weren't on the right track here.

MS. FAHEY:

In the 2010 Capital budget, there was no money underneath the Legislative program or the County Executive's program.

LEG. MONTANO:

But every year before and every year before that, there was a million dollars allocated; am I correct?

MS. FAHEY:

For several years prior, correct, 500, 500.

LEG. MONTANO:

Five hundred, five hundred.

MS. FAHEY:

In the Adopted 2011-2013 Capital Program, there's 500,000 in the Legislature's program and nothing in the County Executive's program.

LEG. MONTANO:

In 2011?

MS. FAHEY:

Correct. This \$500,000 will be the match that will give the panel the full million to allocate through resolution to you guys next year.

CHAIRMAN HORSLEY:

Okay. So 500,000 will go to the committee to allocate.

MS. FAHEY:

The 500,000 that's appropriated, correct.

CHAIRMAN HORSLEY:

So over and above that is a million dollars that will be allocated by this newly formed committee

that's outlined in this resolution.

MS. FAHEY:

I believe it's two million that's going to the Community Pride Renewal --

CHAIRMAN HORSLEY:

Two million, right.

MS. FAHEY:

-- and \$500,000 that will go through the Downtown Advisory Panel.

CHAIRMAN HORSLEY:

Got it. Legislator Montano.

LEG. MONTANO:

This Community Pride and Renewal Evaluation Committee that's in the Third Resolved Clause, what is that and what is their role?

COMMISSIONER MICHEL:

That is a committee similar to the Downtown Committee who will evaluate the projects based on the projects that are submitted to get access to these funds.

LEG. MONTANO:

I just want to be clear. They will then be substituted as the Evaluation Committee for the Downtown Revitalization Committee that exists now.

COMMISSIONER MICHEL:

They're mutually exclusive, they're two separate entities.

LEG. MONTANO:

So the Downtown Revitalization Committee would have no role in selecting projects, the committee that exists of 18 people; am I correct?

COMMISSIONER MICHEL:

Correct. For the CPR funding. However, there will be a dialog between them to ensure that the support efforts from the CPR --

LEG. MONTANO:

Right. I get the dialog part, that doesn't phase me. I'm interested in who has the authority to make the allocations. All I would point out is that this committee consists of two members of the Legislature, but the majority and everybody else is within the Office of the County Executive. And there's not even any -- you know, while you can have a dialog, the reality is that the power to allocate and control lies in the County Executive's Office under this bill; am I correct on that?

COMMISSIONER MICHEL:

That is correct.

LEG. MONTANO:

Thank you.

CHAIRMAN HORSLEY:

Legislator Stern. You know, what may make sense at this point in time, maybe we should take this

bill out of order and talk about it since we're chatting already.

LEG. MONTANO:

So moved.

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Okay. That's **2104, A resolution to implement the community pride and renewal program and to amend the 2010 Adopted Capital Budget to provide funding in connection with the Community Pride and Renewal (CPR) Program (CP 6422) and downtown beautification and renewal (CP 6418)**, which I will take out of order. We have a first and a second on that. All in favor of taking it out of order. So moved. That puts it in front of us. Do we have any -- any opposed? No, we are good. Okay. It is now taken out of order. Why don't we discuss it.
Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. So we have the two separate allocations and the two separate programs. The first question that comes to mind is whether they -- being two separate programs and two different funding sources, projects are chosen by two separate entities, the first question is would the criteria in choosing programs be similar to the current system in place that's utilized by the current committee or would it be entirely different.

COMMISSIONER MICHEL:

There would be some similarities, but if you look at the Fifth Resolved Clause in the bill, there's nine criterias that would be in place to utilize the selection of these projects. Some of which, as you can see, the applications must be from a town or a village within the County, and their requested funding will be enacted through resolution from these municipalities and the projects must be on municipal-owned property. So there are some similarities with the downtown revitalization. But these funds are leveraged through the towns as well. And this is one of the criterias that must exist to make these projects, even in a position to be considered.

LEG. STERN:

And if there is a project that is currently ongoing within a municipality, within a downtown area, and let's say that that project originally came by way of the committee and the already existing program, the monies that are now going to be allocated through this other program, would those monies be eligible to be used towards the programs that are already ongoing even if they have slightly different criteria, and would the fact that there's already an ongoing program that already has some source of funding, would that be qualifying leverage?

COMMISSIONER MICHEL:

No. They will be mutually exclusive for that. The CPR Program is -- it can support the current efforts with the downtown, but this is not exclusively for downtowns. It's broader in scope to reach other areas of towns, villages and also civics. So what it does, it enables us to do something that is extremely targeted, but not necessarily only for downtowns.

CHAIRMAN HORSLEY:

Legislator Cilmi.

LEG. CILMI:

Thank you, Chairman. How are you, Commissioner?

COMMISSIONER MICHEL:

I am well. How are you?

LEG. CILMI:

Great, thanks. So I'm still a little confused by, I think, the initial discussion that we had on this. The \$500,000 that we just mentioned a couple of times, does that have anything to do with this bill, 2104, whatsoever? Or is this a whole different -- I mean, I know this creates a different program and appropriates different funding, but does the other funding have anything to do with this bill?

COMMISSIONER MICHEL:

It's appropriated in this bill, but they are mutually exclusive.

LEG. CILMI:

Okay. So this bill then accomplishes in addition to the monies that the Downtown Revitalization Committee expends or decides on and an additional set of money that's governed by this CPR.

COMMISSIONER MICHEL:

That is correct.

LEG. CILMI:

Okay. And it's 500,000 for the one and two million for the other?

COMMISSIONER MICHEL:

Correct.

LEG. CILMI:

Now, why wouldn't we just rather than -- rather than create a whole new program with significantly more funding than what we had in previous years, why not just augment the Downtown Revitalization Program and give a much broader review process -- put a much -- you know, keep a much broader review process in place in terms of the number of folks that are sitting on that committee? Why not do that than create this new program?

COMMISSIONER MICHEL:

Because the Downtown Revitalization Program has specific criterias or specific framework that was enabled by legislation. This program is broader in scope, and the funding can apply to projects within an area of Suffolk County, not necessarily downtowns, that can result in a longer useful life of those funds, especially as they are being leveraged by the partnering municipality.

LEG. CILMI:

Can you give us an example?

COMMISSIONER MICHEL:

Sure. The CPR can focus on infrastructure, like parking lots, things along those lines. The downtown would focus on things that might be a sign saying, "This is the Civic Association," a clock in the main square or other things along those lines to beautify that specific area. So it would go -- the downtowns would go to community groups, if you will, to expend those. And the funds for the CPR would go through the municipality of that area within the ten towns and villages.

LEG. CILMI:

If we look at, historically, the way the downtown revitalization money in channeled, I know in the case of East Islip-Islip hamlets, Islip Town has been integral in the preparation of those proposals to that committee, and they've been very successful at it. So when you say that this would give the towns or the municipalities an opportunity to have more of an input to leverage -- Carolyn, maybe

you can --

MS. FAHEY:

If I could, the difference between programs -- there are a couple of differences -- but the applicant is different. The legislation creating the Downtown Revitalization Program specifically said that it has to be community group; a civic or a chamber and it has to be something that they've always wanted. The intent of the Downtown Program was to bring to fruition a project that the local community group had always wanted to see, but the towns never had the wherewithal to bring to fund.

This program is a little different in that it's not only -- it's not for the downtowns, it could be in a community, a neighborhood, a residential area. And it's the towns to leverage their money to help offset the cost of the program and bring County money to the table. So the applicants are different and the focus of the program is different; one is downtown, to increase walkability, to increase safety, to increase economic traffic in a downtown; the other is more to enhance the livability of our local communities, whether it be, you know, a residential area or, you know, a little community center.

LEG. CILMI:

So when you say the towns -- it will give the towns an opportunity to leverage their money, is there some sort of a matching component to this?

COMMISSIONER MICHEL:

Yes.

LEG. CILMI:

Could you describe that, please?

MS. FAHEY:

Well, leveraging will be one of the criteria that scored, just like with the Downtown Program. In the Downtown Program, leveraging it gets 20 points, I think, out of 100. And when we create the categories for scoring for this program, leveraging was definitely one that we talked about that we wanted to see a higher match on the CPR Program than we do on the Downtown Program, because the communities groups are bringing money to the table, and it's very difficult to ask them to bring 50 or 75% or to ever see 50 or 75% match for a grant request. We're hoping that the town will come in with a higher leveraged amount than what the community groups can do in the Downtown Program.

LEG. CILMI:

I just have a broader question and then I'll yield. From your perspective in the Economic Development Department, the types of things that this program would be paying for, are they what's going to drive economic development in our communities truly, or is there -- what are the priorities in terms of driving economic development do you think in Suffolk County, in our communities, in our downtowns.

COMMISSIONER MICHEL:

Enabling businesses to identify an area where not only will they bring to their -- to open up shop, if you will, but they can grow. And if the downtowns or other areas within Suffolk County does not have an appealing aesthetic to them, businesses will not bring their offices, their people and also their commerce there. So it's a conduit to enabling economic development by creating an area that's conducive to that; where business would like to come to, where they would like to grow, where they would like to expand.

LEG. CILMI:

Do you think there are more pressing priorities, not in terms of, you know, where economic development is on the chain of -- because I think jobs and economic development are number one of the chain of priorities, but in terms of that -- in terms of the economic development pie and, you know, hierarchy in that realm, do you think that the projects that are -- you know, would be proposed here, would top that list of priorities in terms of driving economic development, or are there other things that we could be spending the money on that are economic development, you know, based, but that would be more effective in terms of, you know, helping businesses succeed?

COMMISSIONER MICHEL:

I absolutely believe that these projects will induce businesses to be successful there, because all of the hiring -- 80% of all the hiring will come from small and medium-sized businesses. And we would like to put them in a position where they will grow with some of the other initiatives that we're having through abatements and State-funded programs and things along those lines. So I think it's part and parcel to that to be worked in tandem.

LEG. CILMI:

Okay. For me anyway, I'd like to have a much longer conversation about it, but that's just me. Thank you.

CHAIRMAN HORSLEY:

That's just Legislator Cilmi. Legislator Montano, why don't you go ahead next. I've got a couple of questions, myself.

LEG. MONTANO:

Yeah. Legislator Stern, were you going to ask a question, or you want me to go?

LEG. STERN:

Go ahead.

LEG. MONTANO:

I agree with Legislator Cilmi, I would like to have a much longer conversation on this. But with respect to the issue of the applicant for the downtown revitalization money, I just want to be very clear that the understanding is while the applicant may be the community group, at least when it comes to the projects we have worked with, the real administer -- administrator of the project is the municipality, not the community group. We're not going out there giving money to the Chamber of Commerce so that they can run a little program. These are all Capital Projects. So it really is -- you know, I want to be clear. But this is not different than the other program when you say that the applicant is different. It really is the same, because the non-for-profit works in conjunction with the municipality.

But one other thing I will ask with respect to this is that Number 7 of the Fifth Resolved Clause states, "awards will be limited to one per Legislative District." And I am just wondering why that limitation is in there, because if, for instance, a project is going on in East Islip -- and this is for projects that are supposed to be scored so that we can get the best bang for the dollar in terms of projects. If we have a project going on in East Islip and then there's another project that's going in Islip Terrace or in Brentwood and Bay Shore, why would you limit it to one per district when, in fact, we should be doing those projects that give us the most benefit for the dollar that we're going to be bonding? What is the rationale for that?

COMMISSIONER MICHEL:

I believe it was just limited to the total size of the funding. Each project has a ceiling of \$100,000. And what we wanted to do was to enable each Legislative District to have that maximum ceiling,

which would be, you know, \$1.8 million. And the pot of this --

LEG. MONTANO:

How much is in this pot?

COMMISSIONER MICHEL:

Two million.

LEG. MONTANO:

All right. So there's 200,000 left over. So where does that go?

COMMISSIONER MICHEL:

It can be -- it can go to other projects, I guess.

LEG. MONTANO:

Wait. If there's a ceiling of 100,000 and there's one per district, when you hit -- 1.8 million, you have \$200,000.

COMMISSIONER MICHEL:

Correct.

LEG. MONTANO:

The math is off.

COMMISSIONER MICHEL:

It doesn't add up to two million.

LEG. MONTANO:

That means the math is off.

COMMISSIONER MICHEL:

Correct.

LEG. MONTANO:

But let's not debate that point. We had this debate -- and I think, Legislator Cilmi, prior to your coming on board, we had this debate where prior to, I know my being elected to the Legislature, the pot of money, the \$500,000 was divided by 18. Each Legislative District got an equal amount. And that was determined by the committee and the County Executive's office to be an unworkable system because we wanted to base the projects on those that were most worthy as opposed to just simply taking -- because there were some districts that didn't need an allocation that year, but we're going back to that now. So, you know, with that, I mean, I think there's a lot to discuss on this. Are we done with the questioning? Because I'm going to make a motion to table, but I would prefer to wait for the question. Thank you.

CHAIRMAN HORSLEY:

Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Commissioner, Carolyn, maybe going back for just a moment, I don't know if I quite understood the answer to the question before which was now if approved, there would essentially be these two separate pots, two separate programs, and if the prior program and the committee that serves to allocate the monies from the program that's already in existence, is they are -- if they've approved project or if they are in the middle of a project, if it's ongoing, could

that program or those monies that had been previously allocated be used as, can count as another sponsoring entity or municipality for purposes of leverage for gaining allocation from this new program? Can they go hand in hand or are they mutually exclusive?

COMMISSIONER MICHEL:

The beautification project, by way of example, will have a focus or a specific allocation for that fund. Now let's say if the CPR Project could be a subset or a bigger version of multiple projects and the small piece from the beautification could be part of that, the focus will be different, but one can be a superset of that. And those allocations for the CPR may apply to that if the beautification is part of that. But the focus would be different.

LEG. STERN:

Understood. But there's at least the opportunity for one project to be able to qualify for funding under the other program and they can work together.

COMMISSIONER MICHEL:

Yes.

LEG. STERN:

Okay. I have a question for you, Carolyn or maybe George. I'm looking at Page 5 of the bill, it's in the 5th Resolved, it's Item Number 6. You had said earlier that essentially it's \$100,000 cap per project. I'm just looking at the language here, "agreements for financing in whole or in part of capital improvements up to \$100,000 per project can be entered into." I mean, a quick look here -- and I take that to mean that although the -- there's a cap of \$100,000 that can be allocated from the program, but that doesn't mean that the project that's going to be allocated has to be limited \$100,000 project, correct?

COMMISSIONER MICHEL:

That is correct.

LEG. STERN:

It could be \$2 million, they might only get \$100,000 from this new pot of money, but it doesn't have to be a smaller scale \$100,000 project.

COMMISSIONER MICHEL:

Correct.

LEG. STERN:

All right. Thank you. And, George, just one more question. In looking at the bill, it's essentially two separate allocations, correct? It's \$500,000 to the existing program and \$2 million to this new proposed program. I guess my first question is can we do that? And second, is it possible procedurally that ultimately we might be able to consider these two separate allocations separately?

MR. NOLAN:

Normally, when we're funding a capital project like this, we don't put two of them together. I don't think there's any legal prohibition to doing that, but certainly they could be separated. And for the one program, you identify the \$500,000 offset, and for the new program, you find \$2 million for an offset. So I can't say why it was done this way. It is unusual. They could be broken apart.

LEG. STERN:

Thank you.

CHAIRMAN HORSLEY:

Legislator Lindsay.

P.O. LINDSAY:

Sometimes the longer you're around here, the more things come back to where they were. When this program started, it was a Legislative initiative that there was enough money that each little community got, you know, something to do flower and pots and clocks and, you know, the things that make some of our communities unique.

And, Mr. Michel, one of your predecessors, Mr. Morgo, you know, under his -- when he was head of Economic Development it changed all to merit-based program and a committee and the whole allocation -- it seems like we're going back to an allocation now for each Legislative District, which Legislator Montano pointed out.

My problem -- I always thought this was a good program, you know, but it was a different time. I mean, we are in such fiscal distress. That's my biggest objection to it, is that it's all bonded money. Our indebtedness, I mean, I asked Mr. Lipp to give some numbers on our total indebtedness. We are in trouble. I mean, it's really -- our indebtedness, if I'm reading Robert's memo correctly, has doubled in the last seven years. So I'm getting very, very concerned about how much we bond, how much we owe, and that's my major concern about it. I just think it's a bad timing right now. Thank you.

CHAIRMAN HORSLEY:

Legislator Cilmi.

LEG. CILMI:

Just one more quick question in terms of the mechanics here. Going back to Legislator Stern's questions, reference Pages 5 and 5th Resolved Clause, 6 and 7, when it says that there's a maximum of \$100,000 per project or per district, I suppose, and then it says, "awards will be limited to one per Legislative district." What if there are multiple projects within each -- or with a Legislative District that together don't get to \$100,000 or do get to \$100,000? In other words, what if it's just not one project, what if multiple projects, do you still have the \$100,000? Based on the wording of this bill -- and maybe, George, this is also a question for you legal from a legal perspective. The way it's worded, do you have, you know, up to \$100,000, or do you have one award, which, you know, if it's \$20,000, then it's only \$20,000 and then you're done? How does -- can you speak to that?

MR. NOLAN:

Well, the way I read it -- and I didn't draft it -- but the way I read it, it's one award per Legislative District no matter what the amount might be.

LEG. CILMI:

But could the term award be defined as -- in other words, if you asked -- if you said, "Here's what we want," and it's, you know, item one, item two, item three, item four, and you submit that for approval and you're awarded a sum of \$95,000 to encompass all of -- to take care of all four of those items -- am I splitting hairs?

MR. NOLAN:

So let's say one town came in and said, "We want these four projects for 100?"

LEG. CILMI:

Right.

MR. NOLAN:

I think it would be wise to rewrite this to make that clear, because I don't read it that way myself. Another person might read it the way you're suggesting, but it's certainly ambiguous at best.

LEG. CILMI:

Commissioner, do you know what the intention is?

COMMISSIONER MICHEL:

The intent was to have the project -- one project, one award. So your point is well taken, Counselor.

LEG. CILMI:

So one project, meaning that if the project cost \$40,000, then you use your \$40,000 and the \$60,000 just doesn't get used, or it gets allocated to other projects?

COMMISSIONER MICHEL:

It may get allocated to other projects.

LEG. CILMI:

To the other 200,000, which we don't know where that's going. Because if everyone is limited to -- if each district is limited to \$100,000, then you can't have Legislator Montano, for example, the district having a \$90,000, I only have a \$40,000, and therefore, the other 60 goes to Legislator -- you know, if we're appropriating two million altogether anyway, then that extra money is --

CHAIRMAN HORSLEY:

I have a quick question, Michel (sic), if I may. And it goes to the whole budget process. We're so -- we labored over it this year and how difficult it was to make all our ends meet and try to do the best thing for all parties involved. And I'm looking at some of your offsets, and a couple of them strike me as curious; one being the Sagtikos Corridor, which seems to be a major -- I see the County Executive is looking for monies for the corridor from the tunnel money where he thinks that monies have to go to Sagtikos Corridor. And we're taking out funds. And I just wonder is that is something that makes sense.

Secondly, we have -- this committee has labored over the Rechler contract at Gabreski, and I see we're taking monies out of the Gabreski contract. How does that all work? I'm just not sure about the offsets here. Could you maybe enlighten us?

MS. FAHEY:

With regards to the Gabreski project, there are -- it's projects that have already been done that we ended up having money left over from other projects. So we were looking to demolish buildings. And what we ended up doing was one was demolished with an older project funding. And we ended up renovating with in-house staff another building that we're leasing out. So the money that was going to be used in 5702 is no longer needed.

CHAIRMAN HORSLEY:

Is that the helicopter place?

MS. FAHEY:

No. It's for the cheesecake manufacturer.

CHAIRMAN HORSLEY:

Okay.

MR. NAUGHTON:

Eric Naughton, County Exec's Budget Director. On the Sagtikos project, we still have to work with New York State and get their -- figure out what they're doing with the whole intermodal project, and there's really been limited discussions. So in our view, the money probably is not going to be needed until probably 2012, so that's why we took this money now.

CHAIRMAN HORSLEY:

So your feeling on it is it's not going to be -- that was planning money planning too, wasn't it, it was both planning and construction, my recollection?

MR. NAUGHTON:

Yeah, I believe so.

CHAIRMAN HORSLEY:

So we're not going to be doing any planning in 2011?

MR. NAUGHTON:

No, because we still -- there's a lot of discussion. Work still hasn't even started yet, so nothing is going to happen next year.

CHAIRMAN HORSLEY:

All right. I'm glad you thought about these, because I was worried about it. I'm hearing so many questions coming particularly from that Sagtikos Corridor area, that how important it is for our future. And to hear that we're taking monies out of it, it leaves questions.

Okay. Are there any further -- yes. Legislator Montano, and then you want to make a motion?

LEG. MONTANO:

Yes. First of all, Carolyn, I want to thank you. You run an excellent program with that Downtown Redevelopment. With respect -- you know, we have worked very closely, and I really support that program. I'm going to move to table this bill. But I also -- before I do that, I wanted to say that when you say that there's money left over because we are not -- my impression is that there really isn't any money left over because we are bonding this. It's not like we had 50 -- you know, \$10 million in the pot, we spent eight, and we have two left over. What you're saying is that we're not going to bond this additional money this year. So it's not left over money, it's not cash in my pocket; am I correct on that?

MS. FAHEY:

What I was referring to is funds from a different capital project for the same capital projects --

LEG. MONTANO:

That we're going to bond.

MS. FAHEY:

-- that have already been bonded that -- were projects came in lower than what we had estimated, and we spent that. But to your point, correct, we're not going to bond it.

LEG. MONTANO:

We don't get that cash, we just take less of the bond. In other words, if we bond 10 million and we spend eight, we owe eight, but we don't get the 10 million and put it in another account somewhere. So it's not left over -- it's not money in my cookie jar is what I'm saying; am I correct? All right. I think that this could go on all night. I'm going to make a motion to table. I really would like

to -- is that -- what does that mean, Chris?

MR. KENT:

Could I just respond to the last comment about the bonded money?

LEG. MONTANO:

I don't really want an answer, because I'm trying to, you know, cut it short. Chris, I'm making a motion to table.

CHAIRMAN HORSLEY:

Legislator Montano --

MR. KENT:

-- let me just clarify it, because you put something out there. If we actually bonded the money, if we actually sold the bonds, the money is already there and we're already paying debt service on the total amount of bonds. So to reallocate them, you have the money that you're already paying debt service on, you've already borrowed the money and it's sitting in an account unspent, you're still paying debt service on money unspent.

LEG. MONTANO:

Okay. I give you that, and we'll talk about that another time. I'm going to make a motion to table.

CHAIRMAN HORSLEY:

Okay. There's a motion to table, seconded by Ms. Nowick.

LEG. STERN:

Very quickly on the motion.

CHAIRMAN HORSLEY:

On the motion.

LEG. STERN:

Yeah, thank you, Mr. Chairman. I'm going to support the tabling motion. Just very briefly, important issues I think that that still needs to be considered; I'm sure we all agree that this is important stuff and these are very important and worthwhile investments, and so hopefully, we can go forward in a meaningful way that accomplishes the goals that we all want to do together.

Who decides how this money is allocated I think is something that we need to continue to discuss. The Presiding Officer's point is always important for all of us to consider before finalizing ultimately what this plan and this program would look like and our budget concerns. I'm concerned about the offsets. And I think we do need to continue to look at those. Some of the language, I think, needs to be tuned up as well, so I look forward to continuing the discussion with everybody and see if we can come up with something that works.

CHAIRMAN HORSLEY:

Any further discussion? Okay. That being the case, the only motion on the floor is to be tabled. All in favor? Opposed? So moved. **TABLED (VOTE: 6-0-0-0).**

Now, let me ask you, Commissioner, how do we resolve these -- these issues? We have another meeting this year. There seems to be some interest in this committee in the general concept, but there needs to be some answers to so many of these questions. How do we get to the next step?

COMMISSIONER MICHEL:

Absolutely. Well, I will take the suggestions and the issues that were brought up, we will bring them back, we look at the resolution, modify it, put the language, and then I will communicate to every member of this committee once this new resolution is drafted.

CHAIRMAN HORSLEY:

Okay. Is that satisfactory with the members of the committee?

LEG. MONTANO:

Yes. Also, look at the allocation in terms of the exact money and how it's allocated one component to another. You know, what I'm saying there, right?

COMMISSIONER MICHEL:

Yes.

CHAIRMAN HORSLEY:

I got it. Okay. We are good. All righty. Thank you very much on that issue.

CHAIRMAN HORSLEY:

Carolyn, don't go too far, because I do have questions on the Gabreski issue. I want you to explain that. Tabled Prime.

**1980, Establishing a Long Island Power Authority Legislative Oversight Committee.
(Romaine)**

Do I have a motion for the floor?

LEG. STERN:

Motion to approve.

CHAIRMAN HORSLEY:

Motion to approve by Legislator Stern, I'll second the motion. Any conversation? Any concerns?

LEG. CILMI:

Just a question.

CHAIRMAN HORSLEY:

Sure. Legislator Cilmi.

LEG. CILMI:

George, could you just describe to us exactly what this bill would require?

MR. NOLAN:

Well, what it does is it creates -- as the title suggests -- a committee that's go -- I'll just read the pertinent Resolved Clause -- "an oversight committee is hereby created to study and analyze the rates, contracts and practices of LIPA, determine if LIPA is working in the best interest of the County rate payers, including, but not limited to an examination of LIPA's rate structure, it's a variable rate system, the use of peak/off-peak rates, and it's storm and disaster response policies."

It states who's going to be on the committee and who will make those appointments, a person who's familiar with the operations of LIPA, two experts in the operation of electric utility companies, two energy experts and a member of a civic organization. And they will meet, and they are to report back to this committee pursuant to the amended version of the resolution.

LEG. CILMI:

Okay. So the oversight committee is going to report back to our committee on what they find relative to all of those things that you just enumerated to.

CHAIRMAN HORSLEY:

Yes.

LEG. CILMI:

Correct me if I'm wrong, but do we -- we as a body don't have any authority to impose anything on LIPA; is that's correct?

CHAIRMAN HORSLEY:

I can answer that, but I will leave that to our Counsel.

MR. NOLAN:

No. We can't dictate to LIPA.

LEG. CILMI:

We can present some unified concern, right?

CHAIRMAN HORSLEY:

Constructive comments.

LEG. CILMI:

Constructive suggestions.

CHAIRMAN HORSLEY:

Exactly. Are there any further motions? Okay. We have a motion to approve. All in favor? Opposed? So moved. It moves to the full committee. **APPROVED (VOTE: 6-0-0-0).**

2056, Adopting Local Law No. -2010, A Local Law to enlarge the membership of the Citizens' Advisory Board for the Arts. (Lindsay)

P.O. LINDSAY:

I will make a motion to table for a public hearing.

CHAIRMAN HORSLEY:

Motion to table by Legislator Lindsay, seconded by Legislator Stern. All in favor? Opposed? So moved. **TABLED (VOTE: 6-0-0-0).**

2138, Authorizing the purchase of a hangar located at Francis S. Gabreski Airport, for use by the Suffolk County Police Department (COUNTY EXEC).

Mr. Kent. Mr. Kent has advised me that this is the best deal since sliced bread. Why don't you just explain to us why this is the best deal.

MR. KENT:

It's the best deal since 5000 Corporate Court. It was a fantastic deal, you guys just missed the opportunity.

CHAIRMAN HORSLEY:

All right, Mr. Kent, just go.

MR. KENT:

I don't know if you have any questions or not. The resolution is very self-explanatory. It goes back a number of years when we -- there was a decision made that we should have aviation presence from the Police Department on the East End. And I believe Inspector Cameron is here to discuss that if you have any public safety questions.

But the decision was made to occupy a hangar out at Gabreski. We are occupying approximately half of a 10,000 foot hangar, and we're spending almost \$100,000 under the lease to occupy half of the hangar. We have an opportunity to now buy that hangar for \$975,000 and also receive as a result of our purchase \$750,000 in a New York State grant to offset the purchase price. What it leaves us with is the cost of acquisition plus some improvements; it would leave us at about a \$1.4 million expense, 750,000 coming back from the State, meaning that we would service about \$650,000 worth of debt at a cost of approximately \$50,000 per year.

In addition, since we would be purchasing the 10,000 foot hangar and we are only going to occupy half of it, we will have an opportunity to perhaps recoup some -- to get some -- realize some revenue from renting out the other half privately. So we would be paying less to own the entire hangar than we are now paying to rent half the hangar. And it's coming in at about half the price of what we expected to pay in 2005 when the decision was made to bond the cost of constructing a hangar at 1.8 million and the bonds were actually issued. The County went out and served bonds in 2006 to finance the construction, and we were already paying -- right now, we are paying debt service on the bonds, and we are paying rent of the premises.

So what we can do by acquiring it is stop paying rent, realize \$750,000 in grant money from the State to offset the bonds we've already issued, and then pay the debt service on the remainder of the bonds, which is about \$650,000 -- or \$750,000 over the remaining term, which is going to cost us roughly 50 to \$55,000 a year. So I think it makes tremendous sense. Over the life of the bonds, we're going to save almost a million dollars.

CHAIRMAN HORSLEY:

I think I understand. Legislator Nowick.

LEG. MONTANO:

I have a question. She is going to explain it to us.

LEG. NOWICK:

What I understood was you do this, you do that, you do this, you do that, bottom line is instead of paying \$500,000 a year to rent, we're only paying 50,000.

MR. KENT:

We're paying about \$100,000 a year to rent now. We'll be paying about \$50,000 a year to own it, plus we'll have an opportunity to get some revenue from renting half of it.

LEG. NOWICK:

So at the end -- how long is that debt for?

MR. KENT:

It's a 20 year debt that was issued in 2006, so it would go out to 2026.

LEG. NOWICK:

What's the chances of us renting the other half, good?

MR. KENT:

Oh, it's very high.

LEG. MONTANO:

I have a question.

CHAIRMAN HORSLEY:

Legislator Montano.

LEG. MONTANO:

I'm sorry, Chris, you kind of lost me there. I'm looking at the financial impact statement, and it says we have 750 in grant money and 225 in County bonds. But I thought I heard you say that we're going to bond out 600,000?

MR. KENT:

We've already bonded \$1.5 million on this project under this Capital Project 3167. I think Robert could --

LEG. MONTANO:

Yeah, I was going to ask him next to weigh in on that. So we bonded --

MR. LIPP:

It's a little confusing, the financial impact statement.

LEG. MONTANO:

A little? That's an understatement.

MR. LIPP:

I'm trying to be kind.

LEG. MONTANO:

Go ahead, Robert. You're really good at clearing things up for me.

MR. LIPP:

As Chris had stated, we looked it up. We issued, back in 2006, 1.5 million for this. So the project has been sitting there waiting to be completed. And as Chris said, we're already paying debt service on this. It probably would be wise to get the project done with, not leave on the table \$750,000 in State aid. They plan on spending the remaining, like, 1.4 million that's left in terms of borrowing a combination of 975, I believe it is, for the purchase price and the remainder for renovations to the building. The renovations would, in turn, enable them -- or us, I should say, to lease out half of the premises.

LEG. MONTANO:

So you agree that it's a good deal.

MR. LIPP:

Yes.

LEG. MONTANO:

Thank you.

CHAIRMAN HORSLEY:

Chris, just quickly, what kind of condition is the building in?

MR. KENT:

Inspector Cameron can answer that. This is Inspector Cameron from the Suffolk County Police Department.

INSPECTOR CAMERON:

Good afternoon. When we started leasing the hangar back in 2001 when we started the East End operation, it was a brand new hangar. So it does need a little bit of work, but it's in overall very good condition. It would dramatically improve our working conditions, because when we started out, our pilots were actually out in the hangar, and we've since moved them into what was originally storage rooms that were converted. But since we're going to get all in the hangar, we can move them to the other side, and they'll actually get office space that was built for human habitation. So not only will the County save a lot of money -- the County will save a lot of money, it will dramatically improve our working conditions out there. So it's not often that you get an opportunity to do that.

CHAIRMAN HORSLEY:

Okay. Thank you very much, Inspector. We do appreciate that. So it's in pretty good shape is what you're saying?

INSPECTOR CAMERON:

Yes, sir.

CHAIRMAN HORSLEY:

The bottom line is. Chris, one more quick question on this. Do you think -- is it possible that the rental you'll get for it will offset the cost for our debt service?

MR. KENT:

It is possible. We're currently renting half of the premises for \$96,000. And the owner is currently asking for an escalation on that rent, three to 5%. So roughly -- you know, just going forward, we're roughly looking at \$100,000 a year to rent half of the hangar, currently. Our rental would be that much.

CHAIRMAN HORSLEY:

So we're in the ballpark.

MR. KENT:

So you can expect that we could get 50,000 -- 40 to \$50,000 to rent half of the hangar.

CHAIRMAN HORSLEY:

That's good. I like that. It's getting better. It's almost like sliced bread. Legislator Montano.

LEG. MONTANO:

Yeah. Just out of curiosity -- I am going to support this, but who is going to rent this? Who do you rent this to? Who is in the rental market for a hangar or half a hangar?

MR. KENT:

Private jets, things like that. If you have a private jet, you can afford the rent.

CHAIRMAN HORSLEY:

There you go.

LEG. MONTANO:

What was that, Chris? If I had a private jet --

MR. KENT:

If you have a private jet, you can afford the rent.

LEG. MONTANO:

Okay. We won't be talking. Thank you.

CHAIRMAN HORSLEY:

Okay. Are there any further questions from the Legislature? Anything else you would like to add?
Okay. Do we have a motion to approve? I don't think we do. I make the motion to approve,
seconded by Legislator Stern. All in favor? Opposed? So moved. **APPROVED (VOTE: 6-0-0-0)**

That concludes our business here today. Motion to adjourn.

(*THE MEETING WAS ADJOURNED AT 3:09 P.M.*)

{ } Denotes being spelled phonetically