

ECONOMIC DEVELOPMENT COMMITTEE
GOVERNMENT OPERATIONS, PERSONNEL, HOUSING & CONSUMER PROTECTION
COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE
MINUTES

A special joint meeting of the Economic Development Committee and the Government Operations, Personnel, Housing & Consumer Protection Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on May 20, 2014 to discuss the Capital Budget.

MEMBERS PRESENT:

Leg. William Lindsay III, Chair of the Economic Development Committee/Vice Chair of the Government Operations, Personnel, Housing & Consumer Protection Committee
Leg. Robert Calarco, Chair of the Government Operations, Personnel, Housing & Consumer Protection Committee
Leg. Steven H. Stern, Vice Chair of the Economic Development Committee
Leg. Kara Hahn, member of the Economic Development Committee/member of the Government Operations, Personnel, Housing & Consumer Protection Committee
Leg. John M. Kennedy, Jr., member of the Economic Development Committee
Leg. Jay H. Schneiderman, member of the Economic Development Committee/member of the Government Operations, Personnel, Housing & Consumer Protection Committee
Leg. Kevin J. McCaffrey, member of the Economic Development Committee/member of the Government Operations, Personnel, Housing & Consumer Protection Committee
Leg. Thomas Cilmi, member of the Government Operations, Personnel, Housing & Consumer Protection Committee

ALSO IN ATTENDANCE:

Presiding Officer DuWayne Gregory
Leg. Al Krupski, 1st Legislative District
Leg. Robert Trotta, 13th Legislative District
Leg. Sarah Anker, 6th Legislative District
Leg. Thomas F. Barraga, 11th Legislative District
Leg. Kate M. Browning, 3rd Legislative District
Robert Lipp, Director/Budget Review Office
Laura Halloran, Budget Review Office
Robert Doering, Budget Review Office
Benny Pernice, Budget Review Office
Lora Gellerstein, Chief Deputy Clerk of the Legislature
Tom Vaughn, County Executive's Office
Lisa Santeramo, County Executive's Office
Scott Mastellon, Assistant Deputy Commissioner/Police Department
Joanne Minieri, Commissioner/Economic Development

Carol Fahey, Economic Development
Christine Delisi, Aide to Leg. Schneiderman
Catherine Stark, Aide to Leg. Krupski

MINUTES TAKEN BY:

Diana Flesher, Court Reporter

THE MEETING WAS CALLED TO ORDER AT 1:14 PM

CO-CHAIR CALARCO:

Okay, if we could all rise for the Pledge of Allegiance led by Legislator Hahn.

SALUTATION

GOVERNMENT OPS, PERSONNEL, HOUSING & CONSUMER PROTECTION

Okay, thank you. We are waiting on Legislator Lindsay who should be here very shortly to Chair the Economic Development portion of the meeting, but we'll get started with the Economic Development, Government Operations -- excuse me -- the Government Operations, Personnel, Housing and Consumer Protection Committee portion of the agenda. I do not have any cards. Is there anyone from the public who would like to address the Committee? Is there anyone from the public? Seeing none, we're going to move right on.

I do see that there are several different representatives from the Administration here. What we'll do is get started with any items that are particular to the Government Operations and Consumer Affairs, Personnel, Housing. I do see that Scott Mastellon is here. I know there was a project specific to Consumer Affairs, I think, he was here to speak about. Perhaps, Scott, you can come up or perhaps Mr. Vaughn. So as I understand, there's a project that's here that's, I believe, a new project to obtain some software for a licensing program for Consumer Affairs through our -- I guess it's an overall -- over the course of the year is a program to give us a software to have one integrated system for all of our licensing that we do? Maybe you fill us in what it is and why we need it.

MR. MASTELLON:

Sure. It would be a county-wide -- am I on now? This is Scott Mastellon. I'm Assistant Deputy Commissioner of the Police Department and member of Performance Management Group.

Yes, so it's a county-wide business licensing software solution to initially support the implementation of the Taxi and Limousine Commissioner. And then subsequently to support the implementation of the overall Consumer Affairs Division for Occupational Licensing. It does in addition to that provide additional capabilities for general licensing throughout the County. And there's opportunities to utilize this software down the line for other departments for that purpose.

CO-CHAIR CALARCO:

Okay. So this is actually a software program we're looking to bring in this year, not necessarily in the future?

MR. MASTELLON:

That's correct. We would bring it in this year. We're working with the Budget Office currently right now identifying an offset to support the initial purchase of the software to implement the Taxi and Limousine Commission; and then utilizing Capital Program in future years for CA and other potential departments.

CO-CHAIR CALARCO:

Okay. And have you actually already selected a particular piece of software that you would like to purchase? Did we go through our process for that? How did we come about coming up with this project and the terms?

MR. MASTELLON:

Sure. In December of last year we issued out an RFP on the street. And five vendors responded to that RFP. It was evaluated, and we have made a initial selection of a vendor. Accela is the name of the company that was selected as part of that. And at this point in time they're more or less in a holding pattern until any potential funding has been approved or will be approved down the line for the project.

CO-CHAIR CALARCO:

And so the thought process here, if I'm not mistaken, is that you're going to want to have this process in place pending the County Legislature approving the creation of the Taxi Limousine Commission so that when that entity's ready to go live, you have some sort of system in place to actually get these people -- the limo companies signed up and enrolled and get that program operating.

MR. MASTELLON:

That's correct, yes.

CO-CHAIR CALARCO:

Okay. That's all the questions I have. Does anybody have any questions on this particular issue? Legislator Krupski.

LEG. KRUPSKI:

Thank you. What's the -- could you tell us the timeline for setting up that Commission? And the relative cost administration versus proposed or projected revenues?

MR. VAUGHN:

Legislator Krupski, if you don't mind, I'm going to jump in with this a little bit. One of the reasons why we feel that this is an important Capital Project is -- and why we disagree slightly with BRO's recommendations is that BRO's recommendation is to hire a planner and perhaps bring this project in-house. And while we understand the need and the desire to do projects in-house, and I think that IT would tell you that they would like to -- you know, as every department, would like to have some additional staff members, one of the things that the BRO Report does not account for is the idea that we are not planning on significantly adding to the current level of staffing over at the Consumer Affairs when they bring TLC on.

TLC in Nassau County, it's my understanding, and Scott can correct me if I'm wrong, is a Department that's run by -- by like 9 to 10 people over there. And that's not a bureaucracy that we're looking to recreate here. Our initial revenue projections on TLC, and I don't have them in front of me so I apologize for that, are not particularly high. The current plan right now is to roll the program out rather softly, start with the limousines and then bring more on. We have the local law in front of the Government Operations Committee this month. And Commissioner Chu will be here to kind of address more the specifics of that law at that point in time. But we are -- the

current plan is to go forward with that law and then to bring over a offset for \$300,000 to do the first piece of this technology part. And that's why we think this is really kind of an important Capital Program to leave right where it is at this point in time. I hope that answers most of or at least parts of your questions.

LEG. KRUPSKI:

You're looking for -- well, you're looking for a \$300,000 offset, but what's the -- like what's the cost of the -- for the first year, what's the cost of the administration?

MR. VAUGHN:

The cost of what, sir?

LEG. KRUPSKI:

The administration.

MR. VAUGHN:

The administration of the program? I think we're -- I don't want to tell you that there's no cost, but the cost is going to be folded into the existing staff members that are there. So the cost, as far as I'm concerned, I'm not a budget individual, but the cost in my opinion would be the \$300,000 that it's going to cost us to purchase the software. And that we are -- we're pretty confident that we can do that without adding the additional staff that I mentioned. So it's a way -- it's a way of mitigating having to bring on additional staff members.

LEG. KRUPSKI:

Thank you.

CO-CHAIR CALARCO:

Thank you. Legislator Mr. Cilmi.

LEG. CILMI:

Thanks, Mr. Chairman. So as I recall, if I recall, talking about this several months ago, we were debating the whole issue of whether or not to engage in the Microsoft Enterprise Agreement back then, one of the lines of questioning that I had was the training support that would be required in order to make the best use of that software. Because, you know, we could have the most advanced computer system in the world. If we don't back that up with the appropriate level of training, it will basically sit there unused to its fullest capacity, which we can probably make the argument that's happening now with what we have available to us. Because I don't know that there's any significant or substantive training program in place to, you know, provide education to our employees on how to make best use of the software programs that they currently have available to them.

So my question, I guess, is you're asking us to put a couple million dollars into the Capital Program for this Enterprise Agreement. What sort of commitment can we make from an operating point of view the training for this? Or am I totally off base?

MR. VAUGHN:

You're totally off base, sir, with all due respect. This is not the Enterprise Agreement that we're discussing here. This is Capital Project 1819. And this specifically pertains to licensing in Consumer Affairs. That being said, however, there is -- and Scott can kind of jump in here, there is a training component to this program.

MR. MASTELLON:

If you'd like --

LEG. CILMI:

My apologies. I was looking at 1815 in the Capital Budget and 18 -- sorry, I was looking at 1819 in the Capital Budget and 1815 in the review. So this is exclusive, then, to -- but as you said, Scott, it could be used in other departments as well.

MR. MASTELLON:

That's correct. Does have a potential to be utilized in other departments that require some sort of business licensing or general licensing and/or permitting requirements.

MR. VAUGHN:

The other part to add to that, Legislator Cilmi, just quickly would be that the advantage of the way we are rolling this out is \$300,000, start with TLC; and then we have the money -- so there would be -- the Legislature would have the opportunity to vet that project and approve that this year. So that would be the first start.

Next year with this being left in the Capital Budget, which we would like to see it remaining in the Capital Budget, there would be an opportunity yet again to say "is this working? How is this progressing? Do we think it should expand to the rest of the office of Consumer Affairs?"

Then subsequently after that if there -- if the program is deemed to be working in Consumer Affairs, then we can begin to look to see if it would be a program that's applicable across other County offices. But for right now, the part that we are most concerned about is the bill that we will be bringing over in the future and money for 2015.

LEG. CILMI:

So I can appreciate the need to provide IT infrastructure for the Taxi and Limousine Commission. But I thought that one of the directions that the County wanted to go in as far as our overall IT infrastructure was to make it more unified; in other words, to make -- whatever -- whatever software we're purchasing, if we're spending a significant amount of money, we want to do it in the context of the needs of the County as a whole, not just, you know, Consumer Affairs. And, Tom, you're suggesting, if I'm reading into it, I apologize, but you're suggesting that we buy this now, we implement it at the Taxi and Limousine Commission, we determine at that point whether or not it's, you know, we can use it in other departments or how we can use it in other departments or in other areas of Consumer Affairs and Labor, and then further than that we can determine whether or not we can use it in other areas of the County. It seems that that's contrary to what we originally talked about when we -- when we hired Don Rodgers and we talked about the whole federated model of IT.

MR. VAUGHN:

Sure, and I actually kind of disagree with that to a certain extent. And the reason that I disagree with that is I don't -- you have to make sure that what you're buying works, I think, first and foremost. I mean, and like so many things, I think that the way that you're -- you know, you buy a program, I buy a car, you know, before I go out and buy all those cars for whoever else, I want to make sure that the version that I bought first of all works. I mean I think that's why you start it in one place. You don't roll -- you buy a program that has that expansion capability, which this one does, that would be able to be used in licensing in other departments, which we believe that this one can be. Correct, Scott? And then -- but you started in one place. I'm not asking you for a \$50 million commitment today on doing the entire County. We're talking about -- we're talking about a reasonable rollout of a piece of -- of a piece of software that we think will have Countywide federated implications.

LEG. CILMI:

I'm not saying that it's unreasonable. I'm just suggesting -- I'm asking the question whether or not

we've given it the, you know, whether we thought about it in the context of the overall, you know, the County's overall IT infrastructure. That's all.

MR. VAUGHN:

Absolutely.

MR. MASTELLON:

Yeah, when we issued the RFP, it indicated a number of different countywide functions that we wanted for it -- the software itself to support. And during the evaluation of the software itself, we reference checked a number of different entities, municipal entities that were running the software and running it in such a way that it's a countywide and/or citywide function. Currently right now New York City's running Accela, this particular program throughout the entire City for licensing and permitting. New York State is also utilizing this software for all of their Department and State licensing requirements. In addition to that, there are numerous other counties and cities that are using this in that capacity. So we do feel confident that the software itself has the capabilities; however, as Tom alluded to, it's important to ensure that it's going to meet our specific needs. Therefore, we will have an opportunity to evaluate this, vet this, and ensure that it is appropriate to move forward. And if so, we can go ahead and do that obviously with your support and your approval. However, we would like the opportunity -- and an out, sort to speak, in the event that we do run into problems.

LEG. CILMI:

So what exactly do you envision it doing? I mean talk to me about exactly how it will work.

MR. MASTELLON:

There are a number of different components that are required for this particular software. First and foremost is the licensing capture. So when an individual is -- requires to issue or wait -- we are required to issue a license. We have to take that information in. We have to do a research on the individual applying for the application for the license itself. And at that point in time make a decision as to whether or not it needs to be issued. And we'll utilize the system to issue that complaint.

In addition to that, in the event a complaint is registered by the public with regard to a -- in this particular scenario Consumer Protection issue, that information would be logged into the system and an investigator would be associated and assigned to that. And the system itself would support the assignment of that complaint, that investigation, if you will, throughout the entire process.

Furthermore, in the event that a hearing was -- or a violation was issued to a particular licensee, that information would be compiled and recorded within the system. So when you look at, you know, the major components, those are some of the major components. When we talk about licensing, we talk about complaints, we talk about violations, obviously receding money, taking money on line. So those are the major things that this software would utilize.

LEG. CILMI:

Forgive me, and I don't want to get too much into the weeds here, but it sounds to me like all of that can be done using Excel.

MR. MASTELLON:

Well, I think it's a little bit more complicated than simply using Excel. In my opinion there are a tremendous amount of intricacies associated with the actual relationships of information, data, licensees. And this system in itself will enable us the ability to track all of that information accurately, report on that information accurately, and allow us the ability to measure our overall performance with regard to the overall operation.

LEG. CILMI:

Okay, fair enough. How does this support or how is it supported by or how does it relate to the Capital Project request that I alluded to errantly when I first started questioning you? That's Capital Project 1815, which is the Microsoft Enterprise Agreement.

MR. VAUGHN:

Legislator Cilmi, I'm sorry, we're not -- we're not going to discuss the Microsoft Enterprise Agreement at this point in time.

LEG. CILMI:

Why? Well, all right. So -- but you've asked us to -- you've asked us to authorize in a Capital Program, you know, this money for an IT purpose, which may be able to be used pervasively throughout the County. And there's also a request for, you know, another couple of million. I don't know what the exact amount is, but another couple of million for a Microsoft Enterprise Agreement. So my question is does this -- does this project -- will this project work in concert with other IT requests that you have in your requested Capital Program?

MR. VAUGHN:

The program will work -- could work in concert with other programs, but it can also operate independently of those programs. So, for example -- and I guess that's an -- that's a long way to say we have the assisted, we have the current -- Microsoft-wise we have what we need to run -- to run this program. And what equipment and hardware we don't have right now is included in this Capital Project. And we believe that this will be able to be run not only to help us get TLC off the ground, which we think is an important project, and really the way that we envision running TLC, given the fact that we don't want to -- we don't want to bring on additional staff members for the -- for simply TLC purpose, we believe that this program will be able to operate in our current environment. And whatever -- as I said whatever additional technology pieces of hardware that you would need for this are accounted for in this Capital Project.

LEG. CILMI:

Okay. So can you not speak at all to project number 1815 specifically?

MR. VAUGHN:

On the advice of Counsel, that's correct.

LEG. CILMI:

Okay. Thank you.

CO-CHAIR CALARCO:

Okay, Presiding Officer Gregory.

P.O. GREGORY:

Thank you. I'm a little bit at a loss, I guess, because, you know, because my understanding with the Microsoft Agreement, and I'm just going to state this, was that it's a, you know, for the purposes of providing a uniform platform that all offices would be able to communicate with each other so no one office is a silo, seems to be very similar to what this licensing agreement or -- excuse me -- this Capital Project provides. So I'm just trying to -- I'm curious if we can't ask any questions about the Microsoft Agreement, how can we find out if there's -- because there seems to be at least some level of redundancy. And how do we address that? I think Mr. Vaughn did say that this 1819 can run independently of anything else, but it doesn't necessarily address the issue of redundancy as to at least what my understanding of the Microsoft agreement was. So is 1819 necessary, given that if we went forward with the Microsoft Agreement? Or, you know, how do we get to the bottom of that?

MR. MASTELLON:

Sure. The idea here is that this is a software platform that will sit on top of the Microsoft infrastructure; Microsoft infrastructure being, you know, server, applications and operating systems; Windows, Desktop operating systems. It will integrate with Microsoft Excel, Microsoft Word to enable us the ability to generate -- automatically generate letters to evaluate information from the database within Excel. So the Microsoft Agreement provides an overall platform for technology. And this application sits on top of that platform and delivers a service, which is licensing service, to the various departments. You know, obviously specifically within the TLC and within the Consumer Affairs.

P.O. GREGORY:

Okay, all right. So that somewhat answers what I was looking for. So thank you for that. I guess the next question goes to BRO's recommendation. They feel that this can be done in-house. And if you look up the numbers, the savings, even the one year, and even, you know, the life of the bond, I think, it kind of -- you know, it pays, I would imagine, for itself, at least for the personnel cost. What is your response to that?

MR. VAUGHN:

Well, and I hate to put words into BRO's mouth, but I don't think -- I think that when they figured out those costs, it was based on hiring programmers. I don't think it took into account whatsoever about possibly hiring more staff over at Consumer Affairs to run this function. And, as I said, Nassau County has a -- Scott, nine to ten? Nassau County has more than one person running their TLC right now. Our plan and the model that the Commissioner wants to incorporate is to make this an additional licensing function on top of the licensing functions that he already has his individuals doing and not make it a standalone entity. And I don't think -- and, again, if I'm wrong, BRO will certainly correct me, but I don't think that there was any -- that wasn't factored into those savings cost.

P.O. GREGORY:

But couldn't DOIT have programmers, hire programmers to create the program? The personnel whoever in Consumer Affairs, they would still have to run the program, whoever, whether we bought it off-the-shelf or we did it in-house, right?

MR. VAUGHN:

Again, I think that -- first of all, I don't know that I necessarily agree that there's a one-to-one relationship with -- we hire an individual, they will definitely be working on this program. I think that when we have the Acting Commissioner of IT in front of us tomorrow, I think he'll tell you that he would love to hire additional programmers, but he's got other things that those individuals could be working on rather than perhaps just this program.

I think that what we have here in a lot of ways is an opportunity cost. We have programs and we have things that we programmers working on such as the -- such as maintaining our current timesheet database, correct, payroll database, that's what I meant, IFMS programs such as that. And that takes up a tremendous amount of manpower. This is a program that we have gone out, we've talked, we need to implement this sooner rather than later, which is one of the reasons why we would be bringing over an offset. And I don't think that under our current -- I think that you would be severely hampering some of our timelines if we -- and that is certainly -- that is certainly your right, but under the timelines that we had envisioned going forward with TLC, started with the adoption of a local law in June and being able to start implementing some version of this program before the end of the year, if you were to bring on additional staffers, there's the lead time of whatever it would take to bring on the additional staffers. It probably would not be a program that you would assign to someone initially right out of the gate which means developing -- having individuals start to hand off work to those new staffers so that -- where they can be trained up on

things. I think that we would severely push back the implementation of this project. And I think that's a real concern that we have.

P.O. GREGORY:

Well, I mean, because we hire new people doesn't mean that new people have to do the programming.

MR. VAUGHN:

No, but the older ones would have to -- would have to shift off with the programs that they are working on. Sorry, I did not mean to interrupt you.

P.O. GREGORY:

Right. But the -- you know, you are in control, you do supervise employees; so to say that "well, we don't know if they would be -- " you know, you tell them "this is what you're going to be working on for the next six months." That's, you know, kind of the end of the story. It's not their choice.

MR. VAUGHN:

No, and I don't disagree with what. But what I'm saying is once -- we have -- we have a program here which is somewhat of a known quantity. We can choose to purchase this program. We can choose to implement this program. We can choose to go forward with this. We bring on additional staff members; we hire those individuals. When I say we don't know that this would necessarily be the project that they would be working on, you know, the Commissioner -- our Acting Commissioner of IT is responsible for looking at more than just TLC and looking at more than just the needs of the Office of Labor and Licensing and Consumer Affairs. He is responsible for looking at the needs across the County. And when you begin to break that out, I'm not positive that that would be what he would feel is the best allocation of his resources given that scenario. I think that if he was to be assigned more programmers, and even -- and even, again, when you bring on more programmers, you need to begin to look at who you would need to be doing the work also down the line. Do we need more people to be maintaining switches and all sorts of other technical stuff? Technical stuff I believe is the technical term for that. And that's where you get into that question of would that be the project that they're working on, not -- of course, Mr. Presiding Officer, if we assign someone to a project, we would tell them what they're working on, that's what they're going to be working on. But it doesn't necessarily -- while this is a priority for the Office of Consumer Affairs and certainly a priority for the Administration, we would want to -- we have to make sure when we're talking about bringing on a new individual, whether or not it would be that -- whether it would rise to the top. There may be something over in the Police Department or in Health or somewhere else where that individual's resources might be more needed.

P.O. GREGORY:

Right. I mean there's obviously always more, you know, everyone has their needs and demands.

MR. VAUGHN:

Sure.

P.O. GREGORY:

But I would imagine if the Administration said "this is a top priority for us", you know, we now have a rogue, you know, Commissioner out there who says "oh, you know, forget what they want. I'm going to do what I want," that's not going to happen. So I don't really see that as an issue. I mean, you know, when you look at the potential savings, I think, it, you know -- I mean we're in a situation where we're trying to reduce our debt service. This could potentially -- not potentially, will increase our debt service. And the savings on an annual basis, it looks like it could possibly pay for one or two more programmers with, you know, salary and benefits. So that's something to consider.

MR. VAUGHN:

Mr. Presiding Officer, the other thing that I would just ask you to consider, and that is I would go back to the thought that the Capital Budget is most certainly a planning document. And I understand the need to consider whether or not this would be a savings or an additional cost to the County. And I certainly understand that, but that's why all these projects have to come back to you guys. And that's why -- and I would argue that this would be a much better debate to have as to whether or not we should be expanding IT staffing levels during the Operating Budget at a time when we can -- when we kind of look at the entire world as a whole; rather than right now we're talking about "here is a somewhat isolated number picked out without context." And while I understand that maybe in this scenario adding additional staff members may -- may seem like it results in a savings here, what is the -- are adding these additional staff members here at this moment in time more important than adding something else somewhere else, which is an argument that we get to really have more in fullness during the Operating Budget process.

So even if there is a desire to possibly see these projects being brought in-house, I would maintain that they're still critical to leave in the Capital Budget right now because they are -- they're projects that are a definite priority and that we don't have an alternative on at this moment in time; and that we wouldn't have an alternative on until we had that Operating Budget discussion. I mean I checked last year's Operating Budget BRO Report. There wasn't an additional program.

CO-CHAIR CALARCO:

Mr. Vaughn, let me ask you this question: Because I think it actually gets to -- Budget Review has raised a kind of important issue that -- I brought this up in Public Works earlier about our engineers. And I didn't think it was necessarily the topic or discussion for this particular Committee hearing. It would be more appropriate in Information -- Education and Information, but let's do it anyways. If we were to try to bring people in-house to do this work, that's something we're talking about doing through the Operating Budget, right? I mean we're not looking at -- I'm certainly -- I don't think anybody's recommending that we're hiring people this year for this particular -- any of these new particular purposes. I would assume that's a pretty fair statement.

So what we're talking about is to a degree an issue of what's the immediacy of a project versus what is the long-term goals of the County. If our long-term goal is to have people in-house that would do the work, which I think we all would probably say is a better option than constantly going out to find consultants to do work, that would be a good thing. But we're looking at then having to go through this budget process in the fall, potentially putting some positions into the budget, although it's going to be a tight one for '15. Then gearing those people up in '15 and then getting them working on a project.

So I guess when you put that in relation to the projects that Budget Review has identified as being more appropriate for that purpose, the question to the Administration is the urgency of these projects. Because even if you did have the capacity to bring the people on to do the work, to create the projects, to do the software program, how long -- maybe Scott could answer this question. If we wanted to implement this system using our own people, how long would it take for them to do it?

MR. VAUGHN:

So, Mr. Chairman, with all due respect we do have the Commissioner of IT who's going to be with us tomorrow during the Education project -- or during the Education portion of the public hearings tomorrow. I did not anticipate that question. However, I would refer to something that Commissioner Anderson said earlier today. And what the Commissioner was talking about was really projects that we would be thinking about going forward and perhaps in the future. And I think that one of the problems with the idea of maybe we'll add additional staff members and maybe these projects could be brought in-house is the fact that you would be delaying the start time on a lot of these things. And with the GIS and the implementing for a taxi and limousine -- and pardon

me, what is 18 --

CO-CHAIR CALARCO:

I think a lot of those other projects don't --

MR. VAUGHN:

-- and the timesheet project, these are projects that, I think, it's important to get started on now. And I don't think that if the desire is in the future to change our -- to change direction and begin bringing more of these things in-house, that's a debate, I think, that should certainly be had. I just don't believe that with these projects at this moment in time that's where the debate --

CO-CHAIR CALARCO:

Well, the real part of the debate is the question of if that's the direction we want to head in, and if it is, at what point in time can we actually start implementing that without having consequences to our ability to move forward with projects that we're looking to advance today.

MR. VAUGHN:

I agree with that. And I think that the concern is certainly with TLC. You would have a real impact on that if this got dropped out of our Capital Program, it would really severely, we believe, impact.

CO-CHAIR CALARCO:

And the goal at TLC is that we're actually hoping to have that thing up and running by the middle of the Summer, right, by June? We wanted to have it -- in fact, we're already running a little bit later than we were hoping to have it up and running.

MR. VAUGHN:

Yes.

CO-CHAIR CALARCO:

We have a resolution before us in this Committee actually we'll be hearing next week to authorize the creation of that entity.

MR. VAUGHN:

Correct.

CO-CHAIR CALARCO:

And if they don't have the software program to operate under, what would they do?

MR. VAUGHN:

They would be operating in an environment that involves a lot more paper than we currently are anticipating. And I would say that we would have to then come back and have a larger conversation about whether or not we need to add more staff members to the project. Because while we may be able to -- with a soft opening start and start having some of the limousines come on board with a license to expand the program as intended, I don't think that that will be possible without having the right pieces of software in place or severely --

CO-CHAIR CALARCO:

Would you be able to -- what do we use now for licensing over there?

MR. MASTELLON:

There was an application that was developed back in 2005 to support the Consumer Affairs Occupational licensing. That has been in place since 2005 to support that operation.

CO-CHAIR CALARCO:

Did we develop that or did we purchase that?

MR. MASTELLON:

That was a custom application that was developed by a contractor, which was turned over to the County and is currently being maintained by the County Department of Information.

CO-CHAIR CALARCO:

We didn't build that ourselves in 2005. Okay.

MR. MASTELLON:

I would like to add the fact that just with regard to this project and this software, the intent is to train our IT resources to effectively be able to utilize, configure, implement various changes to the software programs to the point where we can lessen our reliance on the contractor or vendor for implementation services over the long haul.

So by effectively providing our own resources with the necessary training and implementation skills, they can begin to -- our own people, that is, can begin to implement various changes to the point where we will not require to pay an outside vendor. Simply we would be relying on the outside vendor from a licensing standpoint. We would require to pay them a maintenance fee, but we -- ideally we want to be able to take as much of this implementation/configuration services, you know, internally to the point where we can handle that.

CO-CHAIR CALARCO:

Okay. One last question on the actual program itself, you mentioned that New York City uses this program -- this platform, this program, the State uses it. Would this give us inter-jurisdictional communication abilities, especially one that applies to TLC and you have limousines that are operating in various jurisdictions?

MR. MASTELLON:

Currently right now the TLC within New York City is not on the Accela platform. It is in the process of looking to get on that platform. However, that being said, with regard to New York State, there are potential for inter-municipal data exchanges and things of that nature to enable us the ability to verify various licensing information.

In addition to that, the Town of Brookhaven is currently operating the Accela platform in their Building Department. So there's a potential for us to leverage that environment and exchange -- electronically exchange data information as it relates to both Taxi Limousine Commission information in addition to electrical and, you know, various contractors that are, you know, that are regulated within the Towns as well as the County.

CO-CHAIR CALARCO:

Okay. Very good. Does anybody else have any questions for the Administration on this or any other issue related to Government Operations and Capital projects associated with that? Seeing none, I'm going to hand the microphone off to my colleague, Legislator Lindsay, to take over for the Economic Development portion of the Public Hearing.

ECONOMIC DEVELOPMENT

CO-CHAIR LINDSAY:

Thank you. Miss Minieri, if you wouldn't mind coming forward and we can work through the Economic Development side.

Good afternoon. Thanks for being here. I guess a good place to start would be if you could walk

us through the proposed plans for the IDA going into next year. And obviously there's been a lot of changes of recent date and maybe how some of those changes will be effected -- will affect the budget long-term.

COMMISSIONER MINIERI:

Hello? Okay. I don't think any of the activity that's occurring at the IDA would impact the Capital Budget for Suffolk County. In fact, I think some of the things that are going on at the IDA will enhance the Economic Development initiatives that the County is hoping to continue to pursue and develop.

CO-CHAIR LINDSAY:

At this point I'll open it up to my colleagues, see if anybody has any direct questions for Miss Minieri. Legislator Cilmi.

LEG. CILMI:

Hi, Joanne.

COMMISSIONER MINIERI:

Hi.

LEG. CILMI:

How are you today?

COMMISSIONER MINIERI:

Good.

LEG. CILMI:

Take us through, if you would, the top five priorities in the Capital Program for Economic Development and Planning.

COMMISSIONER MINIERI:

Okay.

LEG. CILMI:

Just if you would indicate, you know, project numbers or whatever to make it easiest us for us to reference.

COMMISSIONER MINIERI:

And they're all equal in priority, but I'll give you the five.

LEG. CILMI:

Okay.

COMMISSIONER MINIERI:

First, I think you all are very much familiar with the Workforce Housing Program project number 6411. And its sister program for land project number 8704. Those are important economic development and planning tools for the creation of workforce and affordable housing in the County of Suffolk. I think that we've had some previous discussions at this Committee regarding the need for housing in order to attract and retain the businesses within this County and to create and grow jobs as well as to continue to develop and retain the young creative class, which would allow us to have a long-term, sustainable economy. That economic -- those economic development tools 6411 and 8704 are ongoing programs that assist the developer and the municipality with creating the affordable housing component of mixed use developments. We've used that tool over the last two

5/20/2014 Capital Budget re: Econ Development/Gov Ops, etc

years during -- which I have been with the County. We've done over 800 units of affordable and workforce housing, some rental, some ownership.

Right now we have a pipeline of requests for projects that indicate clearly that there is definitely a focus on meeting the demand that is out there. We've gotten requests and they're all outlined in the Budget Review Office Report, but they're coming from the Towns of Southampton, Riverhead, Bay Shore, Port Jefferson Station, Port Jefferson Village, Melville, Lindenhurst. I think that what you see now as the -- really the key to a long-term sustainable recognition of the demand for housing and mixed use development, this type of opportunity that the County has to offer both the municipalities and their partnering private sector really has brought a focus that the Towns are taking seriously. And those are very instrumental and important tools. And I think we have requested and have been acknowledged in our request for the Capital Program this year.

The next, I think, critical component which brings a different aspect of economic development to the County is the Jump Start Suffolk. That's a significant economic --

LEG. CILMI:

What's the number there? I'm sorry.

COMMISSIONER MINIERI:

Oh, that is number 6424. That's a new program that we created last year. Again, it's for specifically to assist the municipalities in providing the opportunity for development around transit-oriented Long Island Railroad stations, the housing, the mixed use and creating a sense of community, a smart, walkable community. Again, you need to build areas that infrastructure is there for people to live and work and be able to move around easily. The Jump Start Program provides an economic opportunity for a partnership with the housing subsidy that we just discussed.

LEG. CILMI:

So before you move onto the last two -- let me just ask you, if you could contrast that project 6424 with 6411 in terms of the applicability of the money.

COMMISSIONER MINIERI:

Oh, sure. 6411 is specific to affordable housing and workforce housing.

LEG. CILMI:

Which many times occurs in transient-oriented areas.

COMMISSIONER MINIERI:

Yes.

LEG. CILMI:

Right. Okay. Go ahead.

COMMISSIONER MINIERI:

And that program is awarded to the -- in the public/private development the private developer. The Jump Start money is awarded to the municipality. Okay. In the example last year when we -- we awarded with your approval the first Jump Start Program to the Wyandanch Village Project, that was specifically awarded to the Town of Babylon for all of the community space that they're developing in connection with this TOD. So Jump Start is for the municipality; for planning, for, you know, construction, for acquisition to assist them as part of their public partnership contribution.

LEG. CILMI:

Okay. So Jump Start goes to the municipality. And it sounds like there's a very -- fairly broad, you

know, leeway or, you know, not-so-strict criteria for how they use that money.

COMMISSIONER MINIERI:

Well, yes.

LEG. CILMI:

It doesn't sound like it's --

COMMISSIONER MINIERI:

It's wide. It goes from -- you can use it in the planning --

LEG. CILMI:

It's not narrowly defined.

COMMISSIONER MINIERI:

Yes.

LEG. CILMI:

Right. Okay. Thank you. Continue.

COMMISSIONER MINIERI:

Okay. A next very important issue -- initiative here, and it's new this year, you'll see it as the 6427 Startup New York Suffolk County. This is a very interesting and I really believe important initiative for the County to take a look at and please consider. The Governor created this new Startup New York Program. And I want to take a moment to explain -- or explain my understanding of what Startup New York is and how we here in Suffolk County could take this opportunity and really benefit from this program that the Governor has laid out. Because one of the -- one of the issues that we try to overcome is the cost of occupancy, cost of doing business in Suffolk County. This Startup New York gives the opportunity to have a tax-free zone for new businesses to grow. And we're talking tax-free all the way from, you know, the business tax, the corporate tax, the sales and use tax, the real estate tax. And also the personal income tax of employees of these new growing companies. So it's an extraordinary incentive and really will assist these new businesses in growing.

And I think that part of the importance of Startup New York is that it is an incentive package that attaches to local community colleges and State universities. And the process at this point is that each of those universities need to present a plan to the State in the form of an application. But the application includes the plan. And the opportunities that each of these colleges or universities might have to enter into these public private partnerships and build buildings where new businesses can come and grow at a low cost.

So first and foremost at this juncture I believe only on Long Island -- let me just say Suffolk County. Stony Brook University has submitted their plan and have been -- and has been approved for the Startup New York Program. At this juncture Suffolk Community College, Farmingdale and LIU are in the queue. They've submitted plans but they have not yet gotten formal approval from the State.

Once the university or college is approved, then new businesses that are looking for space and want to enjoy these incentives, because they're huge cost savings, they would apply to each of these approved either university or colleges for the space that may be available at each university and college.

Here at Economic Development, we would really like to work with Suffolk Community and other local colleges or universities to promote the Startup New York Program. We have parcels of land, as you

know, adjacent to Suffolk Community College that we think we can structure that would allow for the Startup New York designation. We can't do it if we don't have approvals -- if the colleges don't have the approvals. And we can't do it if we're not able to begin planning and having some sort of resource to provide.

So what we've done or what we've requested in this budget is to really become active in trying to get a Startup New York opportunity underway this year. I know that -- as I indicated, Stony Brook has already been approved; Suffolk Community is in the queue as is Farmingdale. And we have land in Suffolk County that we potentially can enter into arrangements with the colleges or universities and potentially plan and develop a hub. This is to attract new businesses in the tech industry. And I think that with the proper planning, we could actually create a sustainable economic innovation hub with these incredible ten-year tax incentives.

LEG. CILMI:

Joanne, thank you.

CO-CHAIR LINDSAY:

Sorry, Tom, go ahead.

LEG. CILMI:

Yep. So this raises a number of questions for me. And the first of which is how would you differentiate this, then, from New York State Startup New York Program? How does this differ from that program?

COMMISSIONER MINIERI:

It doesn't. It works with the --

LEG. CILMI:

Why do we need to do it then? If -- in other words, if they're -- if I'm a business owner and I apply to Startup New York and Startup New York says "yeah, you fit this program perfectly, here are the benefits that you will receive based on our program," why is that Suffolk County has to set aside money for that program?

COMMISSIONER MINIERI:

Because you need to have the real estate. You need the land and then to develop a building for them to occupy. They're just getting approved as a tenant that could potentially receive these benefits. But without the tangible real estate to actually have the business to occupy, we can't move forward.

LEG. CILMI:

So this money would go -- this money would go towards -- towards what? Purchasing real estate to allow private businesses to build on?

COMMISSIONER MINIERI:

Almost, but no. What this would do -- so let's say, for example, Suffolk Community College, they don't have money to plan a Startup New York opportunity. They don't have it in their Capital Budget, I don't believe. And they don't have excess land either. I'm using them as an example. Okay.

CO-CHAIR LINDSAY:

Joanne, if I could interrupt you for a second. I think where you need to clarify is, in this program the businesses have to be located on one of these campuses in one of their facilities. So in the example of the college, Community College, they don't have the infrastructure in place to house, you

know, any type of business entity at this point.

COMMISSIONER MINIERI:

If I may just correct one item I said. It can be on a campus or it can be off-campus also as long as it gets approved. As long as the college or the university is in the ownership structure, they can take these incentives off-campus also.

LEG. CILMI:

Okay.

COMMISSIONER MINIERI:

But just to clarify, and in my example, Suffolk Community College doesn't have any excess land, let's just say. And they don't have any vacant buildings. They have -- they're using that in the college for their curriculum. This is for private businesses. So in an example we may take some of the land that Suffolk County owns around -- in and around the campuses, whether it's Brentwood or Selden or Riverhead, and enter into a relationship with Suffolk Community College where they, in fact, now can be part of the ownership structure of the land; therefore, these incentives would go with them and then work with them to possibly enter into a long-term master lease with a private developer, who would invest, because it would need to be a public/private partnership, they would invest in the construction of a building, okay. And every tenant that occupies that building would be -- the majority of the tenants, let me say, that would occupy that building would have to be approved tenants in the Startup New York and they would be able to build their company there with a very low cost of capital.

LEG. CILMI:

So how does the -- how does the example that you described require money from Suffolk County?

COMMISSIONER MINIERI:

Because in creating a public/private partnership, you want to be able to contribute recourses and facilitate this. So --

LEG. CILMI:

Do what exactly? I'm --

COMMISSIONER MINIERI:

To create a plan. Okay, so, in other words, Suffolk Community College -- let's say we decide, we hope, that we get approval to spend some planning money, okay. So we would get together with -- I'm using again Suffolk Community as an example -- to begin to plan what would be -- where would be the best location, okay, and what would be built there. Would it, you know, it would be -- it could potentially be a master plan depending on the demand and the size of the site. And you would begin to design a master plan for this particular development. And this particular development would be distinguished because it would be the Startup New York designation, which would then immediately indicate that it's a tax-free zone; and that any new business -- and, again, this was done because once a business goes through their incubation stage, they're ready to move into their next stage to, you know, begin to grow. And the cost of moving out of an incubator into just a commercial building could maybe defeat the purpose. They may not be able to afford it. Let me just say that. They may not be able to afford the occupancy cost: The rent, the real estate taxes. This gives that new business the opportunity to do that. So they move into a building that was designed. So without that planning, I don't really -- I'm not really clear on how we here in Suffolk could help push through a Startup New York Program.

LEG. CILMI:

How much money is in this?

COMMISSIONER MINIERI:

It's 500,000 this year for planning. And then to the extent, which we hope we will do, get a project moving, there's \$5 million in there next year for construction dollars.

LEG. CILMI:

So for construction of what?

COMMISSIONER MINIERI:

Of a building.

LEG. CILMI:

And in this building you would have a private business?

COMMISSIONER MINIERI:

We'd have new businesses that were approved for the Startup New York Program.

(INAUDIBLE)

LEG. CILMI:

But it's not an incubator. Joanne -- the Commissioner just said that businesses would be moving out of incubators potentially into this facility. So we're building a building for private businesses. And then we're going -- at the same time we're going to abate all of their taxes. So let me just make sure I understand this.

COMMISSIONER MINIERI:

The State is.

LEG. CILMI:

So we're taking -- we're taking public land, we are building a building for a private business on public land and then abating the taxes for that business. I just want to make sure that I understand this completely.

COMMISSIONER MINIERI:

Yes. If said differently, we are taking land, right now in this example that was vacant, okay, entering into a public/private partnership to assist the new and growing companies -- to assist them in growing and creating jobs and potentially developing a tech hub for Suffolk County.

LEG. CILMI:

Okay. So --

COMMISSIONER MINIERI:

We're doing that in other places so we should --

LEG. CILMI:

I was going to ask you what -- how this relates to the IDA's efforts, but I guess this -- the money that we're setting aside here does not in any way compensate for the reduction of any of the taxes associated with -- this is for -- this is for actual -- as you said, planning and construction of a building, maybe the purchase of some land or something like that; right?

COMMISSIONER MINIERI:

Yes.

LEG. CILMI:

Okay. For now I think that's all the questions I have for you. Thanks, Joanne.

CO-CHAIR LINDSAY:

Joanne, I just had a couple quick questions as it relates to that. My understanding was between the Selden Campus and the Brentwood Campus for the Community College, there was a pretty good tract of land between the two that would be able to build on and be available. Do you know approximately how much space that is at this point?

COMMISSIONER MINIERI:

I believe there's close to 60 acres near Selden. I'm not clear how much is in Brentwood.

CO-CHAIR LINDSAY:

I think it was close to the same in Brentwood.

COMMISSIONER MINIERI:

Yeah.

CO-CHAIR LINDSAY:

So between the two, it seems like you have a sizeable footprint there where you could do some significant construction. Is that going to be more of the focus or are they going to be looking more offsite?

COMMISSIONER MINIERI:

That's a good question. You know, it would -- we would do both honestly. Selden -- I'm saying Selden because obviously I'm looking at Selden, but, yes, the land in and around the campuses that we already have would be something that we would look at. But I also think that, you know, when you want to get something going, you know, you may not want to start that large. Okay? And this really needs to be a public/private partnership. We need to invite the private sector here in order to do in a size that will make a difference. So we're looking at both. We're looking at the opportunity around the campuses as well as if there's an opportunity off-campus to start something. Because, again, as you know, one of our big initiatives are transit-oriented developments. And that includes residential and commercial and retail space. It's a walkable, smart Community. So to the extent that we could look at those transit-oriented locations and do something in and around a transit-oriented location, we'd like to consider those also.

CO-CHAIR LINDSAY:

I'm glad you said that because it leads me to my next question, which would be the Brentwood Campus obviously and its location related to the Heartland Complex or that project, you know, to me would be an ideal spot. You know, my understanding, at least the way I read the Governor's plan, was -- the intent was to locate these more so on college campuses so students would literally graduate and remain on campus with private sector jobs; and that the schools would actually feed the businesses; the businesses would feed the schools. And it would be a symbiotic relationship going forward. So is that an area that we would be looking to focus on more so than possibly the Selden Campus?

COMMISSIONER MINIERI:

I think the answer is we're going to consider all. Because what we're adding here in Suffolk County to that formula that you just laid out is a connection. Okay? Connecting these campuses, connecting these downtowns so that, you know, there's mobility and there's growth. And that's also part of, sort of the plan and the formula. But, yes, we'll be looking and coming back and discussing these opportunities.

CO-CHAIR LINDSAY:

Thank you. It's a project that I'm extremely excited about. I've heard from contacts from other parts of the country where it's been advertised heavily as far as Seattle. I recently had somebody reach out to me and tell me about this program. So there is a lot of -- big advertising push to try

and bring new startup companies here to benefit from this program. So I'm excited and look forward to moving forward with it.

COMMISSIONER MINIERI:

It's a terrific program. And it really will help the new companies grow and create new jobs. And that's really a key element because, you know, the cost to do that when you're first starting out is -- to have some relief is really critical. And it's really -- it's very much focused on new job creation, which is why the part of the relief that they're giving, which is very unique in this package is the personal income taxes of the employees, that's really something that's really new and, I think, very enticing for these new companies.

CO-CHAIR LINDSAY:

I agree. And, you know, I had mentioned it in the past. I think especially when it comes to the IDA utilizing this program, we need to have a conscious effort to attract hedge fund startup money venture capitalists, which most are located right here in New York City. It gives them the benefit -- all the benefits of operating in New York State without the detriments of the high taxes. So I think it's something we should definitely take advantage of and try to leverage on.

At this point I'd like to turn it over to Legislator --

LEG. CILMI:

I wasn't finished. I'm sorry.

CO-CHAIR LINDSAY:

Okay.

LEG. CILMI:

I was finished with this -- the Commissioner was going through her five top projects. And you got through four out of the five, but I did have one followup on this particular project that you're -- sorry, Al. Is it about this particular --

LEG. KRUPSKI:

Yes, it is. You can go.

LEG. CILMI:

Just so -- no, that's fine. But let me just ask you my follow-up question since my thumb is on the button. One thing that you neglected to mention, which I think is important, I guess, is it's talked about in the Budget -- In Budget Review's report, is that this is largely State aided? Can you -- or are you not able to comment on that?

COMMISSIONER MINIERI:

Well, I just need to review that comment.

LEG. CILMI:

Okay.

COMMISSIONER MINIERI:

I don't believe that the Startup New York Program is -- comes with any funding from the State. I think there are two situations that may have occurred in the budget; one it might have simply been misstated.

LEG. CILMI:

Robert.

MR. LIPP:

Okay. Point of information, the comment we're making is just simple observation that the Requested Capital Program includes five million in State Aid, not in bonding. So the half a million dollars for planning is serial bonds in 2015. The five million for construction in 2016 is listed in the Capital Program as State Aid. It's not -- we're not making any value judgements; we're just saying that's what it is.

LEG. CILMI:

Okay. So then you're thinking that may be a mistake?

COMMISSIONER MINIERI:

And I think that might be a mistake. I do know that when we do -- when we do Capital Program with Suffolk Community College, it is 50% aided by the State. But I believe with Startup we were looking to have it bonded. We'll have to follow up to get you clarification.

MR. LIPP:

Just as a point of information, if the Capital Program is adopted as requested -- or I'm sorry, as recommended and proposed, then it stays as State Aid, you cannot issue serial bonds unless you're going to change the funding source with a super majority next year.

LEG. CILMI:

Okay. All right. So maybe after Legislator Krupski asks his question, you could just go onto your fifth -- the fifth of the five top priorities. Thanks, Joanne.

P.O. LINDSAY:

Legislator Krupski.

LEG. KRUPSKI:

Thank you. So this Startup New York Program, is it similar to the Stony Brook incubator that's in Calverton?

COMMISSIONER MINIERI:

No. This is -- this is to take the companies that should be leaving the incubator and giving them space to go to; sort of like the mezzanine, the next level.

LEG. KRUPSKI:

So it's like the chickens, we took them out of the incubator, we put them in the brooder, and last night we took them from the brooder and put them into the henhouse; is that it? And then next we'll let them out into the yard and there'll be chickens.

COMMISSIONER MINIERI:

I think the nature of an incubator means that -- you know, doesn't mean -- I think the nature of the incubator means that you're there for a period of time and then you move on.

LEG. KRUPSKI:

Yes.

COMMISSIONER MINIERI:

I believe that -- I think they may have just passed some sort of legislation that says now -- that you do have to move out after a period of time. I think recently the incubators that have been occupied have been occupied and with no sign of exit. And those companies need to move on so that new companies can come in during their incubation stage.

LEG. KRUPSKI:

Okay, so --

COMMISSIONER MINIERI:

But they don't want to leave because it's probably the cheapest source of, you know --

LEG. KRUPSKI:

Of course. Free rent and no taxes, who would want to leave the nest? So has there been a -- when you look at that land that people need or the facilities, has there been like a resource analysis in Suffolk County to say what companies need certain -- certain spaces that are already existing and vacant and available?

COMMISSIONER MINIERI:

Well, for this program, for Startup, it's been -- and we attended a meeting of the universities and the colleges that the State would like to submit a plan to Startup New York, the tenants that would have -- to have the ability to take advantage of these incentives have to apply and qualify. And they apply to the university or college. You know, the concept is hopefully the furthering of the curriculum of the individual university or college. But the tenants or these new companies, these new growing companies, have to apply to the college and the university and then get approved for occupancy.

LEG. KRUPSKI:

What I'm saying is wouldn't it be better at that point if you're going to spend -- instead of spending the money building something on a college-owned land, wouldn't it be better to look for existing infrastructure in sort of a redevelopment of existing infrastructure and subsidize that instead for these for a certain period? And then once they're done with their incubation period, the next period of time, the startup period, then they would -- it would be kind of like more of a rotating fund. They would leave. They would either reimburse the County or that facility would be available for the next person. But it would kind of add to the economic growth or economic regrowth of an area that needs it, where you have existing vacant structures; infrastructure. You have the electric, you have your sewer, you have your water, you have everything there already. And it would kind of help to revitalize existing infrastructure where they need that redevelopment.

COMMISSIONER MINIERI:

I understand your question, but that's not what the Governor Startup New York Program requirement is. It's required to be --

LEG. KRUPSKI:

He didn't ask me.

MR. LIPP:

Oversight.

LEG. KRUPSKI:

It must have been an oversight, right. And there was some question about the taxes on the land. Does the -- if the college owns that land, the 60 acres in Brentwood, do they pay taxes on that; property tax?

COMMISSIONER MINIERI:

No. No.

LEG. KRUPSKI:

Thank you.

CO-CHAIR LINDSAY:

Legislator Anker.

LEG. ANKER:

Real quick because I know we have our two o'clock meeting that we're a little late to, but I think there has to be -- Legislator Krupski, I think there needs to be a connection with schools. That's where they were getting that benefit, that tie, because I'm working on the report for affordable housing. And if it's related to schools, there's this partnership that goes back and forth, you know, saving money, getting money, leasing. There's a lot going on with that. So I think if we pulled them away from the schools, we'll lose part of the whole idea of this whole support for these startup companies. But you'll have to ask the Governor on that.

CO-CHAIR LINDSAY:

Legislator Cilmi.

LEG. CILMI:

Another quick follow-up for you, Commissioner. So you said just now in answering Legislator Krupski's question, which I think is a very good one because we certainly have lots of vacant real estate -- vacant buildings around that may be appropriate for redevelopment for, you know, for startup or, you know, existing businesses that need more space or whatever, so. But you said in answering that question that the companies would have to apply to the Community College, or whatever the entity is that -- in your example, was the Suffolk Community College; they would have to apply to that entity to be accepted into this program; right?

COMMISSIONER MINIERI:

(Nodding head yes)

LEG. CILMI:

So that sort of takes any decision making out of our hands, out of the County's hands but yet we're paying for it. Is that right or am I wrong?

COMMISSIONER MINIERI:

Well, I don't know if there's a right or wrong on this. I think that to the extent that we can get a demand for space through an approval of, you know -- again we're focused on technology, the growth of new companies. And to the extent that those companies want to be in and around whichever location they're applying for, to grow their business and to create jobs and to stimulate the economy, I think we want to -- I would recommend that we be there to support it and to further it.

LEG. CILMI:

Right. But assuming this passes, we're not authorizing any funding through this. We still have to -- we'll get a resolution at some point in time. Will that resolution ask us to fund a specific project XYZ Corporation moving into this building and at this location? Or is it -- will it be a request in general for funding and we won't know who the company, you know, who, what the company is, what they're doing, etcetera.

COMMISSIONER MINIERI:

It would be a request to partner with a local college or university. In connection with that decision, we would have a list of the potential tenants that have requested space at that location, because that's one of the things we would look at. And we would come in here with, you know, with the request to work with Suffolk Community College and planning at XYZ location and potentially with, you know, this amount of demand that's been, you know, requested through the application process and approved, we have X number of square feet already waiting, you know. I would hope to have a comprehensive -- to the best of our ability, a comprehensive request so that you would get a better

understanding and more detailed understanding of the funding.

LEG. CILMI:

But there would be no requirement that whenever -- you know, whoever ends up in that space, we don't have any say over that? It's the Community College's decision.

COMMISSIONER MINIERI:

We would -- we would be part of the decision-making, I think. But, yes, primarily the college and the university, so depending, you know, on the list of demands -- you know, demanding of space, we would determine the size, the scope, the cost.

LEG. CILMI:

Okay. Thanks.

CO-CHAIR LINDSAY:

Joanne, wouldn't the State also -- they would have to apply to be part of that program through the State. So the State would have to approve them as an applicant.

COMMISSIONER MINIERI:

The college or university first has to be approved by the State. Once they're approved, they then get the applications, they review them and they say, "okay, this tenant, you know, furthers the curriculum of the college, furthers the, you know, the technology," blah, blah, blah, whatever. And then the college or the university, which has already been approved to be in the program, submits those applicants to the State. But they have to be approved first at the college level; otherwise they don't even go to the State at all.

CO-CHAIR LINDSAY:

And I understand this is obviously a new program and we're talking about conceptually at this point because no one's actually gone through the process yet to where a company has started.

COMMISSIONER MINIERI:

I believe up in Buffalo they've started a building and they have a list of companies that are going in as approved companies. It's on the website.

CO-CHAIR LINDSAY:

Yeah, it would definitely -- yeah, it would definitely be worth our time to follow that and see how it progresses and moves forward. Legislator Barraga, do you have questions?

LEG. BARRAGA:

Over the years there have been several suggestions with reference to what to do with the 44 acres in the Brentwood Campus of Suffolk County Community College. But usually the suggestions entailed some entity coming in and taking all of 44 acres. Based on what you're saying as far as the Startup New York, would the College be giving up pieces at a time? I mean, every time I give up five acres, then I'm down to 40, 30, the marketability of what remains becomes limited. How would that work?

COMMISSIONER MINIERI:

Well, I think that's what the importance of the planning process is. You would look at -- you know, you'd look at the site, you determine, you know, how it could be phased and which would come first, you know, how it gets phased in. And so that none of the land at the end of the day is left unusable.

LEG. BARRAGA:

The other point where I think there was a bit of confusion, on the one hand you indicated Startup New York doesn't really have any funds from the State, that you anticipated serial bonds had to be issued. Budget Review indicated that there is a provision for \$5 million of State Aid in this program. I guess the question is, if the five million is there, do we have a commitment from the State of New York to give us 5 million? Or is it just put in there by the State or the County in terms of the program? Well, who's right? I mean is it serial bonds or is it --

COMMISSIONER MINIERI:

I'm sorry, I apologize.

LEG. BARRAGA:

Is it serial bonds or is it State Aid? Do we have to issue serial bonds or do we anticipate State Aid coming in to help with this program?

COMMISSIONER MINIERI:

I would like to issue bonds.

LEG. BARRAGA:

You would like to issue bonds, okay.

COMMISSIONER MINIERI:

I think --

LEG. BARRAGA:

Mr. Lipp, tell me about the State Aid portion.

MR. LIPP:

Okay, very simple. Okay. The proposed Capital Program lists it as State Aid, but that's all in 2016. So assuming that serial bonds is what they're looking for, they would -- one way of doing it is they would come back next year with a 2016 Capital Budget and change the funding --

LEG. BARRAGA:

So is my statement correct: We have a Startup New York Program that emanated from the State with no funding?

MR. LIPP:

It sounds like from hearing the conversation what is going to be said by the Commissioner is that they're offering all sorts of tax incentives. That's the funding.

LEG. BARRAGA:

Okay, thank you.

MR. LIPP:

It's called a tax expenditure in the economic literature.

CO-CHAIR LINDSAY:

Any other questions? Legislator Cilmi.

LEG. CILMI:

But those tax incentives enure to the business person, not to the County.

MR. LIPP:

Correct.

COMMISSIONER MINIERI:

All of the other economic benefits would enure to the County. And my fifth and final.

LEG. CILMI:

Go for it.

COMMISSIONER MINIERI:

As you know --

LEG. CILMI:

Make this a good one.

COMMISSIONER MINIERI:

As you know, transportation and infrastructure -- or public transportation and quality transportation is the key element in Connect Long Island. And we have crystallized in project 5597 -- 5597 is now called Connect Long Island. It used to be 5512 Nicolls Road. And its sole purpose is to look at Nicolls Road for its, you know, transportation opportunity through a form of bus rapid transit or through other safety and maintenance and highway needs.

LEG. CILMI:

May I?

CO-CHAIR LINDSAY:

Yes, go ahead, Legislator Cilmi.

LEG. CILMI:

So that is a big one. It's like additional appropriation -- but most of it's in subsequent years. So it's -- you have 3.7 already adopted -- am I looking at the right one? 5597, right? Yeah, 3.7 and that's already adopted in the 2014. And then there's 45 million in subsequent years. I don't see anything in '15, '16 or '17; is that correct?

COMMISSIONER MINIERI:

That is correct, yes.

LEG. CILMI:

Okay. Okay.

CO-CHAIR LINDSAY:

Any other questions? Thanks, Joanne.

COMMISSIONER MINIERI:

Thank you.

CO-CHAIR LINDSAY:

Okay. That concludes Economic Development.

**THE MEETING CONCLUDED AT 2:32 PM
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