

ECONOMIC DEVELOPMENT COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the Economic Development 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 September 30, 2015.

MEMBERS PRESENT:

Legislator William Lindsay III - Chairperson
Legislator Steven H. Stern - Vice Chair
Legislator Kara Hahn
Legislator Kevin J. McCaffrey
Legislator Jay H. Schneiderman

ALSO IN ATTENDANCE:

Legislator Al Krupski - First Legislative District
George M. Nolan - Counsel to the Legislature
Sarah Simpson - Assistant Counsel
Jason Richberg - Chief Deputy Clerk of the Legislature
Laura Halloran - Budget Review Office
Brian Sapp - Aide to Legislator Lindsay
Alyssa Turano - Aide to Legislator Hahn
Catherine Stark - Aide to Legislator Krupski
Regina Zara - Economic Development
Katie Horst - County Executive's Office
Anthony Ceglio - Manager/Grabeski Airport
Kathy Malloy - AME
Greg Atherton - Aide to Legislator McCaffrey
Jason Hann - Aide to Legislator Schneiderman
And all other interested parties

MINUTES TAKEN BY:

Diana Flesher - Court Stenographer

MINUTES TRANSCRIBED BY:

Kim Castiglione - Legislative Secretary

(*The meeting was called to order at 2:03 p.m. *)

CHAIRPERSON LINDSAY:

Good afternoon. Welcome to the Economic Development Committee meeting. If we could all please rise for the Pledge of Allegiance led by Legislator McCaffrey.

SALUTATION

Thank you for joining us this afternoon for this Economic Development Committee hearing. We will start by asking for any public comment cards. Mr. Clerk?

MR. RICHBERG:

We have no cards, Mr. Chair.

CHAIRPERSON LINDSAY:

Okay. Is there anyone in attendance that would like to speak? Not seeing anyone, we'll move on to the agenda.

Introductory Resolutions

First order of business is ***Introductory Resolution 1715 - To appoint Edward A. Brennan as a member of the Suffolk County Citizens Advisory Board for the Arts(Lindsay).***

Unfortunately, Mr. Brennan couldn't be here so I'm going to make a motion to table. Second by Legislator McCaffrey. All those in favor? Opposed? Abstentions? And the matter is tabled.
(VOTE: 5-0-0-0)

Introductory Resolution 1728 - Allocating and appropriating funds (Phase XIII) in connection with the Downtown Revitalization Program (CP 6412)(Co. Exec.).

Motion by Legislator Schneiderman; second by Legislator McCaffrey. Anybody on the motion?

D.P.O. SCHNEIDERMAN:

Do you want to go over the projects? Economic Development?

CHAIRPERSON LINDSAY:

Do we have anybody here that could answer any questions that may come up?

MS. ZARA:

Hi. Good afternoon. Regina Zara, from Economic Development and Planning.

CHAIRPERSON LINDSAY:

Hi, Regina.

D.P.O. SCHNEIDERMAN:

Regina, can you take us through the projects?

MS. ZARA:

Sure. Well, I can tell you as an overview. We had a total of 15 applicants for this year's process. There was a recommendation or a request for funds of \$786,000. The panel has met and made recommendations to fund nine of those projects, seven of which are fully funded. We had two first-time applicants and two first-time funded applicants.

D.P.O. SCHNEIDERMAN:

Can you just list the projects and how much each --

MS. ZARA:

Sure. It should be presented in Exhibit A.

D.P.O. SCHNEIDERMAN:

I have it, but just for the record.

MS. ZARA:

Sure.

CHAIRPERSON LINDSAY:

I have it here, Regina, if you want me to read them into the record, if that helps you.

MS. ZARA:

I have it in front of me.

CHAIRPERSON LINDSAY:

Okay.

MS. ZARA:

Okay. So we have the greater Westhampton Chamber of Commerce. They had -- the recommended funding is \$75,000. We have the Great Port Jefferson Chamber of Commerce recommendation for \$12,420; Greater Patchogue Chamber of Commerce, \$66,500; Copiague Chamber of Commerce, \$100,000; Town of Riverhead bid, \$50,000; Brightwaters Downtown Revitalization Committee, \$59,514; Lindenhurst Chamber of Commerce, \$25,000; Farmingville Residence Association, \$43,865; and Shelter Island Chamber of Commerce had \$67,701.

D.P.O. SCHNEIDERMAN:

Thank you.

LEG. McCAFFREY:

Can I ask question?

CHAIRPERSON LINDSAY:

Sure. Legislator McCaffrey.

LEG. McCAFFREY:

The Copiague Chamber of Commerce, \$100,000? What was that for?

MS. ZARA:

That was a significant project that speaks to the crosswalks, and the downtown areas relate right around the train station area. That was a project that was actually very much of interest of the panel that would bring viability into the downtown area and necessary infrastructure to support the development over there.

LEG. McCAFFREY:

Is it crosswalks or what are they going to do? That's a lot of crosswalks for \$100,000.

MS. ZARA:

It's a variety of crosswalks. It's upgrade to crosswalks, install -- installing and upgrades. It also includes streetscape improvements, so there's a variety of different improvements on the street

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levels, but also installation and upgrades of existing crosswalks.

LEG. McCAFFREY:

Okay. And can you speak to the Babylon Village application that I believe was denied.

MS. ZARA:

Are you referencing Babylon Village Chamber of Commerce?

LEG. McCAFFREY:

Yes.

MS. ZARA:

Okay. So there's certain criteria that the committee takes a look at when they do consider these applications. If you'd like, I can go through that criteria, but it was decided by the committee that the Babylon Village Chamber of Commerce didn't meet the criteria fully, and that there were other projects that were better positioned that met the criteria. I can get into specifics.

LEG. McCAFFREY:

Yeah. I just want to know why they didn't -- why they gave \$100,000 to Copiague and zero to Babylon Village.

MS. ZARA:

Based on the criteria that's what they had recommended. I don't have the information in front of me that I can speak to in detail, but I can certainly provide that to you. They have an installation of some decorative lamp posts and --

LEG. McCAFFREY:

Sounds like streetscapes.

MS. ZARA:

I would have to get back to you to give more detail.

LEG. McCAFFREY:

Okay. Can you do that? That would be great, thank you.

MS. ZARA:

Absolutely.

CHAIRPERSON LINDSAY:

Any other questions? Mr. Clerk, we have a motion on this?

MR. RICHBERG:

We have a motion and a second.

CHAIRPERSON LINDSAY:

Okay. At this time I'll call the vote. All those in favor? Opposed? Abstentions? The motion carries. **(VOTE: 5-0-0-0)**. Thank you, Regina. I appreciate your explanations. Legislator Hahn.

LEG. HAHN:

Do you mind if I just ask a question?

CHAIRMAN LINDSAY:

Sure.

LEG. HAHN:

I'm wondering if you can tell me the list that you read about the different chambers that get funding through this grant. Does that list change very often, year in, year out, or is it the same, how many, 15 agencies each year that get -- I mean, obviously they're different projects, but I'm wondering --

MS. ZARA:

No, they're varied. I can give you a general consensus of what we've had over the years, but they do vary, and I can provide you with a list if you'd like.

LEG. HAHN:

Yeah.

MS. ZARA:

We've had -- I mean, what we found this year is that we did have a couple of new applicants, which is great. We had a training session this year, which I think provided insight into the program and educated those that were interested in terms of process and meeting the criteria. So they are varied in terms of project. Farmingville was a first-time applicant and first-time recipient, and the committee does look at it in detail and very specifically to the criteria.

LEG. HAHN:

Will you be offering that training again next year?

MS. ZARA:

Yes, absolutely.

LEG. HAHN:

Thank you.

CHAIRPERSON LINDSAY:

Okay. Back to the agenda. ***Introductory Resolution 1737 - Authorizing a lease amendment with Sheltair Westhampton, LLC at Francis S. Gabreski Airport (Co. Exec.)***. I'll make a motion to approve.

D.P.O. SCHNEIDERMAN:

Second.

CHAIRPERSON LINDSAY:

Second by Legislator Schneiderman. Any discussion on the matter?

D.P.O. SCHNEIDERMAN:

Is the Airport Manager here?

CHAIRPERSON LINDSAY:

Tony is here. If you wouldn't mind coming up to the microphone and answering any questions that may arise.

MR. CEGLIO:

Good afternoon. Anthony Ceglio, Department of Economic Development and Planning, the Gabreski Airport Manager. If you have any questions I can answer or I can go through an overview. It's up to you.

CHAIRPERSON LINDSAY:

I've already gotten an overview of it. If anyone else would like to see it.

D.P.O. SCHNEIDERMAN:

Do we need that? It's a big lease there, Shelt's been a good tenant at the airport. The lease used to belong to a company called Malloy. It was taken over by Shelt. It's about roughly eight acres. And the old lease would terminate early and a new lease would be issued. I don't remember the exact terms of the lease, but --

CHAIRPERSON LINDSAY:

There are some improvements and betterments that they were going to make.

MR. CEGLIO:

Yeah, they're looking at about \$6 million in improvements over about a five year period. The two main takeaways, I think, of this lease amendment, as you mentioned, they're going to provide one fixed base operator over there, but there's going to be about a million dollars in additional revenue over the next four years as opposed to the two single leases. The second takeaway, because of that million dollars, is it's going to help the airport be self-sustainable, basically operate without a subsidy for the County for the first time since the County's operated the airport, so we're looking very forward to --

D.P.O. SCHNEIDERMAN:

The old lease that is being terminated by this was a below market lease, so it brings everything up to fair market early to go through the Airport Conservation Assessment Panel -- Committee?

MR. CEGLIO:

Airport Conservation Assessment Committee.

D.P.O. SCHNEIDERMAN:

I think it was a unanimous decision to support this, and then it went through CEO and I think they also supported the same mitigation.

MR. CEGLIO:

Both recommended an unlisted action, neg dec, or negative declaration.

LEG. KRUPSKI:

Bill?

CHAIRPERSON LINDSAY:

Legislator Krupski.

LEG. KRUPSKI:

What were the -- Tony, what are the nature of the improvements that they're going to make there?

MR. CEGLIO:

Right now there's five hangars on the old lease, the old Malloy lease. Basically they're going to tear down and replace, probably in the next three years, one of the large hangars, there's a 10,000 square foot hangar. They're going to replace it with a 20,000 square foot hangar. Following that, they're going to remove two of the other older hangars that were built probably in the 40's and 50's, build another about 20,000 square foot hangar. And then there's a 30,000 square foot hangar that is similar to the Air National Guard's hangar that's fallen into disrepair over the years because of the nature of the old lease. It's rusted. The doors don't work very well. In the next two years they're going to upgrade, basically renovate it, put new doors on it, paint it, take care of the rust, make it a

more modern facility for aircraft to lease.

LEG. KRUPSKI:

Well, how long is the lease for, how many years?

MR. CEGLIO:

The new amended lease will be for 25 years with two five year options totalling 35 years. The existing lease from Sheltair actually is 33 years, runs another 33 years, so it adds two more years for basically the six million dollars in improvements.

LEG. KRUPSKI:

That sort of investment, does that -- do you think that speaks to the -- do you think there's a trend for increased air traffic coming in and out of there, or is that just to maintain their current operation?

MR. CEGLIO:

It's more to maintain the current operations. Presently, and you're out there in the summer, I think you know what the traffic is out in the Hamptons, but there is so many aircraft that come into the airport today there's not enough room to park them, certainly no hangar space to park them in. So this will provide basically an indoor space for those aircraft that are currently coming in.

LEG. KRUPSKI:

Thank you.

CHAIRPERSON LINDSAY:

Any other questions?

D.P.O. SCHNEIDERMAN:

There's a couple of other minor provisions, one is their -- they have to operate the concession. There's a restaurant there, so that's part of this lease I believe; right, Tony?

MR. CEGLIO:

Correct. It has to remain operational 12 months a year.

D.P.O. SCHNEIDERMAN:

And there's a provision if the County wants to, you know, we've talked about building a new terminal for that airport and a new tower and, you know, provided we get FAA funding to do so, but there's a provision that would allow some of the land to be swapped for that purpose I believe; right?

MR. CEGLIO:

Right. There's actually two provisions in the lease, one that talks about taking back both the old FBO space and the cafe if the County desires it in the future. And also something that came up at our Airport Conservation Assessment Committee meeting, the location of the terminal and in an area that is currently leased by Sheltair in their original lease, that they would entertain and negotiate in good faith to basically swap the property if the County decides that the location needs to change for the terminal and the new tower.

D.P.O. SCHNEIDERMAN:

Yeah, the idea being that -- well, the tower has to be placed in the best location. But the terminal, too, that you kind of want as you enter through the new industrial park, as you're coming straight in, that the terminal would be something that was kind of straight ahead that would be easy to find, so that's the thinking. Just from a planning perspective. Right now the terminals of lay off to the side. It's not in an obvious location.

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CHAIRPERSON LINDSAY:

Okay.

LEG. KRUPSKI:

It's not obvious because you're looking at that sculpture --

MR. CEGLIO:

The walking figure.

LEG. KRUPSKI:

It's very distracting.

CHAIRPERSON LINDSAY:

Not seeing any additional comments, we'll call the vote. All those in favor? Opposed? Abstentions? The motion carries. **(VOTE: 5-0-0-0)**

MR. CEGLIO:

Thank you.

CHAIRPERSON LINDSAY:

Thank you, Tony. That's it for our agenda. Does anyone have any additional business they'd like to discuss before this committee? Not seeing any, we are now adjourned. Thank you.

(*The meeting concluded at 2:18 p.m. *)