

# **SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

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Steven Bellone  
Suffolk County Executive

H. Lee Dennison Building; 3rd Fl.  
100 Veterans Memorial Highway  
P.O. Box 6100  
Hauppauge, NY 11788-0099  
(631) 853-4802 Fax: (631) 853-8351

ACCEPTED BY THE BOARD 1/26/12

## MINUTES IDA REGULAR MEETING DECEMBER 15, 2011

### PRESENT

Jim Morgo, Chairman  
Peter Zarcone, Treasurer  
Steve Rossetti, Secretary  
Elizabeth Custodio, Member  
Alan Ehl, Member  
Yves Michel, Member

### EXCUSED ABSENCE

David Rosenberg, Vice Chairman

### ALSO PRESENT

Bruce E. Ferguson, Executive Director  
Anthony J. Catapano, Deputy Executive Director  
Daryl Leonette, Secretary  
Regina Halliday, Bookkeeper  
William Wexler, Esq., Agency Counsel  
William Weir, Esq., Bond Counsel  
Wayne Horsley, Suffolk County Legislator  
Lisa Broughton, S.C. Dept. of Economic Development & Workforce Housing  
James T. Madore, Sr. Business Writer/Economy, Newsday

The Regular Meeting of the Suffolk County Industrial Development Agency held in the Conference Room of the Agency, 100 Veterans Memorial Highway, H. Lee Dennison Building, 3<sup>rd</sup>. Floor, Hauppauge, NY was called to order at 10:50 a.m.

Downtown Patchogue Redeveloper, LLC/Tritec Real Estate Company, Inc.: Request for sales tax extension.

Mr. Morgo indicated that Downtown Patchogue is requesting a 1 year sales tax extension. The project is moving forward but there have been some delays.

Upon a motion by Mr. Michel, seconded by Mr. Ehl, it was:

RESOLVED, to approve an extension of the sales tax authorization for Downtown Patchogue Redeveloper, LLC/Tritec Real Estate Company, Inc. through December 31, 2012.

Unanimously carried 6/0.

Karp Associates, Inc. & Flush Metal Partitions, LLC: Discussion.

Mr. Rossetti indicated that he would like to recuse himself from discussion on this project and he left the Meeting.

Mr. Ferguson presented Exhibit A. Mr. Ferguson indicated that Karp Associates is a manufacturer of commercial access doors and its subsidiary Flush Metal Partitions manufactures commercial restroom/toilet partitions. They are currently located in Maspeth, NY and need to relocate because the State is taking their property through eminent domain as part of a project on the Kosciuszko Bridge. They also have a facility in North Carolina. Mr. Ferguson indicated that the IDA originally approved this project at the March 24, 2011 Meeting. Karp was approved for a \$17,500,000 tax-exempt/taxable bond and/or a lease transaction for the purchase of an existing 155,000 square foot facility on 9.6 acres at 260 Spagnoli Road in Melville. The approval included the provision of a 10 year enhanced real property tax abatement on the increased assessment that results from the project. Mr. Ferguson indicated that Commissioner Michel, Tony and himself had recently met with representatives from Karp and their attorney Morty Weber. Karp is being solicited by other areas and they feel that the benefits New York State and the IDA are offering are not competitive. Mr. Ferguson indicated that the Agency just received a letter yesterday from Karp requesting a 10 year phase in. Mr. Ferguson indicated that since we just got the request we have not had time to work up the numbers. Mr. Morgo indicated that given the short notice he is not prepared to make a decision at this Meeting. Mr. Michel indicated that he is supportive of this request and that he thought Karp would be pleased that the IDA is considering it. Mr. Zarcone asked about the jobs and Mr. Ferguson indicated there are over 100 jobs with average salaries in the \$30 to \$40,000 range. He also indicated the workers belong to Teamsters Local 210 at Karp and Sheet Metal Workers Local 28 at Flush. Mr. Morgo indicated that he was very receptive to this request. The Board decided to take no action on this request at this time.

Mr. Rossetti re-entered the Meeting.

Belmont Villas: Request from Capmark for Agency consent to the transfer of bonds and sale of property.

Mr. Wexler suggested that in light of legal considerations that the Board go into Executive Session. Mr. Morgo indicated that he agreed and:

Upon a motion by Mr. Zarcone, seconded by Mr. Ehl, it was:

RESOLVED, to go into Executive Session at 11:15 a.m.

Unanimously carried 6/0.

Upon a motion by Mr. Rossetti, seconded by Ms. Custodio it was:

RESOLVED, to end the Executive Session at 12:00 p.m.

Unanimously carried 6/0.

The Board agreed to hold a Special Hearing for Belmont Villas on Thursday, December 22, 2011 at 9:00 a.m. and a Special Meeting of the Agency later that morning.

Minutes

The Minutes of the November 17, 2011 IDA Meeting were accepted.

Upon a motion by Mr. Rossetti, seconded Mr. Zarcone, it was:

RESOLVED, to adjourn the Regular Meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 6/0.

The Meeting adjourned at 12:05 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for January 26, 2012.

SCIDA PROJECT ABSTRACT

MEETING DATE: March 24, 2011

CONTACT: George Kosser, V.P. of  
Operations

PHONE: 718-784-2105

APPLICANT NAME: Karp Associates, Inc. & Flush Metal Partitions, LLC  
 AND ADDRESS 54-54 43<sup>rd</sup>. St. 54-35 46<sup>th</sup>. St.  
 Maspeth, NY 11378 Maspeth, NY 11378

PRINCIPALS: Adam Gold (100% - both companies)

PRODUCT/SERVICES: Manufacturers of access doors (Karp) & manufacturer of commercial  
 restroom/toilet partitions (Flush).

PRESENT FACILITIES: Own  X  Lease  3 bldgs.  Acreage       Sq. Ft.  120,000 sq. ft. total   
 (25,000 sq. ft. bldg.) Karp - 25,000 sq. ft. Flush - 45,000 lease Maspeth  
 20,000 lease   30,000 lease N.C.   
 45,000 sq. ft. 75,000

NEW LOCATION/TAX MAP #: 260 Spagnoli Road, Melville, NY 11747

PROJECT DESCRIPTION: Purchase, renovation and equipping of a 155,000 sq. ft. bldg. on 9.6 acres.  
 The two companies will be consolidated into one building for more efficient operations.

## PROJECT COSTS:

AUTHORIZATION SOUGHT: \$17,500,000 Lease Transaction -  
 (May use tax-exempt bonds for the mfg. equipment - approx. \$7.0 mill)

LAND	
EXISTING BUILDING	\$7,000,000
PURCHASE & REHAB. OF EXISTING BUILDING	3,000,000
CONSTRUCTION NEW BUILDING	
ADDITION OR EXPANSION	
ENGINEERING & ARCHITECTURAL FEES	250,000
EQUIPMENT	7,000,000
LEGAL FEES (BANK, BOND & COMPANY)	250,000
FINANCE CHARGES	
OTHER FEES/CHARGES	
RESERVE (DEBT SERVICE & OPERATING)	
TOTAL PROJECT COSTS	\$17,500,000

EMPLOYMENT:

	<u># OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE SALARY</u>
PRESENT (All Facilities)	108	\$3,940,000	\$36,481
PRESENT (Suffolk County Only)	--	--	--
PROPOSED 1ST. YEAR	108	3,940,000	36,481
2ND. YEAR	108	3,940,000	36,481

COMMENTS



December 14, 2011

**VIA ELECTRONIC MAIL**

Mr. Bruce E. Ferguson, Executive Director  
Suffolk County Industrial Development Agency  
H. Lee Dennison Building  
100 Veterans Memorial Highway  
Hauppauge, New York 11788-0099

Re: KARP Associates, Inc.; Relocation Update

Dear Mr. Ferguson:

Thank you for your continued cooperation and diligent efforts in detailing what programs and incentives the Suffolk County Industrial Development Agency (the "IDA") can provide to KARP Associates, Inc. ("Karp"). As you know, Karp would like to make a significant capital investment in Suffolk County that will result in the creation of manufacturing jobs within the County; however, this will not be possible without the assistance and cooperation of multiple New York State and local agencies including the IDA. Since Karp submitted its application for financial assistance to the IDA, Karp has continued to work with New York State to bring its manufacturing facility to Suffolk County. The purpose of this letter is to provide you with an update on the status of the discussions with New York State and where Karp stands vis-a-vis the relocation.

With the exception of a temporary move of its toilet partition division (which was necessary due to expiring leases), Karp has put on hold its plans to relocate until it receives final incentive packages from the various state agencies and municipalities courting Karp. As you may know, Karp's anticipated relocation has received significant press coverage and New Jersey State agencies and municipalities have contacted Karp with significant incentive packages to bring Karp to New Jersey. When comparing the incentive packages offered by New Jersey's economic development agencies to the very limited and modest offer by the New York State Economic Development Corporation (the "NYSEDC") of a grant of \$100,000 over five years, it is becoming increasingly more difficult for Karp to bring to Suffolk County over \$17 million in capital investments and 110 jobs.





Putting aside the current offer by the NYSEDC, Karp has received great cooperation from both the Long Island Power Authority ("LIPA") and National Grid. Both LIPA and National Grid have committed to working with Karp on the maximization of available rebates and to developing energy conservation plans to reduce Karp's operating costs. In addition to meeting with both LIPA and National Grid, Karp will be meeting with the New York State Department of Transportation ("NYSDOT") in early January. It is our hope that at this meeting, we will receive additional positive assistance with the relocation that will allow us to continue to press forward with moving Karp's entire manufacturing facility, comprised of brand new state-of-the-art manufacturing equipment, to Suffolk County.

Karp's roots in New York date back as early as 1925. It is Karp's sincere hope that it can secure additional cooperation from the IDA to allow it to remain in New York and on Long Island. To do so, we respectfully request that the IDA consider working with Karp on freezing the real property taxes at the proposed Spagnoli Road facility for five-years and then crafting a ten-year phase in of the real property taxes thereafter.

Thank you for your assistance and cooperation. Please feel free to contact me at any time to discuss this matter further. We look forward to hearing from you shortly.

Sincerely,

A handwritten signature in black ink, appearing to read "George Kosser", written over a horizontal line.

George Kosser

cc: Morton Weber, Esq., Weber Law Group LLP

