

SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Steve Levy
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 10/20/11

MINUTES IDA REGULAR MEETING SEPTEMBER 27, 2011

PRESENT

Jim Morgo, Chairman
David Rosenberg, Vice Chairman
Peter Zarcone, Treasurer
Steve Rossetti, Secretary
Elizabeth Custodio, Member

EXCUSED ABSENCE

Alan Ehl, Member
Yves Michel, Member

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
Adam Santiago, Legislative Aide to the Presiding Officer of the Suffolk County Legislator

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, 3rd. Floor, Hauppauge, NY was called to order at 1:00 p.m.

Long Island Angel Network: Request for sponsorship.

Mr. Ferguson presented Exhibit A. Mr. Morgo indicated that Long Island Angel Network is a not-for-profit corporation consisting of individual investors interested in financing privately held companies or ventures. Mr. Morgo indicated that LIAN is asking for a \$5,000 sponsorship and he also stated that the Brookhaven IDA has participated. Mr. Morgo felt that this organization does have an economic development purpose.

After discussion and upon a motion by Mr. Rossetti, seconded by Mr. Zarccone, it was:

RESOLVED, to approve sponsorship in the amount of \$5,000.

Unanimously carried 5/0.

County Land at Yaphank

Mr. Ferguson presented Exhibit B. Mr. Ferguson indicated that the County is requesting preliminary IDA approval for 95 acres of County land that is being sold. The land is zoned light industrial and the County feels that an IDA preliminary approval will help the sale. Mr. Zarccone indicated that he is on the Town of Brookhaven Planning Board and the Planning Board is looking at a lot line change at that site. Mr. Rosenberg asked if we could pre-approve something so vague and Mr. Ferguson indicated that we have in the past provided preliminary approval for anonymous type projects that hadn't selected a final site and that this would be somewhat similar.

After discussion and upon a motion by Mr. Rosenberg, seconded by Ms. Custodio, it was:

RESOLVED, to approve a preliminary approval for 95 Acres of County Land in Yaphank, NY.

Unanimously carried 5/0.

Minutes

The Minutes of the August 25, 2011 IDA Meeting were accepted.

Marchon Eyewear: PILOT discussion.

Mr. Ferguson presented Exhibit C. Mr. Morgo indicated that the Board adopted a preliminary approval of this at the last Meeting and that now the Agency is considering a PILOT for the Marchon project. Mr. Ferguson indicated that Marchon is a worldwide manufacturer and distributor of eyewear. Mr. Ferguson indicated that Marchon is currently leasing 62,000 square feet of office space for their worldwide corporate headquarters at 201 Old Country Road, Melville and they also own 35 Hub Drive (101,800 square feet) and 50 Hub Drive (39,720 square feet) in Melville. The 35 Hub Drive facility is used for warehouse and distribution and Marchon is considering locating an ophthalmologic lab there. Marchon is proposing to renovate and equip both 35 and 50 Hub Drive. Total investment in renovations and equipment would be approximately \$11 million. Marchon currently has a total of 1,790 employees with 528 employees and an annual payroll of \$32 million in Suffolk County. If Marchon goes forward with this project they will add 25 new employees bringing the total to 553 employees with an annual payroll of \$33 million. Marchon is also considering locating the ophthalmologic lab operations at affiliated locations in Columbus, Ohio and/or Sacramento, California or overseas to a new facility in China.

Mr. Catapano indicated that the proposed PILOT for the three properties would provide Marchon with an average savings of \$65,000 per year over an 11 year period. Mr. Morgo asked if Marchon has received any benefits from the State and Mr. Ferguson indicated that he believes they are in discussions with the State. Mr. Rosenberg noted that the proposed PILOTs provided a 5 year freeze followed by a 6 year phase in. Mr. Catapano responded that the phase in was 10% per year. Mr. Morgo asked how much of the building does Marchon occupy at 201 Old Country Road and Mr. Catapano responded approximately 25%. Mr. Morgo asked if this was a deviation from our UTEP and Mr. Ferguson responded that it was.

After discussion and upon a motion by Mr. Rosenberg, seconded by Mr. Rossetti, it was:

RESOLVED, to approve the proposed PILOT structure.

Unanimously carried 5/0.

SMSC Corp.: Request for Agency consent for a sale lease back.

Mr. Ferguson presented Exhibit D. Mr. Ferguson indicated that he had requested additional information but none had been received yet.

The Board decided to table this request.

Mr. Michel arrived 1:30 p.m.

Downtown Patchogue Redevelopers, LLC/DPR II, LLC: Request to modify mortgages.

Mr. Ferguson presented Exhibit E. Mr. Ferguson indicated that Downtown Patchogue Redevelopers are looking for approval of the addition of a joint venture Partner into the project, which would be United Bank of Switzerland. Mr. Ferguson stated that Peter Curry, Counsel to Downtown Patchogue had a conflict and was not able to attend today. Mr. Rosenberg indicated if UBS is interested in this they must have a lot of confidence in the project.

After discussion and upon a motion by Mr. Rosenberg, seconded by Ms. Custodio, it was:

RESOLVED, to approve modifications to the mortgage for the Downtown Patchogue Redevelopers, LLC/DPR, II LLC facility.

Unanimously carried 6/0.

Mr. Weir indicated there has been a change of Trustee for Spellman High Voltage.

Mr. Morgo stated that David Rosenberg is being honored by Long Island Business News on October 20, 2011 and the Agency will be taking a table if anyone is interested in attending please contact staff.

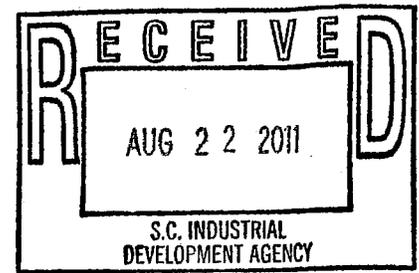
Upon a motion by Ms. Custodio, seconded Mr. Rossetti, it was:

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

Unanimously carried 6/0.

The Meeting adjourned at 1:35 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for October 20, 2011.



August 18, 2011

James Morgo, Chairman and
Bruce Fergurson, Executive Director
Suffolk County IDA
H. Lee Dennison Building
100 Veterans Memorial Highway
Hauppauge, NY 11788

Dear Gentlemen:

I am writing to introduce, or perhaps re-introduce you to the Long Island Angel Network in hopes that we can find a way for both of our organizations to work together towards our common goals.

The mission of Long Island Angel Network, Inc. and its programs is to provide its members with exposure to, and access to funding for, early-stage companies with a Long Island home, including those with a focus on software and information technology, biotechnology, nanotechnology, medicine, energy, environmental technology, a strong intellectual property position, or innovative concepts.

The Long Island Angel Network fulfills its mission by providing a forum in which members can evaluate and exchange information about investment opportunities, primarily in technology- and innovation-focused early-stage and emerging growth companies in the \$500,000-\$2 million range. LIAN is a New York not-for-profit corporation consisting of individual angel investors interested in financing such privately held companies or ventures. LIAN screeners endeavor to select companies for presentation that they judge likely to be of the greatest interest to members, but the Network does not make investment recommendations; investors' decisions are made individually. LIAN's goal is to bring our region's most exciting, promising early stage growth companies together with its most savvy investors.

We would like to invite the Suffolk County Industrial Development Agency to join with us on our mission as one of our Sponsors. A sponsorship of our organization costs \$5,000, and will enable the Suffolk County IDA to:

1. Attend all of our member events (four investor forums a year and numerous economic development networking events as well)
2. Advertise at our events and on our website
3. Work with our portfolio companies to ensure their success
4. Present new potential portfolio companies to our investors

Our current sponsors include:

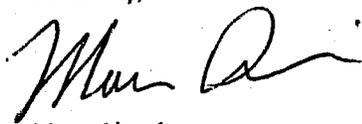
- Bethpage Federal Credit Union
 - TopSpin Partners
 - Brookhaven Industrial Development Agency
 - ListNet
 - Newlight Management
 - Citi Private Bank
 - VC Argent
-

The Suffolk County Industrial Development Agency would be a very important addition to our support structure. The synergy created through our working together would help to ensure the mutual benefit or our respective, and prospective portfolio companies.

For additional information – please visit our website at: www.liangels.net

I look forward to hearing from you, please feel free to call me at our office: 631-470-4800 or on my cell phone, 516-238-1019. You can also email me with any questions at: marc@liangels.net.

Sincerely,



Marc Alessi
Executive Director of External Affairs
LI Angel Network

Ferguson, Bruce

From: Lansdale, Sarah
Sent: Monday, September 26, 2011 4:47 PM
To: Ferguson, Bruce
Subject: IDA request
Attachments: Lot 1.pdf

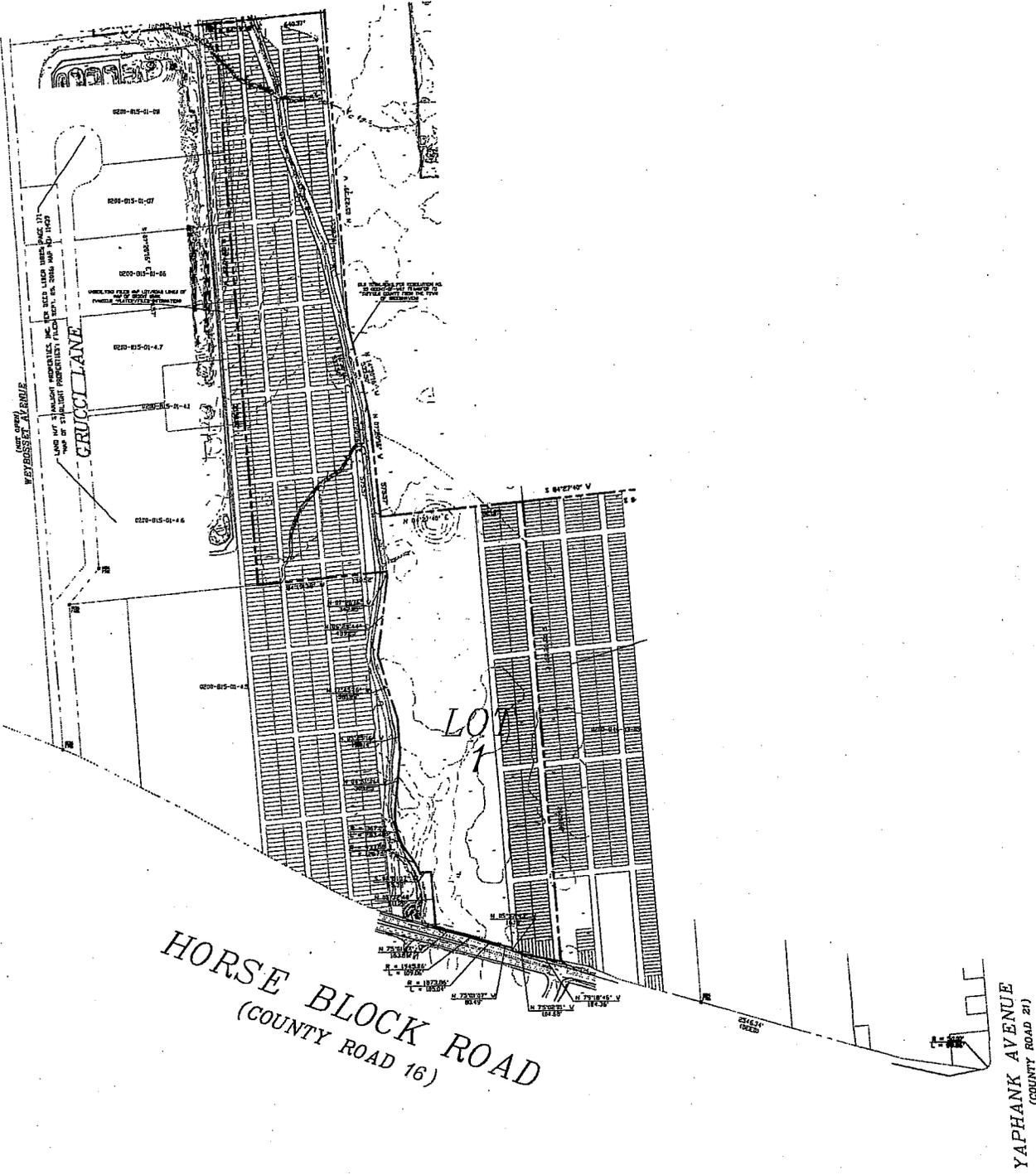
The County is requesting that the following item be added to the IDA agenda tomorrow for consideration:

The County has declared property surplus in Yaphank that it owns and is currently in the process of marketing 95-acres of light industrially zoned property for sale this year.

The County would like to request a preliminary approval of the availability of Suffolk County IDA benefits (real property tax abatements, sales tax exemptions and mortgage recording tax exemption) for the future development of this property.

Attached is a preliminary map.

Sarah Lansdale
Director
Department of Planning
Suffolk County
t. (631) 853-5190
sarah.lansdale@suffolkcountyny.gov
H. Lee Dennison Bldg – 4th Floor
100 Veterans Memorial Hwy., PO Box 6100
Hauppauge, NY 11788-0099



HORSE BLOCK ROAD
(COUNTY ROAD 16)

YAPHANK AVENUE
(COUNTY ROAD 21)

LOT AREA
LOT 1 = 4,187,255.99 SF.
(94.75 ACRES)

W&A
WHEELER & ASSOCIATES
ARCHITECTS
100 WEST 34th STREET
NEW YORK, N.Y. 10018
TEL: 212-312-1100
FAX: 212-312-3355

LOT 1
SUBDIVISION
COUNTY OF SEPPLE
DEPARTMENT OF PUBLIC WORKS
BALTIMORE, NEW YORK

DATE	SCALE	SHEET NO.	TOTAL SHEETS
APRIL 16, 2010	1"=200'	1 OF 1	1 OF 1
DESIGNED BY		APPROVED BY	DATE
REVISIONS			

SCIDA PROJECT ABSTRACT

MEETING DATE: August 25, 2011

CONTACT: Erie Tower, Sr. Director Oper.
PHONE #: (631) 755-2020APPLICANT NAME: Marchon Eyewear, Inc.
AND ADDRESS 201 Old Country Road
Melville, NY 11747

PRINCIPALS: VSP Holding Co., Inc.

PRODUCT/SERVICES: Worldwide manufacturer and distribution of eyewear

PRESENT FACILITIES: Own 2 Lease 1 Acreage 27.7 Sq. Ft. 203,520

NEW LOCATION/TAX MAP #: 201 Old Country Road; 35 Hub Drive & 50 Hub Drive, Melville

PROJECT DESCRIPTION: Project involves the renovation and equipping of 201 Old Country Road ,35 Hub Drive and 50 Hub Drive in Melville. 201 Old Country Road (62,000 sq. ft.) will be used as the global corporate headquarters; 35 Hub Drive (101,800 sq. ft.) will be used as an ophthalmologic lab, warehouse and distribution; 50 Hub Drive (39,720 sq. ft.) will be used for warehouse and distribution.

PROJECT COSTS:

AUTHORIZATION SOUGHT: \$27,540,000

LEASE PAYMENTS (11 YEARS)	16,800,000
REHAB. OF EXISTING BUILDINGS	5,490,000
CONSTRUCTION NEW BUILDING	
ADDITION OR EXPANSION	
ENGINEERING & ARCHITECTURAL FEES	
EQUIPMENT	5,250,000
LEGAL FEES (BANK, BOND & COMPANY)	
FINANCE CHARGES	
OTHER FEES/CHARGES	
RESERVE (DEBT SERVICE & OPERATING)	
TOTAL PROJECT COSTS	\$27,540,000

EMPLOYMENT:# OF EMPLOYEES ANNUAL PAYROLL AVERAGE SALARY

PRESENT (All Facilities) Worldwide	1,790		
PRESENT (Suffolk County Only)	528	32,000,000	60,606
PROPOSED 1ST. YEAR	538	32,500,000	60,401
2ND. YEAR	553	33,000,000	59,675

COMMENTS: 8/25/11: Preliminary inducement resolution approved for an approximately \$27,540,000 lease transaction for Marchon Eyewear, Inc. facility. Voting: 6 (JM,DR,PZ,SR,EC,AE) 0 Absent: YM

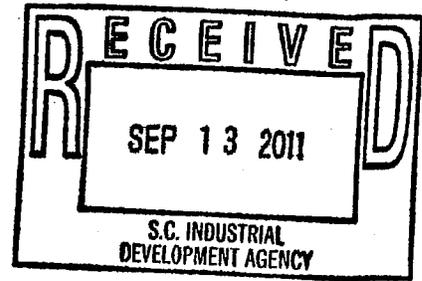
Marchon Eyewear, Inc.

	<u>Savings</u>	
201 Old Country Road	\$ 211,989	5 Year Freeze & 6 Year Phase-In at 10% per year
35 Hub Drive	383,288	5 Year Freeze & 6 Year Phase-In at 10% per year
50 Hub Drive	<u>118,721</u>	5 Year Freeze & 6 Year Phase-In at 10% per year
Total	\$ 713,998	

Average savings \$64,909 per year - 11 years

During past 10 years the tax rate increased 52.694%.
(2001/2002 tax yr - 2010/2011 tax year)

Therefore, used 5.3% increase per year to determine the estimated full tax amount



Gary C. Hisiger
Partner
Email: ghisiger@moritthock.com

September 12, 2011

VIA FEDERAL EXPRESS

Bruce Ferguson
Suffolk County Industrial Development Agency
H. Lee Dennison Building
100 Veterans Memorial Highway
Hauppauge, New York 11788

Re: 80 Arkay Drive, Hauppauge, New York

Dear Bruce:

As you know, we represent Standard Micro Systems Corporation ("SMSC"). Recently SMSC entered into an agreement to sell its interests in the building known as 80 Arkay Drive, Hauppauge, New York to an affiliate of Rechler Equity Partners ("REP").

In connection with this transaction, SMSC and REP desire to maintain the existing agreements with the Suffolk County Industrial Development Agency and the benefits provided by such agreements. The transaction is structured so that lease between SMSC and Suffolk County Industrial Development Agency is assigned to REP and same will be assumed by REP. REP will then effectively "sublease" the building to SMSC.

SMSC will initially occupy the entire building. Approximately 6 months after closing, SMSC will occupy approximately 120,000 square feet of the building and REP will seek to lease the remaining approximately 80,000 square feet to third parties. SMSC does not anticipate any reduction in the employee levels at the 80 Arkay Drive facility as a result of this transaction.

We would respectfully request that you place this matter on the agenda for the September meeting of the Suffolk County Industrial Development Agency Board of Directors so that it may be considered for approval. If you require any further information, please let me know so that we may provide same to you.

249377v1



Moritt Hock
& Hamroff^{LLP}
ATTORNEYS AT LAW

Bruce Ferguson
Suffolk County Industrial Development Agency
September 12, 2011
Page 2

Do not hesitate to contact me if I can be of further assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read 'G. Hisiger', written over the closing text.

GARY C. HISIGER

GCH:eas

cc: Walter Siegel, Esq. (via e-mail)
Guy Germano, Esq. (via e-mail)



1320 RexCorp Plaza
 Uniondale, New York 11556-1320
 Telephone 516.227.0700
 Fax 516.227.0777
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Peter L. Curry
 Partner

Direct Dial 516.227.0772
 Direct Fax 516.336.2208
 pcurry@farrellfritz.com

Our File No.
 23183-100

September 23, 2011

Via Telecopier and Federal Express

Bruce E. Ferguson
 Executive Director
 Suffolk County Industrial Development Agency
 H. Lee Dennison Building
 100 Veterans Memorial Highway
 3rd Floor
 Hauppauge, NY 11788-0099

Re: Downtown Patchogue Redevelopers, LLC

Dear Mr. Ferguson:

I am writing on behalf of Downtown Patchogue Redevelopers, LLC (the "Developer"). The Agency has been instrumental in enabling the development of Patchogue New Village, the mixed-use revitalization project now unfolding on Main Street in Patchogue. The project is now nearing receipt of all approvals, and the commencement of construction. To undertake this phase of the project, the Developer has identified a partner with the access to capital so difficult to find in this economy. The Developer is now working to finalize the agreements necessary to finalize such a joint venture.

Of course, the closing documents executed with the Agency require Board approval of the admission of a joint venturer into the project. Attached please find an organization chart which shows how the prospective entity will be structured. As you can see, the Developer will remain as a member of One West Main Street Apartments Investors LLC (the "New Developer"), a new limited liability company which will construct the project, and operate it upon completion. The joint venturer in the New Developer will be a limited partnership investment fund operated by the United Bank of Switzerland, which will own its interest through the entities listed on the organization chart. Information on the UBS fund is also attached to this letter.

The New Developer will enter into a borrowing and mortgage relationship with a different UBS entity. This entity will provide a project and construction loan for the various construction phases of the development. We will be forwarding the new mortgage documents

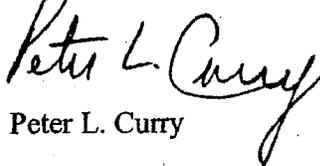
Mr. Bruce E. Ferguson
September 23, 2011
Page 2

for the Agency's review and approval once they are negotiated.

My client and I believe that obtaining access to a well-respected source of equity and financing will ensure that the project becomes a success, and we ask that the Board consent to the assignment of the existing IDA agreements from the Developer to the New Developer be approved by the Board.

Please thank the Board for its consideration of this matter, and please feel free to call me with any questions.

Very truly yours,

A handwritten signature in black ink that reads "Peter L. Curry". The signature is written in a cursive style with a large, prominent "P" at the beginning.

Peter L. Curry

PLC: ac
cc: Robert Loscalzo

UBS Trumbull Property Fund

Facts & figures



Objective

The UBS Trumbull Property Fund (UBS-TPF) is an actively managed core portfolio of equity real estate. The Fund seeks to provide attractive returns while limiting downside risk. The Fund has both relative and real return objectives. Its relative performance objective is to outperform the NFI-ODCE index over any given three-to-five-year period. The Fund's real return performance objective is to achieve at least a 5% real rate of return (i.e., inflation-adjusted return), before advisory fees, over any given three- to five-year period.

Highlights

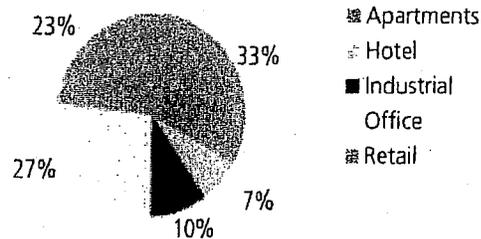
- Net investment income before fees was USD 127.2 million. The first quarter results also reflect a net realized and unrealized gain of USD 213.3 million.
- UBS-TPF acquired two apartment properties: a 390-unit apartment property in Dublin, CA (Oakland CBSA) and a 339-unit apartment property in Federal Way, WA (Seattle CBSA) for gross purchase prices of USD 110.0 million and USD 52.0 million, respectively.
- The Fund committed to develop a 316-unit apartment property in West New York, NJ and a 270-unit apartment property in Arlington, VA. The Fund's share of total development costs are expected to be USD 118.1 million and USD 26.4 million, respectively.
- UBS-TPF increased its joint venture ownership in a 462-unit apartment property in Washington, DC by buying half of its partner's interest (or approximately 25% of the investment) for a gross purchase price of USD 33.8 million.
- The debt secured by a retail property in Mesa, AZ was paid off at par. The Fund's share of the payoff was USD 24.4 million.

Total returns by property type

Periods ending	Apt	Hotel	Ind	Office	Retail
6/30/2011					
Quarter (%)	5.50	5.24	2.74	4.10	3.93
12 months (%)	33.13	17.59	10.24	14.66	16.88

UBS Trumbull Funds

Portfolio distribution by property type

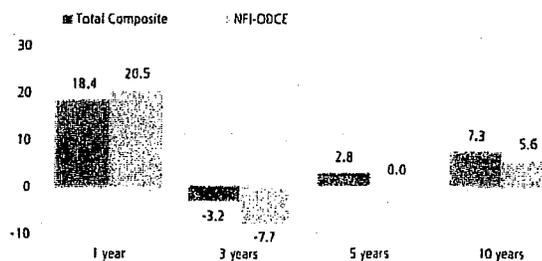


Key statistics

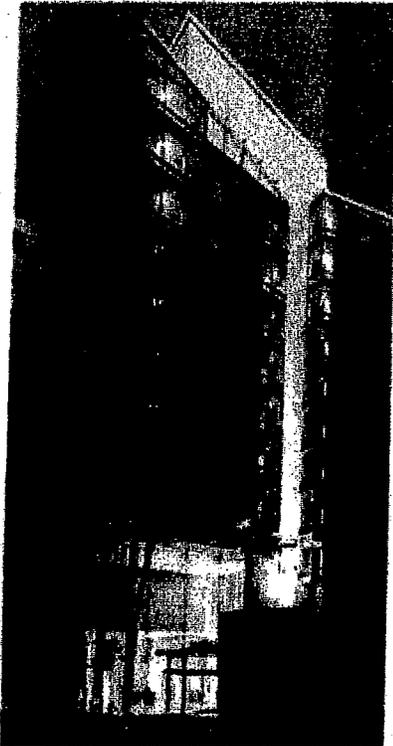
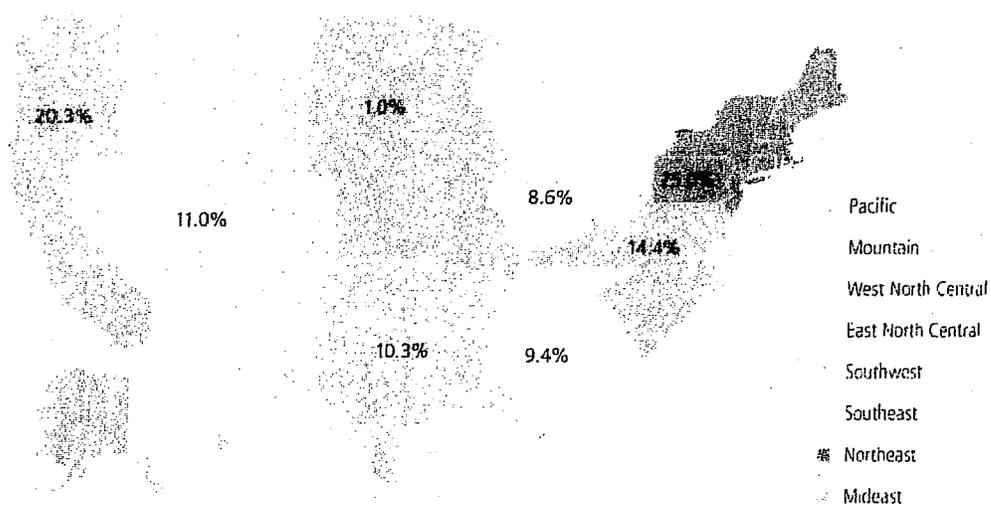
Gross asset value (GAV)	USD 11.0 bn	Quarterly returns (%)	
Net Asset value (NAV)	USD 9.3 bn	Income	1.40
Cash as a % of GAV	10%	Appreciation	2.35
Debt as % of GAV	13%	Total (before fees)	3.75
Number of investments	171	Total (after fees)	3.49
Number of investors	281	One-year rolling returns (%)	
Deposits	554.9	Income	6.16
Redemptions	14.4	Appreciation	10.43
		Total (before fees)	17.06
		Total (after fees)	15.96

Performance for periods ending June 30, 2011

Gross returns (annualized %)



Inception date January 13, 1978



*Percentage of gross market value of real estate investments

†Deposits and redemptions for the second quarter of 2011 were recorded in July 2011.

This summary is not an offer, a solicitation, or advertisement to purchase or sell securities or interests in the Fund. The Fund will only be offered pursuant to a confidential offering memorandum and then only to accredited investors on a private placement basis in jurisdictions in which such an offer may be legally made. The Fund may not be available to investors in all jurisdictions—investors should consult their legal and tax advisors regarding investment in the Fund.

The UBS (US) Trumbull Property Fund LP (UBS-TPF) is a Delaware limited partnership and is part of the group of funds known as the UBS Trumbull Funds. The Fund is denominated in USD. Returns include reinvestment of income and are before deduction of management fees. Net returns for the three-, five- and ten-year periods ended 6/30/2011 were 4.50%, 1.47% and 6.04% and the net return since inception was 7.85%. All returns shown are before the deduction of contract charges, which are only applicable through February 29, 2008. NCREIF Fund Index-Open End Diversified Core Equity i[™] NFI-ODCE[™] returns are time-weighted, fund-level returns that include cash balances and leverage, and are presented gross of fees. With property investment, the underlying assets are very illiquid and redemptions may be delayed. Past performance is not indicative of future results and the possibility of loss does exist.

In the US, investment in the Fund is offered by UBS Fund Services (USA) LLC member FINRA and SIPC.

In Canada, the Fund may be offered through UBS Global Asset Management (Canada) Inc.

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