

Minutes
Southold LDC
Regular Meeting
August 22, 2014

Approved 11/7/2014

Present

John Schopfer, Chairman
Rona Smith, Vice Chair
Jeanne Kelley, Treasurer
Noreen McKenna, Secretary
Steve Latham, Board Member

Also Present

Bruce Ferguson, Executive Director
Ron Grosser, Esq., Hawkins Delafield & Wood LLP
Bill Jackson, Esq., Hawkins Delafield & Wood LLP
Maureen Liccione, Esq., Jaspan Schlesinger LLP
Robert Guido, Esq., Jaspan Schlesinger LLP

The organizational/regular meeting of the Southold Local Development Corporation held in the Peconic Lane Community Center, Room #1, 1170 Peconic Lane, Peconic, New York 11958 was called to order by Mr. Schopfer, Chairman at 10:10 a.m.

Minutes

Board Members reviewed the minutes of the August 4, 2014 meeting.

After further discussion and;

Upon a motion by Mr. Latham, seconded by Ms. Kelley it was:

RESOLVED, to approve the corrected minutes of the August 4, 2014 meeting of the SLDC.

Unanimously carried 5/0.

Application

Mr. Ferguson explained that Peconic Landing has submitted an application to the SLDC for a tax exempt bond in the amount of approximately \$24,000,000. Peconic Landing is a life care community which opened in 2002 and is located on 145 acres in the Town of Southold. Currently there are 26 enriched housing units, 44 skilled nursing beds and 250 independent living apartment units and cottages located on the property. Approximately 400 senior citizens currently reside at Peconic Landing in different levels of care. In addition Peconic Landing is the largest tax paying entity in the Town of Southold with a current real property tax bill of \$1,454,000 per year.

Peconic Landing proposes to expand the facility with conventional financing for the addition of 46 new independent apartment living units. In conjunction with this expansion they propose to use tax exempt bond financing issued by the SLDC for the addition of 16 memory care units and 16 skilled nursing home beds. Peconic Landing currently employs approximately 238 employees (122 full time and 116 part time) with approximately 90% of them being Town of Southold residents. As a result of the proposed project Peconic Landing anticipates hiring an additional 43 new full time employees that will be needed primarily for work in the new state-of-the-art memory care unit and new skilled nursing bed neighborhood.

Ms. Kelley indicated that she would abstain from voting on this application.

Mr. Schopfer introduced Mr. Robert Syron, CEO, Peconic Landing, Mr. Steve Carroll, CFO, Peconic Landing and Mr. Rod Rollet, Vice President, Herbert J. Sims and Co., Inc. to the other Board Members. Mr. Syron thanked the Board Members for considering the Peconic Landing application and for inviting them to the meeting to discuss it. Mr. Syron provided the Board Members with a brief history and overview of Peconic Landing and the proposed project. Mr. Syron indicated that in the industry there should be a ratio of 4 residents to every 1 skilled nursing bed. Mr. Syron indicated that Peconic Landing is currently below the 4 to 1 ratio and as a result up to 11 residents had to receive skilled nursing bed care at San Simeon and Peconic Bay Medical Center. Mr. Syron indicated that Peconic Landing is at 95% occupancy and that its primary market is within 90 miles which is much more expansive than the industry standard of 25 miles. Mr. Syron indicated that after this expansion Peconic Landing will be close to maximum density and that it will be the appropriate size going forward into the future. In regard to questions concerning the use of local labor and local contractors Mr. Syron responded that they are making a significant effort to use local labor and local contractors as much as possible. He noted that some of the local contractors they currently use are not big enough to make a long term commitment to a job as large as this for fear that they will not have enough workers and resources available to do work for their regular customers. Mr. Syron indicated that they have put ads in the local paper and have had an informational meeting in order to encourage local contractors to participate in this project. He also indicated that they have instructed the contractor they are using to make every effort to use and hire local people and local contractors.

Mr. Schopfer thanked Messrs. Syron, Carroll and Rollet and they left the meeting.

After further discussion and;

Upon a motion by Mr. Latham, seconded by Mr. Schopfer it was:

RESOLVED, to approve an Inducement Resolution for a tax exempt bond in an amount up to \$25 million for the proposed Peconic Landing project.

Approved 4-0-1 with Ms. Kelley abstaining.

Mission Statement

Mr. Guido distributed a proposed Mission Statement for the SLDC to the Board Members.

After further discussion and;

Upon a motion by Mr., Schopfer, seconded by Ms. Kelley it was:

RESOLVED, to adopt the Mission Statement for the Southold Local Development Corporation.

Unanimously carried 5/0.

After further discussion and;

Upon a motion by Mr. Schopfer, seconded by Ms. Smith it was:

RESOLVED, to adjourn the meeting of the Southold LDC at 11:55 a.m.

Unanimously carried 5/0.