May 16, 2017

Fred Braun
Chair
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

Dear Chairman Braun,

The Town of Brookhaven Industrial Development Agency (Brookhaven IDA), was created to support economic development and good jobs for the residents of Brookhaven. In 2009, and again in 2014, the Brookhaven IDA awarded tax breaks to Clare Rose, the local Budweiser beer distributor, for the construction of its headquarters and distribution facility in East Yaphank. In light of the company's recent wage cuts and the replacement of long-time, local workers with out-of-state workers, we urge you to reexamine these subsidies and use the IDA's powers under its agreement with Clare Rose to hold the company accountable.

Clare Rose received a PILOT – payment in lieu of taxes agreement – in 2009 that was amended in 2014 for a new facility. Clare Rose will pay less in property taxes from 2010-2030. In 2016 alone, its property taxes were reduced 86%, from $567,040 to $82,207. Additionally, from 2009-2010, Clare Rose received a sales tax exemption valued at $888,291. Clare Rose received an amended PILOT in December 2014 for the installation of solar panels. It received an exemption from sales tax valued at $315,000.
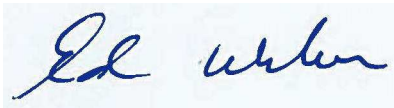
These subsidies were intended to support good jobs for Long Island families, but Clare Rose has done the opposite. In April 2017, Clare Rose unilaterally and illegally imposed wage and benefit cuts on its 130 Long Island workers. The company cut drivers' pay by 30% and withdrew from the pension fund, the disability fund, and the salary continuation program. When workers went on strike to protect their livelihoods, the company notified Teamsters Local 812, and the workers individually, that the 130 workers would be permanently replaced. Soon thereafter, the company began replacing Long Island workers with out-of-state workers.

Under the agreement with Clare Rose, you and the Brookhaven IDA board can and should hold the company accountable for job retention. To meet its obligations to receive these subsidies, Clare Rose must maintain 177 full-time employees. If Clare Rose fails to meet those job retention requirements "at any time," the Brookhaven IDA may declare all unpaid rent and other payments immediately due and payable; terminate the company's lease; revise and increase the company's annual payments; and recapture a portion of the forgone taxes previously given to Clare Rose.

Clare Rose has clearly violated the letter of the agreement, and it has blatantly violated the spirit. Every time an IDA awards property tax breaks to a company, it means less resources for our schools, roads, and other essential public services. The cost is justified with the promise of good jobs and economic development for local residents. Clare Rose's attacks on its local workers break that promise.

We urge the Brookhaven IDA to use all its power under the agreement with Clare Rose to hold the company accountable for cutting wages, cutting benefits, and taking jobs from Brookhaven and Long Island residents.
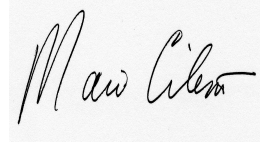
Sincerely,

Ed Weber
President
Teamsters Local 812

George Miranda
President
Teamsters Joint Council 16

Mario Cilento
President
New York State AFL-CIO

John Durso
President
Long Island Federation of Labor

cc
Felix J. Grucci, Jr., Vice Chair, Brookhaven IDA
Martin Callahan, Treasurer, Brookhaven IDA
Scott Middleton, Assistant Treasurer, Brookhaven IDA
Ann-Marie Scheidt, Secretary, Brookhaven IDA
Michael Kelly, Assistant Secretary, Brookhaven IDA
Gary Pollakusky, Member, Brookhaven IDA
Lisa MG Mulligan, CEO, Brookhaven IDA
Lori LaPonte, CFO, Brookhaven IDA
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