

MINUTES OF SPECIAL MEETING OF MONDAY, JUNE 21, 2010

Meeting was called to order by Chairperson Kathleen Wojciechowski at 5:15 p.m.

Present: Kathleen Wojciechowski, Chairperson
Lou Kalogeras, Vice-Chairperson (entered at 5:20 p.m.)
Angela DeVito, Secretary/Treasurer
Paul Thompson, Asst. Secretary/Asst. Treasurer
Sean McCabe, Member

Anna Maria Villa, CEO/Executive Director
Richard Ehlers, Counsel

Absent: None

33-10 A RESOLUTION RATIFYING THE CALLING OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO *E.B.S. BUILDING SYSTEMS L.L.C.*

At a special meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on **June 21, 2010 at 5:00 o'clock p.m.**, Prevailing Time.

The meeting was called to order by **Kathleen Wojciechowski**, and upon roll being called, the following were

PRESENT: Kathleen Wojciechowski, Chairperson
Elias S. Kalogeras, Vice Chairperson
Angela DeVito, Secretary
Capt. Paul Thompson, Member
Sean McCabe, Member

ABSENT: None

The following resolution was offered by Member **Angela DeVito**, who moved its adoption, seconded by **Lou Kalogeras**, to-wit:

RESOLUTION DATED **JUNE 21, 2010**.

A RESOLUTION RATIFYING THE CALLING OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO *E.B.S. BUILDING SYSTEMS L.L.C.*

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the “Agency”) having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, E.B.S. Building Systems L.L.C., a New York limited liability company qualified to do business in the State of New York (“E.B.S.”) has previously applied for financial assistance from the Agency in 2003 and 2005 but E.B.S. ultimately determined not to proceed with the application at those times; and

WHEREAS, the Agency has received an updated application, dated April 26, 2010, for financial assistance from E.B.S. with respect to the improvement and use of an undeveloped parcel of land of approximately 10 acres presently owned by E.B.S. and located on Scott Avenue in the Calverton Enterprise Park, Riverhead (the “Land”), the clearing of the site, the construction on the site of approximately 67,300 square feet of buildings to be used in the manufacture of wood building components, including roof and floor trusses and wall panels, the temporary storage of such wood building components, and related office space, and the purchase and installation of equipment to be used in connection therewith, together with incidental site improvements and expenses in connection therewith, at an aggregate cost estimated not to exceed \$4,030,000 (the “Project”); and

WHEREAS, the estimated cost of the Project does not include the \$970,000 cost of the Land, which was acquired by E.B.S. in August of 2007 and is presently encumbered by a mortgage held by Bank of America, N.A.; and

WHEREAS, the Project will be located in an area which was designated an empire zone pursuant to Section 854 of the General Municipal Law, Subsection 18(c), being part of Article 18-A of the General Municipal Law; and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the project and the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired, accordingly to ratify the calling of a public hearing with respect to the application for financial assistance and the Project and the proposed financial assistance now being contemplated by the Agency to be provided to E.B.S. with respect to the Project, NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on June 21, 2010 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to E.B.S. by the Agency with respect to the Project, as described Section 4 of this Resolution, and to hear all persons interested in the subject thereof, concerning the same. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present

their views with respect to the Project and the providing of financial assistance now being contemplated to be provided to E.B.S. by the Agency with respect to the Project.

Section 2. It is hereby found and determined that the Town of Riverhead, Suffolk County, New York, (the “Town”) will act as “lead agency”, in accordance with the provisions of the State Environmental Quality Review Act (“SEQRA”), with respect to the Project, and is expected to issue a “negative declaration” in accordance with SEQRA and to determine that the Project, as proposed, will not result in any significant environmental impacts. The Agency hereby declares itself “lead agency” pursuant to SEQRA with respect to the Agency's providing financial assistance to E.B.S. with respect to the Project, as described in Section 4 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law and hereby determines that such financial assistance will not result in any significant environmental impacts.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the acquisition of an undeveloped parcel of land of approximately 10 acres located on Scott Avenue in the Calverton Enterprise Park, Riverhead, the clearing of the site, the construction on the site of approximately 67,300 square feet of buildings to be used in the manufacture of wood building components, including roof and floor trusses and wall panels, the temporary storage of such wood building components, and related office space, and the purchase and installation of equipment to be used in connection therewith, together with incidental site improvements and expenses in connection therewith.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to E.B.S. with respect to the Project is (i) the provision of an exemption from Mortgage Recording Taxes, (ii) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (iii) a

partial abatement of real property taxes through a Payment-in-Lieu of Tax Agreement, requiring payments in an amount less than that which would otherwise be required to be paid as real property taxes by granting a partial abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the present assessed value of such real property for a period of ten (10) years. The financial assistance described herein is consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law.

Section 5. The Secretary of the Agency is hereby authorized and directed to cause a copy of the Notice of Public Hearing hereinafter provided to be published once in the News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, and being a newspaper having a general circulation in, and available to residents of, the Town, such publication to be made at least ten (10) days prior to the date designated above for the public hearing. The Secretary of the Agency is hereby further authorized to cause a copy of such Notice of Public Hearing to be additionally published and posted at such times and in such places as the Secretary may deem appropriate, if any.

NOTICE OF PUBLIC HEARING
WITH RESPECT TO E.B.S. BUILDING SYSTEMS L.L.C.
AND THE PROVIDING OF FINANCIAL ASSISTANCE
THERE TO BY THE TOWN OF RIVERHEAD
INDUSTRIAL DEVELOPMENT AGENCY

NOTICE IS HEREBY GIVEN that a public hearing, pursuant to Section 859-a(2) of the General Municipal Law will be held by the Town of Riverhead Industrial Development Agency (the "Agency") on June 21, 2010 at 5:00 p.m. prevailing time at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York, in connection with the acquisition by E.B.S. Building Systems L.L.C., a New York limited liability company qualified to do business in the State of New York ("E.B.S.") of an undeveloped parcel of land of approximately 10 acres located on Scott Avenue in the Calverton Enterprise Park, Riverhead, the clearing by E.B.S. of the site, the construction by E.B.S. of approximately 67,300 square feet of buildings to be used by E.B.S. in the manufacture of wood building components, including roof and floor trusses and wall panels, the temporary storage by E.B.S. of such wood building components, and related office space, and the purchase and installation by E.B.S. of equipment to be used in connection therewith, together with incidental site improvements and expenses, at an aggregate cost estimated not to exceed \$4,030,000 (the "Project"). The Agency proposes to lease the Project from E.B.S., appoint E.B.S. agent of the Agency with respect to acquiring, constructing, equipping and maintaining the Project and to provide financial assistance to E.B.S. with respect to the Project through the provision of an exemption from Mortgage Recording Taxes, the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and a partial abatement of real property taxes through a Payment-in-Lieu of Tax Agreement, requiring payments in an amount less than that which would otherwise be

required to be paid as real property taxes by granting a partial abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the present assessed value of such real property for a period of ten (10) years.

The initial owner of the Project will be E.B.S., a New York limited liability company.

The Town of Riverhead will act as “lead agency” in accordance with the provisions of the State Environmental Quality Review Act (“SEQRA”) with respect to the Project and is expected to determine that the Project, as proposed, will not result in any significant environmental impacts. The Agency has declared itself “lead agency” with respect to the Agency's providing the aforescribed financial assistance to E.B.S. with respect to the Project and has determined that such financial assistance will not result in any significant environmental impacts. Further information on the proposed Project, including the application for such financial assistance and a cost and benefit analysis, is available from the Agency at the address given above.

The Agency will, at the above stated time and place, provide all interested parties with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance being contemplated to be provided to E.B.S. by the Agency with respect to the Project, as herein described. A copy of the application filed by E.B.S. with respect to the Project is available for public inspection at the Agency's office, located at Town Hall, during normal business hours.

Dated: **May 27, 2010**

TOWN OF RIVERHEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Angela DeVito
Secretary

Section 6. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

<u>Kathleen Wojciechowski</u>	VOTING	<u>AYE</u>
<u>Elias S. Kalogeras</u>	VOTING	<u>AYE</u>
<u>Angela DeVito</u>	VOTING	<u>AYE</u>
<u>Paul Thompson</u>	VOTING	<u>AYE</u>
<u>Sean McCabe</u>	VOTING	<u>AYE</u>

The resolution was thereupon declared duly adopted.

* * * *

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on **June 21, 2010**, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media

Date given

Times Review Newspaper

**June 1, 2010 – given
June 10, 2010 - published**

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s)
of posted notice _____

Date of Posting

IDA Web Site

June 1, 2010

Riverhead Town Hall/Town Clerk Bulletin Board

June 1, 2010

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on _____, 2010.

Angelo DeVito
Secretary

(CORPORATE
SEAL)

At 5:15 p.m., Chairperson Wojciechowski, adjourned the special meeting and called to order the public hearing regarding the application for financial assistance of **EBS BUILDING SYSTEMS**.

(Transcript of public hearing is provided on the following pages.)

At 5:25 p.m., Chairperson Wojciechowski closed the public hearing for **EBS BUILDING SYSTEMS** and called the second half of the special meeting to order.

#34-10 - APPROVES MINUTES OF MEETING OF 5/10/10

Paul Thompson offered the following resolution, which was seconded by Angela DeVito

RESOLVED, the minutes of the meeting of May 10, 2010 as prepared and submitted be and are hereby approved; and

BE IT FURTHER RESOLVED, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 5 yes
0 absent

The Executive Director informed the Board that she did not receive the 2009 policies that were approved by the governance committee. These policies were to be included in the May 17, 2010 minutes and therefore, she could not complete the minutes until she received them. Paul Thompson made a motion and Lou Kalogeras seconded the motion to table the Minutes of May 17, 2010 to the next meeting.

The Executive Director informed the Board that Mr. Ehlers reviewed the draft minutes of May 17, 2010, and stated that they did not accurately recount the discussion or resolution of the discussion regarding bond counsel. Ms. Villa suggested the Board begin recording the IDA Board Meetings to have an audio and/or video backup of the meetings. Mr. Ehlers conferred stating that other Boards found it very helpful when there were differences in recollection. Ms. Villa informed the Board that the Town Clerk would allow the Agency to use the cd recorder and it would cost several hundred dollars to transcribe the cd if Flynn Reporting services did the transcription.

#35-10 A RESOLUTION *APPOINTING COUNTRY LIMOUSINE SERVICE, INC. AGENT OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AND APPROVING DOCUMENTS* IN CONNECTION WITH THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL AGENCY TO COUNTRY LIMOUSINE SERVICE, INC.

At a special meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on **June 21, 2010 at 5:00 o'clock P.M.**, Prevailing Time.

The meeting was called to order by **Kathleen Wojciechowski**, and upon roll being called, the following were

PRESENT: Kathleen Wojciechowski, Chairperson
Elias S. Kalogeras, Vice Chairperson
Angela DeVito, Secretary
Capt. Paul Thompson, Member
Sean McCabe, Member

ABSENT: None

The following resolution was offered by Member **Lou Kalogeras**, who moved its adoption, seconded by Member **Paul Thompson**, to-wit:

RESOLUTION DATED JUNE 21, 2010.

A RESOLUTION APPOINTING COUNTRY LIMOUSINE SERVICE, INC. AGENT OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AND APPROVING DOCUMENTS IN CONNECTION WITH THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL AGENCY TO COUNTRY LIMOUSINE SERVICE, INC.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the “Agency”) having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance (the “Application”) from Country Limousine Service, Inc., a New York business corporation qualified to do business in the State of New York (hereinafter referred to as “Country Limousine”), on behalf of Country Limousine, Dark Horse Restaurant LLC, a limited liability

company qualified to do business in the State of New York, Dark Horse Catering, Inc., a New York business corporation qualified to do business in the State of New York, and other related entities (collectively, the “Related Parties”), with respect to the restoration by Country Limousine and the Related Parties of a distressed 1929 building being located at 1 East Main Street, Riverhead, consisting of an approximately 9,000 square foot building to be used as a restaurant and catering facility which is expected to include a take-out gourmet specialty food store and five duplex office/apartments designed with energy efficient technologies including solar hot water panels, recycled timbers for table tops, bar tops and shelving and recycled bottles for light fixtures, as well as roof planting boxes for rain water collection and the growing of herbs and spices, and incidental expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$1,640,000 (the “Project”); and

WHEREAS, the Project will be located in an area which was designated an empire zone pursuant to Section 854 of the General Municipal Law, Subsection 18(c), being part of Article 18-A of the General Municipal Law; and

WHEREAS, the Town, in accordance with the provisions of the State Environmental Quality Review Act (“SEQRA”), has issued a “negative declaration” with respect to the Project and determined that the Project, as proposed, will not result in any significant environmental impacts; and

WHEREAS, the Agency wishes to make a determination pursuant to SEQRA with respect to the Agency’s providing financial assistance to Country Limousine for the Project, as described herein and as authorized pursuant to Article 18-A of the General Municipal Law; and

WHEREAS, by resolution duly adopted by the Members of the Agency on April 26, 2010 (the “Resolution”), the Agency called a public hearing with respect to the application for

financial assistance by the Agency to Country Limousine and the Related Parties for the Project (the “Public Hearing”), the Public Hearing being noticed as required by law and having been held on April 26, 2010 at 5:00 PM, Prevailing Time, at the Town Hall, 200 Howell Avenue, in Riverhead New York; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefor, as set forth in the notice of the Public Hearing, in the Resolution and in Section 2 of this resolution; and

WHEREAS, the Agency provided notice of the Public Hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, by resolution duly adopted by the Members of the Agency on May 10, 2010 the Agency approved the providing of financial assistance by the Agency to Country Limousine and the Related Parties with respect to the Project; and

WHEREAS, there have been presented to this meeting documents, consisting of a Ground Lease (the “Ground Lease”), a Lease Agreement (the “Lease Agreement”), a Guaranty (the “Guaranty”), and a Payment in Lieu of Tax Agreement (the “PILOT Agreement”) in connection with such financial assistance; and

WHEREAS, it is now desired to approve the Ground Lease, the Lease Agreement, the Guaranty, the PILOT Agreement and to appoint Country Limousine as agent of the Agency for purposes of reconstructing the Building and purchasing Equipment for installation in the Building;

NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

The Agency, following a review of the Application and information provided at and with respect to the Project at the Public Hearing, hereby determines, based in part on information and representations provided by Country Limousine, including information in the Application, (i) that the Project will serve the public purposes of Article 18-A of the General Municipal Law by preserving permanent, private sector jobs or increasing the overall number of private sector jobs in the State of New York; (ii) that the Project will promote the health, general prosperity and the economic welfare of the inhabitants of the Town of Riverhead (the “Town”) and serves a public purpose as set forth in Article 18-A of the General Municipal Law; (iii) that the Project is a “project” as defined in Section 854(4) of the General Municipal Law; and (iv)(a) the provision of financial assistance for the Project by the Agency will result in no major impacts and, therefore, such provision of financial assistance for the Project will not have a “significant effect on the environment,” as such quoted term is defined in the SEQRA; and (b) no “environmental impact statement,” as such quoted term is defined in the SEQRA, need be prepared for this action. The determinations set forth under clauses (iv)(a) and (iv)(b) above constitute a negative declaration for purposes of SEQRA.

Subject to the execution and delivery of the Ground Lease, Lease Agreement, Guaranty and PILOT Agreement by all parties thereto, the provision of financial assistance to Country Limousine through provision of (i) an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, resultant from the Agency’s appointment of Country Limousine as the Agency’s agent with respect to reconstructing the Building and purchasing and installing the Equipment in the Building and (ii) a partial abatement of real

property taxes by granting a partial abatement through the PILOT Agreement requiring payments in an amount less than that which would otherwise be required to be paid as real property taxes and in accordance with the standard uniform tax exemption policy of the Agency, is hereby approved.

The form and substance of the proposed (i) Ground Lease (in substantially the form presented to this meeting and attached hereto as Exhibit A and made a part thereof), (ii) Lease Agreement (in substantially the form presented to this meeting and attached hereto as Exhibit B and made a part hereof), (iii) Guaranty (in substantially the form presented to this meeting and attached hereto as Exhibit C and made a part hereof) and (iv) PILOT Agreement (in substantially the form presented to this meeting and attached hereto as Exhibit D and made a part hereof). The Chairperson, Vice Chairperson or Executive Director of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Ground Lease, Lease Agreement and PILOT Agreement and accept the Guaranty, each in substantially the form presented to this meeting with such changes in terms and form as the Chairperson, Vice Chairperson or Executive Director shall approve. The execution of the Ground Lease, Lease Agreement, PILOT Agreement and necessary recording documents and acceptance of the Guaranty by the Chairperson, Vice Chairperson or Executive Director shall constitute evidence of such approval.

The appointment of Country Limousine as agent of the Agency with respect to reconstructing the Building, purchasing the Equipment and installing the Equipment in the Building and the making of payments in respect of such purchases in the name of the Agency in accordance with the terms of this resolution and the exhibits attached hereto, is hereby approved and Country Limousine is hereby so approved as agent of the Agency.

Any and all actions taken by the officers and other appropriate officials of the Agency in connection with calling the Public Hearing, including publication of notice of such hearing, are ratified, confirmed and approved in all respects as acts of the Agency.

The Chairperson, Vice Chairperson or Executive Director of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver related documents with respect to Country Limousine's financing of the Project in the form prepared or approved by counsel to the Agency.

A copy of this resolution, together with the documents attached hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection.

This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call

which resulted as follows:

<u>Kathleen Wojciechowski</u>	VOTING	<u>AYE</u>
<u>Elias S. Kalogeras</u>	VOTING	<u>AYE</u>
<u>Angela DeVito</u>	VOTING	<u>AYE</u>
<u>Paul Thompson</u>	VOTING	<u>AYE</u>
<u>Sean McCabe</u>	VOTING	<u>AYE</u>

The resolution was thereupon declared duly adopted.

* * * *

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on **June 21, 2010**, with the original thereof on file in my office, and that the same is a true and correct transcript there from and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media

Date given

RIVERHEAD NEWS REVIEW

**June 1, 2010 – Date Given
June 10, 2010 – Date Published**

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

<u>Designated Location(s) of posted notice</u>	<u>Date of Posting</u>
IDA Web Site	June 1, 2010
Riverhead Town Hall/Town Clerk Bulletin Board	June 1, 2010

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on _____, 2010.

Angela DeVito
Secretary

(CORPORATE
SEAL)

36-10 ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS

Angela DeVito offered the following resolution, which was seconded by Paul Thompson.

WHEREAS, Denise Cooper, CPA, prepared and Anna Maria Villa, Executive Director, submitted a report of expenses of the Riverhead Industrial Development Agency for the period April 1 to May 31, 2010 **as attached**.

NOW, THEREFORE, BE IT RESOLVED, that said report of expenses dated May 31, 2010 be and is hereby accepted and expenses as listed are authorized for payment.

Vote: 5 yes
0 absent

Ms. Villa introduced Mr. Lee Browning from Hilton Garden Inn. He said he is currently receiving IDA benefits and is requesting to make two PILOT payments in one year instead of one PILOT payment because of the difficult economic times. Mr. Ehlers suggested that Mr. Browning's attorney propose a draft of the change in payment in the PILOT agreement and submit it to the Board for approval. Ms. Villa suggested there be a fee involved in managing and processing two payments and would provide a that fee at a later date.

Angela DeVito made a motion to go into Executive Session to discuss the Executive Director's contract offer and the relocation of the IDA office. Mr. Ehlers left the room and the meeting, and the Executive Session began at 6:10 p.m.

Results of the Executive Session:

The personnel committee would meet on Friday, June 25, 2010 to discuss the counter-offer to the Executive Director, and then they would meet with the labor attorney again.

Report of the Executive Director:

- Ms. Villa updated the Board on IDA projects
- She informed the Board that RIDA received the "administrative services fee" refund from the Department of Taxation and Finance in the amount of \$408.69 that was collected pursuant to Public Authorities Law 2975-a.
- She requested a petty cash fund of \$300. Lou Kalogeras motioned to approved, Paul Thompson seconded. All were in favor. Motion carried.
- She requested a small office refrigerator. Approximate cost of \$175. Angela DeVito motioned to approve, Kathleen Wojciechowski seconded. All were in favor. Motion carried.
- She requested a microwave for the office. Approximate cost of \$ 100. Paul Thompson offered to loan to the Agency a microwave he has that he is not using.

There being no further business the meeting was adjourned at approximately 6:35 p.m.

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RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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200 Howell Avenue
Riverhead, New York

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June 21, 2010
5:00 p.m.

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B E F O R E :

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SEAN McCABE

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LOU KALOGERAS

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PAUL THOMPSON

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KATHLEEN WOJCIECHOWSKI

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ANGELA DeVITO

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ANNA MARIA VILLA

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DICK EHLERS

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June 21, 2010

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MS. WOJCIECHOWSKI: I call this meeting to order at 5:15 p.m. We are here this evening to accept public comment regarding the application for financial assistance of EBS Building Systems LLC.

I have on file an affidavit of Karen Kine as the Principal Clerk of the News Review newspaper certifying the publication of the following notice of public hearing in the June 10, 2010 issue of the News Review as the official newspaper of the Riverhead Industrial

14 Development Agency. As so designated by
15 the Board of Directors at its regular
16 meeting of January 4th of 2010. I make
17 the notice of public hearing and the
18 resolution calling said hearing a part
19 of the record of this proceeding of
20 EBS Building Systems LLC, as the
21 applicant.

22 Further, I make a part of the
23 record of this proceeding the affidavit
24 of Anna Maria Villa, as Executive
25 Director of the Riverhead Industrial

June 21, 2010

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1 Development Agency attesting to the
2 service of the Notice of Public Hearing
3 in this matter upon the Chief Fiscal
4 Officers of the affected taxing
5 jurisdictions as required by the laws of
6 the State of New York.

7 Would the applicant, please, step
8 forward and introduce yourself for the
9 record. And is there anyone else in the

10 audience that would like to address the
11 applicant?

12 MR. SMITH: Good afternoon,
13 Ma'am, my name is Allen Smith. I am
14 counsel to the applicant, EBS. With me
15 today is Mr. William Schmidt, who is
16 one of the principals of EBS. I would
17 ask that you incorporate in this
18 proceeding the minutes of the earlier
19 proceedings relative to this applicant
20 and the day-to-day put forth at this
21 time.

22 This is an application the Board has
23 had since 2005, and is in essence of
24 renewal of the earlier approvals that
25 were granted by the Board. This is a

June 21, 2010

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1 ten acre parcel, building sixty to
2 seventy thousand square feet. It's
3 the manufacture of this wood trust type
4 product. The increase in employment is
5 anticipated to add 19 employees during

6 the first year of operation. Twice the
7 number of employees in the second
8 year. Their current annual payroll is
9 a million-eight. The additional payroll
10 would be \$415,000.00 the first year and
11 \$475,000.00 during the second year. And
12 that's pretty much a thumbnail sketch of
13 it.

14 MS. WOJCIECHOWSKI: Any
15 questions from the Board?

16 MS. DeVITO: I just have one.
17 From what I read, this is going to be a
18 two phase project?

19 Mr. Schimdt: The first phase
20 will be two buildings and an office. The
21 second phase will be maybe about 50 x 100
22 square foot building for additional wood
23 manufacturer.

24 MS. DeVITO: And how long --

25 Mr. Schimdt: Probably about

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6

1 ten years from the first phase.

2 MR. SMITH: We'll sit down
3 and let others speak.

4 MS. WOJCIECHOWSKI: Public
5 comment, any questions?

6 MR. NOLAN: Good evening.
7 My name is Dick Nolan and I am the
8 attorney for the Manorville Fire
9 District. And my own reason for
10 appearance here this evening is to object
11 on behalf of the fire district to grant
12 a tax exemption for fire district
13 purposes. I acknowledged that we
14 received a notice and I happen to
15 notice on the cover letter though that
16 there was no reference or letter sent
17 to the ambulance district in Riverhead.
18 Is that a fact?

19 MR. EHLERS: The ambulance tax
20 is not affected by this Board.

21 MR. NOLAN: I'm glad to hear
22 that. Why is the ambulance tax not
23 affected when the fire district tax is
24 proposed to be reduced? Because last time

25

-- I think it might have been this

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1 hearing, the last time I was here, when
2 I left. Mr. Cardinale, the then
3 supervisor, I had mentioned what was
4 he here for and he had mentioned that,
5 "that the ambulance district get's their
6 tax money, why shouldn't you?" That's
7 fine and I spoke with so and so and they
8 said fire district is not created by the
9 Town. It is created by the Town. I
10 have for submission to the Board, copy
11 of minutes of the Town Board of the
12 Town of Riverhead, January 19, 1954
13 adding the portion ending of the airport,
14 to the then existing fire district that
15 had been originally created by the Town
16 of Brookhaven. So I want equal
17 treatment to the ambulance district.
18 That's number one. And if I don't get
19 it, I think maybe we're going to have
20 some visitors -- because the ambulance

21 district is collecting taxes on this
22 property and it should have been sent a
23 notice of the hearing because it is --
24 it's not an affected tax district, but it
25 should be. Now, we have a problem that

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1 if we can't collect taxes put of this
2 area -- and this is getting worse.
3 Every time you have an IDA project in
4 the park, you take property out of the
5 tax roll whatever, as additional taxes
6 needed by the fire department -- they have
7 to be paid for by the residents of the
8 fire district. Not the business
9 development that is -- that maybe the
10 cause for the need for additional fire
11 protection. You already have a wood
12 products manufacturing, this could be a
13 serious fire problem. We have to be
14 able to address it. Unfortunately, I
15 think there's a lax or a gap in the town
16 considering the overall development of

17 the park because you can't really -- I
18 think there are two in existence
19 already. Eventually, we won't be
20 getting any tax money but we will have
21 to protect that whole ski slope, apartment
22 buildings or hotels, and if you keep
23 taking this off the tax rolls, then the
24 residents of the Town or the Village or
25 the fire district in Manorville, are going

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1 to have to pay for that fire protection.
2 That is not fair. You're required under
3 the IDA Act to consider the impact of
4 these developments from fire and ambulance
5 services on this development. And this
6 job will require fire protection from the
7 first day they put a stake in the ground.
8 The ambulance district has to provide
9 ambulance services work and that's why
10 both of these should be entitled to their
11 tax revenue while that project is going
12 on. I noticed in the papers, just

13 recently, there is a bill pending to
14 allow Village's to complain about IDA
15 projects because the Village's don't have
16 a concern where the imposes on Town IDA.
17 I also have a building that will
18 specifically prohibit tax exemptions for
19 fire districts and ambulance districts
20 because I don't think that your ambulance
21 district is anymore entitled to an
22 exemption then less your tax deviation
23 policy provides for. And I would like
24 to see a copy of your tax deviation
25 policy if you could mail one to me that

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10

1 was one thing I need. But also as you
2 take property off the tax rolls, you're
3 limiting the opportunity for the fire
4 district to create a special tax
5 district within it's fire district,
6 which it is permitted to do under the Town
7 law, but it doesn't impact properties that
8 don't pay taxes. I have a -- several fire

9 districts where a portion of the fire
10 districts have hydrants. They have to
11 pay for the hydrants so those areas in
12 the district pay a higher tax rate to
13 offset the hydrant rental. Other areas
14 have industrial developments. In the Town
15 of Islip, there are areas that are
16 strips of property that are industrially
17 developed have been created a special tax
18 zone because of the need for additional
19 fire equipment, such as aerial ladders.
20 One of the most horrendous ones that went
21 by that was reported back in 1988,
22 believe it or not, was the property you
23 now see as -- it was originally Grumman
24 Data on the expressway, it then became
25 Motorola and now Symbol and now Motorola.

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11

1 No tax revenue out of that, when the
2 district required to buy an aerial
3 truck to protect that property and the
4 residents don't get the benefit out of

5 this. School districts aren't impacted
6 because there are no additional students.
7 Fine. Towns and counties have a much
8 larger geographical area to spread the
9 lost over. Fire districts are the
10 smallest taxable entities in the State of
11 New York. And it's unfair to give them
12 the burden for this type of development or
13 the owner to maintain their fire district
14 tax. So I would seriously consider --
15 request that you give the same benefit to
16 the fire district that you admit is
17 apparent to the ambulance district, and
18 pay no exemption for the taxes on that
19 project. I have two of the commissioners
20 here with me if there are any questions.
21 This is going to become a bigger problem
22 as developing goes on in that area. And
23 it's got to be considered. Any questions,
24 I have Commissioner Schmidt and
25 Commissioner Bob -- if there are

1 questions relating to the fire
2 district they would be happy to
3 answer.

4 MS. WOJCIECHOWSKI: Thank
5 you, Mr. Nolan. Any questions?

6 MR. EHLERS: May I ask a
7 question?

8 MS. WOJCIECHOWSKI: Yes.

9 MR. EHLERS: Dick Ehlers, I
10 am counsel to the Board. You mentioned
11 the ambulance, do you provide ambulance
12 protection in the area --

13 MR. NOLAN: No, I do not.
14 Fire protection only. Ambulance
15 protection in this area is provided by
16 the Riverhead Community Ambulance.

17 MR. EHLERS: Right. And you
18 mentioned a hydrant rental. You don't
19 pay any hydrant rental to the Town of
20 Riverhead to the --

21 MR. NOLAN: Brookhaven we
22 do --

23 MR. EHLERS: But to the area

24 in Riverhead where you're providing
25 firematic protection, you do not

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13

1 provide --

2 MR. NOLAN: No, we're in
3 connection to the Riverhead Water
4 District. There have been some
5 problems with the water supply in the
6 park area. There was one building I
7 supplied high pressure water --

8 MR. EHLERS: Right, and
9 hopefully that's rectified --

10 MR. NOLAN: Hopefully. There
11 has been a lot of litigation about it. I
12 appeared on that and we're still three
13 of four businesses that haven't
14 connected. Really, it is essential.

15 MR. EHLERS: I am familiar with
16 that. And as of today, I believe they're
17 connected. I believe so.

18 COMMISSIONER SCHMIDT: If I may
19 have a moment of the Town, please?

20 MS. WOJCIECHOWSKI: Please.

21 COMMISSIONER SCHMIDT:

22 Commissioner Schmidt. The attorney
23 spoke about the taxation. As for EBS,
24 we have no issue with that project at
25 all. We like to see developing come

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14

1 up and developed, but when we're
2 losing tax money, then we have a real
3 problem. We don't have the proper
4 equipment to firefight that area.
5 We're very concerned about what's
6 going on. We did speak to the
7 attorney for the project, I believe
8 last year, and he was going to contact
9 us when things started to move along
10 because it takes us a while for us to
11 get up to speed with the buildings that
12 are going up with the firefighting and
13 the training. So we need to work
14 together. I said this last year,
15 again, please if anything comes up,

16 please call us and the fire district
17 will come down and speak with you and
18 whatever input we could have, we
19 would like to have.

20 MR. NOLAN: This area is
21 going to require ambulance protection
22 on site and especially if they put them
23 parks in there. We're going to have
24 to have an ambulances right there,
25 which will require your ambulance to

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15

1 come on site. It would require
2 police protection. Not only
3 firefighters, my opinion is, that it
4 should all be kept in one building so
5 that safety issues is given to the
6 whole park area. If it's developed and
7 people say it's going to be, we will
8 have a brand new city down there. We
9 have a lot of work to do down in that
10 area. Appreciate any help you can give
11 us.

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MS. WOJCIECHOWSKI: Thank you.

Any further comments from the audience?

(No response.)

MS. WOJCIECHOWSKI: Any further
comment from the Applicant?

(No response.)

MS. WOJCIECHOWSKI: Without
objection, I will conclude this meeting
and declare the public hearing meeting
closed at 5:25 p.m. Thank you.

(Whereupon, the hearing closed at
5:25 p.m.)

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C E R T I F I C A T I O N

I, Jessica DiLallo, a Notary Public for and within
the State of New York, do hereby certify:

THAT, the witness(es) whose testimony is herein
before set forth, was duly sworn by me, and

8 THAT the within transcript is a true record of the
9 testimony given by said witness(es).

10 I further certify that I am not related either by
11 blood or marriage to any of the parties to this action;
12 and that I am in no way interested in the outcome of this
13 matter.

14 IN WITNESS WHEREOF, I have hereunto set my hand this
15 day, June 29, 2010.

16

17

18 (Jessica DiLallo)

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12:50 PM

06/02/10

Accrual Basis

Riverhead Industrial Development Agency

Trial Balance

As of May 31, 2010

	May 31, 10	
	Debit	Credit
10000 · JP Morgan Chase Bank NA	218,440.58	
10100 · Certificate of Deposit	0.00	
10200 · Pilot Account	250.02	
11000 · Accounts Receivable		0.04
12000 · Prepaid Expenses	1,331.27	
12000 · Prepaid Expenses:12010 · Prepaid Insurance Benefits	0.00	
12001 · Undeposited Funds	0.00	
12100 · Inventory Asset	75.31	
15000 · Furniture and Equipment	1,479.95	
15500 · Accumulated Depreciation-F&E		699.57
16000 · Office Equipment	6,559.60	
16500 · Accumulated Depreciation-Equip		4,046.45
20000 · Accounts Payable	0.00	
21000 · Accrued Expenses		13,230.00
2110 · Direct Deposit Liabilities	0.00	
21200 · Pilot Payments Payable	0.01	
24000 · Payroll Liabilities	0.00	
24000 · Payroll Liabilities:24001 · FWT Payable	0.00	
24000 · Payroll Liabilities:24002 · FICA Payable	0.00	
24000 · Payroll Liabilities:24003 · MEDI Payable	0.00	
24000 · Payroll Liabilities:24010 · Federal Payroll Tax Liabilities	0.00	
24000 · Payroll Liabilities:24020 · NYS income taxes payable	0.00	
24000 · Payroll Liabilities:24030 · Employee Pension Withholding	0.00	
26000 · Compensated Absences	0.00	
30000 · Opening Balance Equity	0.00	
32000 · Retained Earnings		148,723.51
46400 · Other Types of Income:46410 · Interest Income		87.80
47200 · Program Income:47240 · Program Service Fees		142,610.00
62100 · Contract Services:62110 · Accounting Fees	9,500.00	
62100 · Contract Services:62140 · Legal Fees	8,700.00	
62100 · Contract Services:62145 · Website Development	5,225.00	
62100 · Contract Services:62150 · Outside Contract Services	45,895.00	
62800 · Facilities and Equipment:62840 · Equip Rental and Maintenance	488.00	
62800 · Facilities and Equipment:62890 · Rent, Parking, Utilities	5,325.08	
65000 · Operations:65010 · Books, Subscriptions, Reference	35.00	
65000 · Operations:65020 · Postage, Mailing Service	399.67	
65000 · Operations:65040 · Supplies	340.39	
65000 · Operations:65050 · Telephone, Telecommunications	774.00	
65100 · Other Types of Expenses:65110 · Advertising Expenses	2,696.88	
65100 · Other Types of Expenses:65120 · Insurance - Liability, D and O	527.16	
66000 · Payroll Expenses:66050 · Other Employment taxes	11.49	
68300 · Travel and Meetings:68310 · Conference, Convention, Meeting	65.00	
68300 · Travel and Meetings:68320 · Travel	582.12	
68300 · Travel and Meetings:68330 · Mileage Reimbursement	287.15	
69800 · Uncategorized Expenses	408.69	
TOTAL	309,397.37	309,397.37

12:50 PM
06/02/10
Cash Basis

Riverhead Industrial Development Agency
Profit & Loss
May 2010

	<u>May 10</u>
Ordinary Income/Expense	
Income	
46400 · Other Types of Income	
46410 · Interest Income	20.49
Total 46400 · Other Types of Income	<u>20.49</u>
Total Income	<u>20.49</u>
Gross Profit	20.49
Expense	
62100 · Contract Services	
62110 · Accounting Fees	9,500.00
62140 · Legal Fees	2,985.00
62145 · Website Development	2,500.00
62150 · Outside Contract Services	8,416.25
Total 62100 · Contract Services	<u>23,401.25</u>
62800 · Facilities and Equipment	
62840 · Equip Rental and Maintenance	122.00
62890 · Rent, Parking, Utilities	1,331.27
Total 62800 · Facilities and Equipment	<u>1,453.27</u>
65000 · Operations	
65050 · Telephone, Telecommunications	154.80
Total 65000 · Operations	<u>154.80</u>
Total Expense	<u>25,009.32</u>
Net Ordinary Income	<u>-24,988.83</u>
Net Income	<u><u>-24,988.83</u></u>