

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
January 6, 2014**

Meeting was called to order by Vice Chairman Lou Kalogeras at 5:00 p.m.

Present: Carl Gabrielsen, Secretary
Paul Thompson, Treasurer
Elias (Lou) Kalogeras, Vice Chairman
Dawn Thomas, Asst. Treasurer/Secretary

Absent: Tom Cruso, Chairman

Others in Attendance: Tracy James, Executive Director

Richar Ehlers, Counsel

Peggy Scheifer, Transcriber

Carl Gabrielsen motioned to approve the agenda. Paul Thompson seconded. The Agenda was approved.

PUBLIC HEARINGS:

Vice Chairman Lou Kalogeras adjourned the regular meeting and opened the public hearing for Skydive Realty at 5:01pm

Skydive Realty, LLC – Ray and Barbara Maynard addressed the board in request of financial assistance for the following project: To construct a 4 story 100 X 100 indoor skydive wind tunnel for use in training and recreation with a potential eating establishment/lounge proposed as a potential supplement on the third floor. Skydive Long Island located in Calverton in 2000 and currently attracts 50,000 people to the town seasonally. The expansion of the indoor tunnel would afford them the ability to train year round and make it a year round attraction drawing an estimated additional 50-100,000 more people to Riverhead per year. They anticipate breaking ground by September. The capital investment would be approximately \$4,656,000. This reflects an increase from the original amount in the application which was \$4.5 million. They have received preliminary site plan approval, but are going before the ZBA for height and setback variances. The closest indoor wind tunnels are in North Carolina and New Hampshire. They anticipate 20 employees by year two. With the anticipated assistance of the IDA, they have secured financing through the SBA and a traditional institution. The applicant is requesting sales tax exemption, mortgage recording tax exemption on the portion that is not covered by the SBA loan and a real property tax abatement. After a round of questioning by the board, and seeing no public comment, the Chairman moved to close the hearing at 5:15pm.

Vice Chairman Lou Kalogeras opened the public hearing for Thirty West Main, LLC at 5:16pm.

Thirty West Main, LLC – Georgia Malone and Amir Korangy, project applicants for Thirty West Main addressed the board in request of financial assistance for the following project: The applicants are in contract to purchase 30 West Main Street a currently 70% vacant commercial building in downtown Riverhead. With the assistance of the IDA, they would like to renovate the buildings' second and third floor into state of the art office space and small business incubation like pods on the second floor, offering services for start-ups and common use areas. Using a membership based model to attract entrepreneurs and lawyers the applicants propose to renovate the 12,000 sq ft space and retain the one first floor retail tenant. They intend on renovating the lobby area, façade, second and third floors with a total capital investment of approximately \$1.7 million. They plan on an aggressive grass roots effort marketing campaign using their connections in the city. Discussion of attracting local college students at a lower club rate was suggested. They project a total of 4 full time employees. If provided assistance through the IDA, they would like to target a May opening and requested a sales tax exemption, mortgage recording tax exemption and real property tax exemption. After questions from the Board and seeing no comment from the public, Vice Chairman Lou Kalogeras moved to close the public hearing at 5:50pm

The Vice Chairman moved to take the Old Business out of order. Dawn Thomas seconded.

OLD BUSINESS

Counsel informed the board that EPIC had initially gotten a construction loan in the amount of \$3.5 million and is now requesting a consolidation and increase refinance in the amount of \$4,250,000. The total project amount heard was over \$8 million, so the board is still under the approved mortgage recording tax amount.

RESOLUTION #09-14 RESOLUTION APPROVES REFINANCING OF EASTERN PROPERTY INVESTOR CONSULTANTS, LLC (EPIC)

Dawn Thomas offered the following resolution, which was seconded by Paul Thompson.

WHEREAS, by resolution adopted December 7, 2009 this Board approved financial assistance for Eastern Property Investor Consultants, LLC (EPIC), and by further resolution adopted October 21, 2011 approved a mortgage in the amount of \$3,500,000; and

WHEREAS, EPIC has been issued a commitment letter by [REDACTED] to refinance this mortgage with a new mortgage in the amount of \$4,250,000.

NOW, THEREFORE, BE IT RESOLVED, that the refinance of the existing mortgage with a new mortgage in the amount of \$4,250,000 be and hereby is approved along with the provision of an exemption from mortgage recording fees; and be it further

RESOLVED, that EPIC shall pay all Agency fees and costs associated with this refinancing.

VOTE: 4 Yes 1 Absent

MINUTES:

The Board moved to dispense with the reading of and voted on the December 2nd, 2013 meeting minutes.

#01-14 RESOLUTION APPROVES MINUTES OF REGULAR MEETING MINUTES OF OCTOBER 7, 2013.

Paul Thompson offered the following resolution, which was seconded by Carl Gabrielsen.

RESOLVED, the minutes of the meeting of December 2, 2013 as prepared and e-mailed 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: 4 Yes
1 Absent

PRESENTATIONS: None

CORRESPONDENCE: None

TREASURER'S REPORT: The Treasurer reported that the Agency's

Cash Balance as of December 31, 2013	\$209,612.97
Revenue for December	\$104,650
Profit and Loss (Dec)	\$72,869.66
Total Year	\$169,382.66
Accounts Receivable (Riverhead Industrial Properties)	\$300
Total Bills Paid for December	\$13,986.56

Treasurer Paul Thompson noted that the pilot payments were calculated and mailed as of December 13th and they are due by January 10th. Treasurer commended the ED on the budget to actual numbers for the year.

#02-14 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF December 31, 2014

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted a monthly financial report, including a report of expenses, to the Riverhead Industrial Development Agency for the period of December 1 to December 31, 2013 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated January 2, 2014 covering the month of December, be and are hereby accepted and expenses as listed are authorized for payment.

Carl Gabrielsen made a motion to accept Treasurer's Report, which was seconded by Dawn Thomas. **Motion approved.**

Vote: 4 Yes
1 Absent

COMMITTEE REPORTS

There was no audit committee report.

There was no governance committee report.

There was no personnel committee report

There was no finance committee report.

NEW BUSINESS:

- A. The ED informed the board of several requests to amend pilot agreements to split the pilot payments into two payments.

Dawn Thomas moved to adopt resolution #04, 05, and 06-14. Carl Gabrielsen seconded.

#04-14 RESOLUTION

**AUTHORIZES AMENDMENT TO PILOT AGREEMENT
WITH MIRAH MAX, LLC**

Whereas, through proceedings held, the Agency approved the application for financial assistance by Mirah Max, LLC for the Project located at 309 West Main Street, Riverhead, NY 11901 known as SCTM #600-129.000-0004-0003 which approval authorized the Agency to enter into a certain Payment In Lieu of Tax Agreement dated as of February 10, 2012 ("PILOT") which was duly executed by the Agency and Mirah Max, LLC and filed with the Riverhead Board of Assessors on February 14, 2012 along with Real Property Tax Law form 412-a, and

Now, Therefore, Be It Resolved, that Payment In Lieu of Tax Agreement dated as of February 10, 2012 by and between the Riverhead Industrial Development Agency and Mirah Max, LLC be and hereby is amended as follows: the annual PILOT payment shall be payable in two equal installments at the option of Mirah Max, LLC upon the payment of an annual fee of \$250 by separate check with the first installment to be paid no later than January 10th and the second installment to be paid no later than June 1st. Delinquent PILOT payments must be paid in full with all applicable penalty and fees, and

Be It Further Resolved that this resolution shall take effect immediately upon amendment to the written agreement as accepted and agreed. Thereafter a copy of this resolution shall be provided to the Riverhead Board of Assessors and the affected taxing jurisdictions.

#05-14 RESOLUTION

AUTHORIZES AMENDMENT TO PILOT AGREEMENT WITH 400 BURMAN BOULEVARD, LLC

Whereas, through proceedings held, the Agency approved the application for financial assistance by 400 Burman Boulevard, LLC for the Project located at 400 Burman Boulevard, Calverton, NY 11933 known as SCTM #600-135.20-01.00-024.00 which approval authorized the Agency to enter into a certain Payment In Lieu of Tax Agreement dated as of November 8, 2013 ("PILOT") which was duly executed by the Agency and 400 Burman Boulevard, LLC and filed with the Riverhead Board of Assessors on November 20, 2013 along with Real Property Tax Law form 412-a, and

Now, Therefore, Be It Resolved, that Payment In Lieu of Tax Agreement dated as of November 8, 2013 by and between the Riverhead Industrial Development Agency and 400 Burman Boulevard, LLC be and hereby is amended as follows: the annual PILOT payment shall be payable in two equal installments at the option of 400 Burman Boulevard, LLC upon the payment of an annual fee of \$250 by separate check with the first installment to be paid no later than January 10th and the second installment to be paid no later than June 1st. Delinquent PILOT payments must be paid in full with all applicable penalty and fees, and

Be It Further Resolved that this resolution shall take effect immediately upon amendment to the written agreement as accepted and agreed. Thereafter a copy of this resolution shall be provided to the Riverhead Board of Assessors and the affected taxing jurisdictions.

#06-14 RESOLUTION

AUTHORIZES AMENDMENT TO PILOT AGREEMENT WITH CAL 81 REALTY, LLC

Whereas, through proceedings held, the Agency approved the application for financial assistance by CAL 81 REALTY, LLC for the Project located at 400 Burman Boulevard, Calverton, NY 11933 known as SCTM #600-135.010-0001-002.000 which approval authorized the Agency to enter into a certain Payment In Lieu of Tax Agreement dated as of December 1, 2006 ("PILOT") which was duly

executed by the Agency and CAL 81 REALTY, LLC and filed with the Riverhead Board of Assessors on February 28, 2007 along with Real Property Tax Law form 412-a, and

Now, Therefore, Be It Resolved, that Payment In Lieu of Tax Agreement dated as of December 1, 2006 by and between the Riverhead Industrial Development Agency and Cal 81 Realty, LLC be and hereby is amended as follows: the annual PILOT payment shall be payable in two equal installments at the option of Cal 81 Realty, LLC upon the payment of an annual fee of \$250 by separate check with the first installment to be paid no later than January 10th and the second installment to be paid no later than June 1st. Delinquent PILOT payments must be paid in full with all applicable penalty and fees, and

Be It Further Resolved that this resolution shall take effect immediately upon amendment to the written agreement as accepted and agreed. Thereafter a copy of this resolution shall be provided to the Riverhead Board of Assessors and the affected taxing jurisdictions.

VOTE: 4 Yes
1 Absent

EXECUTIVE DIRECTORS REPORT

The ED reported that Blue River requested to continue the public hearing and sent in a payment to republish the notice. However, the ED sent correspondence informing the applicant that there are still some outstanding items within the application. There has been no response since. The agency is holding the check until it hears from the applicant.

ED shared recent press and upcoming events.

ED informed the board that the Agency had been summoned in the matter of Cal 81 and are being defended through Old Republic Insurance.

Empire Zone Bar's are due by the businesses by December 31st. The coordinator's review and submission is due by Jan 15th.

Compliance reports and ST-340 Reminders will be out by the end of the week. ED reported that the Agency started it's auditing process and that this is paperwork season.

ED recommended attendance to the NYSEDC annual IDA conference on Jan 22 & 23rd.

#07-14 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE DATED: January 6, 2014

Paul Thompson offered the following resolution, Dawn Thomas seconded.

WHEREAS, the New York State Economic Development Council will be hosting its annual IDA Section Conference, and

WHEREAS, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

WHEREAS, a two day conference is scheduled in Albany for January 22-23rd, thereby requiring her to stay at the Marriott Hotel (or comparable facility) from January 21 & 23rd, at \$131 per night, plus the cost of transportation and registration to be reimbursed upon submission of receipts not to exceed \$1200.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves expenditures for lodging at the Marriot Hotel (or comparable facility) and reimbursement of transportation for Executive Director, Tracy Stark-James to attend the NYSEDC IDA Section Conference in Albany, NY from January 21-23rd, 2014.

Vote: 4 Yes

1 Absent

Recognizing the request for expedited consideration, the Vice Chair then opened a discussion regarding Thirty West Main, LLC. Even though the building is located in an Empire Zone and an Urban Renewal Area the first floor is already tenanted and will likely remain retail. Therefore the board decided to carve out the retail portion of the building and induce 2/3rds of the building which is the space that will be renovated into shared use business start-up offices with support services on the second floor and office space on the third floor. The board also decided to implement benchmarks as they did for the Woolworth Project and to have prohibitions within the agreements on certain tenancy since the model would not provide for a review of every tenant. However, the board wished to reserve the right to approve retail tenants. The board approved a real property abatement for 10 years at 100% for 2/3rds of the building, sales tax exemption and mortgage recording tax exemption.

RESOLUTION #08-14

A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO THIRTY WEST MAIN, LLC

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 from THIRTY WEST MAIIN, LLC, a limited liability company qualified to do business in the State of New York ("Thirty West Main"), with respect to the acquisition of parcel and renovation, reuse and equipping of existing 12,000 square foot building, located within a designated urban renewal area at 30 West Main Street, Riverhead,

New York (S.C.T.M. No. 0600-128-6-22) for use as not more than one third retail space with the balance for office professional including shared use business start-up offices with support services estimated at a cost of \$1,630,000 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on January 6, 2014 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Thirty West Main with respect to the Project; 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, 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.

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

Section 1. It is hereby determined that the Agency shall provide Thirty West Main with the following financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (ii) a partial abatement of real property taxes by granting a real property tax abatement equal to two-thirds (2/3) of the assessed value of the improvements, subject to completion of the improvements detailed below, for a period of ten years, effective for the 2014/2015 tax billing year. PILOT payments shall be calculated and paid on the land assessment and one-third (1/3) of the improvement assessment or such greater amount as set forth herein if the required improvements have not been completed by December 2, 2014 or subsequent anniversary. Of the two-thirds (2/3) a-third shall be granted upon completion of the second floor improvements listed in Schedule B and one-third (1/3) shall be granted for the completion of the improvements listed in Schedule B, and (iii) the provision of an abatement of the Mortgage Recording Tax not to exceed \$1,630,000 and initially on the Purchase Money Mortgage in the Principal Sum of \$500,000. The Executive Director of the Agency is hereby directed to proceed, at the expense of Thirty West Main, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Thirty West Main, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 2. No retail tenants shall be permitted to locate on the second and third floor of property which is the subject of this project known as 30 West Main Street, Riverhead, New York. All first floor retail tenants shall be subject to Agency approval upon 60 days written notice by Thirty West Main to the Agency. Said written notice by Thirty West Main to the Agency shall be made 60 days prior to occupancy by proposed tenant which notice shall include a copy of the proposed lease, complete Agency application completed by the proposed tenant and a written narrative describing the proposed use. The Agency may require an appearance at an Agency meeting by Thirty West Main and the proposed tenant. The Agency shall make its determination no later than 60 days from receipt of a complete application. In the event the Agency does not act within such 60 day period, the tenant shall be deemed approved. Thirty West Main hereby agrees that it will lease the Project for uses which promote the development of downtown Riverhead in conformance with the goals of urban renewal and revitalization. Therefore, no use shall be permitted for tattoo parlor, massage parlor, check cashing center, calling center, taxi stand, tobacconist or other uses associated with urban blight.

Section 3. No Agency approval is required for office tenants at Thirty West Main except a tenant leasing more than 40% of a floor shall be approved by the Agency as set forth in Section 2 above but unlawful activity such as internet gambling, adult entertainment, computer hacking, computer fraud is prohibited. All use agreements made by Thirty West Main with office tenants must clearly state such prohibitions.

Section 4. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to Thirty West Main, as described in Section 1 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 5. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Ground Lease, Lease, Mortgage, PILOT, Guarantees, necessary to grant the financial assistance set forth herein.

Section 6. This resolution shall take effect immediately.

VOTE: 4 Yes

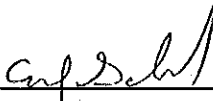
1 Absent

The next board meeting is scheduled for February 3rd.

Paul Thompson motioned to adjourn the meeting, Dawn Thomas seconded.

There being no further business, the meeting was adjourned at 6:17pm

2/24/14
Date



Secretary