

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
February 3, 2014**

Meeting was called to order by Chairman Tom Cruso at 5:35 p.m.

Present: Tom Cruso, Chairman
Carl Gabrielsen, Secretary
Dawn Thomas, Asst. Treasurer/Secretary

Absent: Paul Thompson, Treasurer
Elias (Lou) Kalogeras, Vice Chairman

Others in Attendance: Tracy James, Executive Director
Richar Ehlers, Counsel

The Chairman took the Presentations out of order and called up the representatives from Riverhead Building Supply. Stacy Yakaboski, Counsel, Kevin Goodale and John Callahan.

PRESENTATIONS: The representatives for Riveredge explained that Riverhead Building Supply (lessor to Riveredge) was originally an approved IDA project in 2007 when they purchased 32 acres and proposed the development of 115,000 sq ft building, comprising Phase I of the overall proposed development. Now prepared for Phase II, the addition of a second building of approximately 123,000 sq foot, the applicant realized they had not incorporated the IDA approval within the initial application and are back to request assistance for this second phase. The realization came when they began preparing their budget and researched the sales tax exemption. The new building will be used for warehousing and millwork. The investment includes some new state of the art machinery. Counsel noted that he will confirm that the addition of this building does not impact the bond currently out on the initial project. The representatives requested the sales tax exemption and the real property tax exemption – not to be an extension on the current RPTA, but to run concurrently. There are two other buildings also planned for the property. There is 6 years left on the current RPTA. The total capital investment will be approximately \$5million and creates a few more new jobs. They are not requesting a mortgage recording tax exemption. They requested a public hearing as soon as possible.

The following resolution was offered by Member Thomas Cruso, who moved its adoption, seconded by Member Dawn Thomas, to wit:

#11-14 A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO RIVEREDGE, 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 Riveredge, LLC to construct a 123,946 square foot facility at 962 Burman Boulevard, Calverton, New York (S.C.T.M. No. 0600-135.10-01.00-005.000) to be leased to Riverhead Building Supply Corp. as a warehouse and millwork manufacturing facility of doors, windows and custom millwork products and distribution center to support an existing millwork distribution facility at an estimated total cost of \$5,056,219.00 (the "Project"); 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 to authorize the scheduling 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 Riveredge, LLC 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 Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on March 3, 2014 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to Riveredge, LLC by the Agency with respect to the Project, as described in 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 Riveredge, LLC by the Agency with respect to the Project.

Section 2. 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 Riveredge, LLC 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 has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the construction of a 123,946 square foot facility at 962 Burman Boulevard, Calverton, New York (S.C.T.M. No. 0600-135.10-01.00-005.000) to be leased to Riverhead Building Supply Corp. as a warehouse and millwork manufacturing facility of doors, windows and custom millwork products and distribution center to support an existing millwork distribution facility at an estimated total cost of \$5,056,219.00.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to Riveredge, LLC with respect to the Project is (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, and (iii) the provision of an exemption from Mortgage Recording Taxes. The financial assistance described in (i), (ii) and (iii), above, would be

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 this resolution to be published once in the February 13, 2014 edition of 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.

Section 6. This resolution shall take effect immediately.

VOTE: 3 Yes
2 Absent

The Chairman resumed the order of the agenda.

Dawn Thomas motioned to approve the agenda. Carl Gabrielsen seconded. The Agenda was approved.

MINUTES:

The Board moved to dispense with the reading of and voted on the January 6, 2014 meeting minutes.

#09-14 RESOLUTION APPROVES MINUTES OF REGULAR MEETING MINUTES OF JANUARY 6, 2013.

Carl Gabrielsen offered the following resolution, which was seconded by Dawn Thomas.

RESOLVED, the minutes of the meeting of January 6, 2014 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: 3 Yes
2 Absent

CORRESPONDENCE: The ED informed the board that the agency had received correspondence after the draft agenda had gone out. ED informed the board that the agency had received a letter from the DEC requesting the dissemination of information regarding its Environmental Audit Incentive Program. ED will distribute information electronically to companies.

ED then informed the board that there was a request on behalf of East End Emergency Veterinary to execute a second mortgage and provide a mortgage recording tax exemption. The board authorized the second mortgage, but decided they needed more information regarding the public purpose of the mortgage. In addition, the approval would necessitate a public

hearing in that it exceeds the original amount noticed when the project was originally induced. The ED to respond in writing informing EEEV of the board's decision.

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

Cash Balance as of January 31, 2013	\$197,736.94
Revenue for January	\$29,023.45
Profit and Loss (Jan)	\$8,433.73
Total Year	\$8,433.73
Accounts Receivable (Includes Pilots)	\$225,338.66
Total Bills Paid for December	\$28,369.76

Dawn Thomas noted that the high expenses include 3 pay periods and two month's rent. All pilots have been collected and will be distributed upon signing this evening.

#10-14 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 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 January 1 to January 31, 2013 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated January 31, 2014 covering the month of January, 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: 3 Yes
2 Absent

COMMITTEE REPORTS

There was no audit committee report, but a meeting is scheduled for the end of February

There was no governance committee report. A meeting is scheduled for February 25th at 12:30

There was no personnel committee report

There was no finance committee report.

OLD BUSINESS: None

NEW BUSINESS:

- A. WOOLWORTH REVITALIZATION DOCUMENT CHANGE AUTHORIZATION** -The board approved the refinancing of the Woolworth Revitalization project during a previous meeting, but needed to authorize a letter amending the financial documents to reflect the new financial institution. The board approved the document change for the Woolworth Revitalization refinance and authorized the Chairman to sign the letter.
- B. EAST END EMERGENCY VETERINARY REQUEST FOR REFINANCE** – taken out of order. See above.
- C. CONSIDERATION OF RIVEREDGE PUBLIC HEARING** – taken out of order. See above.

EXECUTIVE DIRECTOR'S REPORT

- Compliance reports were sent out and are starting to be submitted. Due Tuesday, February 11th
- ST-340 reminders were sent out and are starting to be submitted. Due February 28th to the State.
- ED reported on new potential projects and updated board on Blue River.
- Lunch and Learn will host Anchin on Tax Incentives Feb 13th at Outer Banks
- ED informed the board of new requirements on retail projects. Counsel to draft letter of confirmation to have the Town Supervisor approve Skydive. Skydive will be on agenda for the next meeting for consideration of approval.
- ED asked the board to memorialize the authorization for the Chairman to engage Albanese Sini & Reeves as the auditors and to sign the contracts. The board authorized the Chairman to sign the documents.
- ED provided a synopsis on the NYSEDC conference.
- ED noted that she would like to implement a new policy during public hearings and will create a script for the Chairman to memorialize certain requirements of the applicants so that it is in the transcripts of the public hearings.
- Empire Zone Bar's were due and submitted to NYS ESD on time. Several are still outstanding and will receive 30 day notices from the State. ED is scheduling an EZ meeting within the next month. Tentatively February 27th.
- ED notified board of vacation.

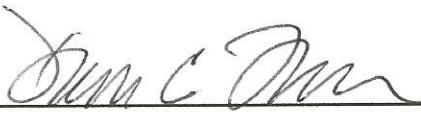
The board discussed the timing of the next board meetings, committee meetings and public hearing and trying to consolidate the meeting dates. ED to coordinate and get back to the board.

The next board meeting is currently scheduled for March 3rd.

Dawn Thomas motioned to adjourn the meeting, Carl Gabrielsen seconded.

There being no further business, the meeting was adjourned at 6:18pm

4/14/14
Date


Secretary

Note: a review of the minutes post adoption revealed that typed resolution #09-14A wasn't prepared and incorporated into the minutes. It is now made part of the minutes.

09-14A RESOLUTION AUTHORIZES REFINANCE OF RGR ASSOCIATES, LLC

Tom Cruso offered the following resolution. Dawn Thomas seconded.

WHEREAS, Resolution #23-04, dated April 5 , 2004 appointed RGR ASSOCIATES, LLC Agent of the Town of Riverhead Industrial Development Agency and approved documents in connection with the provision of financial assistance by the Town of Riverhead Industrial Development Agency to RGR ASSOCIATES, LLC, and

WHEREAS, RGR ASSOCIATES, LLC has submitted a request to refinance the project with a second mortgage for an additional \$400,000.00, and

WHEREAS, RGR ASSOCIATES, LLC also requested a Section 255 Affidavit for a mortgage recording tax exemption on the new loan amount of \$400,000, and

WHEREAS, the loan amount is in excess of the amount noticed to the public when the project was originally approved, and

WHEREAS, the Board determined that the request for the mortgage recording tax exemption would require further public hearing, and

NOW, THEREFORE BE IT RESOLVED, that the refinance of the existing mortgage with an additional new mortgage in the amount of \$400,000 be and hereby is approved without the provision of an exemption from mortgage recording fees; and be it further

BE IT FURTHER RESOLVED, that the Chairman is authorized to execute the mortgage and other necessary documents to permit the financing and RGR ASSOCIATES shall pay all Agency fees and costs associated with this refinancing.

Vote: 3 Yes

2 Absent