

**MINUTES OF A SPECIAL BOARD MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
September 22, 2014**

Meeting was called to order by Chairman Tom Cruso at 5:02p.m.

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

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

Dawn Thomas moved to approve the proposed agenda. Lou Kalogeras seconded. Motion approved.

The board considered Resolution #52-14

#52-14 A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC UNITED METHODIST HOUSING DEVELOPMENT FUND COMPANY, INC. AND JOHN WESLEY VILLAGE LP

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 PECONIC UNITED METHODIST HOUSING DEVELOPMENT FUND COMPANY, INC. a New York not-for-profit company and JOHN WESLEY VILLAGE LP ("JOHN WESLEY") with respect to the renovation of an existing 115 unit senior housing rental facility located at Middle Road, Riverhead, New York (SCTM #0600-82-02-4.6). The renovation shall include kitchen and bathroom replacement, wireless/central station call need

assistance system, handicapped site access improvements, sidewalk upgrade work and safety and health improvements at an estimated cost of \$3,698,649 (the "Project"). The facility will be purchased by John Wesley Village LP at a total project cost of \$24,378,235. All Housing and Urban Development contracts will be maintained and there will be no change in tenant eligibility or selection. All tenants will remain in place during renovations; and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on September 8, 2014 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by JOHN WESLEY 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. The Agency finds upon the record of these proceedings that the Project is currently wholly exempt from real property taxation and that provision of financial assistance by the Agency will cause the property to return to the tax roll while generating PILOT payments during the transition as set forth below.

Section 2. It is hereby determined that the Agency shall provide JOHN WESLEY 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 as set forth in Schedule A attached, and (iii) the provision of an

exemption from Mortgage Recording Taxes. The Executive Director of the Agency is hereby directed to proceed, at the expense of JOHN WESLEY to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to JOHN WESLEY, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 3. This approval is contingent upon JOHN WESLEY obtaining financing for the project through the New York State Housing Finance Agency into the approximate amount of \$12,000,000, with the exact amount to be determined by bond authority underwriters, and the issuance of low-income tax credits in the approximate amount of \$9,000,000 with the actual amount to be determined by New York State Homes and Community Renewal Agency, reflecting investor participation which funding will be evidenced by a Federal Housing Administration (FHA) insured mortgage placed upon the facility.

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 JOHN WESLEY, as described in Section 2 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 provision of financial assistance is contingent upon provision by JOHN WESLEY of approval by the US Department of Housing and Urban Development to permit the transaction as set forth in the preambles herein and the assignment of the Housing Assistance Payments Contract to John Wesley Village LP. JOHN WESLEY shall file written proof of such approval with the Agency no later than six (6) months the date of closing. JOHN WESLEY may request an extension of this time period for which approval shall not be unreasonably withheld; and

Section 6. This resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Chairman or Vice Chairman may execute and deliver documents between the Agency and the Applicant, as approved by counsel to the Agency, as are necessary to provide the financial assistance provided herein upon such further resolution of the Agency.

SCHEDULE A
REAL PROPERTY TAX ABATEMENT

<u>Tax Year</u>	<u>Amount of PILOT Payment</u>
2015-2016	\$0
2016-2017	\$0
2017-2018	\$0
2018-2019	\$0
2019-2020	\$0
2020-2021	\$50,000
2021-2022	\$50,000
2022-2023	\$50,000
2023-2024	\$50,000
2024-2025	\$50,000
2025-2026	\$50,000
2026-2027	\$50,000
2027-2028	\$100,000
2028-2029	\$100,000
2029-2030	\$100,000
2030-2031	\$100,000

Vote: 5 Yes

The resolution was thereupon declared duly adopted.

New Business off the floor was brought by Counsel regarding Riveredge. It was explained that Riveredge is changing its accounting to small Gaap Accounting and their bank has requested a resolution from the IDA approving this change. A resolution will be brought before the board during the next regular meeting.

#53-14 RESOLUTION CONSENTS TO AUTHORIZE RIVEREDGE TO CHANGE ACCOUNTING PRINCIPLES

Lou Kalogeras offered the following resolution, which was seconded by Carl Gabrielsen.

RESOLVED, motioned to notify Riveredge that the IDA has not objection to the requested change of accounting principles, and

Vote: 5 Yes

The ED requested guidance with regard to the upcoming LIBN East Meets West sponsorship. Because no board members are available to attend, the board authorized either the sponsorship or an ad, leaving the decision to the discretion of the ED.

ED notified the board about the public hearing on the solar farm being constructed on Edwards Avenue.

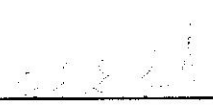
ED also notified the board that hearing notices were not sent out to Woolworth nor Country Limo. To be discussed during the next board meeting.

Lou Kalogeras motioned to adjourn the meeting. Carl Gabrielsen seconded.

There being no further business, the meeting was adjourned at 6:13 pm.

10-4-14

Date



Secretary