

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

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

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

Absent: Dawn Thomas, Secretary

Others in Attendance: Tracy James, Executive Director

Richard Ehlers, Counsel

Councilman John Dunleavy, TOR Board Liaison to the IDA

Paul Thompson moved to approve the proposed agenda. Carl Gabrielsen seconded. Motion approved.

MINUTES:

The Board moved to dispense with the reading of and voted on the September 8, 2014 and September 22, 2014 meeting minutes.

#54-14 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF September 8 and SPECIAL MEETING OF September 22nd, 2014.

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

RESOLVED, the minutes of the meetings of September 8 and September 22nd, 2014 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that copies 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

Chairman Tom Cruso entered and took over headed the meeting from this point on.

PRESENTATION:

Conifer/CDC – Marianne Garvin came before the board to request assistance with a new project proposal called Peconic Crossing. Ms. Garvin is from the Community Development Corporation of Long Island (CDCLI), a 45 year old not for profit with a mission to increase the supply of affordable housing across LI. They are partnering with a for profit development organization named Conifer, which specializes in large scale affordable housing developments. Conifer has projects in four states – NJ, NY, CT and Maryland. They only do affordable housing. They have partnered 700 units of housing together. Ms. Garvin described the numerous projects the two entities have developed. They intend on using Low Income Housing Tax Credits, Community Development Block Grant Funds and NYS Housing Community Renewal Funds to help finance the projected \$17.5 million dollar project that consists of 48 units in five stories at the current Science Center location, 11 West Main St. They have also met with Suffolk County for infrastructure funds. The application deadline for the HCR is Dec 4th, so they are seeking a commitment from the IDA for their application before then. Ms. Garvin explained that the HCR encourages the public private partnership and the IDA support is not necessary to make application, but is strongly encouraged. She explained that they do not need site plan approval for the application. However, they will have only 4-6 months to receive site plan approval once they are approved for the tax credits. It is proposed to be non-age restricted housing. Ms. Garvin explained that the Science Center is going to follow the current site plan through the process. The SEQRA review is not complete yet. The ED asked if preference can be given to Riverhead residents. Ms. Garvin explained that all applications are screened through the office in Rochester and the only preference provided is to LI residents. However, the marketing plan approved by the state would provide for heavy marketing in the area of proximity. Ms. Garvin explained that there will be criminal, credit and prior rent reviews performed on each tenant. Ms. Garvin reiterated that they do not accept Section 8 recipients, nor any other subsidized housing assistance. Ms. Garvin explained that rents are adjusted according to individual tenant income levels on an annual basis. A combined 140% of Area Median Income (AMI) eliminates eligibility for tenancy. Although it was stated there would be onsite management, Ms. Garvin explained that it would be part time management and that there would be a state of the art security system in the office. The ED asked if the management office is part time, who would be monitoring the cameras? She needed to research that. No estimated job creation was provided. There will be 16 one bedroom and 32 two bedroom units. Ms. Garvin said occupancy will be monitored and there is a limit of 2 persons per bedroom.

Ms. Garvin requested assistance with mortgage recording tax, sales tax, and real property tax abatement. She anticipates a closing in August of 2015 and a spring 2016 completion.

Counsel Ehlers explained that there is currently a project application on the same site and that no two parallel applications can be processed for the same site. Counsel explained that he is waiting on documents from the Science Center's attorney to verify that the previous purchase agreement has been closed. Therefore the board cannot act until this is clarified. Counsel went

on to address the request for a letter of support and explained that the Agency could provide a copy of the public hearing notice as documentation that the project is under IDA review.

CORRESPONDENCE – None

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

Cash Balance as of September	\$141,580.49
Revenue for September	\$9.19
Profit and Loss (September)	\$-14,054.78
Total Year	\$-65,073.73
Accounts Receivable	\$4,408.33
Total Bills Paid for September	\$12,023.98

#55-14 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF September 30, 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 September 1 to September 31, 2014 **as attached**,

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

Lou Kalogeras made a motion to accept Treasurer’s Report, which was seconded by Carl Gabrielsen. **Motion approved.**

Vote: 4 Yes
1 Absent

#56-14 RESOLUTION APPROVING BUDGET FOR FISCAL YEAR 01/01/15-12/31/15 FOR THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides Budget Reports reporting requirements for state and local public authorities and requires the submission of budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, a preliminary budget was prepared and submitted to the Town Board of the Town of Riverhead, Town Clerk and the Town Comptroller for review and comment.

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby adopted as the Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/15 through 12/31/15; and

BE IT FURTHER RESOLVED, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 4 Yes
1 Absent

COMMITTEE REPORTS:

- A. Audit: None
- B. Governance: None
- C. Personnel: None
- D. Finance Committee: None

OLD BUSINESS:

- A. Consideration of compliance hearings: At the request of the ED and Counsel, the board Reconsidered several compliance hearing notices due to mitigating circumstances.

Lou Kalogeras offered the following resolution, which was seconded by Paul Thompson.

#57-14 RESOLUTION DIRECTING COUNSEL TO DRAFT RESOLUTION REGARDING OUTSTANDING FEES

WHEREAS, the board of directors previously authorized compliance hearings for Country Limousine, Woolworth Revitalization and RGR, and

WHEREAS, it is no longer the desire of the board of directors to hold these compliance hearings.

NOW, THEREFORE BE IT RESOLVED, the board of directors directs Counsel to prepare a resolution for the next board meeting regarding the outstanding fees.

Vote: 4 Yes

1 Absent

NEW BUSINESS: The ED informed the board that two projects have requested extensions on their sales tax exemption time limit.

Hampton Jitney has not completed construction and requested a 6 month extension

#58-14 RESOLUTION RATIFYING EXTENSION AND ISSUANCE OF SALES TAX EXEMPTION CERTIFICATE FOR HAMPTON JITNEY, INC.

WHEREAS, Resolution #69-12 of the Riverhead Industrial Development Agency provided a provision of an exemption from Sales and Compensating Use Taxes, on certain property, including tangible personal property to Hampton Jitney, Inc and

WHEREAS, the date of the project operator/agent status appointment for sales tax exemption was December 03, 2012 with a status end date of December 03,2014, and

WHEREAS, written notification has been provided to the Agency that due to construction delays a request has been made for a six month extension of eligibility for the sales tax exemption to complete construction for previously approved facilities, and

WHEREAS, the Agency has issued a certificate for a six month extension commencing on December 03, 2014 with a status end date of June 03, 2015, and

WHEREAS, it is now desired to ratify the extension and issuance of the certificate for Sales and Compensating Use Tax with respect to the application for financial assistance and the Project and the proposed financial assistance provided to the Applicant and the Related Party with respect to the Project,

RESOLVED by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, the authorization to extend for six (6) months and issue a certificate for Sales and Compensating Use Tax for Hampton Jitney, Inc for a processing fee of \$250.

Vote: 4 Yes

1 Absent

Island Green/400 Burman Boulevard also requested an extension. The board decided to table the request until further information was provided regarding the need for the extension.

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

WHEREAS, A RESOLUTION APPROVING EXTENSION AND ISSUANCE OF SALES TAX EXEMPTION CERTIFICATE FOR 400 BURMAN BOULEVARD, LLC. necessitates additional information.

RESOLVED, the board moves to table the request until additional information on the necessity of the extension is provided.

Vote: 4 Yes

1 Absent

Counsel then discussed a situation with the Suffolk Theater and explained that an application had been made by Pike Realty (Suffolk Theater) which is owned by the Castaldi family. Soon after making application to the IDA, the Castaldi family transferred the assets of Pike Realty into a trust known as Sparklefish for estate planning purposes. The Assessor's office will not recognize Sparklefish as being eligible for the Real Property Tax Exemption. Therefore, Counsel informed the board that a new 412a would need to be submitted to the Assessor's office upon filing of certain documents to the agency. The board approved the drafting of any necessary documents for the next meeting.

The next board meeting is scheduled for November 3rd.

Paul Thompson motioned to adjourn the meeting. Carl Gabrielsen seconded.

There being no further business, the meeting was adjourned at 6:20 pm.

11/3/14
Date


Secretary