

**MINUTES OF A REGULAR MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
December 1, 2014**

Meeting was called to order by Chairman Tom Cruso at 5:04p.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

Councilman John Dunleavy, TOR Board Liaison to the IDA

Lou Kalogeras moved to approve the proposed agenda. Paul Thompson seconded. Motion approved.

The Chairman took business out of order to address old business and called up Pike Realty representatives to review their request for an assignment of IDA benefits to a Trust created for estate tax purposes. Counsel Ehlers explained that the deed has been transferred back to Pike Realty in conformance with plans and specifications of the agency.

**#73-14 ACCEPTS THE FILING OF DEED FROM SPARKLE FISH TRUST TO PIKE REALTY, LLC AND CONFIRMS THE CONTINUATION OF AGENCY BENEFITS TO PIKE REALTY COMPANY, LLC**

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

**WHEREAS**, the Agency held the necessary proceeding to provide financial assistance to Pike Realty Company, LLC to rehabilitate and reconstruct the Suffolk Theater by resolution adopted October 22, 2012 as stated in a Ground Lease, Lease and PILOT Agreement dated November 12, 2012, and

**WHEREAS**, Pike Realty Company, LLC, for reasons of family estate planning purposes, transferred ownership of the Suffolk Theater to Sparkle Fish Trust dated December 19, 2012, and

**WHEREAS**, such transfer is not permitted under the terms of the Lease, and

**WHEREAS**, by deed dated November 25, 2014 Sparkle Fish Trust has transferred the Suffolk Theater back to Pike Realty Company, LLC, and

**WHEREAS**, the Agency finds upon the record of these proceedings that the Project has been duly constructed and placed in service in conformance with the plans and specifications approved by the Agency, and

**WHEREAS**, the operation of the Facility has been by the Castaldi family as set forth in the Agency Application for Financial Assistance.

**NOW, THEREFORE, BE IT RESOLVED**, that the Agency accepts the filing of the deed from Sparkle Fish Trust to Pike Realty, LLC in conformance with the requirements of the Lease and confirms the continuation of the Agency benefits to Pike Realty Company, LLC, without interruption, and

**BE IT FURTHER RESOLVED**, that this resolution shall be effective upon payment of the Agency fee of \$250 and counsel fees and costs, and

**BE IT FURTHER RESOLVED**, that the Executive Director shall send a copy of this resolution to the Town of Riverhead Board of Assessors.

**Vote:** 5 Yes

At this point Member Dawn Thomas recused herself from the meeting and the Chairman introduced Resolution #82-14

The following resolution was offered by Member Lou Kalogeras, who moved its adoption, seconded by Member Carl Gabrielsen, to wit:

**#82-14 RESOLUTION DATED DECEMBER 1, 2014.**

**A RESOLUTION RATIFYING 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 PECONIC CROSSING, 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 Peconic Crossing, LLC, as property owner, and Conifer Realty, LLC, as operating entity, in conjunction with Community Development Corporation of Long Island, Inc. all qualified to do business in the State of New York ("collectively referred to herein as Peconic Crossing"), with respect to the acquisition of parcel, demolition of existing structure, and construction of a 70,000 +/- square foot building located at 11 West Main Street, Riverhead, New York (S.C.T.M. #0600-128.00-03.00-068.002) for use as 48 units of workforce rental housing with downstairs interior parking garage and vehicle access across adjacent parcel to Peconic Avenue for project known as Peconic Crossing at an aggregate cost, including costs associated with the financing thereof, estimated to be \$16,710,091 (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 ratify 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 Peconic Crossing 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 December 1, 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 Peconic Crossing 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. 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 Peconic Crossing by the Agency with respect to the Project.

Section 2. A final SEQRA determination will be issued by the Agency upon completion of Town of Riverhead site plan SEQRA review prior to Agency action.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the acquisition of parcel, demolition of existing structure, and construction of a 70,000 +/- square foot building located at 11 West Main Street, Riverhead, New York (S.C.T.M. #0600-128.00-03.00-068.002) for use as 48 units of workforce rental housing with downstairs interior parking garage and vehicle access across adjacent parcel to Peconic Avenue for project known as Peconic Crossing at an aggregate cost, including costs associated with the financing thereof, estimated to be \$16,710,091.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to Peconic Crossing 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 was authorized and directed to cause a copy of this resolution to be published once in the November 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:** 4 Yes

**PUBLIC HEARING:** Chairman Cruso closed the regular meeting and motioned to open the public hearing on Peconic Crossing, LLC

Allen Handelman and Marianne Garvin represented Conifer Realty and CDCLI respectively to discuss the Peconic Crossing, LLC proposal. They reviewed their 15 year history as partners in affordable housing. They explained the combination of financing that will be used and the income level targets for residents. Since the initial presentation the project has evolved and explained that preference will be provided to the artist community and that the physical site plan has been amended to provide for a boardwalk along the river. Additionally fewer parking spaces will be provided to residents. The applicant also needs to define "artist" and to explore the need for artist housing. No site plan or building approvals have been received and the issue of curb cuts and easements still need to be resolved. It was explained that the applicant will need to submit an amended application to reflect the new changes to the project. The presenters explained the application process of prospective tenants. Some public comments were heard. Pat Snyder from the East End Arts Council spoke in favor of the potential artist housing. Jim Stark expressed an opposition to the project. Ray Dickhoff asked several questions.

Mr. Handleman requested a letter of support for a funding application. It was explained that the IDA board does not do preliminary inducement resolutions and therefore could offer a status letter only.

It was decided that the board would not provide a letter of support, but do to the time sensitive nature of the need for the letter, offered a letter of progress of the project after unanimous consent of the board via email. Chairman Tom Cruso did not close the hearing and left if open.

Member Lou Kalogeras motioned to hold the hearing open for the January 5<sup>th</sup> meeting and to post and publish the new hearing date and time reflecting the amendments in a new application. Paul Thompson seconded.

**Vote:** 4 Yes

1 Absent



Counsel was advised to draft the status of the application and provide to the board for review.

The public hearing was adjourned at 6:15pm

Carl Gabrielsen motioned to reopen the regular meeting of the board at 6:18pm. Lou Kalogeras seconded. The regular IDA board meeting was resumed and Dawn Thomas returned to the meeting.

**MINUTES:**

The Board moved to dispense with the reading of and voted on the November 4 2014 meeting minutes.

**#67-14 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF November 4, 2014.**

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

**RESOLVED**, the minutes of the meetings of November 4, 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:** 5 Yes

**PRESENTATION:** None

**CORRESPONDENCE –** None

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

Cash Balance as of November	\$96,092.95
Revenue for November	\$6.23
Profit and Loss (November)	\$- 15,788.57
Total Year	\$-95,500.89
Accounts Receivable	\$300.00
Total Bills Paid for October	\$35,132.50

**#68-14 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF November 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 November 1 to November 30, 2014 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated November 28, 2014 covering the month of November, 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

**COMMITTEE REPORTS:**

- A. Audit: Lou Kalogeras motioned to recess the regular meeting to open an Audit Committee Meeting. Paul Thompson seconded. The board recessed into an Audit Committee Meeting. Lou Kalogeras motioned to resume the regular meeting. Paul Thompson seconded. The regular meeting of the IDA resumed at 6:23pm. Chairman of the committee, Carl Gabrielsen then informed the board that the audit committee is making the recommendation of Albanese, Sini & Reeves for auditing services for 2015.

**#77-14 RESOLUTION DESIGNATES ALBANESE SINI & REEVES, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA**

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

**RESOLVED**, that Albanese Sini & Reeves, LLP be and is hereby designated as the official auditing firm of this Agency for 2015 and that said books are to be audited annually with a copy of said audit to be provided to the Agency and become part of the record of such Agency.

**Vote:** 5 Yes

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

**OLD BUSINESS:**

- A. Woolworth Revitalization Pilot Agreement -  
**#69-14 RESOLUTION SETS PILOT LEVEL FOR WOOLWORTH REVITALIZATION**

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas.

**WHEREAS,** Resolution # 06-13, dated February 4 , 2013 appointed Woolworth Revitalization, 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 Woolworth Revitalization, LLC, and

**WHEREAS,** It was determined that the Agency shall provide Woolworth Revitalization, LLC with financial assistance with respect to the Project, and

**WHEREAS,** the PILOT abatement required reaching performance levels, and

**WHEREAS,** Woolworth Revitalization, LLC has submitted the required documentation and the Agency did perform an onsite inspection for 2014, and

**WHEREAS,** consistent with the targeted deadlines set within the pilot agreement it is the determination of the board that Woolworth Revitalization, LLC has satisfied the requirements to meet the 100% tax reduction level as outline within the PILOT Agreement.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve the 100% tax reduction level as established within the PILOT Agreement with Woolworth Revitalization, LLC, for the 2014/2015 taxable year and the remainder of the benefit period.

**Vote:** 5 Yes

**#70-14 RESOLUTION APPROVES TENANT (Peg's Enchanted Acre) FOR WOOLWORTH REVITALIZATION, LLC PROJECT**

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

**WHEREAS,** Resolution #06-13, dated February 4 , 2013 appointed Woolworth Revitalization, 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 Woolworth Revitalization, LLC, and

**WHEREAS**, It was determined that the Agency shall provide Woolworth Revitalization, LLC and the Related Parties with financial assistance with respect to the Project, and

**WHEREAS**, All tenants shall be subject to Agency approval upon 60 days written notice by Woolworth Revitalization to the Agency, and

**WHEREAS**, Woolworth Revitalization, LLC has proposed to lease the premise to Peg's Enchanted Acre, Inc. DBA Riverhead Flower Shop, and

**WHEREAS**, written notification and necessary documents have been provided to the Agency for application approval, and

**WHEREAS**, it is now desired to approve Peg's Enchanted Acre, Inc. DBA Riverhead Flower Shop as a tenant and as a related party to the approved Agent, Woolworth Revitalization, LLC.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve Peg's Enchanted Acre, Inc. DBA Riverhead Flower Shop as tenant of Woolworth Revitalization, LLC, subject to execution of a written agreement between the Agency, Woolworth Revitalization, LLC and Peg's Enchanted Acre, Inc. DBA Riverhead Flower Shop.

**Vote:** 5 Yes

#### **#71-14 RESOLUTION SETS PILOT LEVEL FOR THIRTY WEST MAIN, LLC**

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

**WHEREAS**, Resolution #08-14, dated January 6, 2014 appointed Thirty West Main, 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 Thirty West Main, LLC, and

**WHEREAS**, It was determined that the Agency shall provide Thirty West Main, LLC with financial assistance with respect to the Project, and

**WHEREAS**, the PILOT abatement required reaching performance levels, and



**WHEREAS**, Thirty West Main, LLC has submitted the required documentation and the Agency did perform an onsite inspection for 2014, and

**WHEREAS**, consistent with the targeted deadlines set within the pilot agreement it is the determination of the board that Thirty West Main, LLC has satisfied the requirements to meet the 100% tax reduction level as outline within the PILOT Agreement.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve the 100% tax reduction level as established within the PILOT Agreement with Thirty West Main, LLC, for the 2014/2015 taxable year and the remainder of the benefit period.

**Vote:** 5 Yes

Counsel Ehlers explained that the request for project cost increase with both Hampton Jitney and Thirty West Main is due to cost overruns. He explained to the board that public hearings were not necessary in either request. The projects remain the same and the companies are still building what they were approved to build, the costs simply increased.

**#72-14 RESOLUTION AUTHORIZES TOTAL PROJECT COST INCREASE – HAMPTON JITNEY, INC.**

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

**WHEREAS**, the Agency held the necessary proceedings to provide financial assistance to Hampton Jitney, Inc for a total project cost of \$8,745,800.00, and

**WHEREAS**, the Agency and Hampton Jitney, Inc entered into the Ground Lease, Lease and PILOT Agreement January 30, 2013, and

**WHEREAS**, by letter dated December 1, 2014 Hampton Jitney, Inc. requested an increase in the overall project cost to \$11,119,665.00 related to fuel tank and hazardous liquid containment facilities, reinforced pavement and concrete, back up generators, vehicle lift and exhaust ventilation equipment, and

**WHEREAS**, the project is unchanged as to purpose and function.

**NOW, THEREFORE, BE IT RESOLVED** that the Agency approves the increase in the total project cost to \$11,119,655.00 and affirms the financial assistance set forth in the resolution adopted by the Agency October 3, 2011 in all respects, and

**BE IT FURTHER RESOLVED** that this resolution shall become effective upon the payment of the Agency fee of \$12,186 and all necessary counsel fees.

**Vote:** 5 Yes

**# 59-14 RESOLUTION APPROVING EXTENSION AND ISSUANCE OF SALES TAX EXEMPTION  
CERTIFICATE FOR 400 BURMAN BOULEVARD, LLC.**

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas.

**WHEREAS**, Resolution #44-13 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 400 Burman Boulevard, LLC, and

**WHEREAS**, the date of the project operator/agent status appointment for sales tax exemption was November 11, 2013 with a status end date of November 11, 2014 and

**WHEREAS**, written notification has been provided to the Agency that a request has been made for a one year extension of eligibility for the sales tax exemption to complete construction for previously approved facilities, and

**WHEREAS**, it is typical for the sales tax exemption to be granted for a period 2 years to complete construction, 400 Burman Boulevard, LLC was only granted 1 year for sales tax exemption, and

**WHEREAS**, it is the desire of the board to waive the extension of sales tax fee, and

**WHEREAS**, it is now desired to approve 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 from the date of initial expiration,

**RESOLVED** by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, approve the authorization to extend for one (1) year from November 11, 2014 and issue a certificate for Sales and Compensating Use Tax for 400 Burman Boulevard, LLC and its Related Party.

**Vote:** 5 Yes

**#74-14 RESOLUTION APPOINTS DENISE M. COOPER AS CHIEF FINANCIAL OFFICER TO THE RIVERHEAD IDA**

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

**RESOLVED**, that Denise M. Cooper, be and is hereby appointed as Chief Financial Officer for 2015 to the Riverhead IDA at an hourly rate of \$[REDACTED] per hour, to be paid upon presentation of an itemized statement.

**Vote:** 5 Yes

**NEW BUSINESS:**

**#75-14 RESOLUTION APPOINTS RICHARD A. EHLERS AS LEGAL COUNSEL TO AGENCY**

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

**RESOLVED**, that Richard A. Ehlers, be and is hereby appointed as general legal counsel to the Agency for 2015 at an hourly rate of \$[REDACTED] per hour, to be paid upon presentation of an itemized statement.

**Vote:** 5 Yes

**#76-16 RESOLUTION APPOINTS FULBRIGHT & JAWORSKI AS BOND COUNSEL TO THE AGENCY**

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

**RESOLVED**, that Fulbright & Jaworski LLP be and is hereby appointed as Bond Counsel to the Agency for 2015 to be paid upon the presentation of an itemized statement.

**Vote:** 5 Yes

**#77-14 RESOLUTION DESIGNATES ALBANESE SINI & REEVES, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA**

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

**RESOLVED**, that Albanese Sini & Reeves, LLP be and is hereby designated as the official auditing firm of this Agency for 2015 and that said books are to be audited annually with a copy of said audit to be provided to the Agency and become part of the record of such Agency.



**Vote: 5 Yes**

#### **#78-14 RESOLUTION AUTHORIZES PUBLICATION OF NOTICE OF MEETING**

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

**RESOLVED**, that the following Notice of Meeting shall be published once in The Riverhead News Review:

#### **PUBLIC NOTICE**

**PLEASE TAKE NOTICE**, that the meetings of the Riverhead Industrial Development Agency shall take place on the first Monday of each month at 5:00pm at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York. The annual meetings will take place on Monday, March 2nd, 2015. If a legal holiday should occur on the first Monday of a month then the meeting will be held on the second Monday of that month, unless otherwise amended by resolution of this Board.

BY ORDER OF THE BOARD OF DIRECTORS  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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Dawn Thomas, Secretary

#### **2015 Meeting Schedule**

January 5, 2015  
February 2, 2015  
March 2, 2015  
April 6, 2015  
May 4, 2015  
June 1, 2015  
July 6, 2015  
August 3, 2015  
September 7, 2015  
October 5, 2015  
November 2, 2015  
December 7, 2015

**Vote: 5 Yes**

**#79-14 - RESOLUTION DESIGNATES JP MORGAN CHASE BANK and SUFFOLK COUNTY NATIONAL BANK AS OFFICIAL DEPOSITORIES FOR THE RIVERHEAD IDA**

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

**RESOLVED**, that J P Morgan Chase Bank and Suffolk County National Bank be and are hereby designated as the official depositories of the Riverhead Industrial Development Agency for the year 2015. **Vote:** 5 Yes

**#80-14 RESOLUTION AUTHORIZES TOTAL PROJECT COST INCREASE – THIRTY WEST MAIN, LLC**

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

**WHEREAS**, the Agency held the necessary proceedings to provide financial assistance to Thirty West Main, LLC for a total project cost of \$1,690,000.00, and

**WHEREAS**, the Agency and Thirty West Main, LLC entered into the Ground Lease, Lease and PILOT Agreement January 24, 2014, and

**WHEREAS**, by letter dated December 1, 2014 Thirty West Main, LLC requested an increase in the overall project cost to \$2,040,000.00 related to computers, phone system, video surveillance cameras and IT equipment, and

**WHEREAS**, the project is unchanged as to purpose and function.

**NOW, THEREFORE, BE IT RESOLVED** that the Agency approves the increase in the total project cost to \$2,040,000.00 and affirms the financial assistance set forth in the resolution adopted by the Agency January 6, 2014 in all respects, and

**BE IT FURTHER RESOLVED** that this resolution shall become effective upon the payment of the Agency fee of \$2,625 and all necessary counsel fees.

**Vote:** 5 Yes

**EXECUTIVE DIRECTOR'S REPORT**

The ED did not provide a report.

The next board meeting is scheduled for January 5<sup>th</sup>, 2015.

Lou Kalogeras motioned to adjourn the meeting. Dawn Thomas seconded.

**There being no further business, the meeting was adjourned at 6:41 pm.**

1/5/15  
Date

  
Secretary