

**MINUTES OF A REGULAR MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
April 6, 2015**

Meeting was called to order by Chairman Thomas Cruso at 5:06p.m.

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

Absent:

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 recessed the regular meeting and opened the Public Hearing at 5:07pm.

**PUBLIC HEARING**

A public hearing was opened by motion of Lou Kalogeras and seconded by Paul Thompson.

John King of J Kings Realty in partnership with Andy Calimano of City Cider House, LLC have jointly applied for assistance of the Riverhead IDA and were invited to make a presentation on the record for their proposal of a hard cider manufacturing/processing/bottling facility.

Mr King opened by providing a brief synopsis of and refuting some negative and anonymous claims regarding his operation of both Grapes & Greens and his current proposal. He noted that the building currently stores 1100 palletts of local wine and the building is largely left vacant. He explained that regulations have preventing the full use of the Grapes & Greens venture in that farmers were resistant to certain regulatory controls that were necessary in order to distribute the locally grown harvests. He stated that the farmers are now working toward meeting those regulations. He noted that he is the largest distributor of LI farm products.

He went on to state that he would like to create a new business and build a cidery, process apples, bottle and have a tasting room. There is also interest from local wineries and breweries,

in particular Wolfers Estate, to use the bottling equipment. The projected cost exceeds an estimated \$6million and they conservatively project 6 employees. The bottling machine has a 15 bottle per minute capacity and they stated that it would likely only operate during normal business hours. They claimed that they will be growing apples on the 7 acres.

At 5:34 Dawn Thomas joined the meeting.

Public Comment was made by Angela DeVito, Jamesport Resident. She read a letter into the record on behalf of Lawrence Simms which encouraged the board to complete further review and deny the project.

Public Comment was made by Jodi Giglio, Baiting Hollow Resident, who expressed concerns of her neighbors who fear festivals and questioned what the town is getting in return for this project.

After some questions from the board, Lou Kalogeras motioned to close the hearing. Paul Thompson seconded. The public hearing was closed at 5:50pm.

The Chairman then reopened the regular meeting of the IDA at 5:50pm

**MINUTES:**

The Board moved to dispense with the reading of and voted on the March 30, 2015 meeting minutes.

**#23-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF March 30, 2015.**

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

**RESOLVED**, the minutes of the meetings of March 30, 2015 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:** 4 Yes

**CORRESPONDENCE:** Distributed to board were letters from Lawrence Simms and Mark Terry regarding Browning Properties, LLC and City Cider House, LLC

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

Cash Balance in Chase Bank as of March	\$7,741.18
Cash Balance in SCNB as of March	\$62,366.08

Revenue for March	\$5,970.47
Profit and Loss (March)	\$-9,446.69
Total Year	\$-21,409.63
Accounts Receivable	\$11,402.63
Total Bills Paid for March	\$12,651.85

**#24-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF March 31, 2015**

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 March 1 to March 31, 2015 as attached,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated March 31, 2015 covering the month of March, 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 Dawn Thomas. Motion approved.

Vote: 4 Yes

The Chairman recessed the regular meeting and the board broke into committee meetings at 5:52pm. Lou Kalogeras motioned to recess the meeting and Paul Thompson seconded. The regular meeting was reopened at 6:01pm

**COMMITTEE REPORTS:**

- A. Audit: The Audit Committee recommended to approve the year-end financial reports to the board.
- B. Governance: The Governance Committee recommended to approve the year-end reports and policies to the board.
- C. Personnel: None
- D. Finance: None

**#25-15 A RESOLUTION ADOPTING, RATIFYING AND CONFIRMING BOARD POLICIES AND ANNUAL REPORTS**

The following resolution was offered by Lou Kalogeras

And seconded by Dawn Thomas

**WHEREAS**, in accordance with the Public Authorities Law, it is a recommendation of the Audit Committee of the Riverhead Industrial Development Agency that the following policies be reviewed, adopted, ratified and confirmed, and

**WHEREAS**, the following policies and reports recommended by the Audit committee to the Board of Directors include the 2014 Audit and Financials, Audit Committee Response to Findings, Assessment of Effectiveness of Internal Controls, Investment Guidelines and Report, and

**WHEREAS**, in accordance with the Public Authorities Law, it is a recommendation of the Governance Committee of the Riverhead Industrial Development Agency that the following policies be reviewed, adopted, ratified and confirmed, and

**WHEREAS**, the following policies have been reviewed and recommended by the Governance Committee including the Mission Statement and Measurement Report, Procurement Policy, and the Disposition of Real Property Report for 2014, and

**WHEREAS**, after discussion, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to adopt the above mentioned and attached policies and reports.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached policies and reports be and hereby are adopted, ratified and confirmed.

**(see attached policies)**

**Vote: 4 Yes**

#### **#26-15 A RESOLUTION APPROVING AND AUTHORIZING SUBMISSION OF THE 2014 PARIS REPORT**

The following resolution was offered by Lou Kalogeras

And seconded by Paul Thompson

**WHEREAS**, Public Authorities Law, as amended in 2005 by the Public Authorities Accountability Act, requires state and local authorities to file specific financial and budgetary information with the ABO and Public authorities have been submitting these reports through the Public Authorities Reporting Information System (PARIS), and

**WHEREAS**, in accordance with the Public Authorities Law, the information must be submitted to the State 90 days after the fiscal year end date which is March 31st, and

**WHEREAS**, the PARIS report has been presented in substantial draft form to the board for review and authorization for submission and certification by the CFO and CEO, and

**NOW, THEREFORE, BE IT RESOLVE**, after discussion, the Board of Directors of the Riverhead Industrial Development Agency approves and authorizes the submission of the PARIS report for 2014.

(see attached report)

**Vote: 4 Yes**

**OLD BUSINESS:**

A. Consideration of Public Hearing for Twenty West Main, LLC.

Paul Thompson motioned to approve the following resolution as amended with the increased project cost. Lou Kalogeras seconded.

**#27-15 A RESOLUTION AUTHORIZING THE PUBLICATION OF NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO 20 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 20 West Main LLC, a limited liability company qualified to do business in the State of New York (the "Applicant"), with respect to the acquisition of parcel and renovation, reuse and equipping of existing 5,589 square foot building, located within a designated urban renewal area at 20 West Main Street, Riverhead, New York (S.C.T.M. No. 0600-128-6-25) for use as food service space and office/professional space estimated at a cost of \$950,800 (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 publication of notice of 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 20 West Main 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 May 4, 2015 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to the Applicant 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 the Applicant 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 the Applicant 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 acquisition of parcel and renovation, reuse and equipping of existing 5,589 square foot building, located within a designated urban renewal area at 20 West Main Street, Riverhead, New York (S.C.T.M. No. 0600-128-6-25) for use as food service space and office/professional space estimated at a cost of \$950,800 (the "Project");

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to the Applicant 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 April 23, 2015 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

- B. Consideration of the Provision of Financial Assistance for Browning Hotel Properties, LLC and Related Entities Phase II

Lou Kalogeras motioned to approve the following resolution. Dawn Thomas motioned to table the resolution. With no second the motion failed. Paul Thompson seconded the initial motion made by Lou Kalogeras to approve the provision of financial assistance.

**#28-15 A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO BROWNING HOTEL PROPERTIES, LLC AND RELATED ENTITIES PHASE II**

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 Browning Hotel Properties, LLC, Browning Realty Management, LLC, and Browning Riverhead Hotel Management Corp. (collectively the "Applicant"), with respect to the construction of a Marriott Residence Inn of 114,090 square feet located on 2.52 acres of the existing 7.16 acre site at County Route 58, Riverhead, New York (S.C.T.M. 0600-118-03-3.1) for provision of 140 suites with 7,500 square feet of meeting space, and incidental expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$26,849,775 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on March 30, 2015 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by the Applicant 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 an integral extension of the previously approved and constructed facility at the Project site and that the real property tax abatement granted herein shall apply to the pending application only and shall not alter, diminish or increase the real property tax abatement previously approved for the site. The event of additional construction at the site during the period of abatement granted herein shall require further application to the Agency.

Section 2. It is hereby determined that a general, function description of the Project is as follows: the construction of a Marriott Residence Inn of 114,090 square feet located on 2.52 acres of the existing 7.16 acre site at County Route 58, Riverhead, New York (S.C.T.M. 0600-118-03-3.1) for provision of 140 suites with 7,500 square feet of meeting space, and incidental expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$26,849,775 (the "Project").

Section 3. It is hereby determined that upon the proof provided at the public hearing, that the Marriott Project is the second phase of the overall Hotel use approved for the 7.16 acre site by Agency Resolution adopted February 5, 2007 as further confirmed by Agency Resolution 44-12 as a project which is expected to attract a significant number of visitors from outside of the economic development region as set forth in Section 230 of the Economic

Development Law of the State of New York and that the Project comprising Phase I Hilton Garden Hotel and Phase II Marriott Residence Inn is a tourism destination project as previously determined by this Agency and therefore not subject to the prohibitions on retail facilities contained in Section 862(2)(a) of the Act, which was in effect on the Closing Date of the Original Facility; and

Section 4. It is hereby determined that the Agency shall provide the Applicant 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 on the assessed valuation of project as determined by the difference between the total assessment for 2015-2016 and the total assessment for the year of exemption as shown on 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 the Applicant to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to the Applicant, and to submit such agreements and documents to the Chairman or Vice Chairman for approval and execution and delivery. The financial assistance authorized hereby shall not be effective until closing.

Section 3. 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 the Applicant, 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 4. This resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Chairman or Vice Chairman may execute and deliver such amendments to the 2007 documents between the Agency and the Applicant, and such additional documents, as approved by counsel to the Agency, as are necessary to provide the financial assistance provided herein.

**Vote:** 3 Yes

1 No by Dawn Thomas

C. Consideration of Public Hearing for Peconic Management Group, LLC expansion.

Paul Thompson motioned to authorize the publish and posting for a public hearing on behalf of Peconic Management Group, LLC. Lou Kalogeras seconded. Dawn Thomas recused herself.

**#29-15 RESOLUTION**

**A RESOLUTION AUTHORIZING THE PUBLICATION OF NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC MANAGEMENT GROUP 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 Management Group LLC, a limited liability company qualified to do business in the State of New York

(the "Applicant"), with respect to the construction, furnishing and equipping of two buildings as part of Phase II expansion of its medical complex located at 715 Roanoke Avenue, Riverhead, New York (S.C.T.M. No. 0600-126-02-09.001) for use as a women's health center, a sleep center and physical therapy facility at an estimated new total project cost of \$2,995,240.91 (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 publication of notice of 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 the Applicant 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 May 4, 2015 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to the Applicant 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 the Applicant 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 the Applicant 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: construction, furnishing and equipping of two buildings as part of Phase II expansion of medical complex located at 715 Roanoke Avenue, Riverhead, New York (S.C.T.M. No. 0600-126-02-09.001) for use as a women’s health center, a sleep center and physical therapy facility at an estimated new total project cost of \$2,995,240.91 (the “Project”);

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to the Applicant 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 April 16, 2015 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

1 Recusal by Dawn Thomas

**NEW BUSINESS**

Taken out of order under committees.

The next board meeting is scheduled for May 4<sup>th</sup>.

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

**There being no further business, the meeting was adjourned at 6:07 pm.**

5/12/15

Date

A black rectangular redaction box covers the signature of the Secretary/Asst.

Secretary/Asst.