

**MINUTES OF THE MEETING**  
**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**  
July 10, 2017

Meeting was called to order at 5:05PM by Chairman Thomas Cruso.

Present: Thomas Cruso, Chairman  
Lori Ann Pipczynski, Secretary  
Robert Kern, Treasurer  
Elias (Lou) Kalogeras, Vice Chairman  
Anthony Barresi

Absent:

Signifying a quorum.

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

The Chairman welcomed new board member Anthony Barresi and noted his previous experience in the Huntington School District.

By motion of Lou Kalogeras and second by Bob Kern the agenda was adopted.

**Consideration of Resolution #25-17 Ratifying the publication of PMG**

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

**A RESOLUTION RATIFYING 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 also to be known as Aspen LLC, a limited liability company qualified to do business in the State of New York (collectively known as the "Applicant"), with respect to the construction, furnishing and equipping of a two-story, 6,911 square foot building with associated site improvements on a 36,680 square foot parcel located at 1224 Ostrander Avenue, Riverhead, New York (S.C.T.M. No. 0600-082-03-010) for use as medical office space as well as a proposed wellness center at an estimated total project cost of \$1,397,000 (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 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 July 10, 2017 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 a two-story, 6,911 square foot building with associated site improvements on a 36,680 square foot parcel located at 1224 Ostrander Avenue, Riverhead, New York (S.C.T.M. No. 0600-082-03-010) for use as medical office space as well as a proposed wellness center at an estimated total project cost of \$1,397,000 (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 was hereby authorized and directed to cause a copy of this resolution to be published once in the June 29, 2017 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: 5 Yes**

At this time the Chairman called a recess of the regular board meeting by motion of Lou Kalogeras and a second by Bob Kern at 5:06pm.

**PUBLIC HEARING** – Browning Properties, LLC

Lou Kalogeras motioned to open the public hearing for Browning Properties, LLC. Bob Kern seconded. The public hearing commenced at 5:07pm.

Lee Browning requested an increase to the cost of the second phase to his project, Browning Properties, LLC Phase II Marriott Residence Inn which was originally authorized by the board in 2015. The original project cost supplied several years ago within the application for assistance reflected \$26,849,775. He explained that as a result of various increases in costs and the level of finishings originally anticipated, the projected budget is anticipated to go up to \$32,681,960. He explained the reasons for the change orders and increases in the budget and requested that the board consider an increase to the previously granted sales tax exemption by \$214,826.

The board members asked several questions and several people from the public asked questions and spoke out in opposition to the request - Larry Simms, Marjorie Acevedo and Ean Lyons.

The public hearing was closed at 5:29 by motion of Lori Ann Pipczynski and a second by Bob Kern.

**PUBLIC HEARING** – Peconic Management Group, LLC

Lou Kalogeras motioned to open the public hearing for Peconic Management Group, LLC. Bob Kern seconded. The public hearing commenced at 5:30pm.

The Chairman asked if everyone in the audience could hear well enough due to the lack of a working microphone system. The hearing continued.

Dr. Paayal Mehta requested assistance for Phase III of her medical facility and wellness center proposed for currently vacant land on Ostrander Avenue. She is proposing an additional 7000 sq ft, 2 story building. It was originally only going to house a wellness center, but with the growth of the Bariatric and Pulmonary Rehab Center of Excellence she will need to use some of the space for those entities. She has been in contact with Columbia Presbertyrian to provide pulmonary rehab for cystic fibrosis patients and claims that the nearest facility is very far west. She explained that she had a financial commitment of \$1 million from the Bridgehampton National Bank to use toward the capital investment of \$1,397,000. She projected there will be approximately 13 new jobs that will include doctors, nutritionists, therapists and assistants.

Larry Simms and Angela DeVito made comments and expressed confusion with the phases as well as the need to incentivize medical care.

The public hearing was closed at 5:42pm by motion of Lou Kalogeras and a second by Bob Kern.

**PUBLIC HEARING** – Georgica Green Ventures, LLC

Bob Kern motioned to open the public hearing for Georgica Green Ventures, LLC Lou Kalogeras seconded. The public hearing commenced at 5:45pm.

Dave Gallo, President of Georgica Green Ventures made a presentation and request for financial assistance to the board. He provided a power point presentation that gave some history on his company, a snapshot of other projects they have done and a picture of the proposal he would like to build downtown Riverhead. The proposal is for 116 unit workforce housing multi use building with an anticipated capital investment of \$50,390,595; approximately 46 positions estimated using industry standards for sq footage and retail use of approximately 11,992sq ft. 87 units will be available to those earning up to 60% AMI, 13 units at 90% AMI and 15 at 130% AMI.

He explained that the State of NY guarantees the bonds for 30 years and for that reason he needs a coterminous 30 year PILOT. He stated that he will not have the option to refinance after 15 years since the financing would be "no call" bonds through the State of NY. Bob Kern asked what entity requires the flood remediation. Mr. Gallo responded that they are not required, but may add the flood barriers and FEMA and the town would review the engineering.

Ean Lyons, Larry Simms, and Laura Jens Smith all made comments and asked questions regarding the project relative to parking, cost benefit analysis, the dates of the TOR development plans used as supporting documentation with the application, the number of jobs and FOIL responses.

Dick Ehlers responded to a question of discrepancy in projected assessments by explaining the two distinct methodologies of assessment. One source used the RPT law 581A and the other was based on general commercial property. He further explained the notes made on the application relative to the mortgage recording tax and that the percentage of exemption has changed since the submission of the application. In response to a question from Barbara Blass, counsel responded that the Agency does not like to jump ahead of Town approvals and will therefore wait until the project has SEQRA approval before making a final determination.



Lou Kalogeras moved to close the public hearing. Bob Kern seconded. The public hearing was closed at 7:03pm.

Lori Ann Pipczynski moved to reopen the regular meeting. Bob Kern seconded. The general meeting was reopened at 7:04pm.

**MINUTES**

The Board moved to dispense with the reading of and voted on the May 1, 2017 meeting minutes.

**#26-17 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF May 1, 2017**

Lori Ann Pipczynski offered the following resolution, which was seconded by Bob Kern.

**RESOLVED**, the minutes of the meetings of May 1, 2017 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

**CORRESPONDENCE:** None

**TREASURER'S REPORT:**

Cash Balance in SCNB as of May 31	\$222,409.50
Revenue for May	\$2,005.81
Profit and Loss	\$-14,067.24
Accounts Receivable (PILOTS)	\$113,122.51
Total Bills Paid	\$12,069.99
Cash Balance in SCNB as of June 30	\$203,263.22
Revenue for June	\$5.68
Profit and Loss	\$-20,559.49
Accounts Receivable	\$ 0
Total Bills Paid	\$19,151.96

**#27-17 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF May 31<sup>st</sup> and June 30<sup>th</sup>, 2017**

**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 May 1 to May 31, 2017 and June 1 to June 30<sup>th</sup>, 2017 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, said monthly financial report dated June 1, 2017 and July 4, 2017 covering the months of May and June, be and are hereby accepted and expenses as listed are authorized for payment.

Lori Ann Pipczynski made a motion to accept Treasurer's Report, which was seconded by Anthony Barresi. **Motion approved.**

**Vote:** 5 Yes

**COMMITTEE REPORTS:** There were no committee reports.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**#28-17 RESOLUTION RATIFYING EXTENSION AND ISSUANCE OF SALES TAX EXEMPTION CERTIFICATE FOR PECONIC MANAGEMENT GROUP, INC.**

Lori Ann Pipczynski offered the following resolution, which was seconded by Bob Kern.

**WHEREAS**, Resolution #38-15 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 Peconic Management Group, LLC and

**WHEREAS**, the date of the project operator/agent status appointment for sales tax exemption was June 15, 2015 with a status end date of June 15, 2017, and

**WHEREAS**, written notification has been provided to the Agency that due to site plan and construction delays 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 now desired to authorize 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 one (1) year and issue a certificate for Sales and Compensating Use Tax for Peconic Management Group, LLC for a processing fee of \$250.

**Vote:** 5 Yes

Lori Ann Pipczynski motioned to table **RESOLUTION #29-17 AMENDS RESOLUTION #28-15 BY INCREASING PROJECT COST OF BROWNING HOTEL PROPERTIES, LLC AND RELATED ENTITIES AND THE PROVIDING OF FINANCIAL ASSISTANCE THERETO BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY.** Bob Kern seconded. Resolution #28-15 was tabled until additional information is provided.

**Vote: 4 Yes**

Lou Kalogeras Abstained

**#30-17 RESOLUTION AUTHORIZING CHAIRPERSON TO NEGOTIATE AND EXECUTE LEASE FOR 542 East Main Street**

Bob Kern offered the following resolution, which was seconded by Lori Ann Pipczynski. **RESOLVED**, that the Chairman be and is hereby authorized to negotiate and execute a lease of office space located at 542 East Main Street, Riverhead, New York after circulation and review by the board.


**Vote: 5 Yes**

The next board meeting is August 7th.

Lou Kalogeras motioned to adjourn the meeting. Bob Kern seconded.

There being no further business, the meeting was adjourned at 7:10pm

**Dated:** 8/7/17

  
Secretary/Asst.