

MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
August 8, 2017

Meeting was called to order at 5:01PM 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
John Dunleavy, TOR Board Liaison

By motion of Lou Kalogeras and second by Lori Ann Pipczynski the agenda was adopted as amended by adding new business to consider committee reassingments.

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

MINUTES

The Board moved to dispense with the reading of and voted on the July 10, 2017 meeting minutes.

#31-17 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF July 10, 2017

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

RESOLVED, the minutes of the meetings of July 10, 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 as of July 31	\$188,111.80
Revenue for July	\$5.17
Profit and Loss	\$-17,519.47
Accounts Receivable	\$
Total Bills Paid	\$15,156.59

#32-17 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF July 31, 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 July 1 to July 31, 2017 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated August 2, 2017 covering the months of July, 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 Lori Ann Pipczynski. **Motion approved.**

Vote: 5 Yes

COMMITTEE REPORTS: There were no committee reports.

OLD BUSINESS:

A. Consideration of a project cost increase for Browning Hotel Properties.

The ED noted there was a typo in the original draft that had been amended. The word "Browning" was stricken before Riverhead Hotel Management Corp.

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

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

WHEREAS, by resolution #28-15 the Agency did approve financial assistance to Browning Hotel Properties, LLC, Browning Realty Management, LLC and 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. No. 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, while the Project is unchanged as to scope and purpose, the Applicant communicated to the Agency that the cost of the project exceeded the original estimate for a new total project cost of \$32,681,960 due to traffic signal installation on County Road 58 for site entrance to hotel property, additional amenities, price increases for labor and material since initial submission, and custom upgrades to original design, and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on July 10, 2017 with respect to the increased cost of construction of 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, that publication of public hearing notice in the June 29, 2017 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, is hereby ratified, and

BE IT FURTHER RESOLVED, that resolution #28-15 be and is hereby amended to reflect the increased cost of construction of the Project from \$26,849,775 to the new total project cost of \$32,681,960 resulting in an increase of the sales tax exemption in the not to exceed amount of \$214,826; and

BE IT FURTHER RESOLVED, that this resolution shall not take effect until executed as Accepted and Agreed by authorized representative of Browning Hotel Properties, LLC, Riverhead Hotel Management Corp., and Complete Construction & Development Corp. Such acceptance and agreement shall amend the Project closing documents as appropriate to the new total project of \$32,681,960 as though fully stated in each of such several documents and all other provisions of Project closing documents shall remain in full force and effect except as amended hereby, and

BE IT FURTHER RESOLVED, that this resolution shall become effective upon the payment of the Agency fee of \$5,832.19 and all necessary counsel fees; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to submit a new ST-60 form to New York State for the increased Project amount of \$5,832,185 allocated to Browning Hotel Management Corp.; and

BE IT FURTHER RESOLVED, that the Chairman is hereby authorized to execute any such further documents from time to time as may be necessary to effectuate this increase.

Vote: 5 Yes

B. Consideration of Financial Assistance for Peconic Management Group, LLC Phase III
The ED noted there were amendments to the resolution since the original draft. The board reviewed the amendments.

RESOLUTION #33-17

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO PECONIC MANAGEMENT GROUP LLC AKA ASPEN 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 and pulmonary rehabilitation services for cystic fibrosis patients 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, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on July 10, 2017 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.

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 therefore, as set forth in the notice of Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, that publication of public hearing notice in the May 25, 2017 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, is hereby ratified; and

BE IT FURTHER RESOLVED, the Agency makes the following findings pursuant to the Uniform Project Evaluation Criteria for Commercial Projects. The Project will increase the tax base by converting vacant land to a highest and best use of doctor's office. The services of pulmonary rehabilitation for cystic fibrosis patients which are not currently available in the community will be provided by the Project. Skilled jobs with higher than average salaries will be provided. The location of the Project in close proximity to Peconic Bay Medical Center is in alignment with local zoning. There is no retail component to this facility; and

BE IT FURTHER RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. 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 by granting a partial abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the present assessed value of such real property (\$28,000) for a period of four years as designated in the attached Schedule A, 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 Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 2. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Vote: 4 Yes
1 No Lori Ann Pipczynski

NEW BUSINESS:

Consideration of committee reassignments

RESOLUTION #34-17 RE-ESTABLISHES MEMBERSHIP OF COMMITTEES FOR THE RIVERHEAD IDA

Lou Kalogeras offered the following resolution, which was seconded by Lori Ann Pipczynski.

RESOLVED, that the following is the membership of the Board committees:

Audit Committee – Chair Thomas Cruso, Bob Kern, Anthony Barresi

Governance Committee – Chair Lori Ann Pipczynski, Bob Kern, Anthony Barresi

Finance Committee – Chair Bob Kern, Lou Kalogeras, Tom Cruso

Vote: 5 Yes

EXECUTIVE DIRECTORS REPORT

The ED reported that there were no updates on Hampton Builder and Jaral Properties. Several draft applications have been submitted from Twin Fork Brewery, PRG – Philips International, John Wesley I, and Peconic Care Group.

Counsel provided an update on the status of Georgica Green, noting that the Town is still conducting its environmental review.

Cal 81 has paid off its bond.

The ED has meetings with a couple Calverton businesses, one wishes to expand. The other would be a retention effort.

The ED distributed draft projections and draft 2018 budget.

The office move date is anticipated for Sept 18th with site control being taken by Sept 1st.

The ED had previously advised the board on the visit from the ABO and provided the Agency's response. The ABO is looking for a little more information and the ED is working on providing that info.

LIBDC conference in October.

Lou Kalogeras motioned to approve the Executive Directors Report. Lori Ann Pipczynski seconded.

The board approved the Executive Directors Report.

Vote: 5 Yes

The next board meeting is September 11th

Lori Ann Pipczynski motioned to adjourn the meeting. Bob Kern seconded.

There being no further business, the meeting was adjourned at 5:26pm

Dated:

9/11/17


Secretary/Asst.