

**MINUTES OF THE ANNUAL MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
January 8, 2018**

Meeting was called to order at 5:01PM by Chairman Thomas Cruso.

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

Absent:

Signifying a quorum.

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

By motion of Lori Ann Pipczynski and Bob Kern second by the agenda was adopted.

**Consideration of Organizational Resolutions**

- a. Consideration of Appointment of Officers #02-18 (Tabled)
- b. Consideration of Appointment of Committees #03-18
- c. Consideration of Endorsements for Depository #10-18 (Tabled)

**RESOLUTION #03-18 ESTABLISHES MEMBERSHIP OF COMMITTEES FOR THE RIVERHEAD IDA 2018**

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

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

Audit Committee – **Chair Thomas Cruso**, Bob Kern, Anthony Barresi  
Governance Committee – **Chair Lori Pipczynski**, Thomas Cruso, Anthony Barresi  
Finance Committee – **Chair Bob Kern**, Lou Kalogeras, Thomas Cruso

Vote: 5 Yes

**PRESENTATIONS**

Representatives from John Wesley Village III, aka the Benjamin Group, presented the board with a request for assistance to refinance their affordable housing project and for PILOT and sales tax benefits. Russell Mohr and Dan Smith provided a brief history of the John Wesley Village complex that was built in 2003. It is a 55 and older affordable rental complex of 92 units that serves residence meeting 60% of the average median income. It is not a section 8 project based community. They have approximately 63% of the residents in the voucher system, 43 % are 70 years and older with an average income of \$21,000 per year. They were originally financed with tax exempt bonds through the 9% tax credit program, but after the 15 year requirement period for the investors (2017) they transferred ownership and need to refinance. However, the Housing and Community Renewal contract commits the group to keep the project affordable for 30 years. The refinancing, at a rate of 3.9%, is intended to assist in creating greater reserves as well as providing for needed capital improvements and the addition of a superintendent unit. Other improvements include an emergency call system, energy efficient lighting, appliances, roadways etc. They expect the improvements to take 2 years and anticipate 48 construction jobs and to retain 2 permanent jobs. Member Anthony Barresi asked about the real property taxes reflected in the applicant's financials that were paid in 2014 and 15 and why the number is different from the current tax obligation. He also asked what the minimum reserve requirement had been while in the HCR contract. He further requested to see the history of the replacement reserves. The applicant stated that they would forward that information. Chairman Tom Cruso asked what happens if the request for assistance is denied. The applicants responded that the improvements would not get done.

Mr. Mohr explained that they had tried to refinance earlier in 2017 and secured a term sheet in December for a mid February closing and requested consideration as soon as possible.

The board agreed that they would consider a ratifying the posting of a public hearing pending the approval of the Executive Director that the application was in complete form.

**MINUTES**

The Board moved to dispense with the reading of and voted on the December 4, 2017 meeting minutes.

**#04-18 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF December 4, 2017**

Lori Ann Pipczynski offered the following resolution, which was seconded by Anthony Barresi

**RESOLVED**, the minutes of the meetings of December 4, 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

The Chairman then took the agenda out of order to hear New Business.

**A. Consideration of the Firehouse Tenant**

Ian Van Bourgondien and Peter Barraud proprietors of North Fork Brewery came before the board to request authorization to lease space in the Firehouse project. All tenants of the previously approved IDA project must be approved and sign an agreement with the Agency to comply with obligations and reporting. They provided a brief history on their backgrounds, the proposed project and timeline. North Fork Brewing Company LLC was formed in January 2016 by owners Peter Barraud and Ian Van Bourgondien. Peter, a former teacher with a Master's Degree in Special Education and originally from Baiting Hollow, moved back to Long Island in late 2016 in order to help launch the company. In that time he has farmed hops and worked for Moustache Brewing Company in order to gain industry experience. Ian Van Bourgondien, a former chemist with a Master's Degree in Biology and originally from Southold, left his job at an international cosmetics company to help launch the company. In that time he has farmed hops and worked for his family's greenhouse business.

**#07-18 RESOLUTION APPROVES TENANT (North Fork Brewing Company, LLC) FOR WOLF PROPERTIES ASSOCIATES, LP/FIREHOUSE PROJECT**

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern

**WHEREAS**, Resolution #50-15, dated August 3, 2015 appointed Wolf Properties Associates, LP 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 Wolf Properties Associates, LP, and

**WHEREAS**, It was determined that the Agency shall provide Wolf Properties Associates, LP 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 Wolf Properties Associates, LP to the Agency, and

**WHEREAS**, Wolf Properties Associates, LP, has proposed to lease the premise to North Fork Brewing Company, LLC and

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

**WHEREAS**, it is now desired to approve North Fork Brewing Company, LLC as a tenant and as a related party to the approved Agent, Wolf Properties Associates, LP.

**RESOLVED** that Riverhead Industrial Development Agency, does hereby approve North Fork Brewing Company, LLC as tenant of Wolf Properties Associates, LP, subject to execution of a written agreement between the Agency, Wolf Properties Associates, LP and North Fork Brewing Company, LLC.

**Vote:** 5 Yes

The Chairman resumed the order of the agenda.

**CORRESPONDENCE:** None

**TREASURER'S REPORT:**

|                                   |                |
|-----------------------------------|----------------|
| Cash Balance in as of December 31 | \$236,454.63   |
| Revenue for December              | \$6,756.79     |
| Profit and Loss                   | \$-18,133.27   |
| Accounts Receivable (Pilots)      | \$1,201,516.83 |
| Total Bills Paid                  | \$24,816.37    |

**#05-18 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF December 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 December 1 to December 31, 2017 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, said monthly financial report dated January 2, 2018 covering the month of December, 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:**

Consideration of refinance Lenape/D&F Group

Counsel provided a history on the project. He noted that this was originally a Town project owned by Hallandia for project based section 8 housing. The Town of Riverhead provided a 40 year PILOT to the project developers. In 2005, the development was purchased by Lenape and the IDA assisted with bond financing. It was a condition of the Town that the PILOT remain in place. When the Agency provided the financing, it became an IDA project. The owners now need to refinance and are requesting to have the approximate remaining 5 years of the PILOT maintained.

**#06-18 AUTHORIZES REFINANCE OF LENAPE ASSOCIATES, L.P. PROJECT LOCATED AT 461 DOCTORS PATH, RIVERHEAD, NEW YORK**

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

WHEREAS, by Proceedings held 2005, the Riverhead Industrial Development Agency ("Agency") granted financial assistance to Lenape Associates, L.P. ("Lenape") through closing documents dated December 30, 2005 which assistance and documents provided for the acquisition by Lenape of a forty (40) unit subsidized housing project located at 461 Doctors Path, Riverhead, New York (SCTM# 0600-65-1 lots 1 and 2.2) from Hallandia Associates, L.P. and the renovation of such units as set forth in the Proceedings as a total Project cost of \$4,492,000; and

WHEREAS, by resolution #1272 dated December 28, 2005 the Riverhead Town Board acknowledged and continued a certain forty (40) year Payment in Lieu of Tax Agreement by and between the Riverhead Town Board and Hallandia Associates, L.P. and automated the transfer of such PILOT to Lenape for the balance of such forty year term which was accomplished by the provision of the Agency real property tax exemption pursuant to General Municipal Law section 874 and Real Property Tax Law section 412-a; and

WHEREAS, by correspondence dated July 17, 2017 as amended October 31, 2017 Lenape advised the Agency and the Trustee that the Agency Bonds issued December 30, 2005 would be redeemed in whole and prepaid; and

WHEREAS, the Company Lease and the Lease Agreement dated December 30, 2005 expire by their terms at the redemption and payment of the Bonds pursuant to sections 3.2(A)(2) and 8.11, respectively; and

WHEREAS, Lenape proposes to refinance the Project in the amount of \$4,377,000 through SunTrust Bank, a Georgia Banking Corporation including current improvements to the Project of not less than \$500,000. and to continue the operation of the Project as a project based subsidized housing facility; and

WHEREAS, the Agency determines that it is appropriate to continue the Town Board approved PILOT through the term of Agreement without disruption by the instant refinancing of the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Agency approves the payment of the existing Bonds and satisfaction of the existing Mortgage and refinancing of the Lenape Project upon the terms and conditions set forth in this resolution through loan and mortgages totaling \$4,377,000 and such amendment to the Company Lease and Lease Agreement as shall be necessary to continue the Town Board PILOT through the forty (40) years as made and provided by Town Board resolution #1272 adopted December 28, 2005; and

BE IT FURTHER RESOLVED, that the Agency acknowledges the previously granted mortgage recording tax exemption relating to the Project and authorizes an affidavit of exemption for the Mortgage made between Lenape and SunTrust Bank on a principal loan amount of \$3,441,000 being the amount determined by the Agency to be eligible for such exemption. The mortgage tax exemption granted herein shall include all mortgage taxes due

and owing except the metropolitan region mortgage transportation tax currently \$.30 per \$1,000; and

BE IT FURTHER RESOLVED, that the Chairman or Vice Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver Agency documents necessary to grant the financial assistance set forth herein upon payment of the Agency refinance fee of \$2,500 and all reasonable Agency attorney fees.

**VOTE:** 5 Yes

**NEW BUSINESS:**

B. Consideration to authorize attendance to NYSEDC Annual Conference

**#08-18 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE**

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

**WHEREAS**, the New York State Economic Development Council will be hosting its 2018 Economic Developer Conference, and

**WHEREAS**, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

**WHEREAS**, a two day conference is scheduled in Albany on January 31 through February 1st, thereby requiring the director to stay at the Hilton Albany (or comparable facility) from January 30th through February 1st, at \$144 per night, plus the cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$1200; and

**WHEREAS**, the Brookhaven Industrial Development Agency has requested that member of their Agency travel with the Executive Director to the conference, and

**BE IT RESOLVED**, that the Board of Directors approves the expenditures for lodging at the Hilton Albany (or comparable facility) and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the NYSEDC Annual Economic Developer Conference in Albany, NY from January 30<sup>th</sup>- February 1st, 2018, and

**BE IT FURTHER RESOLOVED**, the request of the Brookhaven IDA to allow an Agency member to travel with the Executive Director is approved and no payment shall be made by the Brookhaven IDA to the Riverhead IDA for such transportation.


**Vote:** 5 Yes

**EXECUTIVE DIRECTORS REPORT**

The ED reviewed some retention efforts that she has begun to work on as well as some new companies and expansions.

The next board meeting is currently schedule for February 5, 2018  
Lori Ann Pipczynski motioned to adjourn the meeting. Bob Kern seconded.  
There being no further business, the meeting was adjourned at 6:16pm

Dated: 2/5/2018

  
\_\_\_\_\_  
Secretary/Asst.