

**MINUTES OF MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

August 6, 2018

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

Present: Thomas Cruso, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Robert (Bob) Kern, Treasurer
Anthony (Tony) Barresi, Secretary
Lawrence (Larry) Simms

Absent:

Signifying a quorum.

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

By motion of Member Bob Kern and second by Member Tony Barresi the agenda was adopted.

MINUTES

The Board moved to dispense with the reading of and voted on the June 4, 2018 meeting minutes.

#33-18 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF June 4, 2018

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

RESOLVED, the minutes of the meeting of June 4, 2018 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 took Old Business out of order to address the consideration of Resolution #35-18

RESOLUTION #35-18 APPROVES AGENCY DOCUMENTS AND FINANCING DOCUMENTS RE: CALVERTON ADDICTION AND TREATMENT LLC AND AUTHORIZES EXECUTION

WHEREAS, by resolution adopted March 5, 2018, the Agency did authorize its Executive Director to proceed, at the expense of Calverton Addiction and Treatment LLC, to cause agreements and documents to be prepared that will enable approved benefits to be provided to Calverton Addiction and Treatment LLC, and to submit such agreements and documents to the Agency for approval, and

WHEREAS, said Agency agreements and documents have been prepared and include a Lease Agreement, Ground Lease, Guaranty, Project Agreement, Reporting Agreement, Payment in Lieu of Tax Agreement, and transfer and recording documents as required by the Suffolk County Clerk, and

WHEREAS, said bank financing agreements and documents with Manufacturers & Traders Trust Company, Mortgagee, have been prepared being the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Building Loan) and the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Project Loan).

NOW, THEREFORE, BE IT RESOLVED, that said documents are approved and authorized for signature by the Chairman or Vice Chairman in substantially the form presented to this meeting with such changes in terms and form as the Chairman or Vice Chairman shall approve. The execution of such documents by the Chairman or Vice Chairman shall constitute evidence of such approval, and

BE IT FURTHER RESOLVED, that counsel to the Agency be and is hereby authorized to execute and deliver the necessary 255 affidavit concerning the abatement of mortgage recording tax for filing with the Suffolk County Clerk, and

BE IT FURTHER RESOLVED, that Executive Director to the Agency be and is hereby authorized to execute and deliver the sales tax agreement and ancillary documents.

BE IT FURTHER RESOLVED, Section 2(i) of Agency Resolution 16-18, adopted March 5, 2018 is hereby amended to correct a typographical error. The value of goods and services exempt from sales tax was incorrectly written as \$24,600,000. The estimate of sales tax exemption stated in the Cost Benefit Analysis, upon which the resolution is based, is stated as \$2,400,510. which is based upon a correct value of goods and service exempt from sales tax of \$27,832,000. The correction of this typographical error does not change the amount of the sales tax exemption as approved.

BE IT FURTHER RESOLVED, this resolution shall take effect immediately.

VOTE: 4 Yes
1 Abstention – Larry Simms

CORRESPONDENCE: Letter from NYS Economic Development regarding the annual bond allocation adjustment report notifying the agency of the unused bond allocation surrender timeline.

TREASURER'S REPORT:

Cash Balance in as of June 30th	\$246,721.58
Revenue for June	\$1,189.51
Profit and Loss	\$-12,785.86
Accounts Receivable	\$6,182.49
Total Expenses Paid	\$11,563.09
Cash Balance in as of July 31st	\$233,627.62
Revenue for July	\$6.19
Profit and Loss	\$-18,089.70

Accounts Receivable	\$5,932.49
Total Expenses Paid	\$15,680.58

#34-18 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF July 31, 2018

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted monthly financial reports, including a report of expenses, to the Riverhead Industrial Development Agency for the period of June 1 to July 31, 2018 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated July 1, 2018 covering the month of June and July 31, 2018 covering the month of July, be and are hereby accepted and expenses as listed are authorized for payment.

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

Vote: 5 yes

COMMITTEE REPORTS:

Audit: No report.

Governance Committee: No report

Finance Committee: No report

Chairman noted that the board will go into Executive Session toward the end of the meeting, but the regular meeting would resume immediately following.

OLD BUSINESS:

- a. Resolution #35-18 Consideration Authorizes Closing of Calverton Addiction Treatment – was taken out of order above.
- b. Resolution #36-18 Consideration to Amend Broadcasting Policy

The ED explained that amendments to the broadcasting policy were requested to be made by the Town to clearly decipher the title of the operator of the broadcasting equipment.

#36-18 AMENDS POLICY AND PROCEDURE FOR RECORDING AND BROADCASTING OF AGENCY MEETINGS

Bob Kern offered the following resolution, which was seconded by Larry Simms.

WHEREAS, a core mission and purpose of the Agency is to provide for the orderly dissemination of economic development information for the benefit of the town of Riverhead, and

WHEREAS, the Town Hall board room has been recently equipped with state of the art recording and broadcasting equipment which will be available by the Town to the Agency for use during public Agency meetings, and

WHEREAS, the Board of the Agency desires to provide an orderly procedure for the recording and broadcasting of Agency public meetings.

NOW, THEREFORE, BE IT RESOLVED, that the Agency hereby adopts the following resolution, effective immediately, to establish policy and procedure for the recording and broadcast of Agency meeting on the public access channel as provided by the Town of Riverhead as follows:

Recording shall commence at the call to order of each public meeting, or portion thereof, and continue to adjournment. Broadcast of recorded meetings may be simultaneous or delayed as determined by the designated Town operator working the equipment.

The Chairman of the Agency, upon calling a meeting of the Agency to order, shall inform those present at the meeting that it is the policy of the Agency to record the meeting and that such meeting is being recorded.

Recording and broadcasting shall be provided by the Town contracted or employed designee to operate the equipment. Agency personnel shall not operate the equipment. An electronic copy of each recording shall be created by the designated Town equipment operator and provided to the Town Clerk for storage and retrieval with a copy thereof to the Agency Executive Director.

The official record of Agency proceedings and business shall be the duly adopted minutes as certified by the Secretary of the Agency. Electronic copies of a recorded meeting of the Agency shall not constitute an official record of such meeting.

In the event of a failure of the recording and broadcasting equipment to function, or attendance by the Town designee to operate such equipment, Agency business shall continue uninterrupted. Recording and broadcasting of duly called Agency meetings shall not be a requirement for the holding of a valid Agency meeting, but such recording and broadcasting of such meetings shall be the standard practice of the Agency as practical in the circumstances.

This Policy and Procedure may be amended by further resolution of the Agency.

The Chairman may order the suspension of recording for good cause as required by profanity or commentary or gestures that do not constitute the ordinary business of the Agency, and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded to the Town Supervisor, members of the Town Council, Town Clerk and Town Attorney.

VOTE: 5 Yes

Member Simms then requested to ask a few question referencing the meeting with the Town Board on July 26th for which he was not in attendance.

Member Simms requested that the analysis prepared to date and provided to the Governance Committee for review regarding the agency fee structure be shared with him. He continued, he spoke with Tony Catapano of the Suffolk County IDA in regard to the matching benefit language within the Uniform Tax Exempt Policies and stated that Mr. Catapano told him there is no interest in competing, but Suffolk County has a functionally identical clause in their UTEP. According to Mr. Simms, he was told that the action would only be employed if there was an active offer with a local IDA. Larry Simms to his knowledge an active offer includes a deposit and application and suggested that RIDA review its policy again. The board referred the question to the Governance Committee

Member Simms then referred back to Adaptive Reuse and again stressed that the agency should focus on vacant, blighted property. He stated that he has spoken to at least a dozen property owners who claimed they were not aware of the "enhanced" benefits and suggested that the agency provide information to all the town departments about the enhanced benefits. He stated that the enhanced benefit should be widely known about. He spoke to someone on the Landmarks committee who also stated that the double 485b essentially matches what they offer and they were not aware of the IDA enhanced benefits. Chairman Cruso inquired as to which property owners were not aware and welcomed a suggestion for an approach to identifying people are that are not aware of the enhanced benefits. Member Simms stated he himself was not aware of it, but did not specify any other property owners or developers. He suggested that the Landmarks Preservation Committee, planning board, and the planning department be educated on the enhanced benefits so they can apprise such properties as the Walmart Building and Sports Authority. Again, the board deferred to the Governance Committee for review.

Member Simms continued referring to comments Councilwoman Giglio made during the work session with the Town Board regarding agency process of accepting and vetting applications, quoting that Agency is bound by state restriction for what it can and cannot authorize. Member Simms did not understand what she was referencing proclaiming that he sat through the state ethics training and read through all the agency documents, but could not find anything that referred to restrictions of benefits. Counsel Ehlers sited the law that applies to agencies state wide and the restrictions that apply. He also noted that the Agency has to refer to more than the UTEP and project criteria set forth by the agency. There is state law, IDA bond regulations, tax law and the projects have to meet these requirements before they start getting vetted. He provided an example such as railroad and retail, bonds, etc.

Member Simms, referring to the work session again, began questioning where the agency files are retained. He challenged the ED by stating that when he foiled projects, he was told that files had to be obtained from an offsite location. The ED vehemently denied ever stating that files were located offsite unless the agency was in the process of moving the office. The ED stated that any older project files have not been cataloged, but whatever the agency had in its possession upon her employ is still within the confines of the office. She noted that she is working with the new consultant to have both electronic and hard copy back up of each project.

NEW BUSINESS:

#37-18 RESOLUTION AUTHORIZING ATTENDANCE TO LIBDC CONFERENCE

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

WHEREAS, the Long Island Business Development Council will be hosting its 2018 Annual Economic Development Conference September 26-28th at the Montauk Yacht Club, 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 three day conference is scheduled in Montauk September 26 -28th 2018, thereby requiring her to stay at the Montauk Yacht Club from October 26 – 28th plus the cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$1200.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves expenditures for registration and lodging at the Montauk Yacht Club and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the LIBDC Annual Economic Development Conference in Montauk, NY from September 26th through September 28th, 2018.

Vote: 4 Yes

1 No - Larry Simms

#38-18 RESOLUTION AUTHORIZES ENGAGEMENT OF KIMBERLY A. MOTEKEW AS INDEPENDENT CONTRACTOR DATA SPECIALIST

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

RESOLVED, that the Board of Directors hereby authorizes the engagement of Kimberly A. Motekew as set forth in the letter of engagement as an independent contractor data specialist effective as of August 4, 2018.

Vote: 5 Yes

EXECUTIVE DIRECTORS REPORT

The ED reported on the progress of Island Industries, noting they will most likely be presenting during the next board meeting.

Project compliance was discussed regarding several companies.

Country Limousine sent a request for a waiver from the late fee imposed on the incomplete annual compliance report. After discussion the board decided to waive the pro rata portion of the late fee and maintain the base/straight late fee.

RESOLUTION #39-18 RESOLUTION CONSIDERING REQUEST FOR LATE COMPLIANCE REPORT WAIVER COUNTRY LIMOUSINE, LLC/DARK HORSE RESTAURANT AND CATERING

Lori Ann Pipeczynski offered the following resolution. Anthony Barresi seconded

Whereas, the Agency has in place a Fee Waiving Policy, and

Whereas, COUNTRY LIMOUSINE, LLC has submitted a request to waive the late compliance report fees implemented in accordance with the agency policy, and

Whereas, the board did/did not consider the request reasonable and determined that the request to waive the late compliance report fee is/is not consistent with the board policy.

Now, Therefore, Be it Resolved, that COUNTRY LIMOUSINE, LLC be notified that the request to waive the late compliance reporting fee is denied/approved (and to promptly remit the payment due.)

There was discussion about the timing of the late fee and how it was applied. The ED explained that the pro rata portion of the fee starts from the date the review is submitted back to the company and calculated until the time it is resubmitted to the agency with all outstanding items completed. Member Anthony Barresi suggested that since the company is not provided an additional timeline to resubmit, that the pro rata be waived and the policy be sent to the governance committee for review.

Vice Chair Pipczynski expressed that the agency wants to assist the businesses, but noted that the agency takes compliance very seriously. The agency has an obligation and a timeline to submit the reports to the state.

Larry Simms moved to amend the original motion to consider the request of waiving the pro rata portion of the late fee and charging the straight fee only. Anthony Barresi seconded the amended motion.

Anthony Barresi seconded the amended motion.

Board approved the amendment to the resolution by 5 yes votes.

The amended resolution states as follows:

Whereas, the Agency has in place a Fee Waiving Policy, and

Whereas, COUNTRY LIMOUSINE, LLC has submitted a request to waive the late compliance report fees implemented in accordance with the agency policy, and

Whereas, a late compliance fee of \$650 was charged, and

Whereas, \$500 is a base late fee, and

Whereas, there is an additional \$250 pro ratable late fee for every 30 days from the due date of the report until the report is considered complete, and

Be it Resolved, that COUNTRY LIMOUSINE, LLC be notified that the request to waive the base late/incomplete compliance reporting fee of \$500 is denied, and

Be it Further Resolved, that COUNTRY LIMOUSINE, LLC be notified that the request to waive the pro rata portion of the late/incomplete reporting fee of \$150 is approved.

Therefore, Now it be Resolved, that COUNTRY LIMOUSINE, LLC be notified to promptly remit the payment due of \$500 for late/incomplete compliance report base fee.

Vote: Yes Tom Cruso
Yes Bob Kern
Yes Larry Simms
No Lori Ann Pipczynski
No Anthony Barresi

#40 - 18 RESOLUTION AUTHORIZING NOTICE OF HEARING FOR DETERMINATION ON COMPLIANCE WOLF PROPERTIES ASSOCIATES, LP

Larry Simms offered the following resolution which was seconded by Lori Ann Pipczynski

Whereas, GML Title 1 874 (5) states that Payment in Lieu of taxes (PILOT) that are delinquent shall be subject to late payment penalties, and

Whereas, the Riverhead Industrial Development Agency reserves the right to impose late penalties for Payments in Lieu of Taxes that are delinquent 5 days beyond the due date, and

Whereas, The Riverhead Industrial Development Agency received the PILOT payment on February 11th after the due date of January 10, 2014 and beyond the 5 day grace period , and

Whereas, Wolf Properties Associates, LP was notified in correspondence dated March 1, 2018 and provided an opportunity to request a fee waiver consistent with Agency policy, and

Whereas, Wolf Properties Associates, LP did not submit the imposed PILOT penalties, and

Whereas, the Board of Directors of the IDA finds it necessary to request Wolf Properties Associates, LP to appear before the board for a review to determine whether the company has failed to submit the required payments which has created an event of default of the company obligations to the Agency which could result in a termination of future Agency benefits and possible recapture of benefits, and

Now, Therefore, Be it resolved, the Board of Directors of the RIDA hereby directs the Executive Director to serve a certified return receipt Notice of Hearing to Wolf Properties

Associates, LP notifying it to appear before the board during the September 10th board meeting.

Member Simms asked if these fees were accruing. The ED responded that the PILOT is no longer outstanding and the late fee is calculated on the PILOT payment and pro-rated an additional fee until the PILOT itself is paid. The outstanding amount is the late fee that had been calculated using the fee schedule formula. There is no late fee accrued on the late fee.

Vote: 5 Yes

#41- 18 RESOLUTION AUTHORIZING NOTICE OF HEARING FOR DETERMINATION ON COMPLIANCE PIKE REALTY COMPANY, LLC

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

Whereas, GML Title 1 874 (5) states that Payment in Lieu of taxes (PILOT) that are delinquent shall be subject to late payment penalties, and

Whereas, the Riverhead Industrial Development Agency reserves the right to impose late penalties for Payments in Lieu of Taxes that are delinquent 5 days beyond the due date, and

Whereas, The Riverhead Industrial Development Agency received the PILOT payment on February 11th after the due date of January 10, 2014 and beyond the 5 day grace period , and

Whereas, The Riverhead Industrial Development Agency reserves the right to impose penalties for late submissions of Annual Compliance Reports, and

Whereas, Pike Realty Company, LLC was notified in correspondence dated March 1, 2018 and provided an opportunity to request a fee waiver consistent with Agency policy, and

Whereas, Pike Realty Company, LLC did not submit the imposed PILOT penalties, and

Whereas, Pike Realty Company, LLC did not submit the imposed late compliance reporting fee, and

Whereas, the Board of Directors of the IDA finds it necessary to request Pike Realty Company, LLC to appear before the board for a review to determine whether the company has failed to submit the required payments which has created an event of default of the company obligations to the Agency which could result in a termination of future Agency benefits and possible recapture of benefits, and

Now, Therefore, Be it resolved, the Board of Directors of the RIDA hereby directs the Executive Director to serve a certified return receipt Notice of Hearing to Pike Realty Company, LLC notifying it to appear before the board during the September 10th board meeting.

Vote: 5 Yes

The Chairman moved on to the Executive Session. Lori Ann Pipczynski motioned to recess the regular meeting. Bob Kern seconded. The regular board meeting was recessed at 6:08pm

EXECUTIVE SESSION

Bob Kern motioned to open Executive Session. Anthony Barresi seconded. Executive Session began at 6:08pm

Anthony Barresi motioned to close the executive session. Bob Kern seconded.

No action was taken within the executive session. Executive Session was closed at 6:20pm

Bob Kern motioned to resume the regular IDA board meeting. Larry Simms seconded at 6:21pm

The next board meeting is currently schedule for September 10, 2018.

Member Bob Kern motioned to adjourn the meeting. Member Anthony Barresi seconded. There being no further business, the meeting was adjourned at 6:24pm

Dated: 9/10/18


Secretary/Asst.