

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
September 9, 2019**

Meeting was called to order at 5:07PM by Chairman Thomas Cruso.

Present: Thomas (Tom) Cruso, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Robert (Bob) Kern, Treasurer
Anthony (Tony) Barresi, Secretary
James Farley, Asst. Treasurer

Absent:

Signifying a quorum.

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

Member Bob Kern motioned to approve the proposed agenda. Member Tony Barresi seconded. The agenda was adopted.

MINUTES

The Board moved to dispense with the reading of and voted on the May 20 meeting minutes.

#30-19 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF May 20, 2019.

Member James Farley offered the following resolution, which was seconded by Member Anthony Barresi.

RESOLVED, the minutes of the meeting of May 20th, 2019 as prepared e-mailed and amended 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: Reported that a money market account and a certificate of deposit was opened.

| | |
|-----------------------------------|--------------|
| Cash Balance in as of August 31st | \$107,056 |
| CD | \$30,000 |
| Money Market | \$140,000 |
| Revenue for August | \$79.53 |
| Profit and Loss | \$-14,502.12 |
| Total Expenses Paid | \$13,363.82 |

#31-19 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF August 31, 2019

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 August 1 to August 31, 2019 **as attached,**

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated September 4, 2019 covering the month of August, be and are hereby accepted and expenses as listed are authorized for payment.

Member James Farley made a motion to accept Treasurer's Report, which was seconded by Member Anthony Barresi. **Motion approved.**

Vote: 5 Yes

COMMITTEE REPORTS:

There was no Audit Report.

Governance Committee: Chairwoman Lori Ann Pipczynski reported the committee met on June 24th at which time the committee conducted its annual review of project compliance and follow up and continued review of policies and procedures. They discussed an amendment to agency fees to reflect the need to cover any administrative costs in the event of a clawback. The committee discussed NYS family paid leave act and how it affects the agency. They reviewed the Town's sexual harassment policy to see how it could be applied for agency use and talked about identifying resources for implementation of the policy. There will be one resolution for the board to consider relative to administrative fees.

The board recessed to conduct a finance committee meeting. Lori Ann Pipczynski motioned to recess the IDA meeting. Bob Kern seconded. The board meeting recessed at 5:15pm James Farley motioned to open the Finance Committee meeting and Bob Kern seconded. Finance Committee meeting commenced at 5:15pm

Lori Ann Pipczynski motioned to reopen the regular meeting of the board. Bob Kern seconded. The board meeting resumed at 5:16pm.

Finance Committee: On behalf of the Finance Committee, Bob Kern recommended the board to approve the draft budget for 2020 for consideration.

OLD BUSINESS:

32-19 RESOLUTION AUTHORIZING ENDORSEMENT FOR DEPOSITORY ACCOUNTS

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

WHEREAS, Peoples United Bank have been designated official depository for the Agency, and

WHEREAS it is necessary to amend the current endorsements and authorize representatives to sign and otherwise act on behalf of the Agency, and

WHEREAS, the endorsements of Dawn Thomas and Elias Kalogeras need to be removed, and

NOW THEREFORE BE IT RESOLVED, that Lori Ann Pipczynski as Vice Chairwoman, Robert Kern as Treasurer, James Farley as Asst. Treasurer and Tracy Stark-James as Executive Director/CEO be and are hereby designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to Peoples United Bank Operating and PILOT accounts.

BE IT FURTHER RESOLVED, that the Agency authorizes each of these designees to countersign checks in the amount of \$3,000 or more that require dual signatures consistent with the policies and procedures of the Agency.

Vote: 5 Yes

#33-19 RESOLUTION RATIFIES THE AUTHORIZATION OF TRANSFER OF FUNDS FROM THE PEOPLE'S UNITED BANK IDA OPERATING ACCOUNT INTO TWO INVESTMENT ACCOUNTS and AUTHORIZING ENDORSEMENTS OF SAME.

Anthony Barresi offered the following resolution, which was seconded by Bob Kern

WHEREAS, Pursuant to the General Municipal Law, the Board of the Agency hereby designates those banks and trust companies authorized by law to serve as such depositories that the Agency, from time to time, shall choose to designate by resolution of the Board for the deposit of the Agency's Funds.

WHEREAS, Resolution #59-18 designated Gold Coast Bank as a depository, and

WHEREAS, it is the desire of the Board to withdraw the authorization of Gold Coast Bank as an authorized depository at this time, and

WHEREAS, by Resolution #60-18 the amount of \$215,000 was previously authorized to be transferred into the Gold Coast Bank depository account, and

WHEREAS, Peoples United Bank is an authorized depository for the Agency, and

WHEREAS, it is the desire of the board to amend the amount to be deposited into interest bearing accounts and redirect the funds to the already authorized Peoples United Bank as the depository for two new interest bearing accounts, and

WHEREAS, the amount of \$58,000 is to be invested into a 1 year Certificate of Deposit and \$112,000 into the Money Market at Peoples United Bank, and

WHEREAS, it is the desire of the Board to authorize specific endorsements for the two new investment accounts, and

WHEREAS, Denise Cooper is not an authorized signor for the Operating and PILOT bank accounts held at Peoples United Bank, and

WHEREAS, Bob Kern as the Agency Treasurer is an authorized signer of the Agency accounts held at Peoples United Bank, and

WHEREAS, Bob Kern and Denise Cooper the Agency CFO are hereby designated as the official authorized representatives to sign and otherwise act on behalf of the Riverhead Industrial Development Agency with respect to these two new accounts, banking transactions or services for the Riverhead Industrial Development Agency as assigned to these two new accounts at Peoples United Bank.

BE IT RESOLVED, that the Riverhead IDA hereby transfers the sum of \$170,000 from the operating account held at Peoples United Bank into the new depository accounts held Peoples United Bank fully collateralized for use by the Agency in furtherance of its corporate mission as prescribed above.

BE IT FURTHER RESOLVED, that Bob Kern and Denise Cooper are the authorized signers for the two new depository accounts to be opened at Peoples United Bank.

Vote: 5 Yes

NEW BUSINESS:

RESOLUTION #34-19 AMENDS AGENCY FEE SCHEDULE

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

RESOLVED, that the following is established as the fee schedule of the Riverhead Industrial Development Agency based upon total project cost and subsequent administrative expenses. All costs of issuance of bonds, including local counsel and bond counsel, shall be borne separately by the applicant.

A non-refundable application fee of \$2,000 for applications under \$5 million and \$4,000 for applications over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing. The Administrative Fee charged by the Agency at closing is as follows:

- ¾ of 1% of the financial assistance on the first \$10 million.
- ¼ of 1% of the financial assistance between \$10 million and \$20 million.
- 1/10 of 1% of the financial assistance over \$20 million.
- 1% of the financial assistance for amended applications post initial financial approval.

Reporting/Compliance Fee:

State law requires that the Town of Riverhead Industrial Development Agency file certain financial and compliance reports with the State of New York. Much of the information within these reports is required to be furnished by your company and the IDA is obligated to meet a state submission deadline.

Annual Compliance Reporting fee for Lease Projects \$250 annually

Annual Compliance Reporting fee for Bond Projects \$300 annually

Annual Compliance Reporting fee for Commercial Mixed Use and Multi Family Housing Projects \$500

(with 21 or more residential units and/or more than 3 commercial tenant spaces)

*Compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

Late Reporting/Compliance Fee: commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-rateable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented.

Processing Fee:

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

Assignments & Assumptions:

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives. The Agency will charge a \$4000 fee for each of these transactions if requests are made prior to any transfer, otherwise the assignment/assumption will require a full administrative fee of ¾ of 1%.

Reprocessing/Refinance Fee:

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of simple refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency will charge a \$2500 processing fee for each request and reserves the right to increase the fee to reflect the complexity of each transaction, but not to exceed the basic administrative application fee.

Late PILOT Payment:

In addition to requirements of GML 874(5), the Agency shall impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late, commencing on the sixth day.

Re-Notification Fee

Occasionally, an applicant will cause an adjournment of a public hearing. The IDA will charge a fee of \$100 per requested adjournment to re-notify and repost public notice and payment by the applicant of any necessary stenography or incidental costs associated with the reprocessing.

Recapture Fee

Ten percent 10% of the recapture amount will be assessed on the amount determined to be recaptured.

*All Agency fees are non-refundable and are as amended from time to time.

Vote: 5 Yes

RESOLUTION #35-19 RESOLUTION OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY ("THE AGENCY") AUTHORIZING A GRANT APPLICATION WITH NATIONAL GRID'S COOPERATIVE BUSINESS RECRUITMENT PROGRAM AND ENGAGEMENT OF DISCOVER LONG ISLAND IN CONNECTION WITH A GRANT AWARD

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

WHEREAS, the Riverhead Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said general Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act"), to, inter alia, promote the economic welfare, recreation opportunities and prosperity of the inhabitants of New York State and to actively promote, develop, encourage and assist in the promotion, attraction and development of economically sound commerce and industry to advance the job opportunities, health, general

prosperity and economic welfare of the people of the State of New York, to improve their economic welfare, recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration, and to promote the development of facilities to provide recreation for the citizens of New York State and to attract tourists from other states; and

WHEREAS, at a required 50 percent matching share, National Grid through its Cooperative Business Recruitment Program provides grant moneys to local economic development organizations to fund the development of marketing data, strategies, and web pages to attract business investment and jobs to the Long Island community (the "Grant"); and

WHEREAS, the Agency, in cooperation with other industrial development agencies located on Long Island (including, without limitation, the Suffolk County Industrial Development Agency, and collectively, the "Long Island IDAs"), wishes to complete, execute and submit an application for a Grant award to National Grid, requesting \$100,000 (with \$50,000 being the required matching share) to help fund the development of marketing, strategies, and a webpage to raise awareness of business opportunities on Long Island, attract business investment, and encourage job creation; and

WHEREAS, Discover Long Island is a private non-profit organization serving as the official regional organization charged with furthering Long Island's \$5.9 billion tourism economy, which (given its purpose and responsibilities) seeks to promote the Long Island region as a world-class destination, and drive visitation for purposes of generating jobs and local and state tax revenues; and

WHEREAS, in the event of a successful award of the Grant for a project of \$100,000 (or such lesser amount as may be awarded and accepted) to the Long Island IDAs, the Long Island IDAs shall seek to reach an agreement concerning matching and other Grant obligations, to identify project goals and objectives, and to prepare intended Grant deliverables, such as a regional website to provide information intended to attract business to Long Island; and

WHEREAS, the engagement of Discover Long Island would help the Long Island IDAs to achieve the identified project goals and objectives and to prepare the intended Grant deliverables, by (among other things) use of Discover Long Island's SEO and anchor traffic to help highlight the desirable quality of life on Long Island, incorporating demographic and economic development data to enhance the collaborative efforts of the regional IDAs through capitalizing on the Long Island brand, and ad placements created by Discover Long Island and utilizing the new BeLONG on Long Island trademark campaign to target specific industries and geographic locations; and.

WHEREAS, if a Grant award is received, the Agency (in cooperation with the other Long Island IDAs, but subject to an agreement being made among the Long Island IDAs regarding matching and other Grant obligations) desires to therefore enter into an agreement with Discover Long Island, for the above described services;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby authorizes the completion, execution, and submission, in cooperation with other industrial development agencies located on Long Island (including, without limitation, the Suffolk County Industrial Development Agency, hereinafter the "Long Island IDAs") of a 50 percent matching share grant application with National Grid through its Cooperative Business Recruitment Program, requesting \$100,000 (with \$50,000 being the required matching share) to fund the development of marketing, strategies, and a webpage to raise awareness of business opportunities on Long Island, and to attract business investment and encourage job creation (the "Grant"). In the event of a successful award of the Grant for a project

of \$100,000 (or such lesser amount as may be awarded and accepted), but subject to an agreement being made among the Long Island IDAs regarding matching and other Grant obligations, the Agency hereby further authorizes the engagement of Discover Long Island at a cost that is not to exceed \$3,000 as the Agency's allocated portion of the Grant's required matching share to help achieve identified project goals and objectives and prepare intended Grant deliverables. The Agency finds that (a) the purposes of the Grant and contemplated engagement of Discover Long Island are consistent with, and would further the mission and purposes of, the Agency, (b) the required services are not available through the New York State Preferred Source Program, (c) there is only one possible source from which to procure the services contemplated by the Agreement, and such services have unique benefits and, therefore, no competitive bidding process is feasible, and (d) the cost of such services is reasonable.

Section 2. The Agency hereby determines that the proposed action is a Type II Action pursuant to Article 8 of the New York Environmental Conservation Law (including the regulations thereunder, "SEQRA") involving "continuing agency administration" which does not involve "new programs or major reordering of priorities that may affect the environment" (6 NYCRR Section 6.17.5 (c)(26)) and therefore no findings or determination of significance are required under SEQRA.

Section 3. The Chairman or Vice Chair is hereby authorized and directed, in sole discretion, to negotiate and enter into an agreement with Discover Long Island upon such terms and conditions as advisable or necessary, but subject to the terms of this Resolution. The Chairman or Vice Chair execution of the Agreement shall evidence the Agency's approval of the terms thereof.

Section 4. This Resolution shall take effect immediately.

VOTE: 5 Yes

#36-19 RESOLUTION RATIFIES THE AUTHORIZATION OF TRANSFER OF BOND ALLOCATION TO SUFFOLK COUNTY IDA

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

WHEREAS, pursuant to the Private Activity Bond Allocation Act of 2018 (PABA), the Riverhead Industrial Development Agency received an initial bond allocation from the State of New York in the amount of \$591,168 for 2019, and

WHEREAS, PABA of 2018 requires that each Agency receiving an allocation of the State's private activity bond volume cap submit a report on the status of the allocation, and

WHEREAS, pursuant to Section 8 of Chapter 103, Laws of 2018, the Agency has the option to surrender all or a portion of its private activity bond volume allocation to another local agency with overlapping jurisdiction, and

WHEREAS, the Brookhaven Industrial Development Agency has requested unused bond volume, and

WHEREAS, Brookhaven IDA is not considered an overlapping jurisdiction, but Suffolk County Industrial Development Agency is, and

WHEREAS, it has been requested to transfer Riverhead IDA's unused bond volume to Suffolk County for use by Brookhaven which would be considered an overlapping jurisdiction, and

BE IT RESOLVED, that the Riverhead IDA Board of Directors ratifies the authorization to the transfer \$591,168 of bond volume allocation to the Suffolk County Industrial Development Agency to supply Brookhaven Industrial Development Agency with necessary additional bond allocation and to submit the report of Election to Surrender to the State of NY.

Vote: 5 Yes

#37-19 RESOLUTION APPROVING DRAFT BUDGET FOR FISCAL YEAR 01/01/20-12/31/20

Bob Kern offered the following resolution, which was seconded by Anthony Barresi.

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption.

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby approved for submission to the CEO and governing body of the Town of Riverhead as the proposed Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/20 through 12/31/20; and

BE IT FURTHER RESOLVED, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 5 Yes

EXECUTIVE DIRECTORS REPORT:

The ED discussed recent press coverage with the board, notably inaccurate representation was an article in Newsday which made mention of the Aquarium project. She noted that this type of reporting causes a significant misrepresentation of the total benefits back to the community. It spins a message that the "exemptions" comprise tax revenue the community was already benefitting from when in fact, the tax revenue is new and paced in.

Several key misrepresentations included the amount of taxes paid by the project, number of jobs and that the project was singled out by the ABO.

The amount of taxes paid by Atlantis during the stated time frame far exceeded \$3 million dollars contrary to the reported \$886,700. The project created close to 450 jobs during peak season, but the Agency is only eligible to report the 240 to the state ABO reporting system. The reporter also stated that Atlantis never paid its full tax load, however, Atlantis did pay full property taxes when they purchased the property and never paid less than what the property was generating when they purchased it.

The board discussed requesting a retraction, but ultimately decided against expending the resources at this time.

The ED then clarified that the sale of J Kings Food Service Professionals to Sysco. It is not the same as the City Cider project which is owned by City Cider House, LLC and the real estate is owned J Kings Realty which is not part of the sale. The Agency's involvement did not involve Grapes and Greens (J King). The transaction has no impact on the project.

The ED reported it came to her attention the Cal Add Treatment project has budget estimate overruns. The Agency is in discussions with them getting more information on what the project numbers are. Once we have that definitive information, we can work on how that is going to affect their application and anticipate inviting them to the next board meeting for an explanation if necessary.

The current website provider has retired and our current website service has been taken over by Barry Karlin's colleague. She has received one proposal to develop a new website and has contact information for the provider to the Town.

The board discussed increasing annual fees to help the agency meet the latest state mandates.

She attended another Opportunity Zone seminar on the latest regs - most interesting is that previous information regarding the use of the zone focused on real estate. The new regs clarified and made it more attractive for use by businesses in the zone. The CDA and the Agency are discussing hosting an updated workshop.

G2D Development is moving forward in the Town and will be coming before the board shortly.

She reported that she participated in an ABO training on ethics and provided a handout to the board as a reminder of the Agency mission and purpose.

Top three most important points:

- First and foremost is that a board member signs the acknowledgement of fiduciary duty when taking the oath of office.
- Know the Mission and the Authorities Purpose.
- Maintain confidentiality and divulge any conflicts of interest.

After the Executive Director's report the board recessed the regular meeting to move into an Executive Session for the purpose of personnel matter.

Lori Ann Piczynski motioned to recess the board meeting. James Farley seconded. The board meeting was recessed at 5:58pm.

**TOWN OF RIVERHEAD
INDUSTRIAL DEVELOPMENT AGENCY
EXECUTIVE SESSION
9-9-19**

Bob Kern motioned to move into executive session. Lori Ann Pipczynski seconded. The executive session of RIDA opened at 5:59pm

The board discussed personnel matters.

Lori Ann Pipczynski motioned to close the executive session. Anthony Barresi seconded.

The executive session was closed at 6:08pm

Bob Kern motioned to reopen the regular meeting. Lori Pipczynski seconded. The regular meeting of the board recommenced at 6:10pm.

**RESOLUTION #38-19 APPROVES PERSONNEL EVALUATION AND AUTHORIZES
CHAIRPERSON TO EXECUTE AMENDMENT TO EMPLOYMENT AGREEMENT**

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

WHEREAS, the Personnel Committee has provided its report on the evaluation of the staff, and

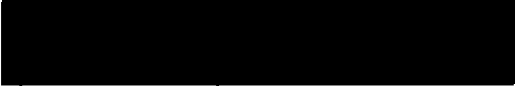
WHEREAS, it is the desire of the Board of Directors to amend the contract with the Executive Director.

BE IT RESOLVED, that the employment contract shall be amended accordingly and the Chairperson be and is hereby authorized to execute such amended contract effective August 1, 2019 to August 1, 2022.

Vote: 5 Yes

Member Lori Ann Pipczynski motioned to adjourn the board meeting. Member Anthony Barresi seconded. The meeting was adjourned at 6:11.

Dated: 10/21/19


Secretary/Asst. /