

**MINUTES OF THE MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

December 2, 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 November 4, 2019 meeting minutes.

**#48-19 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF November 4, 2019.**

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

**RESOLVED**, the minutes of the meeting of November 4, 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:** The ED distributed correspondence and a response to Senator Skoufis from the NYS Senate Investigation and Government Committee looking for information.

**TREASURER'S REPORT:**

Cash Balance in as of November 30th	\$63,787.24
CD	\$30,000
Money Market	\$140,587.11
Revenue for November	\$147.00
Profit and Loss	\$-14,745.35
Total Expenses Paid	\$31,626.54

**#49-19 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF December 1, 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 November 1 to November 30, 2019 **as attached,**

**NOW, THEREFORE, BE IT RESOLVED,** said monthly financial report dated December 1, 2019 covering the month of November, be and are hereby accepted and expenses as listed are authorized for payment.

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

**Vote:** 5 Yes

The Treasurer also noted that it was the recommendation of the Agency CFO to transfer \$25,000 from the money market account to the operating account.

Anthony Barresi motioned to authorize the transfer of \$25,000 from the money market account to the operating account. James Farley seconded. Motion approved.

Vote: 5 Yes

**COMMITTEE REPORTS:**

Audit: None

Governance Committee: None

Finance Committee: None

**OLD BUSINESS:**

**#44-19 A RESOLUTION AMENDING AND ADOPTING POLICIES**

The following resolution was offered by Lori Ann Pipczynski

And seconded by Bob Kern.

**WHEREAS**, in accordance with the Public Authorities Law, it is a recommendation of the Governance Committee of the Riverhead Industrial Development Agency that the following policies be reviewed, adopted, ratified and confirmed, and

**WHEREAS**, pursuant to Section 201-g of the Labor Law every employer in the State of New York is required to adopt a sexual harassment prevention policy, and

**WHEREAS**, a Sexual Harassment Policy has been reviewed and recommended by the Governance Committee to be adopted by the Board of Directors, and

**WHEREAS**, the Statement of Board Duties and Responsibilities Policy has been reviewed and recommended by the Governance Committee to be amended and adopted by the Board of Directors, and

**WHEREAS**, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to adopt the above mentioned and attached policies.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached policies be and hereby are adopted, ratified and confirmed.  
**(see attached policies)**

**Vote:** 5 Yes

The board then reviewed and deliberated on the increase to the project costs for Calverton Addiction Treatment Center. The draft of the resolution was amended to reflect the final agreed upon project cost amount.

**#50-19 RESOLUTION AUTHORIZING INCREASE OF TOTAL PROJECT COST FOR CALVERTON ADDICTION AND TREATMENT LLC FACILITY**

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

**WHEREAS**, it is required by the Riverhead Industrial Development Agency that all projects from time of initial application to completion be accurately described as to form, function and cost to provide accurate information for proper Agency review and reporting of project benefits, and

**WHEREAS**, by Application certified November 29, 2017, Calverton Addiction and Treatment LLC and EDBK at Calverton LLC (collectively the "Company") made application to the Riverhead Industrial Development Agency (the "Agency") for financial assistance for the land purchase, construction and equipping of a 134,000 square foot addiction research and treatment facility at a 95.6 acre parcel located at Jan Way in Calverton, Riverhead, New York at a total project cost of \$59,062,000., and

**WHEREAS**, pursuant to proceedings held by the Agency a resolution providing financial assistance to the Company was adopted by the Agency March 5, 2018, which resolution recited the total project cost of \$59,062,000. All findings and statements of fact made by such resolution were duly certified to be true and correct by the Company, and

WHEREAS, pursuant to the aforesaid certified resolution, closing documents were approved and executed dated August 1, 2018 all of which documents stated the total project cost of \$59,062,000., and

WHEREAS, by press release dated October 26, 2018, Northwell Health, affiliated with the Company, announced a total project cost of \$95,000,000., and

WHEREAS, Agency benefits are based upon an evaluation of a Project at the time of application. The statutory process requires accurate information from applicants relative to Project impacts upon the local and regional economy, and

WHEREAS, one of the primary impacts is the cost of the Project relative to the financial assistance requested. The preparation of a meaningful cost benefit analysis is not possible without accurate Project cost estimates. The public process is intended to be transparent as to all aspects of the project. This includes the notice of public hearing and the testimony given by the applicant at the public hearing, and

WHEREAS, representative of the Applicant has suggested that the Project costs should be determined after project completion. This approach is contrary to the statutory framework required for proper public Agency review. It is for this reason that the application requires sworn certification that the facts stated therein are true and correct. Furthermore, the applicant is required to reaffirm the accuracy of all statements contained in the inducement resolution and to further confirm these facts at the time of execution of Agency closing documents. These requirements are all designed to assure that the Project cost presented in the Application and upon which the Agency decision is based are true, complete and accurate, and

WHEREAS, in response to Agency inquiry regarding this apparent increase in the total project cost from the amount stated by the Company to the Agency, by letter dated May 30, 2019, the Company submitted a revised Agency budget of \$69,608,000. along with additional costs denominated as non-IDA related expenses, and

WHEREAS, in response to further Agency inquiry, the Company by letter dated July 24, 2019 detailed "Project Costs and Financing" totaling \$94,151,744., and

WHEREAS, in response to further Agency inquiry the Company by correspondence dated September 4, 2019 detailed Agency total project costs of \$75,509,082. and project Non-IDA Related Expenses of \$18,642,662., and

WHEREAS, representatives of the Company, upon invitation of the Agency, appeared at a public meeting of the Agency to present such information regarding the nature and necessity of such increased project costs and the relationship of such costs to costs listed in the Application duly filed by the Company, and

WHEREAS, by Agency resolution #47-19 dated November 4, 2019 entitled, "RESOLUTION AUTHORIZES APPROVAL OF PROJECT INCREASE SUBJECT TO ADDITIONAL EXPLANATION AND CERTIFICATION FOR CALVERTON ADDICTION TREATMENT CENTER" the Agency accepted the Company's representation of a total project cost of \$94,151,744. and requested that the Company provide any additional detail it deemed appropriate

concerning the identification of non-IDA related expenses which are included in this total project cost; and

WHEREAS, the Company does not request any amendment to the financial assistance granted by the Agency to the Company based upon the increased project costs and expenses, and

WHEREAS, it is now necessary for the Agency to amend the total project cost for Facility based upon information provided by the Company for proper reporting by the Agency.

NOW, THEREFORE, BE IT RESOLVED, that the Agency hereby amends the "total project cost" stated in Agency Resolution #16-18 from \$59,062,000. to \$89,639,494. with no change to the financial assistance granted by the Agency, and

BE IT FURTHER RESOLVED, that pursuant to Agency Policy, where an amendment to the total project cost is made by the Agency after approval of Company certified costs as detailed in the Company Application to the Agency upon which the total project cost is found and determined, the Agency fee for such increase above those certified shall be 1 percentum of such increase, such fee is determined to be \$301,757., and

BE IT FURTHER RESOLVED, that certification by the Company that the facts and statements made in this resolution are correct in the form stated herein shall be delivered to the Agency within 30 days from the day hereof together with the applicable fee. The Executive Director shall amend the Agency filings with PARIS to state this amendment to the total project cost.

Vote: 5 Yes

Member Bob Kern recommended putting some form of controls in the documents that held the applicants responsible for reporting project increases as opposed to the onerous being on the agency.

**NEW BUSINESS:**

**#51-19 RESOLUTION AUTHORIZES PUBLICATION OF NOTICE OF MEETING**

Lori Ann Pipczynski offered the following resolution, which was seconded by James Farley

**RESOLVED**, that the following Notice of Meeting shall be published once in The Riverhead News Review:

**PUBLIC NOTICE**

**PLEASE TAKE NOTICE**, that the meetings of the Riverhead Industrial Development Agency and the Riverhead IDA Economic Job Development Corporation shall take place on the first Monday of each month at 5:00pm at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York. The annual meetings will take place in January of the calendar year. If a legal holiday should occur on the first Monday of a month then the meeting will be held on the second Monday of that month, unless otherwise amended by resolution of this Board.

**2020 Meeting Schedule**

January 6, 2020 Annual

February 3, 2020

March 2, 2020

**March 23, 2020**  
April 6, 2020  
May 4, 2020  
June 1, 2020  
July 6, 2020  
August 3, 2020  
**September 14, 2020**  
October 5, 2020  
November 2, 2020  
December 7, 2020

**Vote:** 5 Yes

The Chairman then recessed the regular session of the board meeting to move into Executive Session. Lori Ann Pipczynski motioned to recess the board meeting at 5:41pm. James Farley seconded.

**EXECUTIVE SESSION**

Bob Kern motioned to open the Executive Session. Anthony Barresi seconded. The executive session began at 5:46pm.

Counsel advised the board on ongoing litigation.

James Farley motioned to adjourn the executive session at 6:29pm. Bob Kern seconded.

The Chairman reconvened the regular meeting at 6:33pm.

Anthony Barresi motioned to resume the regular board meeting. Bob Kern seconded. Member James Farley motioned to adjourn the board meeting. Member Anthony Barresi seconded. The meeting was adjourned at 6:33pm.

Dated: 1/06/20

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