

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

March 1, 2021

Meeting was called to order at 5:06PM by Chairman Thomas Cruso.

Present: Thomas (Tom) Cruso, Chairman
Lori Ann Pipczynski, Vice Chairwoman
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
Tim Hubbard, TOR Liaison (Virtual)

Bob Kern moved to adopt the proposed agenda. Anthony Barresi seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the January 4, 2021 meeting minutes.

#09-21 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF January 4, 2021.
Member Bob Kern offered the following resolution, which was seconded by Member James Farley

RESOLVED, the minutes of the meeting of January 4, 2021 as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that the 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 February 2 nd | \$ 108,351.29 |
| Money Market | \$ 45,551.26 |

| | |
|---------------------|--------------|
| Revenue for January | \$ 92,882.62 |
| Profit and Loss | \$ 75,703.62 |
| Total Expenses Paid | \$ 15,390.54 |

The February report was tabled until March 29th.

#10-21 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF February 2, 2021

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 January 1 to January 31, 2021 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated February 2, 2021 covering the month of January 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 James Farley. **Motion approved.**

VOTE: 5 Yes

COMMITTEE REPORTS:

Audit: None

Governance Committee: Chairwoman of the Governance Committee, Lori Pipczynski, reported that the committee met virtually on Feb 24th to conduct its annual review of agency policies and it was the sense of the committee that none of the policies needed amendments at this time. It was the recommendation of the committee to renew each of the policies for 2021 without change. The board evaluation forms were reviewed and the committee members discussed the benefit of reminding board members of their ability to table actions and delay votes if they require more information or need additional time to deliberate any actions being sought by the Agency. Members also suggested it would be helpful to have the Executive Director compile a listing of all annual reporting requirements and deadlines to share with board members so they have a quick reference for the timing of various yearly state and local obligations. She then distributed the schedule of due dates to the board members.

The ED confirmed all but two projects had submitted their compliance reports and updated the committee on the financial status and all pending and anticipated applications to the committee.

The committee held its annual discussion of committee composition and executive board and developed a slate of nominees of the full board to be considered during the March 29th meeting.

The committee reviewed communications from Mr. Butler and recommends that the full board accept the payment of late fees in resolution of all the outstanding issues.

RESOLUTION #13-21 APPROVES SATISFACTION OF WOOLWORTH REVITALIZATION, LLC OUTSTANDING MATTERS

Moving from the floor, Lori Ann Pipczynski motioned to adopt the recommendation of the committee to accept the full payment by Mr. Butler in satisfaction of the outstanding matters that have been presented to the board. Anthony Baressi seconded.

Whereas, Resolution #41-20 determined Woolworth Revitalization, LLC to not be in compliance with Agency reporting requirements and was in violation of the terms of the lease, and

Whereas, The Board determined that the Agency fee and penalty, as invoiced monthly by the Agency, be paid current, and

Whereas, at such time as the 2020 Annual Compliance Report and fee is due in February of 2021 the entire fee and penalty for the 2019 Compliance reporting cycle must be paid in full and the 2020 Annual Compliance Report and 2020 Compliance fee paid, and

Whereas, Woolworth Revitalization, LLC has submitted the 2020 Compliance Report and all applicable and outstanding fees with a request for further consideration.

Now, Therefore, be it Resolved, that at the recommendation of the Governance Committee the Board of Directors determined to accept the full payment by Woolworth Revitalization, LLC in satisfaction of the outstanding matters as presented to the board.

Vote: 5 Yes

Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS:

Counsel explained that John Wesley Village LP is requesting to refinance their mortgage using the same financial institution, but the funding will be a Fanny Mae insured mortgage. It will take some time for the actual commitment letter and funding to be approved, but they requested preliminary approval. There is some additional capital to provide for offset of the assessment payment that they have still not received. The hope is that when they conclude this refinancing they will be able to come to the board at a future meeting and address a paired down time schedule to complete the improvements that they were prohibited from doing as a result of the erroneous tax assessment.

#11-21 AUTHORIZES EXECUTION AND DELIVERY OF NECESSARY DOCUMENTS TO PERMIT REFINANCING RE: JOHN WESLEY VILLAGE, LP

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

WHEREAS, John Wesley Village, LP (“JWV”) sought financial assistance from the Town of Riverhead Industrial Development Agency (“Agency”) with respect to the acquisition and renovation of an existing 115-unit senior subsidized housing rental facility located at Middle Road, Riverhead, New York (SCTM #0600-082.000-0002-004.006). The renovation shall include kitchen and bathroom replacements, removal of natural gas ranges and replacement with electric ranges, replacement of obsolete breaker panels, replacement of medical pull cord distress system with new wireless, central station monitored system, sidewalk area improvements, upgrade of site and walkway lighting, installation of rooftop photovoltaic solar panels, resurfacing of certain parking areas, and drilling and installation of irrigation wells for on-site landscaping use at an estimated cost of \$1,900,000. The facility to be purchased and renovated by JWV at a total project cost of \$12,804,393 (the “Project”), and

WHEREAS, upon the proceedings held upon the application of JWV, the Agency adopted a determination resolution #55-17 dated December 4, 2017 entitled “A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO JOHN WESLEY VILLAGE LP” which resolution provided financial assistance for the completion of the Project, and

WHEREAS, financing for the Project in the amount of \$12,000,000 was provided by Bellwether Enterprise Real Estate Capital LLC and appropriate loan and mortgage documents were executed, and

WHEREAS, JWV had received and owed a property tax payment for 2019/2020 in the amount of \$788,748.18, which bill was paid in full, and

WHEREAS, JWV commenced litigation to challenge this erroneous tax, which litigation has been determined in favor of JWV. However, the tax refund and interest owed

have not been refunded by the appropriate jurisdiction and therefore, real property taxes paid greatly exceeded the 2020 and 2021 PILOT payment causing delay in the project scope completion as well as significant financial duress, and

WHEREAS, Bellwether Enterprise Real Estate Capital LLC by letter dated February 4, 2021 has undertaken to provide FHA insured financing to refinance the aforesaid loan and mortgage in an amount not to exceed \$12,000,000.

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Vice-Chairman, be and hereby are authorized to execute and deliver upon submittal of suitable documents the necessary loan, financing, FHA insurance, and recording documents to permit the refinancing of the Project in a total amount not to exceed \$12,000,000 upon payment of the Agency refinance fee in the amount of \$2,500, subject to Agency fee policy regarding the complexity of the transaction, and all reasonable attorney fees of the Agency, and

BE IT FURTHER RESOLVED, that the Agency determines to abate the mortgage recording tax, as appropriate by law, to record such necessary loan documents. Counsel to the Agency is hereby authorized to execute and file with the Clerk of Suffolk County the necessary affidavit to permit the filing of loan documents on the full face value of the mortgage not to exceed \$12,000,000, and

BE IT FURTHER RESOLVED, that this resolution shall not take effect until it is countersigned, accepted and agreed to by John Wesley Village, LP.

Vote: 5 Yes

RESOLUTION #12-21 APPROVES CHANGE OF MANAGING AGENT BY RIVERHEAD APARTMENTS LLC AND GEORGICA GREEN VENTURES, LLC FROM ARCO MANAGEMENT CORP. TO GEORGICA PROPERTY MANAGEMENT, LLC

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

James Farley recommended that the resolution be amended to reflect that Arco Management was out. The resolution was moved as amended.

WHEREAS, by Resolution #42-17 adopted September 11, 2017 the Riverhead Industrial Development Agency ("Agency") approved financial assistance for Riverhead Apartments LLC and Georgica Green Ventures, LLC as more particularly stated therein, and

WHEREAS, Arco Management Corp. was identified by Riverhead Apartments LLC and Georgica Green Ventures, LLC as Property Manager and was approved by the Agency, and

WHEREAS, Riverhead Apartments LLC and Georgica Green Ventures, LLC by letter dated October 27, 2020 have requested that the Agency approve and authorize Georgica Property Management, LLC to be the Property Manager of the real property and the project approved by Agency Resolution #42-17.

NOW, THEREFORE, BE IT RESOLVED, that upon payment of the Agency processing fee of \$250, the Agency does hereby approve and authorize Georgica Property Management, LLC as the Property Manager, in replacement of Arco Management Corp., of the property and project approved by Agency resolution #42-17, and

BE IT FURTHER RESOLVED, that this resolution shall not take effect until a fully executed copy hereof is filed with the Executive Director of the Agency.

VOTE: 5 Yes

Seeing no further business, Lori Ann Pipczynski motioned to adjourn the meeting. Bob Kern seconded. The meeting adjourned at 5:28pm

Dated: 3/29/21



Secretary/Asst

