

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

September 21, 2022

Meeting was called to order at 5:15 PM by Chairman James Farley.

Present: James Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman (Virtual Attendance)
Lee Mendelson, Treasurer
Anthony (Tony) Barresi, Secretary

Absent:

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
William Weir, Counsel

The Chairman explained that there will not be a public comment session during this meeting, but public comment on the proposed application for the Calverton Aviation and Technology Hub/Town of Riverhead will be during the public hearing when that date is determined.

Lori Ann Pipczynski moved to adopt the proposed agenda with the schedule amended. Anthony Barresi seconded. The agenda was adopted.

MINUTES:

The Board moved to dispense with the reading of and voted on the August 23rd meeting minutes.

#40-22 RESOLUTION APPROVES MINUTES OF REGULAR MEETINGS OF August 23, 2022. Member Anthony Barresi offered the following resolution, which was seconded by Member Lee Mendelson.

RESOLVED, the minutes of the meetings of August 23rd, 2022 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: 4 Yes

CORRESPONDENCE: The ED relayed correspondence from 48 Kroemer, LLC that it will be withdrawing its application for financial assistance.

PRESENTATIONS: Calverton Aviation Technology (CAT) and Town of Riverhead. Dawn Thomas, Executive Director of the Community Development Agency for the Town of Riverhead opened the presentation stating that she was there representing, along with Frank

Isler, on behalf of the CDA in support of the resolution to accept the joint application with CAT and the Town of Riverhead for the redevelopment of the EPCAL property. She noted the CDA has owned the property since 1998 when the Navy transferred the property for the specific purpose of economic development, supporting the anticipated and long overdue tax base and jobs that will result from the development. She explained that the CDA will retain the Veterans Memorial Park, the Grumman Memorial Property, the Henry Pfeifer Building, the Pine Barrens Preserved area and the sewage discharge area. As part of the project, CAT will be making improvements to CDA property, more particularly the Veterans Memorial Park.

Peter Curry, counsel representing the CAT group introduced Nadar and Justin Gerhmazian and Meg Blakey on behalf of CAT, the architect, engineer and construction company. He introduced Chris Kent, co-counsel to CAT to provide a history of EPCAL and how the project responds to the Towns needs and requirements. Mr. Kent stated the following:

A. GRUMMAN/NAVY SITE ACQUISITION AND OPERATION - 1953-95

- The property formerly known as Naval Weapons Industrial Reserve Plant, now known as EPCAL, began with the Navy's acquisition of approximately 10,000 acres of land by 1952. The site was assembled and developed as part of the investment in US Defense during the Cold War Era which included the Korean and Vietnam Wars and several other conflicts from 1953 to 1995.
- The Navy developed approximately 4,400 acres for airfield runway construction and associated facilities and the balance of the acreage was designated as aviation buffer zones.
- 2,913 acres of land inside the fence were leased to Grumman for airfield operations (final assembly, testing and retrofitting of US Air Force, Navy and Marine aircraft).
- Grumman assembled and tested over 700 F-14 Tomcats and almost all of its E-2 Hawkeye aircraft at EPCAL; The Tomcat first flight was at this property. Grumman flight tested the Intruder, the Prowler and the experimental X-29 with its forward-swept wings here in Calverton; US Navy & Marine corps tested the Panther, Cougar & Tiger aircraft at this site; And, commercial airlines used the runways at EPCAL for jet training with maneuvers (including full-stop and engine-out landings and high-off set approaches).
- At its peak Grumman was producing over 100 aircraft a year and was the largest employer in the Town of Riverhead. The tower logged over 19,000 flights per year.

B. GRUMMAN PLANT CLOSURE AND EFFECT ON TOWN OF RIVERHEAD

- In 1996, as a result of defense spending declines, Grumman closed nearly all facilities on Long Island and chose not to renew its lease at Calverton.
- The termination of operations at Calverton resulted in the loss of approximately 4,000 jobs and \$1.1M in direct tax revenues to the Town of Riverhead, Suffolk County and the Riverhead Central School District.

C. DISPOSITION OF PROPERTY "OUTSIDE THE FENCE"

- Of the 10,000 acres acquired by the Navy, the Navy donated:
 - approximately 1,050 acres for use at the Calverton National Cemetery
 - approximately 2,935 acres to the NYSDEC for preservation and wildlife management
 - other surrounding land was conveyed for a variety of uses and preservation

D. DISPOSITION OF (PROPERTY “INSIDE THE FENCE”) TO TOWN OF RIVERHEAD – 1998

- In 1998, in accordance with an Act of Congress, the Navy conveyed 2,913 acres to the Town of Riverhead Community Development Agency for no consideration contingent upon the reuse of the property for economic development pursuant to certain conditions contained in the adopted Public Law.
- In anticipation of the conveyance, the Town engaged Hamilton, Rabinowitz & Alschuler (HR&A) as a consultant to undertake a comprehensive reuse planning study of the site with the goal to 1) create and encourage development; 2) attract private investment; 3) increase the tax base; 4) maximize job creation and 5) enhance the regional quality of life.

E. TOWN OF RIVERHEAD UNDERTAKES PROCESS TO REDEVELOP EPCAL AS ECONOMIC ENGINE FOR TOWN

GEIS/ PHASE I CALVERTON ENTERPRISE PARK URBAN RENEWAL PLAN - 1998

- Extensive environmental review documented in a GEIS was conducted in conjunction with the planning study completed and adopted in 1998.
- The study and GEIS contemplated a hybrid of industrial, office and regional recreational uses that culminated in the CDA designating the site as an Urban Renewal Area and adopting Phase I Calverton Enterprise Park Urban Renewal Plan that provided a vision for the reuse and redevelopment of EPCAL.
- The Town amended its Comprehensive Master Plan and Town Code to include three new zoning use districts to effectuate the redevelopment of the site as provided in the adopted Plan.
- The Town assumed ownership of existing Grumman buildings and infrastructure and created on-site Town sewer and water districts to serve the Property and rehabilitated the existing freight rail line.

1. SALE OF INDUSTRIAL CORE 2001

- Consistent with the Phase I Plan, the CDA sold and transferred approximately 600 acres of land at EPCAL.
- One large tract of land, the Industrial Core encompassing approximately 500 acres that included a majority of the Grumman buildings and infrastructure, was sold in October 2001, later subdivided into 35 lots and primarily developed as an industrial park much of which is occupied and operational today. As approved, the subdivision includes five conservation lots that total over 91 acres and an additional 62 acres that were preserved by a conservation easement granted to the Boy Scouts of America as part of the approval and development of the Wellbridge Facility. The approved subdivision map also includes seven lots designated for water, sewer and other utilities on 18 acres.
- Other transfers made by the CDA include approximately 42 acres sold to Island Water Park for recreational use, 50 acres for the development of the Stony Brook University Business Incubator, the Wells Family Cemetery at the southern tip of the eastern runway and additional land along Middle Country Road to the Town of Riverhead Water District.
- All of the industrial, recreational and utility uses described above are consistent with the Phase I Urban Renewal Plan and the zoning adopted by the Town in 1998.

2. UNSUCCESSFUL PURCHASE OPTION AGREEMENTS

- Over the years since the sale of the Industrial Core, several attempts were made to develop the remaining, approximately 2,300 acres of CDA-owned land at EPCAL. There was the Riverhead Resorts agreement that included the infamous 35-story indoor ski mountain (while often criticized, the proposal did pay the Town approximately \$8 Million in option fees that supplemented the Town budgets for several years); as well as an option agreement with Rechler

Equities and expressed interest and negotiations with RXR, Pulte Homes to develop a Del Webb senior community and Kenneth Wilpon.

- Despite such efforts, the remaining 2,300 acres were never transferred or developed within the timeframes established in the Phase I Plan. As a result, in 2011, the CDA and Town renewed and re-dedicated their efforts and invested significant resources and engaged with the state, regional and local governmental agencies and departments, private consultants and numerous interest groups and associations to discuss the sale of land, identify and attempt to mitigate the concerns and potential adverse impacts related to the shared vision and goal of economic development at EPCAL.
- The Town conducted a comprehensive and extensive analysis of economic, market, environmental, traffic, sewer, water, and myriad of other factors with participation from, among others, NYSDOT, NYSDEC, Suffolk County Economic Development, Planning, Health and Public Works, Town of Riverhead Planning, Engineering, Water and Sewer Districts, and other interested agencies and groups.
- In response to the CDA's and Town's efforts, in 2013, the NYS Legislature adopted and the Governor signed into law, legislation that established the Enterprise Park at Calverton Reuse and Revitalization Area for the purpose of promoting a comprehensive redevelopment, reuse and revitalization of the EPCAL site by allowing the Town to obtain general permits for an overall development plan at EPCAL. Individual developers with projects that conform to an adopted development plan must receive all corresponding permits within 90 days of a complete application.

3. SUPPLEMENTAL STUDY - FSGEIS – March 2016

- In 2016, an extensive FSGEIS was prepared and completed in furtherance of the proposed action to:
 - Create and adopt a Reuse and Revitalization Plan as an updated Urban Renewal Plan for EPCAL
 - Amend the Town of Riverhead Comprehensive Master Plan
 - Create and adopt a Planned Development (PD) Zoning District
 - Amend the Town zoning map to rezone the site to PD Zoning
 - Subdivide the remaining EPCAL Property for ultimate redevelopment with a mix of proposed uses [(e.g., business [commercial and retail], industrial, government, energy park, recreation, utilities, accessory residential)], including two runways, which would be available for limited redevelopment and/or historic use (aviation) as accessory to uses developed at the Property.
- On March 15, 2016, the Town accepted the FSGEIS for the comprehensive plan to develop EPCAL based upon the new vision and amended plan that established thresholds and guidelines that serve as the SEQRA documentation for all subsequent development activities at the Property.

4. REUSE & REVITALIZATION PLAN – August 2016

- In August, 2016, the CDA adopted the EPCAL Reuse & Revitalization Plan (Phase II of the urban renewal plan for EPCAL); it is the comprehensive plan for the redevelopment of over 2,300 acres of CDA-owned land. The property includes the two runways, and associated taxiways, the Town of Riverhead Henry Pfeffer Community Center property, McKay Lake, Grumman Memorial Park, Town of Riverhead Veterans Memorial Park, Calverton Sewer District treatment plant, Riverhead Water District wells and a portion of a rail spur. It also includes wooded and grassland areas and areas containing wetlands.

- The primary goals and objectives for reuse were modified in the updated Phase II Plan to reflect current economic, market, site conditions and comments/concerns of involved and interested parties. Specifically, the primary goals are to:
 - Attract private investment to the site
 - Maximize the real property tax ratable base
 - Maximize skilled, high paying employment opportunities, and
 - Protect the natural environment and the sustain regional quality of life.
- Upon completion of the SEQRA process, the Town Board adopted the Reuse and Revitalization Plan for EPCAL, together with the required amendments to the Town's Comprehensive Master Plan, the Calverton Urban Renewal Plan and the Town's Zoning Code and Zoning Map. These plans and Code provisions are currently in full force and effect and control the future development of EPCAL.

5. **PLANNED DEVELOPMENT ZONING DISTRICT – August 2016**

- In furtherance of the adopted Plan, the Town adopted the Planned Development (PD) Zoning District on August 16, 2016 to regulate development within the EPCAL property.
- The legislative intent of the PD zone confirms:
 - It is the intent of the PD District to promote the expeditious and orderly conversion and redevelopment of the EPCAL Property by allowing for flexibility in providing a mix of uses in order to prevent further blight, economic dislocation, and additional unemployment, and to aid in strengthening the New York State economy, the regional economy, and the economy of the Town of Riverhead. The purpose of the PD District is to enable, encourage, and qualify the implementation of the following policies that are consistent with the original terms of the federal transfer and the vision of the Town for the redevelopment of the Property since the time it was acquired in 1998.
 - Promote economic development opportunities;
 - Encourage the efficient use of land;
 - Encourage flexibility and consistent high-quality site and architectural design; and
 - Facilitate new development that increases the area's marketability and enhances the tax base.
 - The remaining CDA-owned land at EPCAL shall be redeveloped in accordance with the Reuse and Revitalization Plan for EPCAL (Phase II of the urban renewal plan for EPCAL), which includes an amended Comprehensive Master Plan adopted in August 2016 to accommodate the revisions made under the Plan, a subdivision map filed pursuant to the requirements of the Riverhead Town Code for the Town of Riverhead, for the redevelopment of a portion of property originally designated as an urban renewal area in the Phase I Urban Renewal Plan, and consistent with the Act adopted by the New York State Legislature and signed into law October 23, 2013. The Reuse and Revitalization Plan is included as part of this article and specifies, among other things, representative types and general locations of land uses and the general scale and location of proposed development within the PD District.
 - Upgrading marginal buildings and facilities.
 - Examine the potential for continued aviation use of the site in support of commercial and industrial use
 - Encourage private financing, NYS and federal funding, periodic subsidies and capital grants to achieve desired urban renewal goals.

6. TOWN SUBDIVISION MAPS

- In furtherance of the adopted Phase II Plan and as studied in the extensive FSGEIS that was prepared and completed in 2016, the CDA presented a proposed 50-Lot Subdivision Map for the 2,323.9 acres at EPCAL. After the Town issued its SEQRA Supplemental Findings Statement, the CDA submitted its application for the 50-Lot subdivision to the Planning Board in November 2016 and a public hearing was held in January 2017.
- The proposed map created actual lots for development with associated subdivision infrastructure. 40 of the proposed 50 lots were designated for development. Based upon that 50-Lot configuration that designated 697 acres for development, 45 acres would be needed for roadways and ROWs and 56 acres identified as drainage reserve areas leaving 596 acres for actual development.
- Included in the FSGEIS for the 50-Lot Subdivision is a Comprehensive Habitat Protection Plan that provides for the preservation of 787 acres of woodlands (includes 448 acres within wetland buffer areas); 583 acres of grassland that included 70.6 acres of grassland to be created to replace grassland that would be destroyed by the proposed development within the 50-Lot Subdivision; 118 acres of meadow/brush land (includes 66 acres within wetland buffer areas); 16.4 acres of Wetlands and 9.3 acres for McKay Lake
- The 50-Lot Subdivision calculations included two parcels (approximately 200 acres), identified as Parcel A and Parcel B, retained by the Navy for remediation, that, once environmentally suitable, will be transferred to the CDA and, in turn, preserved as open space and managed in accordance with the Comprehensive Habitat Protection Plan.
- Subsequently, the Town Board determined to alter the proposed subdivision map by eliminating the initial 50 lots with attendant interior roads, drainage areas and other infrastructure and create an 8-Lot Subdivision.
- In April 2019, the CDA revised the proposed 50-Lot Subdivision and prepared an 8-Lot Subdivision Map for the 2,106.69 acres (removing Navy Parcels A & Parcel B from the proposed map and other minor areas that total approximately 217 acres).
- The 8-Lot Subdivision creates lots 1 through 5, comprising 462.7+/- acres that will remain in public ownership for use by the Town and the CDA. These 5 lots on the new map are the same areas retained by the Town under the 50-Lot map for the same identified uses.
- Lots 6, 7 and 8 that total 1644 +/- acres are under agreement to be sold to Calverton Aviation & Technology for development in accordance with the adopted Phase II Plan for EPCAL and as provided in the PD Zoning District. A reconfigured development plan for the development area would include required roadways and utility infrastructure as well as drainage reserve areas.
- The CDA completed a SEQRA Consistency Analysis to compare the original 50-Lot map and the Findings Statement adopted by the Lead Agency under SEQRA in support of that map and the proposed 8-Lot Subdivision Map to determine if the proposed reconfiguration to 8 lots would cause any potentially significant adverse environmental impacts beyond what was identified in the FSGEIS.
- The development of the lots to be conveyed to Calverton Aviation & Technology will be developed based upon the enduring vision of the Town for redevelopment of the Property for economic development; the determinations, thresholds and guidelines established in the SEQRA process; the primary and general goals identified in the Reuse & Revitalization Plan; the regulations of the Town Zoning and required approvals of the County and State.
- Based upon the proposed uses on the Lots proposed to be retained for public purpose and the Lots to be conveyed for development subject to compliance with the thresholds and guidelines established in the Findings made in furtherance of the adopted FSGEIS, the Town Planning Board found the proposed 8-Lot Subdivision to be consistent under SEQRA.

- The entire 2,106.69 acres within the 8-Lot Subdivision are the subject of the joint CDA/Calverton Aviation & Technology application before you this evening.

The plan is to move forward with the private Project and the public purpose proposed under the joint IDA Application to meet the goals of the federal government when it conveyed the Property to the Town in 1998; to achieve the vision of redeveloping the Property as provided in the Urban Renewal Plans adopted by the Town and in compliance with the limitations, thresholds and guidelines established in furtherance of the FSGEIS. The mission of the developer is to meet all of the goals and objectives adopted by the government agencies to accomplish the vision of redevelopment on this Property while satisfying the needs of the people of Riverhead.

The project engineer Chris Robinson then walked through the proposed Phase I Plan including 5 buildings, 2 logistic buildings at 300,000 sq. ft. each and 3 two story flex buildings of 400,000 sq. ft. bringing the total to 1,000,000 sq. ft. of build out. Phase I will construct a new roadway connecting Burman Blvd, run through the development as a spine and meet with River Road. Utilities will run within the roadway. Twelve thousand linear feet of roadway and water lines tying to the existing access in Burman boulevard. Riverhead Water District will need to be extended.

The buildings will also be set up in accordance with Part 77 of aviation regulation to provide a component of the taxiway that will run down the east side of the runway and an apron for servicing aircraft, keeping vehicular traffic and truck separate from aircraft traffic.

Sewer will connect under runway to connect to Jan Way. The initial module of the sewage plant expansion brings capacity up to 100,000 gals per day which frees up 58,800 gals for future development and Phase I is projecting 48,000. With future development there will be future expansions of the sewage treatment plant.

Alex Badalamenti, the Architect on the project showed conceptual drawings that are comprehensive and responsible development by creating a center for innovation for R&D and aviation related industry. He noted the concept is working to attract sustainable industry such as wind and solar energy, aviation and transportation, cargo and testing.

There is a lot of habitat protection included in the project. Their goal was to preserve more contiguous grasslands and woodlands. Following current zoning for the site. They are also proposing in Phase I B a rail depot on the South West corner which is part of future plans. Full build out will be 9 million sq. ft.

Peter Curry further noted that they would like to close as early as possible. Should the application be accepted, they would want to begin marketing the property. They retained James Lima Associates to conduct an economic and feasibility study to support the proposed tenant target market of educational, aeronautics, industrial aviation, energy, medical, warehouse and logistics. The estimated overall initial investment would be \$245 million with \$171 million of construction costs. This investment is estimated to result in \$21 mill of direct income for the 235 construction jobs annually for Phase I. They estimated 29 new direct jobs from the project initially. The annual overall income affect is approximately \$30 million dollars, noting that the construction alone would be a huge boon to the Town of Riverhead and the Region. They are estimating 1047 direct jobs upon operation. Assuming the lowest of those numbers, annual income is estimated to be \$95 million dollars. They cannot estimate the economies of the full build out from the 9 million sq ft.

Member Lori Pipeczynski asked a series of questions.

- What is the status of Luminati and its ownership? Is the principal still the same? Yes and Luminati is still a partner.
- Do you anticipate bringing in additional investors into the owners of CAT? Not at this time.

- Please explain the CAT ownership chart and what the percentages mean? Each entity is 100% owned by the one above it in the flow chart.
- Will all businesses located within the CAT properties be tenants to CAT or do you envision there will be ownership of buildings? Currently the plan is for tenancy.
- Other than the Riverhead IDA benefits, do you anticipate applying for any other state or federal economic development benefits? They will seek whatever programs they can access particularly for infrastructure.
- Will tenants be responsible for their own build out and equipment? Application does not include tenant build out.
- What is envisioned when you reference academic uses? They imagine educational and academic premises will want to partner with the uses that they are contemplating, such as Boces or universities.

Member Lee Mendelson inquired if Triple 5 or Luminati would pledge ownership in this project as collateral for any other project? Peter Curry responded no. Mr. Mendelson further inquired if security for other projects. Do any of the existing projects of Triple and Luminati have cross default provisions such that if they default in another project would result in a claim with respect to subsequently owned projects. Mr Curry stated that they are set up as single purpose entities not to be cross defaulted with other projects.

Chairman Farley asked how the air cargo and truck linkages are going to logistically work in the current LI environment. The engineer stepped up to explain that there are varying components of the logistics industry as you work your way upstream. What they possibly envision here is the aeronautic aspect bringing packages transferred on to tractor trailers which may be brought on to other distribution facilities downstream. They are not talking about Amazon, but you could use them as an example.

Mr. Mendelson also asked if they have studied the saturation rate and the current proposed buildout of distribution facilities proposed in the area. Mr. Curry responded affirmatively and added that they intend to respond to the market appropriately as they begin to build and that is the purpose for the flex buildings. The proposal today is for what is currently needed at this location. To the extent there is overbuilding, they would respond to that. The idea is to get this property marketed as soon as possible to determine what the uses will ultimately be attracted to the site.

Chairman Farley asked where they stood in the town process of approvals. There are a few county agencies that will be involved. Member Barresi asked if the impact of the traffic was already studied. The Engineer responded that the impact on the roads were studied in the FEIS that was completed for the subdivision and there is an infrastructure component of that for mitigation.

The Chairman then moved New Business out of order to address Resolution #44-22

Counsel explained that this is the start of the due diligence phase. The Agency has the right to request additional information and whereby CAT will agree to pay all the expenses for the Agency and the CDA to engage consultants to help the IDA analyze the feasibility of the project, the application and the financial wherewithal of the applicant. The resolution also states that when that due diligence is completed, at that time the Agency can call a public hearing.

Member Mendelson added that it has been almost 25 years since the town has lost 4000 jobs since the closure of Grumman and for the purposes of the proceeding undertaking preliminary due diligence is a good idea to see if we can have a project in which we can then proceed.

Anthony Barresi motioned to approve the following resolution. Lee Mendelson seconded.

The Chairman then took NEW BUSINESS out of order to consider the following resolution:

RESOLUTION #44-22 ACCEPTING AN APPLICATION AND TO UNDERTAKE PRELIMINARY DUE DILIGENCE WITH RESPECT TO A PROJECT FOR CALVERTON AVIATION & TECHNOLOGY LLC AND THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY

RESOLUTION OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY ACCEPTING AN APPLICATION AND TO UNDERTAKING PRELIMINARY DUE DILIGENCE WITH RESPECT TO CALVERTON AVIATION & TECHNOLOGY LLC, A DELAWARE LIMITED LIABILITY COMPANY ON BEHALF OF ITSELF AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING AND THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY, A NEW YORK COMMUNITY DEVELOPMENT AGENCY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT (AS DEFINED BELOW).

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law.

WHEREAS, Calverton Aviation & Technology LLC, a limited liability company organized and existing under the laws of the State of Delaware, on behalf of itself and/or the principals of Calverton Aviation & Technology LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") and the Town of Riverhead Community Development Agency, a community development agency created under Section 680-c of the General Municipal Law (the "CDA"), have jointly submitted a fully completed and executed Application form (the "Application") to the Agency for assistance in connection with a multi-phase industrial development facility consisting of the acquisition and development of certain parcels of land aggregating approximately 2,106 acres located at Enterprise Park at Calverton, Riverhead, New York 11901 also known as Lots 1 through 8 (SCTM# 0600-135.00-01.00-007.33 and 007.400) (collectively, the "Land"), and the construction and equipping of multiple buildings thereon.

WHEREAS, the Land will be conveyed by the CDA to the Agency, with a right of reverter to the CDA if the Company is in breach of its obligations to the Agency or CDA with respect to the Project (as defined below).

WHEREAS, approximately 462.694 acres of the Land (the "CDA Parcels") will be leased by the Agency to the CDA, of which approximately 292.788 acres will be used as a Pine Barrens Core Preservation Area, and the remaining approximately 169.906 acres will be used for Veterans Memorial Park, Grumman Memorial Park, a recharge parcel for the Calverton Sewer District's treatment plant, and the Town of Riverhead Henry Pfeiffer Community Center with improvements such as lighting and additional capital

improvements to be installed on the CDA Parcels by the Company.

WHEREAS, approximately 1,643.996 acres of the Land (the "Company Parcels") will be leased by the Agency to the Company of which approximately 641.996 acres will be used by the Company to construct and equip various buildings, structures, roadways, utilities and public improvements for the approximately 10,000,000 square foot Enterprise Park at Calverton in several phases, including the repair and improvement of the existing 10,000 linear foot eastern runway, and approximately 1,002 acres will be used by the Company as woodland and environmental set asides.

WHEREAS, Phase I of the Project will consist of the repair and improvement of the 10,000 foot eastern runway, the construction roadways, utilities, and public improvement, and the construction of up to five (5) buildings totaling approximately 1,000,000 square feet consisting of approximately 600,000 square feet of logistics, warehouse and distribution facilities (expected to consist of two (2) 300,000 square foot buildings) and approximately 400,000 square feet of commercial, environmental energy, academic and office space (expected to consist of one (1) 200,000 square foot building and two (2) 100,000 square foot buildings) to be constructed on the Company Parcels (collectively the "Phase I") and together with the CDA Parcels, the "Initial Project").

WHEREAS, in the Application the Company has estimated that the total project costs of Phase I will be approximately \$245,000,000.

WHEREAS, in the Application the Company has indicated that they intend to sublease Phase I to various tenants, who have not yet been identified, for use as industrial aviation, aerospace, technology, commercial, energy and academic facilities as well as other synergistic warehouse distribution and logistic facilities.

WHEREAS, the Initial Project and the additional 9,000,000 feet of additional projects to be constructed and equipped on the Company Parcels are referred to as the "Project."

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York.

WHEREAS, pursuant to this resolution, the Agency accepts the Application jointly submitted by the Company and the CDA with respect to the Project and authorizes the Agency and the Agency's Transaction Counsel, Nixon Peabody LLP to undertake due diligence and analysis with respect to the Project, including but not limited to retaining a third-party consultant or consultants to assist the Agency with its due diligence and analysis of the Project.

WHEREAS, to assist the Agency and Transaction Counsel in its due diligence and financial analysis of the Project, the Agency intends to engage a third-party qualified financial consultant (the “Financial Consultant”) pursuant to a Request for Qualifications (the “RFQ”).

WHEREAS, the Agency shall reserve the right to engage any other experts or consultants as the Agency deems necessary in its due diligence and financial analysis of the Project and in determining the financial benefits, if any, to be granted to the Company (such experts and consultants, together with the Financial Consultant are the “Consultants”).

WHEREAS, the Agency reserves the right to require the Company and the CDA and any other third-parties to supplement the Application in the future with any additional information that the Agency deems necessary, in its sole discretion, to complete its due diligence review.

WHEREAS, the Agency shall not hold a public hearing or determine any financial assistance for the Project prior to the Agency completing in consultation with Transaction Counsel, the Consultants and any other consultants its due diligence review of the Application and the Project.

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “Regulations” and together with the SEQR Act, “SEQR”), the Agency constitutes a “State Agency”.

WHEREAS, to aid the Agency in determining whether the Project may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Project, a copy of which is on file at the office of the Agency.

WHEREAS, the Town of Riverhead Town Board (the “Town”) reviewed the Project and determined that the Action in connection with the Project (the “Action”), is a “Type 1” action for SEQR purposes, as that term is defined in the SEQR Act; determined that the Action would have a significant impact on the environment; and required the preparation of the Final Generic Environmental Impact Statement for the Action pursuant to the provisions of SEQR.

WHEREAS, the Town reviewed the Final Generic Environmental Impact Statement for the Action and issued the Supplementary Findings Statement, dated July 19, 2017 (the “Findings Statement”) and the Consistency Analysis, dated April 1, 2019, and the Consistency Analysis Update, dated October 12, 2020 (collectively, the “Consistency Analysis”).

WHEREAS, the Findings Statement and Consistency Analysis are binding on the Agency.

WHEREAS, the Company has previously agreed in the Application to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the Project.

WHEREAS, the Company, the CDA and the Agency shall enter into a Preliminary Agreement (the "Preliminary Agreement"), for the purpose of binding the Company to indemnify and hold harmless the Agency and the CDA to pay all costs, expenses, and fees of the Agency, Nixon Peabody LLP, its counsel, the Consultants and after any third-party consultant retained by the Agency to assist in its due diligence review and the fees and expenses of the CDA and its counsel in connection with the Application.

NOW, THEREFORE, BE IT RESOLVED by the Town of Riverhead Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Environmental Assessment Form completed by the Company and reviewed by the Agency and other representations and information furnished by the Company regarding the Facility, the Town treated the application as a Type 1 Action, coordinated review, adopted a positive declaration, and required the preparation of the Final Generic Environmental Impact Statement. As the Town coordinated review and, acting as Lead Agency, issued the Findings Statement and the Consistency Analysis, the Findings Statement and Consistency Analysis are binding on the Agency, and the Agency hereby adopts and ratifies such finding.

Section 2. The Agency hereby accepts for review the Application from the Company and the CDA and authorizes the execution of the Preliminary Agreement and authorizes the Agency, subject to the execution by the Agency and the Company of the Preliminary Agreement, to issue the RFQ for the Financial Consultant to undertake such due diligence and analysis of the Application, to retain the Financial Consultant to assist the staff in its due diligence and analysis, to retain any other necessary consultants, and to obtain from the Company, the CDA and other third parties such analysis thereof and information related thereto as the Agency may deem necessary or advisable. The Agency, its Financial Consultant and Nixon Peabody LLP, transaction counsel to the Agency, reserve the right to request additional information with respect to the Application, the Company, the Project, the costs of the Project and any financing of the Project at any time as may be necessary to process the Application and determine whether to proceed with a public hearing.

Section 3. Nothing herein shall be construed as committing the Agency to consider the inducement of the Project, the holding of a public hearing, or approval of the acquisition, construction,

equipping and financing of the Project until such time as: (i) the Agency has satisfactorily completed its due diligence analysis and review, (ii) all necessary and appropriate reports and studies have been received and reviewed, and (iii) the Company has provided the Agency with evidence that all necessary site plan approvals, architectural review, zoning approvals, and permits with respect to the Facility have been approved.

Section 4. The Chairman, the Executive Director and Chief Executive Officer of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and the CDA, (ii) to execute the Preliminary Agreement; and (iii) to issue the RFQ for the Financial Consultant and engage the Financial Consultant and such other necessary consultants, (iv) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 5. Any fees and expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company has agreed pursuant to the Application, and will agree pursuant to the Preliminary Agreement, to pay such fees and expenses of the Agency and the CDA and further agrees to indemnify the Agency and the CDA, and their respective members, directors, employees and agents and hold the Agency and the CDA and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 6. The law firm of Nixon Peabody LLP, is hereby appointed Transaction Counsel to the Agency with respect to all matters in connection with the Project and the due diligence thereof. Transaction Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this resolution.

Section 7. This resolution shall take effect immediately.

VOTE: 4 YES

The Chairman resumed the regular order of the agenda.

TREASURER’S REPORT:

Cash Balance as of August 31 st	\$47,559.80
Money Market	\$45,027.20
Revenue for August	\$4,005.98
Profit and Loss	\$-16,692.84
Total Expenses Paid	\$16,893.21

#41-22 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF August 31, 2022

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, 2022 to August 31, 2022 as attached,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial reports dated September 10, 2022 covering the month of August be and are hereby accepted and expenses as listed are authorized for payment.

Member Lori Ann Pipczynski made a motion to accept Treasurer’s Report, which was seconded by Member Anthony Barresi. **Motion approved.**

VOTE: 4 Yes

COMMITTEE REPORTS:

Audit: None

Governance Committee: Lori Ann Pipczynski, Chairman of the Governance Committee reported that the committee met virtually on September 14th to discuss the review the late pilot payment fee waiving policy as it relates to the Calverton Addiction Treatment Center. Members confirmed that a significant amount of agency time was expended in the administration of the delayed receipt of the payment, including the need to have taxing jurisdictions hold checks and the bounced check fee. The committee decided to recommend to the full board to charge for the expenses, but waive the late fees upon the confirmation that the taxing jurisdictions were paid on time.

Chairwoman Pipczynski noted that the committee reviewed the process for review and analysis of the joint application from CAT/TOR CDA. Comments on the draft resolution and preliminary agreement were shared with counsel for clarification and incorporated into the final documents presented this evening.

Finance Committee: The Executive Director reported that a virtual meeting was held on August 22nd. The CFO of the Agency reviewed how the year end projections were calculated. Using the projections and the estimated fund balance, she then presented the draft budget for 2023. During the discussion the ED explained that the revenue projections based on the compliance report fees would have to be amended since the agency increased its fee structure. The timing of the budge approval was discussed. The agency needs to post the budget on the PARIS reporting site by Oct. 31st and the draft budget needed to be forwarded to the Town Supervisor providing a 20 day review. The committee determined to authorize the 2023 draft budget with the amendments to revenue to be recommended to the full board for approval.

OLD BUSINESS:

Member Lori Ann Pipczynski questioned the differential from prior years within miscellaneous revenue line items in the budget for the last three years. It is projected to be significantly less for 2023. The miscellaneous revenue for 2022 was higher as a result of additional revenue from the Town of Riverhead and that is not anticipated for the upcoming year. The ED needed to review notes to recall what comprised the revenue was in 2021.

#42-22 RESOLUTION APPROVING DRAFT BUDGET FOR FISCAL YEAR 01/01/23-12/31/23

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

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 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 01/01/23 through 12/31/23; 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: 4 Yes

RESOLUTION #43-22 RESOLUTION CONSIDERING REQUEST FOR LATE PILOT PAYMENT WAIVER CALVERTON ADDICTION and TREATMENT, LLC

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

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

Whereas, Steven Krieger on behalf of Calverton Addiction and Treatment, LLC has submitted a request to waive the late pilot payment penalty fees implemented in accordance with NY GML Title 1 874(5) and the Riverhead Industrial Development Agency Late Pilot Payment Policy, and

Whereas, the Governance Committee reviewed the request and has made a recommendation to the board, and

Whereas, the board has determined that the request to waive the late pilot penalty fees imposed according to NY GML Title 1 874(5) is consistent with the board policy, and

Whereas, it was determined that the taxing jurisdictions did receive their PILOT payments on time, and

Whereas, it was determined that the Agency incurred expenses as a result of the returned check, and

Whereas, the board has determined to maintain the penalty imposed for the Agency administrative fee, but reduce the Agency imposed 5% accrued penalty, and

Now, Therefore, Be it Resolved, that Calverton Addiction and Treatment, LLC be notified that the request to waive the late Pilot Penalty Fee has been reduced and to promptly remit the payment due.

Vote: 4 Yes

EXECUTIVE DIRECTORS REPORT


The ED informed the board that the state requests any unused Bond allocation to be sent back. The amount of the allocation was \$658,054. The submission of notice to the state was completed on time. She noted the difference in bank statements due to the merger with M&T. She suggested to the board to postpone the next meeting for Oct 3 since it is only a week away. The board agreed.

EXECUTIVE SESSION

The board voted to go into executive session at 6:38pm. Anthony Barresi motioned and Lee Mendelson seconded. The board went into executive session to discuss litigation. Anthony Barresi motioned to come out of executive session and resume the regular board meeting. Lee Mendelson seconded at 6:49pm.

Seeing no further business, the Chairman moved to adjourn the meeting. Anthony Barresi motioned to close the meeting. Lee Mendelson seconded. The meeting adjourned at 6:50pm

Dated: 11/7/2022


Secretary/Chairman