TOWN OF RIVERHEAD
INDUSTRIAL DEVELOPMENT AGENCY
DATED: 09-21-2022

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.
STATE OF NEW YORK

COUNTY OF SUFFOLK

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Town of Riverhead Industrial Development Agency (the “Agency”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter. Such resolution was passed at a meeting of the Agency duly convened in public session on September 21, 2022, at 5:00 p.m., local time, at Town of Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York, at which meeting the following members were:

Present:  
James Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Anthony Barresi, Secretary
Lee Mendelson, Treasurer

Absent:

Also Present:  Tracy Stark-James, CEO
William F. Weir, Esq., Nixon Peabody LLP

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Lee Mendelson____________________ VOTING _________
Lori Ann Pipczynski________________ VOTING _________
James Farley_____________________ VOTING _________
Anthony Barresi__________________ VOTING _________

and, therefore, the resolution was declared duly adopted.
I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of September 21, 2022.

__________________________________________
Anthony Barresi, Secretary