

**MINUTES OF REGULAR MEETING OF  
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
Monday, April 2, 2012**

Meeting was called to order by Chairman Tom Cruso at 5:03 p.m.

Present: Tom Cruso, Chairman  
Elias (Lou) Kalogeras, Vice Chairman  
Paul Thompson, Treasurer  
Dawn Thomas, Asst. Secretary

Others in Attendance:

Richard Ehlers, Counsel  
Tracy James, Executive Director

Absent:

Carl Gabrielsen, Secretary

Lou Kalogeras and Paul Thompson made a motion to adopt the proposed agenda. **Motion approved.**

**MINUTES:** The Board voted to dispense with the reading of and voted on the previous meeting minutes.

**#27-12 – RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF MARCH 5, 2012**

Lou Kalogeras offered the following resolution, which was seconded by Paul Thompson.

**RESOLVED**, the minutes of the regular meeting of March 5, 2012 as prepared and e-mailed be and are hereby approved, and

**BE IT FURTHER RESOLVED**, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

**Vote: 3 Yes  
1 Abstain**

**PRESENTATIONS:** None

**CORRESPONDENCE:** A letter from Dept of Treasury was received reference an examination it will be conducting on one of our businesses. It is a routine examination on municipal debt. The Agency will forward the letter to the business and respond accordingly

**TREASURER'S REPORT:** The Treasurer reported that we have

Cash Balance as of March 31, 2012	\$56,992.67
Revenue for March	\$44,250.00
Profit and Loss (March)	\$24,458.93
Total Year	\$44,600.93
Accounts Receivable (Browning 2 <sup>nd</sup> pilot, HP, TOR)	\$130,718.53
Total Bills Paid for March	\$21,275.81

Prepaid expenses reflects payments for certain expenses that have not been expended.

**# 28-12 ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF MARCH 31, 2011**

**WHEREAS**, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted a monthly financial report, including a report of expenses, to the Riverhead Industrial Development Agency for the period of March 1 to March 31st, 2012 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated March 31st, 2012 covering the month of March, be and are hereby accepted and expenses as listed are authorized for payment.

Lou Kalogeras made a motion to accept Treasurer's Report, which was seconded by Dawn Thomas. **Motion approved.**

**Vote: 3 Yes**

**# 29-12 RESOLUTION RATIFYING CONTRACT WITH IKON COPIER SERVICE**

Lou Kalogeras offered the following resolution which was seconded by Paul Thompson.

**RESOLVED**, that the Riverhead Industrial Development Agency hereby approves the Image Management Plus Product Schedule made part of the State and Local Government Master Agreement between Ikon Office Solutions, Inc. and the RIDA.

**BE IT FURTHER RESOLVED** that the Chair be and hereby ratifies the authorization on behalf of the Agency to execute and deliver all documents necessary to accomplish this copier agreement.

**Vote: 4 Yes**

### **COMMITTEE REPORTS:**

There were no committee reports presented. ED will coordinate a Personnel Committee Meeting within the next two months to continue the review of the ByLaws.

### **OLD BUSINESS:**

**A. Protrack Status** – ED spoke with Islip to determine their use of the system. They are using solely as tracking system and have purchased the cost benefit analysis program as well. They are experiencing some glitches. Up to this time, the ED expressed that she has not been able to devote the necessary time to the program to judge its use. This month should provide sufficient time to spend on the program and she will report back on the ease of use, cost and labor effectiveness, and time efficiency of using the program. An ad hoc committee will be formed to formalize a decision on the program use going forward.

**B. Office Lease** – ED reported that we are at a standstill and waiting for final determination on language that the Agency submitted to the broker for approval within the lease. Plan B is being worked on in the event this agreement falls through.

### **NEW BUSINESS:**

- A. Workers Comp Insurance** – the ED discovered that the Agency had received an increase of over \$1200 from last year's premium to this year. The premium went from \$2335 to \$3557, both figures ridiculously high for WC. Research revealed that the Agency was mis-categorized for both years. State Insurance Fund quote was approximately \$500. After researching other quotes with Lupton & Luce, it was decided to remain with Utica since it is actually less expensive than SIF, undergo an audit and based on a reclassification, anticipate a reimbursement for this and last year. L & L requested to expedite the audit, but could not identify a time frame.
- B. Request for Extension of Sales Tax Exemption for Atlantis Holding Co.** – Atlantis Holding company made a written request to extend the sales tax exemption for six more months on the previously approved project due to a delay in completion of the outside pool area.

### **RESOLUTION #30 - 12 EXTENSION OF SALES TAX EXEMPTION FOR ATLANTIS HOLDING CO.**

Lou Kalogeras offered the following resolution which was seconded by Paul Thompson

**WHEREAS**, Resolution #18-10 of the Riverhead Industrial Development Agency provided a provision of an exemption from Sales and Compensating Use Taxes, on certain property, including tangible personal property to Atlantis Holding Company, LLC, and

**WHEREAS**, the date of the project operator/agent status appointment for sales tax exemption was February 25, 2010 with a status end date of March 1, 2012, and

**WHEREAS**, written notification has been provided to the Agency that due to construction delays a request has been made for a six month extension of eligibility for the sales tax exemption to complete construction for previously approved facilities, and

**WHEREAS**, the Agency has issued a certificate for a six month extension commencing on March 1, 2012 with a status end date of September 1, 2012, and

**WHEREAS**, it is now desired to ratify the extension and issuance of the certificate for Sales and Compensating Use Tax with respect to the application for financial assistance and the Project and the proposed financial assistance provided to the Applicant and the Related Party with respect to the Project,

**RESOLVED** by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, the authorization to extend for six (6) months and issue a certificate for Sales and Compensating Use Tax for Atlantis Holding Company, LLC for a processing fee of \$250.

**Vote:** 4 yes

C. **PARIS REPORT** – ED reported that the Paris reporting deadline was met on March 31<sup>st</sup>. The board all received a copy for review and approval. There are still four outstanding compliance reports due and the Agency will have to un-certify its report and recertify when we finally receive those four. Although there are no significant ramifications to the Agency for this task, it creates additional work and does temporarily cause us the uncertainty and recertify, during which time the Agency is considered “out of compliance.” Sufficient time and numerous reminders were provided to the companies, Reilly Woodworks, Cal 81, Cargex and Country Limo. The board discussed a non compliance fee to encourage businesses to meet the deadline. The Ed reminded the board that the Agency recently established a fee for Annual Reporting Compliance, but it did not address instances that involve non compliance. Dawn Thomas suggested a late compliance fee of \$500 and an additional \$250 for every 30 days beyond that date to address future compliance regulations.

**RESOLUTION #31-12 AMENDS SCHEDULE OF FEES AND ESTABLISHES AN ANNUAL REPORTING NON COMPLIANCE FEE**

Lou Kalogeras offered the following resolution which was seconded by Paul Thompson

**WHEREAS** it is an requirement of the Riverhead Industrial Development Agency to submit an annual report to the New York State Authority Budget office, and

**WHEREAS**, this reporting requirement has a predetermined annual deadline and requires the collection of data from each of the approved projects that are benefiting from the Agency, and

**WHEREAS**, it is a requirement within the approving documents of an IDA project that it must supply this required information to the Agency, and

**WHEREAS**, the Agency finds it necessary to impose a annual compliance reporting late fee for those companies which do not comply by the imposed deadline, and

**WHEREAS**, the annual reporting non compliance late fee will be \$500 applied the day immediately following the due date with an additional \$250 pro-rateable fee for each 30 day period thereafter, and

**WHEREAS**, the amendment to the Agency's fee schedule will take effect immediately.

**THEREFORE BE IT RESOLVED**, the Riverhead Industrial Development Agency amends its fee schedule and establishes an Annual Reporting Non Compliance Fee of \$500 with an additional \$250 fee for each 30 day period thereafter effective immediately.

**Vote:** 4 Yes

**RESOLUTION #32-12 APPLIES NON COMPLIANCE FEE EFFECTIVE IMMEDIATELY FOR CURRENTLY OUTSTANDING ANNUAL REPORTS**

Paul Thompson offered the following resolution which was seconded by Lou Kalogeras.

**WHEREAS**, the Riverhead Industrial Development Agency established an Annual Reporting Non Compliant Fee to take effect immediately, and

**WHEREAS**, there are currently outstanding annual reports, and

**WHEREAS**, it is right and just to provide sufficient notice to the non compliant projects of the newly adopted fee schedule and to provide a grace period up to May 1<sup>st</sup> after due notice from the Agency.

**NOW THEREFORE BE IT RESOLVED**, the Riverhead Industrial Development Agency shall impose the newly adopted annual reporting non compliance fee to the current outstanding projects after due notice and allowing for a grace period ending May 1, 2012.

**Vote:** 4 Yes

**RESOLUTION #33-12 APPROVES 2011 PARIS REPORT**

Tom Cruso made a motion to approve the report submitted by the Agency to the Authority Budget Office which was seconded by Lou Kalogeras.

**RESOLVED** by the Members of the Town of Riverhead IDA the approval of submission of the Paris Report to the Authority Budget Office as prepared and subject to amendments upon receipt of outstanding compliance reports.

**Vote:** 4 Yes

- D. **Mirah Max Tenancy Approval** – Ike Israel presented a copy of the lease and a letter of request for approval of a tenant for the previously approved Mirah Max project. The tenant would like to take occupancy within the next 60 days and needs to begin purchasing equipment.

**RESOLUTION #34-12 APPROVES TENANCY FOR MIRAH MAX PROJECT**

**WHEREAS**, Resolution #15-12, dated February 6, 2012 appointed Mirah Max, LLC Agent of the Town of Riverhead Industrial Development Agency and approved documents in connection with the provision of financial assistance by the Town of Riverhead Industrial Development Agency to Mirah Max, LLC, and

**WHEREAS**, It was determined that the Agency shall provide Mirah Max and the Related Parties with financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property by the appointment of Mirah Max as agent of the Agency with respect to the renovation and reconstruction of the building, purchase and installation of equipment in the building and the making of payments in respect of such purchases in the name of the Agency in accordance with the terms of this resolution, and (ii) an abatement of real property taxes by granting an abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the present assessed value of such real property (\$70,400.00) subject to the following: This agreement shall be for five years subject to a five year renewal in the event that more than 50% of floor area of the property is rented to Agency approved tenants and none of the premises are rented to unapproved tenants, and

**WHEREAS**, All tenants shall be subject to Agency approval upon 60 days written notice by Mirah Max to the Agency. Said written notice by Mirah Max to the Agency shall be made 60 days prior to occupancy by proposed tenant which notice shall include a copy of the proposed lease, complete Agency application completed by the proposed tenant and a written narrative describing the proposed use.

**WHEREAS**, the proposed tenant, Hampton Hearth Bakery and Café (Blue Duck Bakery and Café) made an appearance before in good faith prior to the final execution of the lease, and

**WHEREAS**, written notification and necessary documents have been provided to the Agency for application approval, and

**WHEREAS**, it is now desired to approve Hampton Hearth Bakery and Café (Blue Duck) as a tenant and as a related party to the approved Agent, Mirah Max, LLC.

**RESOLVED** by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, do hereby approve Hampton Hearth Bakery and Café (Blue Duck Bakery and Café) as an eligible recipient to the financial assistance made available as a tenant to the directly appointed Agent, Mirah Max, LLC,

**BE IT FURTHER RESOLVED:** That this Resolution shall not take effect until Mirah Max, LLC, and Blue Duck Bakery and Café enter into a written agreement with the Agency acknowledging their obligation to provide information pursuant to section 6.5 of the Lease as entered into between the Agency and Mirah Max LLC dated February 10, 2012

**Vote: 4 Yes**

## EXECUTIVE DIRECTOR'S REPORT:

ED reported the website is constantly being updated to reflect the up to date reports. It was discovered that our information request page was not working and has been fixed. Almost all the disclosure reports for 2011 have been posted.

ED reported that the Employment Expo is confirmed for May 22, between 5-7:30pm. There will be concurrent seminars for both the workforce and businesses.

Peconic Management Group press release went out and a grand opening was held. ED to send out another press release welcoming Ralph's Ices and Blue Duck's approval. A downtown ribbon cutting will be coordinated with the Supervisor's office. ED still working on press release on other completed projects.

ED notified board of conflict with the July meeting date. Board tentatively rescheduled the date for Thursday, July 12 with the possibility of having no July meeting due to Holiday/summer schedules.

Seminars/Conferences: ED noted that the LIBDC has Riverhead on its schedule to host a luncheon in August. Board would like to participate if we can get sponsors. ED stated that she already has a subject and guest speaker in mind – ABA and business incentives. There is a Chamber luncheon on Thursday, April 12<sup>th</sup> with Joe Gergela as guest speaker. April 10<sup>th</sup> is a NMTC seminar hosted by ESD. ED will be a guest speaker at the April 25<sup>th</sup> Rotary lunch at SeaStar Ballroom.

Empire Zone Bars we submitted on time –were due March 23<sup>rd</sup>. The former Chair is no longer with the County. ED has followed up with Lisa Broughton from the County and everyone seems to be on the same page. An April meeting of the Empire Zone Board is anticipated. The Agency should have payment from the town any day.

ED reported on several leads, new steel company, health club, Indian food processing center, and still working on site selection with Rising Son and the bread stick manufacturer. Movie Theater is no longer in negotiations. Hampton Jitney is close to closing. We are waiting on an updated letter of commitment.

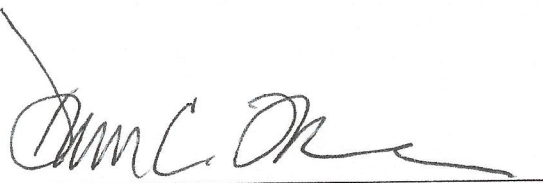
Still waiting on the insurance policy from the Town.

Date for the next business meeting is May 5, 2012

Paul Thompson motioned to adjourn the meeting, Dawn Thomas seconded.

**There being no further business, the meeting was adjourned at 6:07pm**

5/7/12  
Date

  
Secretary