

**MINUTES OF REGULAR MEETING OF
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
Monday, October 1, 2012**

Meeting was called to order by Chairman Tom Cruso at 5:06 p.m.

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

Others in Attendance: Tracy James, Executive Director
Richard Ehlers, Agency Counsel

Absent: Carl Gabrielsen, Secretary

Paul Thompson motioned to approve the agenda. Dawn Thomas seconded. The Agenda was approved as amended with the postponement of the presentation by East End Eye and a presentation by Suffolk Theater instead.

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

#55-12 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF September 10, 2012

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas.

RESOLVED, the minutes of the regular meeting of September 10, 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: 4 Yes

PRESENTATIONS: Suffolk Theater – Bob Castaldi came before the board to request financial assistance by way of mortgage recording tax relief, sales tax exemption and a real property tax abatement for the renovation/restoration of the 1960's Art Deco Movie Theater on Main Street. Currently working within the footprint of the 9000 sq ft former single screen theater, it is his intent to restore the building to its former splendor with minor adjustments to create a more

versatile performing arts space complete with convertible tiered seating. Bathrooms, distribution system and 800 amp service are already completed. Although there were discussions with the IDA over the last couple of years, Mr. Castaldi explained that the project has been in stop and go mode since the purchase in 2005. The project was tangled in red tape for some time and costs far exceeded projections as a result of the unforeseen legal complications. There is already \$3 million into the project, part of which includes the unanticipated expenses resulting from the delays. The project is anticipated to create 20-25 employees, such as an Executive Director whom is already hired, technical director, secretaries, marketing director, waitstaff and maintenance. The theater will be able to seat 725 people in stadium mode and approximately 400 in cabaret style. There are some large equipment expenses that Mr. Castaldi would like to upgrade with the assistance of the IDA sales tax exemption. He also explained how fragile the theater industry is and that most theaters are not privately owned. Other theaters solicit assistance through donations. Although he believes his model will be successful, the first five to ten years will be extremely delicate and the assistance of the real property tax abatement could be instrumental in sustaining the viability of the project. Once in full operation, the theater is anticipated to draw 200,000 people per week to downtown Riverhead. The board directed Counsel and the ED to prepare a resolution to publish and post for a public hearing on the project to be ratified during a special meeting on Oct 22nd.

Dawn Thomas was excused from the meeting.

CORRESPONDENCE:

- The Agency received a notice of claim regarding an incident at one of the IDA projects. Counsel drafted a letter to the project's insurance company on file requesting acknowledgement of the claim and confirmation in writing that the claim is covered under their insurance. Ed copied letter to representatives of record.

TREASURER'S REPORT: The Treasurer reported that we have

Cash Balance as of September 30th, 2012	\$32,807.67
Revenue for September (accrued late charges)	\$91.74
Profit and Loss (September)	\$-14,198.04
Total Year	\$-20,483.73
Accounts Receivable (Country Limo, Island)	\$2,401.12
Total Bills Paid for June	\$14,244.41

**# 56-12 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES
PAYMENT OF BILLS AS OF SEPTEMBER 30, 2012**

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 September 1 to September 30, 2012 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated September 28, 2012 covering the month of September, 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 Paul Thompson. **Motion approved.**

Vote: 3 Yes

The ED explained that the proposed budget had been provided to the Town Board, Comptroller and Town Clerks office for the required 20 days and no comments were received. Since the board had already approved the budget and no comments were received, the ED will forward the budget to the Authority Budget Office as required.

Counsel provided a letter of opinion regarding the transfer of assets from the Riverhead Economic Job Development Corporation to the IDA. Based on the policy and purpose of the Agency in GML 852 with specific powers in section 858, subsection (11) authorizes the agency to accept gifts, grants, loans or contributions from any public or private corporation for any proper Agency use. Therefore, the Agency may accept contributions from the LDC for proper Agency purposes. Counsel was directed to draft a resolution for the next meeting to transfer funds from LDC to IDA. (see attached letter of opinion)

COMMITTEE REPORTS:

There were no committee reports. Chairman inquired about a Governance Committee mtg. ED explained that she was waiting on some documentation, but that a meeting would be coordinated as soon as possible.

OLD BUSINESS:

Protrack – A stop work notice was drafted by Counsel and forwarded to SVAM, Inc by certified mail.

NEW BUSINESS: No new business was discussed

EXECUTIVE DIRECTOR'S REPORT:

- ED provided updates on current projects
- ED reported on new leads
- Empire Zone – ongoing assistance is being provided to businesses.
- Move date scheduled for Oct 10th
- ED will be a panelist at the 10-12 LIBN East Meets West at the Hyatt
- ED brought up the performance evaluation deadline explaining that it would only encompass 6 months from the date of the prior evaluation. Board decided to move the

evaluation to March and requested counsel to draft a memorandum to the contract for the next meeting.

- The Board confirmed the intent of the annual compliance fee and that it relates to all businesses, not just those induced in 2012.
- ED distributed the SCICI Plan and informed the board that the Suffolk County Industrial and Commercial Incentive board had approved the plan to be forwarded to the legislature with a tentative schedule for approval by December. Assessors will be responsible for the applications and reporting. ED will need to notify the School District after the adoption by the County to inform them of their opportunity to opt out.

The Chairman requested a presentation on the Historic Tax Credit. ED to contact Richard Wines to request a presentation during the December meeting.

Date for the next meeting is October 22, 2012 (special meeting for public hearing) and November 5th.

Paul Thompson motioned to adjourn the meeting, Lou Kalogeras seconded.

There being no further business, the meeting was adjourned at 6:25pm

10/15/12
Date


Secretary