

**MINUTES OF REGULAR MEETING OF  
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
Monday, November 5, 2012**

Meeting was called to order by Chairman Tom Cruso at 5:02 p.m.

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

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

Absent:

Lou Kalogeras motioned to approve the agenda. Paul Thompson seconded. The Agenda was approved.

**PUBLIC HEARING:** The chairman moved to open the Public Hearing at 5:03pm. Richard Lombard Jr. from Cullen and Dyckman, attorney for the purchasers of 47 Commerce Drive, came before the board to request financial assistance on behalf of his clients, Riverhead Medical Realty, LLC. Also present was Dr. Brett Rosenblatte, one of the principals in Riverhead Medical Realty, LLC and Richard Israel, principal in IDI Ventures, LLC. IDI Ventures, LLC ("IDI") was granted financial assistance 8 ½ years ago for the construction and equipping of a medical facility located at 47 Commerce Drive, Riverhead, New York, for use by Long Island Vitreo-Retinal Consultant, PC ("LIVRC") as a medical facility for eye care. The facility was constructed and is currently occupied and used by LIVRC for the purpose of medical facility for eye care and a subtenant, First Choice Medical Primary Care. LIVRC wishes to purchase the facility and continue the use of medical facility for eye care without interruption and expand their services from 2-5 days. They have 5 other locations throughout Long Island. LIVRC has formed a real estate holding company known as Riverhead Medical Realty, LLC to take title to the project which proposes to purchase the facility for \$2,250,000 which is greater than the original cost of construction and equipping of the facility on which the Agency proceedings were held. There will be no change in the Payment in Lieu of Tax Agreement ("PILOT") which will terminate by its terms as currently provided. Riverhead Medical Realty is requesting a mortgage tax abatement up to the stated cost of purchase of \$2,250,000, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable.

Seeing no comment from the public, the Chairman moved to close the public hearing and resume the regular meeting at 5:16pm



#61-12 A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY REGARDING ACQUISITION BY RIVERHEAD MEDICAL REALTY, LLC OF IDI VENTURES, LLC MEDICAL FACILITIES.

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; and

WHEREAS, by proceedings held by the Agency regarding the application of IDI Ventures, LLC ("IDI") financial assistance was granted for the construction and equipping of a medical facility located at Commerce Drive, Riverhead, New York, for use by Long Island Vitreo-Retinal Consultant, PC ("LIVRC") as a medical facility for eye care, and

WHEREAS, such facility was duly constructed and is currently occupied and used by LIVRC for the purpose of medical facility for eye care, and

WHEREAS, LIVRC wishes to purchase the facility and continue the use of medical facility for eye care without interruption, and

WHEREAS, pursuant to the Agency resolution of assistance dated April 7, 2003, IDI entered into the Sale Agreement with the Agency which by its terms permits the assignment of the rights and obligations of IDI upon written approval by the Agency; and

WHEREAS, there will be no change in the Payment in Lieu of Tax Agreement ("PILOT") which will terminate by its terms as currently provided, and

WHEREAS, LIVRC has formed a real estate holding company known as Riverhead Medical Realty, LLC to take title to the project which proposes to purchase the facility for \$2,250,000 which is greater than the original cost of construction and equipping of the facility on which the Agency proceedings were held, and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that, prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, a public hearing was held on November 5, 2012 with respect to the acquisition by Riverhead Medical Realty, LLC of IDI Ventures, LLC medical facilities to authorize the assignment of IDI to Riverhead Medical Realty, LLC of the rights and obligations of Sale Agreement, PILOT and other Agency documents dated as of April 8, 2003 including personal Guaranty of the principals and payment of all Agency fees and costs, the granting of a mortgage tax abatement up to the stated cost of purchase of \$2,250,000, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable.

NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. That the acquisition by Riverhead Medical Realty, LLC of IDI Ventures, LLC medical facilities located at Commerce Drive, Riverhead, New York, is approved subject to the assignment of IDI to Riverhead Medical Realty, LLC of the rights and obligations of Sale Agreement, PILOT and other Agency documents dated as of April 8, 2003 including new personal guarantees of the principals of Riverhead Medical Realty, LLC upon payment of all Agency fees and costs. A mortgage tax abatement up to the stated cost of purchase of \$2,250,000, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable is granted.



Section 2. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to Riverhead Medical Realty, LLC and the Related Parties, as described in Section 3 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 3. The Chairperson or the Vice Chairperson of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver all documents and all recording forms and authorizations thereto including a mortgage in substantially the form as previously approved by Agency resolution dated April 7, 2003, an Assignment of the rights and obligations of IDI Ventures, LLC to Riverhead Medical Realty, LLC, acceptance of personal guarantees by the members of Riverhead Medical Realty, LLC and the release of the personal guarantees of the members of IDI Ventures, LLC and all other documents necessary to complete the assignment of the rights and obligations of IDI Ventures, LLC in the project and land to Riverhead Medical Realty, LLC upon full payment of all Agency fees and costs, and the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting with such changes and, variations, omissions and insertions as the Chairperson or the Vice Chairperson shall approve. The execution thereof by the Chairperson or Vice Chairperson shall constitute conclusive evidence of such approval.

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

Thomas Cruso	VOTING	<u>AYE</u>
Lou Kalogeras	VOTING	<u>AYE</u>
Paul Thompson	VOTING	<u>AYE</u>

Carl Gabrielsen

VOTING

AYE

Dawn Thomas

VOTING

AYE

The resolution was thereupon declared duly adopted.

**MINUTES:** The Board voted to dispense with the reading of and voted on the October 1, 2012 meeting minutes.

**#61-12 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF October 1, 2012**

Carl Gabrielsen offered the following resolution, which was seconded by Dawn Thomas.

**RESOLVED**, the minutes of the regular meeting of October 1, 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: 5 Yes**

The Board voted to dispense with the reading of and voted on special meeting minutes of October 22, 2012.

**#62-12 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF October 22, 2012**

Paul Thompson offered the following resolution, which was seconded by Carl Gabrielsen.

**RESOLVED**, the minutes of the regular meeting of October 22, 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: 5 Yes**

**PRESENTATIONS:** Woolworth Revitalization – Michael Butler from North South Development, his attorney Steve Latham and his Architect Martin Sendlewski came before the board to request financial assistance for the acquisition and renovation of the former Woolworth properties currently owned by the Apollo Group. It is the intent to use the existing footprint and develop in stages. There is over 40,000 sq ft. that will be divided into 3 components Neighborhood Retail (10,000 sq ft), Regional Retail/Entertainment (25,000 sq ft) and Housing (10,000 sq ft). The housing component is not concrete. Mr. Butler explained that they are still exploring the possibilities such as artist lofts or galleries vs affordable studios for the housing



component. He estimates that the footprint could house approximately 40 residents and that the project could create anywhere between 100-300 jobs. The board inquired about other possible configurations with the property, but Mr. Butler responded with the viability against the capital investment. Mr. Butler would like to close within 60-90 days. The anticipated project cost is approximately \$5.5-6 million. The first phase would be replacing infrastructure, then the façade followed by renovations tenant by tenant. They are currently seeking an anchor tenant and are open to recommendations. The board expressed concern over parking and the phases. Counsel advised that we could provide a triggered pilot agreement that would induce upon completion of phases.

#### **CORRESPONDENCE:**

- The Agency received correspondence from John King thanking the Agency for reaching out and requesting a meeting in the future. ED distributed letter to board.

#### **TREASURER'S REPORT:** The Treasurer reported that the Agency

Cash Balance as of October 31, 2012	\$32,038.17
Revenue for October (application fee Wolf and IDI)	\$4,000.00
Profit and Loss (October)	\$-3,849.04
Total Year	\$-24,295.90
Accounts Receivable (Country Limo, Island)	\$2,669.84
Total Bills Paid for October	\$7,225.49

The board discussed that the receivables from the compliance fees are no longer collectible based on the resolution from the last meeting and therefore the accounts receivables should be corrected. The Treasurer informed the board that the Agency just received a closing fee of over \$9,800, but is not reflected in the October statements.

#### **# 63-12 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF OCTOBER 31, 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 October 1 to October 31, 2012 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated November 3, 2012 covering the month of October, 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: 5 Yes**

The Chairman of the board motioned to recess the regular meeting to move into an Audit and subsequent Finance Committee meeting. Dawn Thomas made the motion to recess. Carl Gabrielsen seconded. Motion approved at 6:03pm

At 6:04pm Member Dawn Thomas motioned to resume the regular meeting and Lou Kalogeras seconded. Regular board meeting resumed at 6:04pm

**COMMITTEE REPORTS:**

**Audit Committee** – Chairman of the Audit Committee Lou Kalogeras recommended that the board approve the drafted RFP for Auditing Services to be distributed.

**Governance Committee** – No report

**Personnel Committee** – No report

**Finance Committee** – Chairman of the Finance Committee Paul Thompson recommended that the Board approve the drafted RFP for Auditing Services to be distributed.

**OLD BUSINESS:** No old business reported.

**NEW BUSINESS:**

**# 64-12 RESOLUTION AUTHORIZING REQUEST FOR QUOTATIONS FOR ACCOUNTNG & AUDITING PROFESSIONAL SERVICES**

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

**WHEREAS**, NYS Public Authorities Law section 2802(4) mandates the rotation of Lead Auditors for every five year period, and

**WHEREAS**, it is necessary to request quotes for accounting and auditing professional services, and

**WHEREAS**, the Audit and Finance Committees have reviewed and recommended approval by the Board of Directors the prepared and attached Request for Quotations.

**NOW THEREFORE BE IT RESOLVED**, the members of the Board of Directors of the Riverhead Industrial Development Agency be and hereby approve the RFQ for distribution to accounting and auditing firms.

**Vote: 5 Yes**

## EXECUTIVE DIRECTOR'S REPORT:

- ED provided updates on current projects
- ED reported on new leads
- ED distributed information on assistance to businesses recovering from hurricane Sandi. ED suggested that the board consider offering emergency sales tax relief to companies that need to rebuild as a result of hurricane Sandi. The board agreed to offer an emergency sales tax exemption to businesses needing renovations or equipment from losses incurred as a result of the storm exceeding \$100,000. and to charge a flat fee of \$2000. Counsel agreed to a maximum fee of \$1500 for his services. ED to do press release.
- ED inquired about days taken during hurricane Sandi and compensation being consistent with what the Town did. Board approved compensated time.
- ED informed the board that the sign was now up outside new office.
- There was no update on the Empire Zone or SCICIP

Date for the next meeting is December 3, 2012

Lou Kalogeras motioned to adjourn the meeting, Dawn Thomas seconded.  
**There being no further business, the meeting was adjourned at 6:24pm**

12-13-12  
Date

Carl Sabini  
Secretary