

**MINUTES OF the ANNUAL MEETING OF
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
March 11, 2013**

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

Present: Tom Cruso, Chairman
Elias (Lou) Kalogeras, Vice Chairman
Carl Gabrielsen, Secretary
Paul Thompson, Treasurer

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

Absent: Dawn Thomas, Asst. Treasurer/Secretary

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

MINUTES: The Board moved to dispense with the reading of and voted on the February 4, 2013 meeting minutes.

#12-13 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF February 4, 2013

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

RESOLVED, the minutes of the regular meeting of February 4, 2013 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: 4Yes

PRESENTATIONS: Norton Travis Executive Vice President and General Counsel for 21st Century Oncology Services came before the board accompanied by Bruce Ferguson their consultant to request consideration of financial assistance from the Agency. Theriac Enterprise of Riverhead, the real estate component of 21st Century, proposes the acquisition renovation/conversion, equipping and reuse of a vacant 21,000 sq foot retail/warehouse building into a first class medical facility providing cancer care and radiation oncology, as well as other

medical services. Headquartered in Florida, 21st Century is located in 16 states and has 30 Latin American facilities. The total capital investment is expected to exceed \$8 million and an unanticipated sewer expense has significantly exceeded projections and is impeding the project from moving forward. They project 40 positions with average salaries around \$70,000. Mr. Travis noted that 30% of the local patients are leaving the area to receive state of the art radiology and 21st Century offers best in class radiology oncologists. It is the intent to offer additional services to help stage cancer. In a consortium approach, they are also building a proton center in Manhattan in conjunction with a 5 hospital partnership. They have a clinical affiliation with PBMC, not a financial affiliation and they don't perform diagnostic imaging. Theriac is requesting mortgage recording tax exemption, sales tax exemption and real property tax abatement.

The following resolution was offered by Member Lou Kalogeras, who moved its adoption, seconded by Paul Thompson, to wit:

RESOLUTION #20-13

A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO THERIAC ENTERPRISES OF RIVERHEAD, LLC (21st CENTURY ONCOLOGY)

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, the Agency has received an application for financial assistance from THERIAC ENTERPRISES OF RIVERHEAD, LLC, as property owner, and NEW YORK RADIATION THERAPY MANAGEMENT SERVICES, LLC dba 21st Century Oncology, as facility user, each being a limited liability company qualified to do business in the State of New York ("21st Century Oncology"), with respect to the complete renovation of a vacant one-story building on a 1.9 acre parcel located at 896 Old Country Road, Riverhead, New York (S.C.T.M. 0600-108.00-3-24) including asbestos removal and construction of a radiation vault for its reuse

for the provision of radiation oncology and other medical services at an aggregate cost, including costs associated with the financing thereof, estimated to be \$8,173,586 (the "Project"); 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 project and the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired to authorize the scheduling of a public hearing with respect to the application for financial assistance and the Project and the proposed financial assistance now being contemplated by the Agency to be provided to 21st Century Oncology with respect to the Project.

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

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on April 1, 2013 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to 21st Century Oncology by the Agency with respect to the Project, as described in Section 4 of this Resolution, and to hear all persons interested in the subject thereof, concerning the same. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance now being contemplated to be provided to 21st Century Oncology by the Agency with respect to the Project.

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 21st Century Oncology with respect to the Project, as described in Section 4 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. It is hereby determined that a general, functional description of the Project is as follows: the complete renovation of a vacant one-story building on a 1.9 acre parcel located at 896 Old Country Road, Riverhead, New York (S.C.T.M. 0600-108.00-3-24) including asbestos removal and construction of a radiation vault for its reuse for the provision of radiation oncology and other medical services at an aggregate cost, including costs associated with the financing thereof, estimated to be \$8,173,586.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to 21st Century Oncology with respect to the Project is (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (ii) a partial abatement of real property taxes, and (iii) the provision of an exemption from Mortgage Recording Taxes. The financial assistance described in (i), (ii) and (iii), above, would be consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law.

Section 5. The Secretary of the Agency is hereby authorized and directed to cause a copy of this resolution to be published once in the March 21, 2013 edition of The News Review,

the newspaper hereby designated as the official newspaper of the Agency for this purpose, and being a newspaper having a general circulation in, and available to residents of the Town.

Section 6. This resolution shall take effect immediately.

Vote: 4 Yes

RESOLUTIONS:

The following annual organizational resolutions were all considered and adopted by the board.

#14-13 - RESOLUTION DESIGNATES OFFICERS OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY FOR 2013

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

WHEREAS, in accordance with Section 9 of the By-Laws of the Riverhead Industrial Development Agency, it is necessary to make appointment of the officers of the Agency at the annual meeting of the Agency.

NOW, THEREFORE, BE IT RESOLVED, that the officers of the Riverhead Industrial Development Agency be and are hereby appointed as follows:

Tom Cruso	Chairman
Lou Kalogeras	Vice Chairman
Carl Gabrielsen	Secretary
Dawn Thomas	Asst. Secretary
Paul Thompson	Treasurer
Dawn Thomas	Asst. Treasurer

Vote: 4 Yes

#15-13 – RESOLUTION ESTABLISHES MEMBERSHIP OF 2013 COMMITTEES FOR THE RIVERHEAD IDA

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

RESOLVED, that the following is the membership of the Board committees:

Audit Committee – Chair Carl Gabrielsen, Dawn Thomas, Lou Kalogeras

Governance Committee – Chair Dawn Thomas, Paul Thompson, Thomas Cruso

Finance Committee – Chair Paul Thompson, Lou Kalogeras, Dawn Thomas

Personnel Committee – Chair Lou Kalogeras, Paul Thompson, Carl Gabrielsen

Vote: 4 Yes

#16-13 – RESOLUTION APPOINTS RICHARD A. EHLERS AS LEGAL COUNSEL TO AGENCY

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

RESOLVED, that Richard A. Ehlers, be and is hereby appointed as general legal counsel to the Agency at an hourly rate of \$150 per hour, to be paid upon presentation of an itemized statement.

Vote: 4 Yes

#17-13 – RESOLUTION APPOINTS DENISE M. COOPER AS CHIEF FINANCIAL OFFICER TO THE RIVERHEAD IDA

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

RESOLVED, that Denise M. Cooper, be and is hereby appointed as Chief Financial Officer to the Riverhead IDA at an hourly rate of \$75 per hour, to be paid upon presentation of an itemized statement.

Vote: 4 Yes

#18-13 – RESOLUTION APPOINTS FULBRIGHT & JAWORSKI AS BOND COUNSEL TO AGENCY

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

RESOLVED, that Fulbright & Jaworski LLP be and is hereby appointed as Bond Counsel to the Agency to be paid upon the presentation of an itemized statement.

Vote: 4 Yes

#19-13 - RESOLUTION DESIGNATES THE NEWS REVIEW AS OFFICIAL NEWSPAPER

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

RESOLVED, that The News Review be and is hereby designated as the official newspaper of the Riverhead Industrial Development Agency, and be it further

RESOLVED, that a certified copy of this resolution shall be forwarded to The News Review.

Vote: 4 Yes

Appointing the secondary depository was tabled.

CORRESPONDENCE: NYSEDC sent a memo informing the their members that the Senate and Assembly introduced their budget resolutions and neither included the Governor's IDA State Sales Tax proposal. However, the issue is not resolved as it could be added back into the final budget negotiations.

TREASURER'S REPORT: The Treasurer reported that the Agency

Cash Balance as of February 28, 2013	\$115,536.38
Revenue for February (Woolworth closing and other fees billed to projects)	\$39,306.25
Profit and Loss (February)	\$-26,876.83
Total Year	\$99,193.22
Accounts Receivable	\$14,265.76

Total Bills Paid for December

\$10,628.21.

All pilots have been distributed to the taxing jurisdictions. Some late fees are still outstanding from Country Limo in the amount of \$1,007.88. This figure does not include the agency fees.

**#13-13 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES
PAYMENT OF BILLS AS OF FEBRUARY 28, 2013**

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 February 1 to February 28, 2013 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated February 31, 2013 covering the month of February, 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 Tom Cruso.
Motion approved.

Vote: 4 Yes

COMMITTEE REPORTS:

- a. Audit Committee – the Committee Chair Lou Kalogeras reported that there was a committee meeting on March 5th. The committee reviewed the 2012 audit and noted that it was a positive report. Although assets decreased as a result of writing off some software, the fiscal year operating revenue increased by \$72,000. The committee also reviewed a number of policies and annual reports. They recommend the following for approval by the board: Investment guidelines, Investment Report and Real Property Report.
- b. Governance Committee – Tom Cruso reported that the Governance committee met on February 26th. They discussed and made recommendation that the agency policies be separated from the bylaws and compiled into a policy guideline book, since the policies are more likely to be amended during an annual review. Additionally, the committee reviewed and recommended re-adoption of the following policies: Code of Ethics, Procurement Policy, Time and Attendance Policy, Salary and Compensation Policy, Whistleblower Policy, Disposition of Real Property Policy, Investment Guidelines and Defense and Indemnification Policy. They recommended a minor amendment to the Statement of Board Duties and the Mission Statement. The committee then considered a new fee waiving policy. It was determined that any project requesting to have fees waived that have been imposed by the agency must submit the request to the board on a form provided by the Agency. The company must describe its financial or other hardship that is prompting them to make the request. If necessary, the board may require the

applicant to come before the board. The board will have 60 days to respond. The ED is to create the form for request. At the request of the ED, the committee reviewed the schedule of fees. In particular, the ED recommended that the committee reduce the annual compliance fee. The current fees range from \$250 to \$2000. The ED recommended a flat fee of \$300 for projects with bonds and \$250 for all other projects a level that relates more accurately to real work involved in the processing of the reports. The committee agreed to recommend the new fee structure and to make it retroactive to this year. The committee also discussed the performance evaluation due date for the ED and recommended changing it to March 15 to be more consistent with the review period. They recommended an amendment be made to the executive director's contract denoting the change. The committee also reviewed the Authority Budget Office Policy Guidance report on its mission statement and performance measurements and recommended the document for approval by the board. The ED suggested that the fee waiving policy contain a notification by date.

#21-13 A RESOLUTION ADOPTING, RATIFYING AND CONFIRMING BOARD POLICIES AND ANNUAL REPORTS

The following resolution was offered by Lou Kalogeras

And seconded by Paul Thompson

WHEREAS, in accordance with the Public Authorities Law, it is a recommendation of the Audit Committee of the Riverhead Industrial Development Agency that the following policies be reviewed annually, adopted, ratified and confirmed, and

WHEREAS, the following policies and reports recommended by the Audit committee include the 2013 Investment Guidelines and Investment Report 2013 and the Real Property Report for 2013, and

WHEREAS, in accordance with the Public Authorities Law, it is a recommendation of the Governance Committee of the Riverhead Industrial Development Agency that the following policies be reviewed annually, adopted, ratified and confirmed, and

WHEREAS, the following policies have been reviewed and recommended by the Governance Committee including the Code of Ethics, Mission Statement, Statement of Board Duties, Procurement Policy, Time and Attendance, Salary and Compensation, Whistleblowers Policy, Disposition of Real Property, Fee Waiving Policy (as amended), Investment Guidelines and Defense and Indemnification Policy, and

WHEREAS, it is the recommendation of the Governance Committee to amend the By Laws by separating Agency policies into a distinct and separate policy guidebook and re-adopt the By Laws as amended, and

WHEREAS, after discussion, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to adopt the attached policies, By Laws and reports.

NOW, THEREFORE, BE IT RESOLVED, that the attached policies, By Laws and reports be and hereby are adopted, ratified and confirmed.

(see attached policies)

Vote: 4 Yes

Resolution #22-13 was tabled

RESOLUTION #23-13A AUTHORIZES AMENDMENT TO THE EMPLOYMENT AGREEMENT

Lou Kalogeras offered the following resolution, which was seconded by Tom Cruso.

RESOLVED, the amendment to the employment agreement is hereby approved,

BE IT FURTHER RESOLVED, that a copy of the amendment be executed by both the employee and the Chairman of the board and made a part of the employment contract.

Vote: 4 Yes

- c. Personnel Committee – Tracy to schedule a meeting, anyday but Fridays this month.
- d. Finance Committee – No report

OLD BUSINESS: None

- a. The ED informed the board that there have been additional written requests to waive the annual compliance report fee from several companies. Counsel recommended postponing action until all the compliance reports have been compiled and a full schedule has been compiled. Board agreed to address during the next regular meeting.

NEW BUSINESS:

- a. The ED relayed a request from Main Road Holdings to waive the split pilot payment fee for its project. Counsel informed the board that Main Road Holdings has not complied with signing resolution #08-13 amending the pilot agreement for its project. Therefore they are currently subject to the original due date and pilot agreement. He recommended a letter rejecting the request and requiring them to sign and come into compliance within 10 days of receipt .

Lou Kalogeras made the following motion, which was seconded by Paul Thompson.

RESOLUTION #24A-13 AUTHORIZES NOTICE OF DENIAL AND REMEDY TO MAIN ROAD HOLDINGS, LLC

WHEREAS, Resolution #08-13 authorized an amendment to the pilot agreement with Main Road Holdings, LLC, and

WHEREAS, the amendment authorized the annual PILOT payment to be payable in two installments at the option of Main Road Holdings, LLC upon the payment of an annual fee of \$250 by separate check with the first installment to be paid no later than January 10th and the second installment to be paid no later than June 1st, and

WHEREAS, it was so resolved that the resolution would not take effect until it was countersigned as provided by Main Road Holdings, LLC as accepted and agreed and a copy be provided to the Riverhead Board of Assessors and the affected taxing jurisdictions, and

WHEREAS, the Main Road Holdings, LLC has not executed the resolution and therefore are bound by the original agreement, and

WHEREAS, the board will exercise its right under the Payment in Lieu of Tax Agreement and the Sale Agreement and Guaranty, and

WHEREAS, it is the desire of the board to send notice of denial to the request and remedy to Main Road Holdings, LLC notifying them that they must execute the resolution within 10 days of receipt of the certified notice or be bound by the original agreement and penalties associated therewith, and

NOW THEREFORE BE IT RESOLVED, the board authorizes the notification of denial and remedy to Main Road Holdings, LLC by certified mail.

Vote: 4Yes

EXECUTIVE DIRECTOR'S REPORT:

- ED provided updates on current projects
- ED reported that she anticipates RBS to be on next month's agenda for a refinance.
- ED reported that John Wesley may also be on the agenda
- There is a tourism summit on 3-14, Small Business Resource event on 3-20 and a Bolt Bus event on 3-13
- ED reported on the Empire Zone

Date for the next meeting is March 25th, 2013.

Lou Kalogeras motioned to adjourn the meeting, Paul Thompson seconded.
There being no further business, the meeting was adjourned at 6:37pm

4-15-13
Date

Carl Deh
Secretary