

**MINUTES OF A REGULAR MEETING OF
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
June 3, 2013**

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

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

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

Absent:

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 April 15th meeting minutes.

#32 -13 RESOLUTION APPROVES MINUTES OF REGULAR MEETING MINUTES OF APRIL 15, 2013.

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

RESOLVED, the minutes of the meeting of April 15, 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: 5 Yes

Due to the adjournment of the May 6 board meeting, the following public was rescheduled for this June meeting and the Executive Director caused a publication of the adjourned date for the following public hearing:

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

#33-13 A RESOLUTION RATIFYING THE PUBLICATION OF NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO 400 BURMAN BOULEVARD, LLC

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 400 Burman Boulevard, LLC, a limited liability company qualified to do business in the State of New York ("400 Burman"), with respect to the acquisition of parcel and renovation and reuse of existing buildings located at 400 Burman Boulevard, Calverton, NY (S.C.T.M. 0600-135.20-1-24) for use by Island Green Steel, LLC as manufacturing facility of metal studs used as framing component of exterior panel systems requiring the renovation, retrofitting and equipping of the buildings with new electric, HVAC, telecommunications, and storage and shelving systems estimated at a cost of \$5,300,000 (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 ratify the publication of notice of 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 400 Burman 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 June 3, 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 400 Burman 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 400 Burman 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 400 Burman 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: acquisition of parcel and renovation and reuse of existing buildings located at 400 Burman Boulevard, Calverton, NY (S.C.T.M. 0600-135.20-1-24) for use by Island Green Steel, LLC as manufacturing facility of metal studs used as framing component of exterior panel systems requiring the renovation, retrofitting and equipping of the buildings with new electric, HVAC, telecommunications, and storage and shelving systems estimated at a cost of \$5,300,000.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to 400 Burman 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 May 16, 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: 5 Yes

PUBLIC HEARINGS:

The Chairman closed the regular meeting and moved to open the public hearing at 5:04pm.

Tim Stevens and Larry Menaker approached the podium to present their request for consideration of financial assistance for a new manufacturing company in Calverton. Mr. Stevens is currently the principal at Island International Industries located at the Enterprise Park in Calverton. They located the business there in 2002 and currently employ approximately 400 people. He is looking to open a new business to compliment the existing services the affiliate company offers. The new company is 400 Burman Boulevard dba Island Green Steel. It will custom profile roll forming metal studs. Island currently outsources this product from out of state for use in Island's panel systems. Instead, he would like to bring in the raw coil using the rail spur and manufacture the metal studs. This manufacturing plant would be the only one on LI of its kind and they would offer the product to local distributors such as RBS, Lowes and Home Depot. Mr. Stevens recently leased buildings at 400 Burman Boulevard and would like to purchase, renovate and retrofit them into manufacturing plants. The site is approximately 11 acres and houses two buildings at 22, 500 sq ft and another at 27,500 sq ft. Prior to his leasing, the two buildings were vacant and one is leased to F14 Soccer which is looking for a nearby new home. Mr. Stevens and Mr. Menaker will need approximately \$5.3 million in funding. They are in discussions with the SBA and the SBA informed them that a public private partnership would assist in securing the necessary financing. In addition, Mr. Stevens is seeking a sales tax exemption, mortgage recording tax exemption and real property tax abatements consistent with manufacturing and vacant buildings provided for within the agency's UTEP. Mr. Stevens also expressed that he is coordinating with other businesses within the industrial park to try and extend the rail service further into the park. He would also like to retrofit the building to meet leed certification. They project approximately 35 employees within the first two years and over a 100 within 4 years. They described the rollforming process as a clean & green process. Island Industries currently exports approximately 40-50% of its product.

Anne Cotton DeGrasse, President of the Riverhead School board addressed the board with some questions which were answered by the company. Richard G. Nolan, Commissioner from the Manorville Fire District provided his perception on the increased burdens the new business puts on the Manorville Fire District and requested that the board consider what he believes to be discrimination on the fire district with regard to the real property tax abatement.

The hearing was closed at 5:40pm

The Chairman then moved to take the agenda out of order and called Mr. Phil Duvinick to the podium who was representing 130 East Main Street, LLC. 130 East Main is the proposed tenant for the Woolworth Revitalization project. Mr. Duvinick explained that he is a principal of Ultimate Fitness which use to be located on Route 58. He continued that the businesses could not renew its lease, had to vacate quickly and is currently housed in the former Block Buster Buildings as well as some rental space on the second floor in Downtown. He proposes to lease 22,000 sq ft from Mr. Butler upon completion of renovations. He and his partners intend on creating more of a "health club" in the new space versus a "gym." They propose having more

class space, a spa, and a smoothie bar. They have a 10 year lease and are hoping to be in operation by September-October. Most of the people that work at the gym are currently contracted, but the new health club may need 3-4 more new employees.

Lou Kalogeras offered the following resolution, which was seconded by Carl Gabrielsen.

34-13 RESOLUTION APPROVES TENANT FOR WOOLWORTH REVITALIZATION, LLC PROJECT

WHEREAS, Resolution # 06-13, dated February 4 , 2013 appointed Woolworth Revitalization, 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 Woolworth Revitalization, LLC, and

WHEREAS, It was determined that the Agency shall provide Woolworth Revitalization, LLC and the Related Parties with financial assistance with respect to the Project, and

WHEREAS, All tenants shall be subject to Agency approval upon 60 days written notice by Woolworth Revitalization to the Agency, and

WHEREAS, Woolworth Revitalization , LLC has proposed to lease the premise to 130 East Main Street, LLC, and

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

WHEREAS, it is now desired to approve 130 East Main Street, LLC as a tenant and as a related party to the approved Agent, Woolworth Revitalization, LLC.

RESOLVED that Riverhead Industrial Development Agency, does hereby approve 130 East Main Street, LLC as tenant of Woolworth Revitalization, LLC, subject to execution of a written agreement between the Agency, Woolworth Revitalization, LLC and 130 East Main Street, LLC

VOTE: 5 Yes

PRESENTATIONS: Skydive Long Island

Mr. Ray Maynard, proprietor of SkyDive Long Island proposed a new business to compliment his existing business in Calverton. He described an indoor skydiving facility with a potential attached restaurant or food service court to be constructed on property he currently owns within the industrial park. In seeking financing through the SBA, he was told they could assist in taking the 3rd or 4th position but should seek a public private relationship to help him secure the

necessary financing and to assist in making this proposal a viable project. The approximate capital investment is \$4.5-5 million. Therefore he is seeking the sales tax exemption, mortgage recording tax exemption and real property tax abatement on the portion of the land applicable to the new construction. The structure would be approximately 100 X 100 sq ft and 4 stories high. Mr. Maynard explained that his current business is already a tourist attraction with more than 50,000 visitors per year and with the addition of a year round facility, it could easily double. The nearest facilities for indoor skydiving are in New Hampshire and North Carolina. The facility will also be used as a training facility. He estimates 20-30 new jobs. He believes the construction of the facility will take about 8 months. The board welcomed an application for a potential August hearing.

The Chairman then called the representatives from Blue River Estates to make their presentation.

Blue River Estates

Mr. Martin Sendlewski, Architect, and Mr. Wayne Burmas representing Blue River Estates on behalf of Simshabs Capital Partners, LTD gave a presentation on their proposed project for 11 West Main Street and requested a public hearing to consider financial assistance. The proposal is to take the current building which sits on approximately 1.5 acres in the heart of downtown and is the current home to the LI Science Museum, demo the building to the ground and to rebuild a 48 unit upscale apartment building complete with one parking space per unit on the ground floor. The building will go from 20,000 sq ft to 70,000 sq ft. There will be 16 single bedroom apt. and 32 - 2 bedrooms. They advised that the sewer district currently has capacity for the building. It is a \$9.8 million capital investment. They intend on applying for LEED certification, but do not know at this time which level. There will not be a pedestrian easement along the river side to the building. Due to their aggressive timeline, they requested a public hearing as soon as possible. The board agreed that after review of completed application, they will post for a public hearing for the next meeting.

CORRESPONDENCE: There was no correspondence relayed to the board

TREASURER'S REPORT: The Treasurer reported that the Agency's

Cash Balance as of April 30th, 2013	\$89,808.20
Revenue for April (compliance fees)	\$9,916.66
Credits were issued based on revised comp fee	\$-13,400.00
Profit and Loss (April)	\$-15,474.48,
Total Year	\$74,098.04
Accounts Receivable	\$10,099.09

Total Bills Paid for April

\$15,329.59

Second half pilots were mailed certified May 1st

#35-13 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF May 31, 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 May 1 to May 31, 2013 as attached,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated May 31, 2013 covering the month of May, be and are hereby accepted and expenses as listed are authorized for payment.

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

Vote: 5 Yes

The Treasurer then reported on May's financials.

Cash balance of \$86,324.88 as of May 31st

Revenue for May consisted of a \$4,000 application fee

Accounts Receivable = \$7,532.43.

The treasurer noted that most of the receivables are over 90 days old and should be addressed. Board agreed to call a Governance committee meeting to address additional action.

P & L for May reflect \$-7,412.38, total for the year \$66,685.66

The second half of pilots payments were due May 31st for Browning and Main Road Holdings. Both were received and distributions to the taxing jurisdictions will be made in June.

#36-13 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF APRIL 30, 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 April 1 to April 30, 2013 as attached,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated May 1, 2013 covering the month of April, be and are hereby accepted and expenses as listed are authorized for payment.

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

Vote: 5 Yes

The Executive Director then requested authorization to move funds from the Pilot account to the general operating account. She explained that pilot payments were made inclusive of their late fees, some of which were due to the agency and some due to the taxing jurisdictions. The fees due to the agency need to be transferred over to the operating account.

Lou Kalogeras motion to authorize the transfer of \$4,914.38 in late fees due to the agency from the pilot account to the general operating account. Paul Thompson seconded. Motion was approved by all board members.

COMMITTEE REPORTS:

There was no audit committee report.

There was no governance committee report

Personnel Committee reported that they had reviewed the personnel evaluation of the Executive Director and had met with same to discuss. The review was very good. They made recommendation to the board for her evaluation to be discussed in Executive Session.

There was no finance committee report.

OLD BUSINESS

The ED presented two requests for fee waivers.

RESOLUTION #37-13 AUTHORIZING FEE WAIVER FOR TRUTECH

Lou Kalogeras offered the following resolution which was seconded by Carl Gabrielsen.

Whereas, the Agency has in place a Fee Waiving Policy, and

Whereas, Trutech has submitted a request to waive its annual compliance fee of \$250, and

Whereas, Trutech was no longer participating in the program when the Fee Schedule was adopted by the Agency, and

Whereas, the board determined that the request to waive the \$250 Annual Compliance Fee is consistent with the board policy.

Now, Therefore, Be it Resolved, that Trutech be notified that the Annual Compliance Fee imposed on in the amount of \$250 is immediately waived.

Vote: 5 Yes

RESOLUTION #38-13 AUTHORIZING A REDUCTION OF FEE FOR REILLY DESIGNS

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

Whereas, the Agency has implemented a Fee Waiving Policy, and

Whereas, Michael Reilly Design, Inc has submitted a request for a waiver on late fees imposed as a result of submitting the annual compliance report 36 days past the due date, and

Whereas, it was noted by the board that the late Fee Schedule was only adopted in 2012 and this being the first year of implementation, and

Whereas, it was determined by the board that the company had sufficient notice of applicable deadlines, and

Whereas, the board determined to reduce the accrued portion of the late fee in the amount of \$300, and

Whereas, the board determined that Michael Reilly Design be responsible for the remaining late fee balance of \$550.

Now, Therefore, Be it Resolved, that Michael Reilly Design be notified that the Annual Compliance Late Fee imposed on in the amount of \$850 has been reduced to \$550 and payment is due immediately.

Vote: 4 Yes

1 Opposed (Lou Kalogeras)

NEW BUSINESS

The board considered the following resolution:

Lou Kalogeras offered the following resolution. Paul Thompson seconded.

#39-13 A RESOLUTION APPROVING THE PROVISION 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, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on April 15, 2013 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by 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. The Agency finds that complete reconstruction of the existing vacant retail building for reuse as a medical facility adjacent to Peconic Bay Medical Center is consistent with the goals and requirements of the Agency Uniform Tax Exemption Policy. The

Agency further finds that the commencement of construction prior to approval mitigates the need for approval of full enhanced benefits and, therefore, the benefit period should be reduced to five (5) years for the abatement of real property taxes. This financial assistance will assure timely completion and use of this important medical facility and improve employment opportunities with the town of Riverhead.

Section 2. It is hereby determined that the Agency shall provide 21st Century Oncology and the Related Parties with the following 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, and (ii) a partial abatement of real property taxes by granting a partial abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the value established as of taxable status day March 1, 2013 of such real property (\$226,300.00) for a period of five years as designated in the attached Schedule A provided that if any portion of the facility is operated for a use which would not be eligible for IDA benefits under New York Law, the real property tax abatement shall be reduced, and the Payment In Lieu of Tax Payment increased based on the pro-rata floor area of the non-permitted use for the tax year of such use, and that no lease shall be entered into by the facility owner for a non-medical use without the prior application and approval of the Agency upon the form of standard application of the Agency, and (iii) the provision of an exemption from Mortgage Recording Taxes. The Executive Director of the Agency is hereby directed to proceed, at the expense of 21st Century Oncology, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to 21st Century Oncology, and to submit such agreements and documents to the

Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 3. This resolution shall take effect immediately.

Vote: 3 Yes

2 Nay

RESOLUTION #40-13 APPROVES AGENCY MORTGAGE REGARDING ATLANTIS RESTORE NEW YORK GRANT AND RATIFIES EXECUTION

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

WHEREAS, through proceedings held by the Agency the construction of a Hotel, expanded Aquarium and other facilities was approved and has been constructed in accordance with the plans submitted, and

WHEREAS, part of the financing for this facility was through funding through a Restore New York grant in the amount of \$2,400,000 which grant has been disbursed, and

WHEREAS, a condition of the Restore grant included recapture in the event of material non compliance with grant conditions secured by a letter of credit in favor of the Town of Riverhead, and

WHEREAS, the Riverhead Town Board has agreed to substitute a mortgage by Atlantis for the security of the letter of credit which will expire by its terms on June 1, 2013, and

WHEREAS, due to title requirements it is necessary for the Agency to join in the mortgage to the Town and Counsel to the Agency has reviewed and approved said mortgage.

NOW, THEREFORE, BE IT RESOLVED, that the Agency authorizes the Chairman to execute the mortgage and ratifies such execution upon the payment of all Agency fees and costs, and

BE IT FURTHER RESOLVED, that Counsel to the Agency be and hereby is authorized to execute and deliver a Real Property Tax Law section 255 affidavit that no mortgage recording tax be due upon the recording of the Town Mortgage with the Clerk of Suffolk County since the Restore New York Grant was included within the financing for the Project as constructed.

Vote: 5 Yes

The Chairman tabled a discussion regarding the composition of the board.

EXECUTIVE DIRECTOR'S REPORT

The ED briefly reported on the success of the Employment Expo as well as upcoming events the IDA is working on such as the Workforce Symposium, Small Business Recovery Asst Program through the SBDC and a healthcare panel through the SCSBAC. She reported that Island Diversified was decertified from the EZ program. She informed the board of potential vacation in July and August.


The Chairman moved to adjourn the IDA meeting and open into Executive Session to discuss employee contract at 7:15pm.

Paul Thompson moved to adjourn the Executive Session, seconded by Carl Gabrielsen. The board resumed the regular board meeting at 7:26pm.

Date for the next meeting is the next meeting is July 8, 2013

Carl Gabrielsen motioned to adjourn the meeting, Paul Thompson seconded.
There being no further business, the meeting was adjourned at 7:26pm

8-5-13
Date



Secretary/Asst.