

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
JULY 8, 2013**

Meeting was called to order by Chairman Tom Cruso at 5:22 p.m.

Present: Tom Cruso, Chairman
Dawn Thomas, Asst. Treasurer/Secretary
Paul Thompson, Treasurer
Carl Gabrielsen, Secretary

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

Absent: Elias (Lou) Kalogeras, Vice Chairman

Paul Thompson motioned to approve the agenda. Dawn Thomas seconded. The Agenda was approved.

MINUTES: The Board moved to table the approval of the June 3, 2013 minutes.

The Board moved to dispense with the reading of and voted on the June 17th meeting minutes.

#45-13 RESOLUTION APPROVES MINUTES OF SPECIAL MEETING MINUTES OF JUNE 17, 2013.

Dawn Thomas offered the following resolution, which was seconded by Paul Thompson.

RESOLVED, the minutes of the meeting of June 17, 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: 3 Yes
2 Absent**

Member Carl Gabrielsen entered the board meeting.

PUBLIC HEARINGS:

The Chairman noted that the representatives from Allied requested to move their public hearing to the beginning of the docket due to constraints with time. Seeing no objection, the Chairman changed the order of the hearings and held the 1998 Peconic/Allied Public Hearing first.

The Chairman closed the regular meeting and moved to open the public hearing at 5:25pm.

1998 PECONIC, LLC/ALLIED BUILDING PRODUCTS

Mr. Paul Elliott representing 1998 Peconic and Mr. David Doran representing Allied Building Products approached the podium to present their request for assistance to the board for the record.

Mr. Elliott explained that 1998 Peconic, LLC purchased property in 1998 and has since subdivided it into 3 lots. To date they have been unsuccessful at attracting tenants to the site and are attempting to negotiate with Allied Building Products which is currently being courted by other property owners out of Riverhead, specifically the Hamptons Business Park. They do not have an executed lease yet, but 1998 Peconic does have a site plan approval and has recently requested a modification to the site plan for this particular tenant. They are looking to build a 17,000 sq ft wholesale distribution warehouse on Edwards Ave. in Calverton. The estimated construction costs are anticipated to be between \$1.5-1.7 million dollars. Although Allied is really looking for 30,000 sq ft, which is an option in Westhampton, there is an adjacent lot that could be built in the future should they continue to expand. Allied pays living wages and projects 6 new employees in year one. Their anticipated payroll will begin at approximately \$350,000 – to hit over \$1 mill by year four. Due to the offer now made by Rechler Properties in Westhampton of a 15 year double 485B the applicant is requesting an amortized 100%, 10 year property abatement from RIDA in order to make this project competitive. They are also seeking the sales tax exemption and the mortgage recording tax exemption.

Counsel Ehlers suggested that the applicant secure a lease conditional on the eligibility for benefits and suggested to adjourn the hearing until the Agency has received a copy of the lease.

Paul Thompson motioned to adjourn the public hearing until the next regular board meeting scheduled for August 5th. Dawn Thomas seconded. The board left the public hearing open until August 5th and pending receipt of supplemental documentation at 5:42pm.

SIMSHABS X, LLC

The Chairman then called to order the second public hearing on behalf of Simshabs X, LLC at 5:43 pm. Martin Sendlewski, Architect for the project and Wayne Burmas, Vice President of Operations for Simshabs X approached the podium to request assistance from the Agency by way of real property tax abatement, sales tax exemption and mortgage recording tax exemption.

Mr. Sendlewski stated that the project has now been through the ARB and the Historic review and has submitted its plans with the final revisions. He anticipates a 6-10 week final approval time for the new construction at 11 West Main Street. The project consists of constructing a 70,000 sq ft 48 unit upscale apartment building with 48 parking spaces. Mr. Burmas is now projecting 7-11 full time employees. Construction time is anticipated to be 10 mos from time of permit approvals. The projected rent per unit will be anywhere from \$1200 to \$1500. There will be 12 units per floor, 4 one bedroom and 8 two bedrooms. The project is anticipated to cost \$9-

10 million. Paul Thompson requested the following information to be submitted to the Agency: Proposed return on the project, Interest rate and amount of mortgage. The board also requested financial information to be submitted. The ED noted that in light of the new information provided during this hearing, an updated application would be necessary.

Due to the need for outstanding information substantiating financial wherewithal of the project and to complete the application, the Chairman motioned to adjourn the meeting until the August 5th meeting and to provide additional time for the applicant to submit necessary information.

Paul Thompson motioned to adjourn the public hearing on until the next regular board meeting scheduled for August 5th. Carl Gabrielsen seconded. The public hearing was left open until August 5th and pending receipt of supplemental documentation at 6:00pm.

CORRESPONDENCE: There was no correspondence relayed to the board

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

Cash Balance as of June 30th, 2013	\$82,216.08
Revenue for June (application fees)	\$6,000.00
Profit and Loss (June)	\$-5,149.38
Total Year	\$61,536.28
Accounts Receivable	\$8,982.43
Total Bills Paid for June	\$8,117.26

ED noted that the outstanding receivable from 1998 Peconic was received as of today.

#46-13 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF June 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 June 1 to June 30, 2013 as attached,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated July 1, 2013 covering the month of June, 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 Carl Gabrielsen. **Motion approved.**

Vote: 4 Yes

COMMITTEE REPORTS

There was no audit committee report.

The Governance Committee reported that they met on July 3, reviewed the receivables, considered and recommend the following:

Waiving the late compliance fee on LIVC.

RESOLUTION #47-13 AUTHORIZING FEE WAIVER FOR LIVC

Paul Thompson offered the following resolution which was seconded by DawnThomas.

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

Whereas, Long Island Vitreoretinal Consultants, PC (LIVC) has submitted a request to waive the late compliance fee of \$525, and

Whereas, LIVC was in ownership transition during the compliance reporting due date, and

Whereas, the board determined that the request to waive the \$525 Compliance Reporting Late Fee is consistent with the board policy.

Now, Therefore, Be it Resolved, that LIVC be notified that the Compliance Reporting Fee imposed on in the amount of \$525 is immediately waived.

Vote: 4 Yes

The committee further recommended to have counsel prepare notification to Country Limousine that the project must come into compliance by paying the pilot payment late fee and the compliance reporting late fee or be subject to recapture provision. Counsel is also to prepare a letter to EPIC and Suffolk Theater to come into compliance and submit their reporting fees and for Riverhead Industrial Properties to be sent a final notice invoice.

The ED explained that the Riverhead Free Library was in transition with a new administrator and she would follow up with them. The board approved all the above stated actions

Personnel will be discussed in Executive Session

There was no finance committee report.

OLD BUSINESS:

Counsel noted that the Manorville Fire District has written the Agency requesting the minutes of the June 3rd meeting and the status of the 400 Burman Boulevard application. The ED already forwarded the transcript from the applicable public hearing to the Commissioner. The

letter also went on to inform the board of the intent to pursue an amendment to the IDA's UTEP so that it may be, in there terms, "that of a non-biased, non-prejudiced policy" as it relates the fire district versus the ambulance district. Counsel explained that there are two issues contained within the letter. The first is in regard to the project in question and whether consideration of same meets the Agency's current policy. Counsel instructed the board that the 400 Burman Boulevard's application meets the Agency's current policy and the letter does not preclude the board from considering the approving resolution this evening.

The secondary issue in question is whether the board can give priority to one taxing jurisdiction over another. Counsel advised that the abatements reflected through the Tax Assessor's office are created by state law and he will write an opinion for the board on the issues at hand.

Mr. Rich Schmit of Manorville Fire District requested that the board take a serious look at the consideration of FD Tax Abatements in Calverton and its impact on the residents of Manorville who do not stand to benefit from the development in EPCAL. He also stated that the FD doesn't want to have to look at creating a separate fire district, but would if they had to. Member Dawn Thomas asked if the MFD has requested a boundary amendment to rectify their expressed financial concerns with covering Calverton. Mr. Schmit stated that they did not want to explore an amendment to the boundary because they had been covering that sector since Grumman left.

Dawn Thomas motioned to approve the following resolution. Carl Gabrielsen seconded.

#44-13 A RESOLUTION APPROVING THE PROVISION 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. No. 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 \$5,372,000 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on June 3, 2013 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by 400 Burman with respect to the Project; and

WHEREAS, the Agency provided notice of the Public Hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefor, as set forth in the notice of the Public Hearing.

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

Section 1. It is hereby determined that the Agency shall provide 400 Burman 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 present assessed value of such real property (\$118,700.00) for a period of ten years as designated in the attached Schedule A, 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 400 Burman, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to 400 Burman, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

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, as described in Section 1 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. This resolution shall take effect immediately.

VOTE: 4 Yes

NEW BUSINESS:

The Chairman moved to table the discussion of the composition of the board.

EXECUTIVE DIRECTORS REPORT

In light of the recent fire disasters in downtown, the ED recommended to the board to create an Emergency Sales Tax Provision similar to the policy the board previously adopted during the Super Storm except this provision would not be limited to the storms but encompass all disaster or emergency situations that the Agency could legally assist. Board instructed the Director to draft a policy with the Governance Comm.

The board approved a request to reimburse mileage usage by the intern in his personal vehicle.

The ED reviewed recent seminars/events and reported that the collaborative Workforce Development Symposium went well. The Ed reported that the IDA, Chamber and PBMC are coordinating a healthcare symposium for October. HealthScare 2013 will be held at East Wind.

ED requested vacation in August.

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

Lou Kalogeras motioned to adjourn the meeting, Paul Thompson seconded.
There being no further business, the meeting was adjourned at 5:33pm

8-5-13

Date


Secretary