

**MINUTES OF A REGULAR MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
February 9, 2015**

Meeting was called to order by Chairman Thomas Cruso at 5:07p.m.

Present: Tom Cruso, Chairman  
Elias (Lou) Kalogeras, Vice Chairman  
Dawn Thomas, Secretary

Absent: Paul Thompson, Treasurer

Others in Attendance: Tracy James, Executive Director

Richard Ehlers, Counsel

Councilman John Dunleavy, TOR Board Liaison to the IDA

Dawn Thomas moved to approve the proposed agenda. Paul Lou Kalogeras seconded. Motion approved.

**MINUTES:**

The Board moved to dispense with the reading of and voted on the January 5, 2015 meeting minutes.

**#05-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF January 5, 2015.**

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

**RESOLVED**, the minutes of the meetings of January 5, 2015 as prepared and e-mailed be and are hereby approved, and

**BE IT FURTHER RESOLVED**, that copies of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

**Vote:** 3 Yes  
1 Absent

**PRESENTATION:** Blackman Plumbing

Gary Krupnick from West Rac Contracting and Mark Dimarsico Realtor for Blackman presented on behalf of Blackman Plumbing to request assistance with the development of a 40,000 sq distribution/wholesale/showroom facility on 6.2 acres of property currently owned by Blackman. The proposal is to demolish a portion of the existing buildings leaving 8,000 sq ft which will be an addition to 40,000 sq ft for a total of 48,000 sq ft. The company intends on making an approximate \$4 – 5 million dollar capital investment which did not include an additional sewer extension that will run approximately \$750,000. There are currently 11 employees working in the Riverhead location. Although they may relocate some employees from Southampton, with the expansion the company can project doubling the positions within 5 years. They would like to be constructed and operating by the end of 2015. They may sublet a portion of the building initially. It is not their intent to have a retail tenant. The company is requesting mortgage recording tax, sales tax exemption and a real property tax exemption which mirrors the 485B for 15 years. They anticipate another 4-6 weeks to have their architectural plans and would like to break ground as soon as possible. The board instructed the company to submit a completed application by Feb 23<sup>rd</sup> in order to meet that timeline. If the application is in complete form, the board could call a public hearing during the March 2<sup>nd</sup> board meeting for a public hearing on the 30<sup>th</sup>.

**CORRESPONDENCE:** Peconic Bay Medical Center requesting a reissuance.

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

Cash Balance in Chase Bank as of January	\$69,341.24
Cash Balance in SCNB as of January	\$3,000
Revenue for January	\$13,454.03
Profit and Loss (January)	\$-16,297.65
Total Year	\$-16,297.65
Accounts Receivable	\$110,919.89
Total Bills Paid for December	\$14,726.86

ED noted that the receivables include pilot payments.

**#06-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF January 31, 2014**

**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 January 1 to January 31, 2015 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated January 29, 2014 covering the month of January, 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:** 3 Yes

1 Absent

The ED then asked the board to approve a transfer of funds from the Chase Operating Account to the SCNB Operating Account.

#### **#09-15 RESOLUTION AUTHORIZES TRANSFER OF FUNDS**

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

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes the transfer of the sum of \$52,706.91 to the Riverhead Industrial Development Agency's operating account held at Suffolk County National Bank from the Riverhead Industrial Development Agency's operating account held at Chase Bank for use by the Agency in furtherance of its corporate mission

Vote: 3 Yes

1 Absent

#### **COMMITTEE REPORTS:**

- A. Audit: None
- B. Governance: None
- C. Personnel: None
- D. Finance: None

**OLD BUSINESS:** None

#### **NEW BUSINESS:**

- a. Given the number of applicants and requests that need addressing over the next couple of months, the ED discussed adding an additional meeting on March 30<sup>th</sup> for audit, policy and Paris approvals. Board agreed.



- b. Consideration of Peconic Bay Medical Center request for bond modifications.

Counsel explained the proposed necessary actions requested by PBMC and informed the board that the hospital did not complete a new application, but is in need of expedited assistance.

**RESOLUTION #07-15**

**Determines Agency Fee for 2015 Financing for Peconic Bay Medical Center formerly Central Suffolk Hospital**

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

**WHEREAS**, by proceedings held the Riverhead Industrial Development Agency caused to be issued tax exempt bonds for the benefit of Central Suffolk Hospital, now Peconic Bay Medical Center (the "Hospital), the Hospital denominated as Series 2006A, 2006B, 2006C and 2007D, and

**WHEREAS**, by these transactions monies were borrowed for Hospital purposes from First Albany Capital secured by a mortgage on Hospital property and a guarantee by credit facility provided by HSBC Bank USA pursuant to individual irrevocable direct pay letters of credit for each of the above mentioned bond series, and

**WHEREAS**, at the request of the Hospital the Agency held proceedings May 14, 2012 to permit the substitution of an Alternate Credit Facility for each of the above mentioned bonds by Manufacturers and Traders Trust Company and Agency execution of the Mortgage Modification Agreement, Environmental Guaranty, Security and Indemnification Agreement, Amended and Restated Pledge and Security Agreement and Assignment and ancillary documents, and

**WHEREAS**, the Hospital by letter dated January 30, 2015 has requested the Agency to hold proceedings to permit the direct purchase of the above mentioned bond series by Manufacturers and Traders Trust Company, the aforementioned Alternate Credit Facility which is on the Agency Agenda for Board consideration at the meeting of February 9, 2015, and

**WHEREAS**, the Agency determined that the 2012 substitution of the Alternate Credit Facility did not constitute a new financing such as would require the payment by the Hospital of the full Agency fee, and

**WHEREAS**, the Agency has now reviewed the Agency action requested by the Hospital letter

dated January 30, 2015 and the proposed resolution drafted by Agency Bond Counsel,

**NOW, THEREFORE, BE IT RESOLVED**, that the Agency determines that for purposes of determining the Agency fee for the action requested by the Hospital as set forth in the proposed resolution, the prior substitution of the Alternate Credit Facility, tender and purchase of the aforementioned bonds by the Alternate Credit facility and changes to the terms and interest rate constitutes an Agency action which requires the payment of the Agency fee of \$114,631.

**Vote:** 3 Yes  
1 Absent

Counsel noted that there was a last minute amendment to the draft resolution that had been provided to the board (9<sup>th</sup> *Whereas*)

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

**#08-15 RESOLUTION APPROVING THE AMENDMENT OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY VARIABLE RATE DEMAND CIVIC FACILITY REVENUE BONDS (CENTRAL SUFFOLK HOSPITAL PROJECT), SERIES 2006 AND SERIES 2007, THE RELATED INDENTURE OF TRUST AND OTHER RELATED DOCUMENTS, AND APPROVING THE EXECUTION AND DELIVERY OF SUCH AMENDED DOCUMENTS, ALL IN FURTHERANCE OF THE MANDATORY TENDER OF SAID BONDS, THE PURCHASE OF SAID TENDERED BONDS AND THE REMARKETING OF SUCH BONDS TO MANUFACTURERS AND TRADERS TRUST COMPANY AND OTHER BANKS UNDER THE TERMS OF A COMMITMENT LETTER DATED JANUARY 21, 2015**

**WHEREAS**, the Town of Riverhead Industrial Development Agency (the “Agency”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “State”) and Chapter 624 of the Laws of 1980 of the State (collectively, the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, civic, manufacturing, warehousing, pollution control, commercial, research and recreation facilities for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the “State”), to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency, was, for a period including the years 2006 and 2007, authorized and empowered under the Act to issue its civic facility revenue bonds to finance the cost of the acquisition, construction, renovation and equipping of one or more “Projects” (as defined in the Act), and to refund said bonds by issuing new bonds when it deems expedient; and



**WHEREAS**, Central Suffolk Hospital, a not-for-profit corporation organized and existing under the laws of the State, and doing business as Peconic Bay Medical Center (the "Hospital"), presented an application to the Agency in the year 2006, and requested that the Agency consider assisting in projects by:

- (1) the issuance of its civic facility revenue bonds in one or more issues or series:

in a principal amount not to exceed \$15,000,000 (the "Refunding Bonds") to:

refund the approximately \$13,690,000 outstanding principal balance of the New York State Medical Care Facilities Finance Agency's \$23,765,000 original principal amount of Central Suffolk Hospital Mortgage Project Revenue Bonds, 1993 Series A (the "Refunded Bonds"), which refunded the then outstanding principal balance of the New York State Medical Care Facilities Finance Agency's \$21,600,000 original principal amount of Central Suffolk Hospital Mortgage Project Revenue Bonds, 1983 Series A, which provided funds to the Hospital for certain costs in connection with expansions and improvements to certain of the Hospital's hospital facilities located at 1300 Roanoke Avenue, Riverhead, New York 11901 (collectively, the "Refinanced Facility"); and

pay certain costs of issuance and credit enhancement of the Refunding Bonds (collectively, the "Refunding Project"); and

in an aggregate principal amount not to exceed \$12,000,000 (the "ER Bonds") to:

provide funds for certain costs in connection with the improvement and rehabilitation of, and the construction, improvement and equipping of an approximately 9,800 square foot addition to, the Hospital's emergency department, located at 1300 Roanoke Avenue, Riverhead, New York 11901 (the "ER Facility");

pay certain costs of issuance and credit enhancement of the hereinafter defined New Money Bonds; and

fund interest on the New Money Bonds during the construction period of the hereinafter defined New Money Facility (collectively, the "ER Project"); and

in an aggregate principal amount not to exceed \$18,000,000 (the "Building Bonds" and together with the ER Bonds, the "New Money Bonds"; the New Money Bonds and the Refunding Bonds are collectively referred to as the "2006 Bonds") to:

provide funds for certain costs in connection with (y) the acquisition of a subleasehold or other similar interest in, and the construction, improvement and equipping of, certain portions of a three-story medical building to be used as a lobby, operating suites and space for future build-out and expansion, and the refitting of the Hospital's existing operating suites, and (z) related infrastructure improvements and additions to the Hospital's facilities, all located at 1300 Roanoke Avenue, Riverhead, New York 11901 (collectively, the "Building Facility" and together with the ER Facility, the "New Money Facility"; the New Money Facility and the Refinanced Facility are collectively referred to as the "Facility");

pay certain costs of issuance and credit enhancement of the Bonds; and

fund interest on the New Money Bonds during the construction period of the New Money Facility (collectively, the "Building Project" and together with the ER Project, the "New Money Project"; the New Money Project and the Refunding Project are collectively referred to as the "Project"); and

- (2) the provision of a mortgage recording tax exemption in connection with mortgages necessary or convenient to the financing or refinancing of the Project (together with the issuance of the 2006 Bonds, the "2006 Financial Assistance"); and

**WHEREAS**, on June 5, 2006, the Agency determined to provide the 2006 Financial Assistance and adopted a resolution entitled:

RESOLUTION DETERMINING PROJECTS FOR CENTRAL SUFFOLK HOSPITAL, APPROVING THE PROVIDING OF FINANCIAL ASSISTANCE TO CENTRAL SUFFOLK HOSPITAL, AUTHORIZING THE ISSUANCE AND SALE OF CIVIC FACILITY REVENUE REFUNDING BONDS, CIVIC FACILITY REVENUE BONDS AND CIVIC FACILITY REVENUE BONDS (FEDERALLY TAXABLE) ON BEHALF OF CENTRAL SUFFOLK HOSPITAL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000, AND APPROVING THE EXECUTION AND DELIVERY OF RELATED FINANCING DOCUMENTS (the "2006 Bond Resolution"); and

**WHEREAS**, on June 23, 2006, pursuant to the 2006 Bond Resolution, the Agency issued and delivered the Agency's \$35,000,000 Variable Rate Demand Civic Facility Revenue Bonds (Central Suffolk Hospital Project), Series 2006, in three series, being the \$8,005,000 Variable Rate Demand Civic Facility Revenue Bonds (Central Suffolk Hospital Project), Series 2006A, the \$15,200,000 Variable Rate Demand Civic Facility Revenue Bonds (Central Suffolk Hospital Project), Series 2006B and the \$11,795,000 Variable Rate Demand Civic Facility Revenue Refunding Bonds (Central Suffolk Hospital Project), Series 2006C (the "Series 2006A Bonds", the "Series 2006B Bonds" and the "Series 2006C Bonds", respectively, and, collectively, the "Series 2006 Bonds"), and entered into a trust indenture, dated as of June 1, 2006, with The Bank of New York, as trustee, in connection therewith (the "Indenture"); and

**WHEREAS**, the Hospital presented an application to the Agency in the year 2007, and requested that the Agency consider assisting in projects by:

- (1) the issuance of its civic facility revenue bonds in one or more issues or series in an aggregate principal amount not to exceed \$12,000,000 (the "2007 Bonds") to provide funds for certain costs in connection with a project (the "2007 Project") consisting of:

- (i) the construction, improvement and equipping of the core and shell components of a medical building to be used as a lobby or registration area, operating suites and space for future build-out and expansion located at 1300 Roanoke Avenue, Riverhead, New York 11901 (the "Series 2007 Project Facility");

paying certain costs of issuance and credit enhancement of the Series 2007 Bonds;  
and

funding interest on the 2007 Bonds during the construction period of the Series 2007 Project Facility; and



(2) the provision of a mortgage recording tax exemption in connection with mortgages necessary or convenient to the financing of the Project (together with the issuance of the 2007 Bonds, the "2007 Financial Assistance"); and

**WHEREAS**, on June 4, 2007, the Agency determined to provide the 2007 Financial Assistance and adopted a resolution entitled:

RESOLUTION MAKING CERTAIN DETERMINATIONS IN CONNECTION WITH A PROJECT FOR CENTRAL SUFFOLK HOSPITAL, APPROVING THE PROVIDING OF FINANCIAL ASSISTANCE IN RESPECT OF THE PROJECT, AUTHORIZING THE ISSUANCE AND SALE OF CIVIC FACILITY REVENUE BONDS ON BEHALF OF CENTRAL SUFFOLK HOSPITAL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000, AND APPROVING THE EXECUTION AND DELIVERY OF RELATED FINANCING DOCUMENTS (the "2007 Bond Resolution")

**WHEREAS**, on June 27, 2007, pursuant to the 2007 Bond Resolution, the Agency issued and delivered the Agency's \$12,000,000 Variable Rate Demand Civic Facility Revenue Bonds (Central Suffolk Hospital Project), Series 2007 (the "Series 2007 Bonds" and, together with the Series 2006 Bonds, the "Bonds"), pursuant to the Indenture and a First Supplemental Trust Indenture, dated as of June 1, 2007 (the "Supplemental Indenture"); and

**WHEREAS**, by letter dated January 30, 2015, Michael F. O'Donnell, CPA, as Senior Vice President and Chief Financial Officer of the Hospital, has requested the Agency to modify the Bonds so as to conform to the terms of a commitment letter dated January 21, 2015 (the "Commitment") issued by Manufacturers and Traders Trust Company, *as lead bank for itself and other participating banks (collectively, the "Bank")*, and to facilitate the purchase of the outstanding Series Bonds by the Bank; and

**WHEREAS**, Commitment requires the amendment of the Bonds, the Indenture, the Supplemental Indenture and certain related documents to create a new variable rate interest mode, for which the interest rate shall be determined to be 72% of one month LIBOR as in effect from time to time plus 1.65% (the "Index Mode"), rather than being determined through periodic remarketing of the Bonds, as is now the case; and

**WHEREAS**, in order to implement the proposed amendment of the Bonds, it will be necessary to cause the Bonds to be made subject to a mandatory tender upon conversion of the Bonds to the Index Mode, in the same manner as the Bonds are presently subject to mandatory tender upon conversion to the Fixed Rate Mode; and

**WHEREAS**, it appears that the proposed amendments are not to the prejudice of the existing Bondholders, as the existing Bondholders are not adversely affected by the method of determination of the interest rate on the Bonds following their mandatory tender; and

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture or the Supplemental Indenture. Based upon the Commitment and representations made by the Hospital to the Agency, the Agency hereby finds and determines:



The modification of the Bonds, the Indenture, the Supplemental Indenture and related documents as necessary or convenient to conform to the Commitment and to facilitate the remarketing of the Bonds to the Bank in Index Mode by requiring a mandatory tender of the Bonds upon conversion to the Index Mode in the same manner as presently applicable to a conversion to the Fixed Rate Mode (collectively, the "Modification"), is hereby approved.

The Modification i) shall not alter the principal amounts or maturities of or materially affect security for the Bonds, ii) does not constitute an increase or extension of the 2006 Financial Assistance or the 2007 Financial Assistance provided to the Hospital in furtherance of the Project, and iii) will not prejudice or materially adversely affect the Bondholders or impair their Security. At the time of the Modification, the Bonds may be re-titled "Index Rate Civic Facility Revenue Bonds (Central Suffolk Hospital Project), Series 200\_" or such other title as shall be acceptable to the Chairman of the Agency.

The remarketing of the Bonds to the Bank under terms acceptable to the Chairman of the Agency, and to be contained in a firm remarketing agreement with the Bank (the "Remarketing Agreement"), is hereby authorized, provided, however, that such terms shall not increase or extend the 2006 Financial Assistance or the 2007 Financial Assistance.

The Chairman is hereby authorized to give notice of and cause a mandatory tender of the Bonds at any time after determining that the Bank has agreed to purchase the Bonds as modified.

The Agency hereby determines i) to execute a certificate as to arbitrage and the provisions of sections 103 and 141-150 of the Code (the "No-Arbitrage Certificate") in connection with the Modification and the remarketing of the Tax-Exempt Bonds and file a form 8038 with the Internal Revenue Service and ii) do all other things necessary or convenient in connection with the Modification and the contemplated execution, delivery and remarketing of the Bonds to the Bank and the execution and delivery of any new or modified documents reasonably required to effect the purposes hereof.

The Agency shall charge an administrative fee of \$114,631 to be paid by the Hospital at the time of the delivery of the modified Bonds. It shall also be a condition of the Agency's participation in the Modification that the Hospital pay all reasonable fees and expenses of its counsel and of Norton Rose Fulbright US LLP, bond counsel to the Agency, computed based on standard hourly rates presently in effect at such firm, discounted by 5%, and any incidental costs and expenses incurred in furtherance of the Modification and the remarketing of the Bonds.

The Agency is hereby authorized to undertake the Modification, provided that:

The Modification, the giving of the notice of mandatory tender and the remarketing of the modified Bonds may be undertaken at such time as the Chairman or the Vice Chairman shall determine.

Neither the members, officers, employees or agents of the Agency, nor any person executing either the Indenture, and supplement thereto, the Bonds, or any related document authorized to be executed hereunder shall be liable thereon or be subject to any personal liability by reason of the modification, execution, delivery, distribution, remarketing or use thereof.

The Bonds shall remain special obligations of the Agency payable solely from the revenues and receipts derived under the Indenture and the Lease Agreement and the enforcement of the security provided by the Indenture, the Mortgage, the Pledge and Assignment, the Lease Agreement and the Guaranty.

Notwithstanding any other provision of this resolution, the Agency covenants that it will make no use of the proceeds of the Tax-Exempt Bonds or of any other funds which, if such use had been reasonably expected on the date of issue, or the date of delivery of the Tax-Exempt Bonds following the Modification, would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of section 148(f) of the Code.

(a) The Chairman or the Vice Chairman of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the documents required to effectuate the transactions contemplated thereby (hereinafter collectively called the "Modification Documents") 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, variations, omissions and insertions as the Chairman or the Vice Chairman shall approve, including a determination of the aggregate principal amount of the Bonds to be executed and delivered, the rate or rates of interest to be borne, and the amortization of the Bonds. The execution thereof by the Chairman or the Vice Chairman shall constitute conclusive evidence of such approval.

The members, officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Modification Documents, and to execute and deliver all such additional certificates, agreements, instruments and documents, including the No-Arbitrage Certificate, a Form 8038 and an identification with respect to any qualified interest rate hedges entered into by the Hospital with respect to the Tax-Exempt Bonds, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Modification Documents binding upon the Agency.

A copy of this resolution, together with all attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours. The officers and other appropriate officials of the Agency are hereby authorized to distribute copies of this resolution and to take such other actions as may be necessary or convenient to implement the provisions of this resolution. It is hereby determined that the Modification is a Type II action under SEQRA and no environmental evaluation of the impact thereof is required under SEQRA.



This resolution shall take effect immediately.

**Vote:** 3 Yes  
1 Absent

### **EXECUTIVE DIRECTOR'S REPORT**

The ED reported on new proposals  
The ED informed advised the board that the Agency withheld from participating in the External Lead Generation Program.  
ED reminded board to submit 2015 disclosure forms and the annual evaluations.  
ED reported on her meeting with the CFO and Auditors  
ED informed the board that ST-340 reminders went out and they are due by Monday.  
Reilly Woodworks has now graduated from the IDA program and the BOS has been transferred back to them.  
Workforce Development Surveys went out.  
The reappointed board members should renew their training. ED will provide online dates.  
The ED made a full report on the NYSEDC Conference  
Empire Zone board meeting will be in April  
ED informed the board of the impact to IDA's proposed in the Governors budget and discussed a draft letter of opposition.

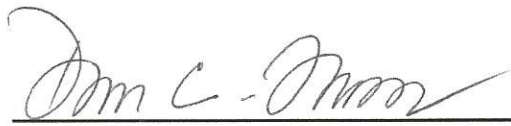
Lou Kalogeras motioned to authorize the Chairman to sign a letter of opposition to our legislative representatives. Dawn Thomas seconded.

**Now Therefore Be It Resolved**, the Chairman is authorized to sign a letter of opposition on behalf of the Board of Directors and forward it to the legislative representatives of our district.

**Vote:** 3 Yes  
1 Absent

The next board meeting is scheduled for March 2.  
Dawn Thomas motioned to adjourn the meeting. Lou Kalogeras seconded.  
**There being no further business, the meeting was adjourned at 6:23pm pm.**

3/6/15  
Date

  
Secretary/Asst.