

**MINUTES OF A REGULAR MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
May 12, 2015**

Meeting was called to order by Chairman Thomas Cruso at 5:01p.m.

Present: Tom Cruso, Chairman  
Elias (Lou) Kalogeras, Vice Chairman  
Dawn Thomas, Secretary  
Bob Kern  
Lori Ann Pipczynski

Absent:

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

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

The Chairman introduced two new board members, Bob Kern and Lori Ann Pipczynski. Richard Ehlers administered the new board members their Oaths of Office.

The Chairman recessed the regular meeting and opened the Public Hearing at 5:04pm.

Member Dawn Thomas recused herself from the first public hearing.

**PUBLIC HEARING:** The Chairman called open the public hearing on behalf of **Peconic Management Group, LLC Phase II Expansion.**

Dr. Paayal Mehta made a presentation to the board and requested financial assistance for the expansion of the Peconic Management Project. She described the success of phase I and informed the board of how the purchase of the additional property finally came into play, that they demolished the building that was previously existing on the site and went on to build Building B without the need for additional sales tax exemption. However with the proposal of Building C, Peconic Management Group will be needing the assistance of the IDA financing inclusive of sales tax exemption, mortgage recording tax exemption and real property tax abatement. Building B is 1485 sq ft and is being utilized as a women's health center. Building C will be approximately 4500 sq ft and two stories. It is intended to house the expansion of the LI

Bariatric Group to include a sleep center and physical therapy, explained to be typical and necessary needs of the bariatric patients. Dr. Mehta projects 20 new jobs and provided an overall capital investment of \$3,109,140.58. Lou Kalogeras asked if the project was permitted within the town zoning code (in particular the parking). Dr. Mehta explained that a variance for the parking had been granted. Mr. Kalogeras asked if the applicant would build Building C if they were not granted incentives. Dr Mehta explained that they may not move ahead with this phase of the project if assistance is not granted.

Andrew Benners spoke on behalf of Larry Simms who could not be in attendance to the meeting. He requested to see the Cost Benefit Analysis of the project.

Seeing no further comments, Lou Kalogeras motioned to close the public hearing. Lori Pipczynski seconded. The public hearing on Peconic Management Group was closed at 5:17pm

**PUBLIC HEARING:** Lou Kalogeras then motioned to open the public hearing on behalf of 20 West Main, LLC. Bob Kern seconded. The Public Hearing on **20 West Main, LLC** was opened at 5:19pm.

Dawn Thomas returned to the meeting.

Georgia Malone of 20 West Main, LLC made a presentation to the board and requested financial assistance for a new project at 20 West Main St. Ms. Malone recapped her 30 West Main Project and its current success. She noted an unanticipated significant increase in assessed value to the 30 West Main project and explained that the abatement had been undeniably necessary. She then went on to explain her interest in 20 West Main, her vision for the building and requested sales tax exemption, mortgage recording tax exemption and a real property tax abatement consistent with the abatement granted for 30 West Main. If she is granted assistance, she explained that she would like to purchase the building and begin construction immediately. Ms. Malone described her interest in attracting a doctor's office for the ground floor, traditional office space for the second floor and potentially market rate apartments for the third floor. MS. Malone stated that significant renovations are needed because the 2<sup>nd</sup> and 3<sup>rd</sup> floor space has been vacant for years. The building also necessitates either a staircase outside the back of the building or an elevator. The elevator is not included within the estimates provided for renovation costs. Ms. Malone noted that there is no easement behind the building where the "Uncle Joe's" customers use rear entrance access. However, she has no intention on expanding the building on the property that is currently used for access. Tom Cruso inquired about her ability to fund the project in addition to her commitment in 30 West Main. Ms. Malone assured the board of her financial wherewithal, adding that the seller is holding the mortgage. The projected capital investment is approximately \$950,800. The projected employment of 2 is without consideration of tenants.

Seeing no comments from the public, Lou Kalogeras motioned to close the public hearing. Bob Kern seconded. The Public Hearing on 20 West Main, LLC was closed at 5:57pm.

The Chairman then reopened the regular meeting of the IDA at 5:58pm

**MINUTES:**

The Board moved to dispense with the reading of and voted on the April 6, 2015 meeting minutes.

**#30-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF April 6, 2015.**

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

**RESOLVED**, the minutes of the meetings of April 6, 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:** 5 Yes

**CORRESPONDENCE:** None

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

Cash Balance in Chase Bank as of April	\$5,479.19
Cash Balance in SCNB as of April	\$49,142.05
Revenue for April	\$2,001.96
Profit and Loss (April)	\$-14,492.57
Total Year	\$-35,902.20
Accounts Receivable	\$6,550.99
Total Bills Paid for April	\$20,341.01

Not reflected are deposits to date of \$35,000 from the PBMC closing received May 6 and another application fee of \$2000.



**#31-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF April 30, 2015**

**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 31, 2015 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated May 1, 2015 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 Lori Pipczynski. **Motion approved.**

**Vote:** 5 Yes

**COMMITTEE REPORTS:**

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

**OLD BUSINESS:** None

**NEW BUSINESS**

The board considered a request from Riveredge, LLC to increase the cost of their project due to cost overruns.

Lou Kalogeras motioned to approve the following resolution. Dawn Thomas seconded

**#32-15 A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO INCREASE OF AUTHORIZATION GRANTED TO RIVEREDGE, LLC AND RELATED ENTITIES AND THE PROVIDING OF FINANCIAL ASSISTANCE THERETO BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

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 resolution dated March 3, 2014 the Agency did approve financial assistance to Riveredge, LLC to construct a 123,946 square foot facility at 962 Burman Boulevard, Calverton, New York (S.C.T.M. No. 0600-135.10-01.00-005.000) to be leased to

Riverhead Building Supply Corp. as a warehouse and millwork manufacturing facility of doors, windows and custom millwork products and distribution center to support an existing millwork distribution facility at an estimated total cost of \$5,056,219.00 (the "Project"); and

WHEREAS, while the Project is unchanged as to purpose and function, Riveredge, LLC has communicated to the Agency that the cost of the project exceeded the original estimate for a total project cost of \$6,440,975.21 ; and

WHEREAS, it is now desired to authorize the scheduling of a public hearing with respect to increase of authorization to total Project cost.

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 Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on June 1, 2015 at 5:00 p.m. prevailing time with respect to the increase of authorization to total Project cost.

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 Riveredge, LLC 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. The Secretary of the Agency is hereby authorized and directed to cause a copy of the attached notice of public hearing to be published once in the May 21, 2015 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 4. This resolution shall take effect immediately.

**Vote:** 5 Yes

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

The ED updated the board on projects and informed the board about Googles intent to take mobile compatibility into consideration for website ranking. Therefore the agency needed to convert the website to be more mobile compatible. The estimated cost for the website provider is approximately a one time fee of \$750. The board authorized the conversion. Bob Kern inquired about the analytics for the website. ED to provide to the board.

The ED informed the board of the annual NYS Economic Development Conference.

#### **#34-15 RESOLUTION AUTHORIZING ATTENDANCE TO NYSEDC CONFERENCE**

**DATED: May 12, 2015**



Lou Kalogeras offered the following resolution, Dawn Thomas seconded.

**WHEREAS**, the New York State Economic Development Council will be hosting its Annual Economic Development Conference, and

**WHEREAS**, the Board of Directors finds it necessary and appropriate for the Executive Director, Tracy Stark - James, to attend this informational conference; and

**WHEREAS**, a three day conference is scheduled in Cooperstown on May 20-22nd, thereby requiring her to stay at the Otesaga Hotel (or comparable facility) from May 19-22nd, at \$310.60 per night, plus the cost of transportation, food and registration to be reimbursed upon submission of receipts not to exceed \$2500.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors approves expenditures for lodging at the Otesaga Hotel (or comparable facility) and reimbursement of transportation and food for Executive Director, Tracy Stark-James to attend the NYSED Annual Economic Development Conference in Cooperstown, NY from May 19-22<sup>nd</sup>, 2015.

**Vote:** 5 Yes

The ED reminded the board of ABO regulations and disclosure forms for new members.

ED updated the board on outstanding pilot payment penalties.

### **#33-15 RESOLUTION AUTHORIZING NOTICE OF HEARING FOR DETERMINATION ON COMPLIANCE**

Dawn Thomas offered the following resolution which was seconded by Tom Cruso.

**Whereas**, GML Title 1 874 (5) states that Payment in Lieu of taxes (PILOT) that are delinquent shall be subject to late payment penalties, and

**Whereas**, the Riverhead Industrial Development Agency reserves the right to impose late penalties for Payments in Lieu of Taxes that are delinquent 5 days beyond the due date, and

**Whereas**, The Riverhead Industrial Development Agency received the PILOT payment from 400 Burman Boulevard, LLC on March 6, 2015 after the due date of January 12, 2015 and beyond the 5 day grace period , and

**Whereas**, 400 Burman Boulevard, LLC has not submitted the imposed PILOT penalties, and

**Whereas**, the Board of Directors of the IDA finds it necessary to request 400 Burman Boulevard, LLC to appear before the board for a review to determine whether the company has failed to submit the required payments which has created an event of default of the company

obligations to the Agency which could result in a termination of future Agency benefits and possible recapture of benefits, and

**Now, Therefore, Be it resolved,** the Board of Directors of the RIDA hereby directs the Executive Director to serve a certified return receipt Notice of Hearing to 400 Burman Boulevard, LLC to be held on June 1<sup>st</sup>, 2015 at 5pm in the Riverhead Town Hall Meeting Room.

**Vote:** 5 Yes

The ED informed the board that the Workforce Symposium was cancelled due to the lack of participation, but the committee will try again to offer the symposium in the coming year. The Employment Expo has approximately 30 registrants and is still growing. IT is scheduled for the 21<sup>st</sup> at Atlantis.

The next board meeting is scheduled for June 1st.

Lou Kalogeras motioned to adjourn the meeting. Dawn Thomas seconded.

**There being no further business, the meeting was adjourned at 6:26 pm.**

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Secretary/Asst.