

**MINUTES OF A REGULAR MEETING  
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
AUGUST 3, 2015**

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

Present: Thomas Cruso, Chairman  
Elias (Lou) Kalogeras, Vice Chairman  
Lori Ann Pipczynski, Asst. Treasurer

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

Absent: Dawn Thomas, Secretary  
Bob Kern, Treasurer

By motion of Lou Kalogeras and second by Lori Pipczynski the proposed agenda was adopted.

**Old Business** was then taken out of order to consider Resolution #47-15

The following resolution was offered by Member Lou Kalogeras, who moved its adoption, seconded by Member Lori Ann Pipczynski, to wit:

**#47-15 A RESOLUTION RATIFYING AUTHORIZATION OF PUBLICATION OF NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO WOLF PROPERTIES ASSOCIATES, LP, LONG BEARD BREWING CO., LONG BEARD BREWING CO., LLC AND RELATED COMPANIES**

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 Wolf Properties Associates, LP, Long Beard Brewing Co. and Long Beard Brewing Co.,

LLC, companies qualified to do business in the State of New York (the "Applicant"), with respect to the acquisition of parcel and renovation including extensive exterior and interior renovation including roofing, exterior waterproofing, handicapped access and toilet facilities, windows, HVAC, electric, plumbing and utility upgrades, cameras and site work, and equipping for reuse of existing vacant 13,000 square foot historic firehouse in an area of urban blight located at 24 East Second Street, Riverhead, New York (S.C.T.M. No. 0600-128-5-25.001) for use as 4,000 square foot brewery manufacturing and tourist destination facility with offices and not more than one third retail space at a total estimated cost of \$986,000 (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 authorization of 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 Wolf Properties Associates, LP and related companies and Long Beard Brewing Co., Long Beard Brewing Co., LLC and related companies 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 August 3, 2015 at 5:00 p.m. prevailing time

with respect to the Project and the proposed financial assistance now being contemplated to be provided to the Applicant 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 the Applicant 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 the Applicant 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 acquisition of parcel and renovation including extensive exterior and interior renovation including roofing, exterior waterproofing, handicapped access and toilet facilities, windows, HVAC, electric, plumbing and utility upgrades, cameras and site work, and equipping for reuse of existing vacant 13,000 square foot historic firehouse in an area of urban blight located at 24 East Second Street, Riverhead, New York (S.C.T.M. No. 0600-128-5-25.001) for use as 4,000 square foot brewery manufacturing and tourist destination facility with offices and not more than one third retail space at a total estimated cost of \$986,000 (the “Project”).



Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to the Applicant 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 July 23, 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 6. This resolution shall take effect immediately.

**VOTE:** 3 Yes  
2 Absent

The Chairman adjourned the regular meeting at 5:08 pm and opened the public hearing. Lou Kalogeras motioned to open the public hearing on behalf of Wolf Properties Associates and Long Beard Brewing Co. at 5:09pm. Lori Pipzcynski seconded the motion.

**PUBLIC HEARING:**

Bob Castaldi, principal of Wolf Properties, explained that he had purchased the former Firehouse on Second Street and would like assistance to complete an historic restoration of the vacant building. He explained that the building was pretty run down and in disrepair, such that the cupola fell apart when he touched it. It needs brick and stucco work, mechanical systems updates, woodwork repairs, HVAC, window repair/replacement, steel work etc. He described the area the firehouse is located in as a blighted area and believes he is taking a risk, but that this investment should spur needed foot traffic and reinvestment on that street. He believes that by rehabilitating this property, it would extend the downtown area revitalization efforts to Second Street. He is in discussion with potential tenants, but only one has materialized, Long Beard

Brewing Co. However, that tenant is conditioned upon IDA approval. Mr. Castaldi noted that the IDA assistance helps keep rent affordable to attract young and new businesses. He is also in discussion with the Riverhead Town to house the Town historian in approximately 1000 sq ft of the building. He would like to create an agri-tourism center, but to-date discussions with the Wine Council and Farm Bureau have yet to materialize. Other uses for the approximate 13, 000 sq ft 2 story building are to be determined as he is currently working on cost benefit analysis for what uses would be the most viable. Long Beard Brewing Co is a co-applicant and is requesting the assistance for its fledgling business. The principals Craig Waltz and Paul Carlin explained that the IDA assistance of sales tax and real property tax abatement is imperative to reduce their overhead. They will be building out their portion of the building themselves and described some of their long term goals for design and production. The Firehouse project is about ½ an acre and the overall capital investment including the investment of the co-applicant improvements is approximately \$986,000. The building was put in the parking district. Mr. Castaldi is to provide a construction schedule to the board. Long Beard's timeframe is to be open by March of 2016.

Lou Kalogeras moved to close the public hearing and reopen the regular board meeting, Lori Pipczynski seconded. The regular IDA meeting reopened at 5:46pm

**PRESENTATIONS:** The scheduled presentation is postponed until the next meeting

### **MINUTES**

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

#### **#48-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF July 6, 2015.**

Lou Kalogeras offered the following resolution, which was seconded by Lori Ann Pipczynski.

**RESOLVED**, the minutes of the meetings of July 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:** 3 Yes  
2 Absent

**CORRESPONDENCE:** None

**TREASURER'S REPORT:** Lori Pipczynski reported that the Agency's

Cash Balance in Chase as of July	\$ .92
Cash Balance in SCNB as of June	\$82,063.74

Revenue for July	\$7,133.42
Profit and Loss (July)	- \$13,413.83
Accounts Receivable	\$250
Total Bills Paid for June	\$18,684.87

Due to impending maintenance and transaction fees, the agency drew down \$10,000 to close the operating account at Chase and will be transferring it to the SCNB operating account as of the approval of this report. The .92 cents is interest that accumulated before the drawdown and will be transferred as well.

#### **#49-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF July 31, 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 July 1 to July 31, 2015 **as attached**,

**NOW, THEREFORE, BE IT RESOLVED**, that said monthly financial report dated July 31, 2015 covering the month of July, 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 Lori Ann Pipczynski. **Motion approved.**

**Vote:** 3 Yes  
2 Absent

**COMMITTEE REPORTS:** Committee meetings to be organized for finance, governance and personnel.

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

**OLD BUSINESS:** Taken out of order. See above.

#### **NEW BUSINESS:**

The board discussed and considered the inducement request of the Firehouse Application.

The following resolution was offered by Member Lou Kalogeras, who moved its adoption, seconded by Member Lori Ann Pipczynski, to wit:



**RESOLUTION #50-15**

**A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO WOLF PROPERTIES ASSOCIATES, LC, LONG BEARD BREWING CO., LLC AND RELATED COMPANIES**

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 Wolf Properties Associates, LP and related companies and Long Beard Brewing Co., LLC and related companies, companies qualified to do business in the State of New York (the "Applicant") with respect to the acquisition of parcel and renovation including extensive exterior and interior renovation including roofing, exterior waterproofing, handicapped access and toilet facilities, windows, HVAC, electric, plumbing and utility upgrades, cameras and site work, and equipping for reuse of existing vacant 13,000 square foot historic firehouse in an area of urban blight located at 24 East Second Street, Riverhead, New York (S.C.T.M. No. 0600-128-5-25.001) for use as 4,000 square foot brewery manufacturing and tourist destination facility with offices and not more than one third retail space at a total estimated cost of \$986,000 (the "Project"); and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on August 3, 2015 and with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project.

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 therefore, as set forth in the notice of 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 Applicant 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 real property tax abatement equal to the assessed value of the improvements, subject to completion of the improvements detailed below, for a period of ten years, effective for the 2016/2017 tax billing year. PILOT payments shall be calculated and paid on the land assessment value of \$20,000 and the improvement assessment or such greater amount as set forth herein. The percentage of renovated and leased space as of December 2, 2016 will determine the percentage of abatement of the improvements, and (iii) the provision of an abatement of the Mortgage Recording Tax not to exceed \$3,150. The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Applicant, 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. Lease of space to Long Beard Brewing Co., LLC be and is hereby approved. All other tenants shall be subject to Agency approval upon 60 days written notice by Applicant to the Agency. Said written notice by Applicant to the Agency shall be made 60 days prior to occupancy by proposed tenant which notice shall include a copy of the proposed lease, complete Agency application completed by the proposed tenant and a written narrative describing the proposed use. The Agency may require an appearance at an Agency meeting by Applicant and the proposed tenant. The Agency shall make its determination no later than 60 days from receipt of a complete application. In the event the Agency does not act within such 60 day period, the tenant shall be deemed approved. Applicant hereby agrees that it will lease the Project for uses which promote the development of downtown Riverhead in conformance with the goals of urban renewal and revitalization. Therefore, no use shall be permitted for tattoo parlor, massage parlor, check cashing center, calling center, taxi stand, tobacconist or other uses associated with urban blight.

Section 3. 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 the Applicant 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 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Ground Lease, Lease, Mortgage, PILOT, Guarantees, necessary to grant the financial assistance set forth herein.

Section 5. This resolution shall take effect immediately.

**VOTE:** 3 Yes

2 Absent

**EXECUTIVE DIRECTOR'S REPORT**

The ED provided a brief update on projects and leads

The next board meeting is scheduled for September 7, 2015

Lou Kalogeras motioned to adjourn the meeting. Lori Ann Pipczynski seconded.

**There being no further business, the meeting was adjourned at 6:01pm**

Dated: 9/14/15

  
Secretary/Asst.