

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
SEPTEMBER 14, 2015**

Meeting was called to order at 5:02pm by Chairman Thomas Cruso.

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

Others in Attendance: Richard Ehlers, Counsel
Tracy Stark-James, Executive Director
John Dunleavy, Town Board Liason

Absent: Lori Ann Pipzcynski, Asst. Treasurer
Bob Kern, Treasurer

By motion of Lou Kalogeras and second by Dawn Thomas the proposed agenda was adopted.

PRESENTATIONS: None

MINUTES

The Board moved to dispense with the reading of and voted on the August 3, 2015 meeting minutes.

#51-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF August 3, 2015.

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

RESOLVED, the minutes of the meetings of August 3, 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: Lou Kalogeras reported that the Agency has closed all the accounts at Chase Bank.

Cash Balance in SCNB as of August	\$70,081.02
Revenue for August	\$2.27
Profit and Loss (August)	-\$17,117.67
Accounts Receivable	\$250
Total Bills Paid for June	\$11,985.91

#52-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF August 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 August 1 to August 31, 2015 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated August 31, 2015 covering the month of August, 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: 3 Yes
2 Absent

COMMITTEE REPORTS:

- A. Audit: None
- B. Governance: None
- C. Personnel: Committee met and will make a presentation in Executive Session.
- D. Finance: Lou Kalogeras reported that the finance committee met. They reviewed the proposed 2016 budget, the agency fee schedule and agency funding options. The committee recommended the attached draft budget to be approved by the agency board and be forwarded to the town. The committee also recommended amending the fee schedule.

#53-15 RESOLUTION APPROVING DRAFT BUDGET FOR FISCAL YEAR 01/01/16-12/31/16 AND SUBMISSION TO THE GOVERNING BODY FOR THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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

WHEREAS, it is recommended accounting practice that an operating budget be established for the Riverhead Industrial Development Agency; and

WHEREAS, Section 2801 of Public Authorities Law provides budget reporting requirements for state and local public authorities and requires the submission of proposed budget reports not more than 90 days and no less than 60 days before the commencement of their fiscal year; and

WHEREAS, Article 18-A of GML requires a copy of the draft budget to be forwarded to the chief executive office and the governing body of the municipality for whose benefit the agency was established for inspection and comment of its proposed budget for the forthcoming fiscal year, no later than twenty business days before its adoption.

NOW, THEREFORE BE IT RESOLVED, that the attached is hereby approved for submission to the CEO and governing body of the Town of Riverhead as the proposed Operating Budget of the Riverhead Industrial Development Agency for fiscal year 01/01/16 through 12/31/16; and

BE IT FURTHER RESOLVED, copies of this resolution be and hereby are authorized to be filed with all necessary parties as described by law.

Vote: 3 Yes
2 Absent

OLD BUSINESS: None

NEW BUSINESS:

A. RESOLUTION #54-15 AMENDS FEE SCHEDULE

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

RESOLVED, that the following is established as the fee schedule of the Riverhead Industrial Development Agency based upon total project cost and subsequent

administrative expenses. All costs of issuance of bonds, including local counsel and bond counsel, shall be borne separately by the applicant.

A non-refundable application fee of \$2,000 for applications under \$5 million and \$4,000 for applications over \$5 million is required at the time of application. This fee will be credited to the Agency's Administrative Fee, payable at closing.

The **Administrative Fee** charged by the Agency at closing is as follows:

- ¾ of 1% of the financial assistance on the first \$10 million.
- ¼ of 1% of the financial assistance between \$10 million and \$20 million.
- 1/10 of 1% of the financial assistance over \$20 million.
- 1% of the financial assistance for amended applications post initial financial approval.

Reporting/Compliance Fee:

State law requires that the Town of Riverhead Industrial Development Agency file certain financial and compliance reports with the State of New York. Much of the information within these reports is required to be furnished by your company and the IDA is obligated to meet a state submission deadline.

Annual Compliance Reporting fee for Lease Projects \$250 annually

Annual Compliance Reporting fee for Bond Projects \$300 annually

*Compliance fees apply to each phase of a project which necessitates a separate NYS filing for reporting.

Late Reporting/Compliance Fee: commencing the day following report due date

State law requires that the Town of Riverhead Industrial Development Agency file an Annual Financial and Compliance Report with the State of New York. Much of the information within this report is required to be furnished by your company and the IDA is obligated to meet a state submission deadline. In order to meet this deadline, the Agency will impose a \$500 penalty for late filings (applied the day immediately following the due date) with an additional two hundred and a \$250 pro-rateable fee for every 30 days thereafter until the submission of the report or benefit recapture provision is implemented.

Processing Fee:

During the course of IDA ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. prepayment of bonds, sales tax extension, etc. The Agency will charge a \$250 processing fee for each request.

Assignments & Assumptions:

Occasionally, the IDA is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company, typically upon the sale of the IDA property. The new company often wishes to continue IDA involvement to maintain the viability of the project and needs to retain the incentives.

The Agency will charge a \$4000 fee for each of these transactions if requests are made prior to any transfer, otherwise the assignment/assumption will require a full administrative fee of $\frac{3}{4}$ of 1%.

Refinance Fee:

During the course of IDA ownership/involvement, the Agency may be required, by the company, to consent to a variety of simple refinancing mechanisms i.e. second mortgages, additional secured financing, refinancing, etc. The Agency will charge a \$2500 processing fee for each request and reserves the right to increase the fee to reflect the complexity of each transaction, but not to exceed the basic administrative application fee.

Late PILOT Payment:

In addition to requirements of GML 874(5), the Agency shall impose its own 5% penalty, plus \$1000 administrative fee for delinquent PILOT payments that are 5 days late.

Re-Notification Fee

Occasionally, an applicant will cause an adjournment of a public hearing. The IDA will charge a fee of \$100 per requested adjournment to re-notify and repost public notice.

- All Agency fees are non-refundable and are as amended from time to time.

Vote: 3 Yes
2 Absent

- B. Theriac Enterprises of Riverhead - Counsel advised the board that the agency learned of a transfer of Theriac of Riverhead. Although the project remains the same with the same operators, same jobs, and same construction investment, he has advised the new owners that their goal should be to complete a new application. In the meantime, we are in discussion with the Assessor's office as there may be a break in the exemption period. Once the agency receives the application, the board will need to determine if there is any form of penalty, fee, etc.
- C. Twenty West Main – Correspondence and information was provided to the board prior to the meeting, but Georgia Malone addressed the board to reiterate her request to increase the project costs for newly approved project 20 West Main, LLC after discovering many hidden unanticipated costs once they gained access to the building.

**#55-15A RESOLUTION AMENDING RESOLUTION NUMBER 37-15 ADOPTED
JUNE 1, 2015 REGARDING THE PROVISION OF FINANCIAL ASSISTANCE TO 20
WEST MAIN LLC**

Dawn Thomas offered the following resolution with the provision that should the agency reconfirm the sales tax exemption amount, which was seconded by Lou Kalogeras.

WHEREAS, the Town of Riverhead Industrial Development Agency held proceeding, including public hearing, providing for financial assistance to 20 West Main LLC which resulted in an Agency resolution of Approval at the meeting held on June 1, 2015 by resolution number 37-15, and

WHEREAS, the closing was held July 17, 2015 whereat the Agency and the Company executed and delivered the Lease Agreement, Ground Lease, Memo of Lease, Memo of Ground Lease, Payment In Lieu of Tax Agreement and Guaranty (the "Project Documents") for the Project at a total cost of \$950,800.00, and

WHEREAS, by letter dated September 11, 2015 the principal of 20 West Main LLC advised the Agency that, upon taking possession of the premises and commencing construction of the Project improvements, additional work is required to complete the Project as presented to the Agency at a total cost of \$1,475,500.00 being an increase of \$524,700, and

WHEREAS, a public hearing is not required by General Municipal Law section 859-a since the increased project cost will not result in an increase of the financial assistance approved by the Agency of more than one hundred thousand dollars, and

WHEREAS, the Agency, upon due deliberation, finds that the additional costs are necessary and warranted to permit the Project to proceed to completion.

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

RESOLVED, that Agency resolution number 37-15 entitled "A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO 20 WEST MAIN LLC" be and hereby is amended, subject to the following conditions, to change the total Project cost from the stated amount of \$950,800.00 to a Project cost of \$1,475,500.00 and that all financial assistance be authorized upon the project cost as amended, and

BE IT FURTHER RESOLVED, that this Resolution shall not become effective until 20 West Main LLC shall deliver, and the Agency shall accept all necessary documents to amend the Closing Documents above stated, and

BE IT FURTHER RESOLVED that the Executive Director be, and hereby is, authorized to issue an amended New York State Sales Tax ST-60 authorizing a sales tax exemption not to exceed \$47,049.38 and Real Property 412-a stating the project cost of \$1,475,500.

BE IT FURTHER RESOLVED, that 20 West Main LLC shall pay the Agency fee of \$5,247.00 and all associated costs, including attorney's fee, and acknowledge agreement and acceptance of this resolution by delivering a countersigned copy hereof to the Agency.

Vote: 3 Yes
2 Absent

EXECUTIVE DIRECTOR'S REPORT: The ED was approved for a personnel day Friday.


The next board meeting is scheduled for October 5, 2015

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

There being no further business, the meeting was adjourned at 5:30pm

Dated:

10/5/15


Secretary/Asst.