

**MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
November 2, 2015**

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

Present: Thomas Cruso, Chairman
Dawn Thomas, Secretary
Bob Kern, Treasurer

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

Absent: Elias (Lou) Kalogeras, Vice Chairman
Lori Ann Pipzcynski, Asst. Treasurer

By motion of Dawn Thomas and second by Bob Kern the proposed agenda was adopted.

NEW BUSINESS

Chairman took New Business out of order to address consideration of Woolworth Revitalization's request for a project cost increase and refinancing. Michael Butler, project owner of Woolworth Revitalization and his attorney, Rezza Abrahimi described the unanticipated reasons for the increase in the capital investment in the project. The investment was projected at \$5.7 million and was actually \$7.2 million. Mr. Butler then explained the need for refinancing the existing construction loan into a mortgage. IDA Counsel Dick Ehlers explained that an IDA mortgage recording tax exemption cannot be carried forward when an applicant refinances therefore a new 255 affidavit must be issued. Mr. Butler provided an update on the project.

Dawn Thomas offered the following resolution, which was seconded by Bob Kern.
**#65-15 AUTHORIZES TOTAL PROJECT COST INCREASE – WOOLWORTH
REVITALIZATION LLC**

WHEREAS, the Agency held the necessary proceedings to provide financial assistance to Woolworth Revitalization LLC for a total project cost of \$5,700,000.00, and

WHEREAS, the Agency and Woolworth Revitalization LLC entered into the Ground Lease, Lease and PILOT Agreement February 15, 2013, and

WHEREAS, by letter dated October 30, 2015 attorney for applicant Woolworth Revitalization LLC requested an increase in the overall project cost to \$7,200,000.00 stating that "... hard costs exceeded budget projections in areas such as higher than expected utility installation and expenses, unanticipated demolition and asbestos

abatement measures, the requirement of a substantial new drainage system, additional masonry work and various tenant improvement work. Additionally, soft costs such as legal, architectural and administrative expenses exceeded budget projections due to the fact that the project required extensive involvement and coordination with several government entities.", and

WHEREAS, the project is unchanged as to purpose and function.

NOW, THEREFORE, BE IT RESOLVED that the Agency approves the increase in the total project cost from \$5,700,000.00 to \$7,200,000.00, authorizes exemption on mortgage made with Bethpage Federal Credit Union in the principal sum of \$6,000,000.00, and affirms in all respects the financial assistance set forth in the resolution adopted by the Agency February 4, 2013, and

BE IT FURTHER RESOLVED, this approval will not constitute an approval within meaning contained in General Municipal Law Section 859-a, therefore, no public hearing is required, and

BE IT FURTHER RESOLVED that this resolution shall become effective upon the payment of the Agency fee of \$16,925.00 and all necessary counsel fees.

Vote: 3 Yes
2 Absent

The Chairman resumed the agenda order

MINUTES

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

#61-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF October 5, 2015

Bob Kern offered the following resolution, which was seconded by Dawn Thomas.

RESOLVED, the minutes of the meetings of October 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
2 Absent

CORRESPONDENCE: None

TREASURER'S REPORT:

Cash Balance in SCNB as of October	\$161,122.92
Revenue for October	\$112,098.71
Profit and Loss (October)	\$96,487.58
Accounts Receivable	\$1,258.33
Total Bills Paid for October	\$12,986.08

#62-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF October 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 October 1 to October 30, 2015 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated October 30, 2015 covering the month of October, 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 Bob Kern **Motion approved**.

Vote: 3 Yes
2 Absent

COMMITTEE REPORTS:

- A. Audit: None
- B. Governance: None
- C. Personnel: The Chairman adjourned the meeting to enter into Executive Session

Dawn Thomas mover to adjourn the regular meeting and move into executive session. Bob Kern seconded. The board opened executive session at 5:23pm

EXECUTIVE SESSION

The board discussed personnel evaluation and contract.

Dawn Thomas motioned to adjourn the executive session and reopen the regular meeting. Bob Kern seconded. The board reopened the regular board meeting at 5:33pm.

RESOLUTION #66-15 AUTHORIZES AMENDMENT TO THE EMPLOYMENT AGREEMENT

Dawn Thomas offered the following resolution, which was seconded by Bob Kern

RESOLVED, the amendment to the employment agreement is hereby approved,
BE IT FURTHER RESOLVED, that a copy of the amendment be executed by both the employee and the Chairman of the board and made a part of the employment contract.

Vote: 3 Yes

2 Absent

The Chairman resumed the Committee Reports.

D. Finance: None

OLD BUSINESS:

A. Consideration of CAV 896:

#63-15 A RESOLUTION APPROVING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO CAV 896, LLC

Dawn Thomas noted that she did not vote affirmatively for this project initially because she believed the project applicant had already decided to locate at this site and due to its location being on Route 58. CAV 896 has been here since the inception and to date has built the project as portrayed in the application. Because this action reflects an administrative transfer, Dawn Thomas moved to approve Resolution #63-15 and #64-15. Bob Kern seconded.

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 CAV 896, LLC, as property owner, and COLLABORATIVE REALTY, LLC, as tenant entity for ProHEALTH, each being a limited liability company qualified to do business in the State of New York ("CAV 896"), with respect to the continued operation of the renovated

one-story building on a 1.9 acre parcel located at 896 Old Country Road, Riverhead, New York (S.C.T.M. 0600-108.00-3-24) for the provision of radiation oncology and other medical services at an aggregate cost, including costs associated with the financing thereof, estimated to be \$7,500,000 (the "Project"). This approval of financial assistance will not result in any additional financial assistance to that previously approved for the Project and Facility and therefor it is not appropriate to hold an additional public hearing pursuant to General Municipal Law section 859-a.

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

Section 1. The Agency finds that the public purpose of the prior approval of Theriac Enterprises of Riverhead, LLC (21st Century Oncology) is being performed at the Facility by CAV 896 and that it is appropriate to grant a new approval to CAV 896 under the same terms and conditions as previously granted to Theriac Enterprises of Riverhead, LLC (21st Century Oncology).

Section 2. The Agency finds that the continued use of the former vacant retail building for reuse as a medical facility adjacent to Peconic Bay Medical Center is consistent with the goals and requirements of the Agency Uniform Tax Exemption Policy.

Section 3. That the use of the property shall be for medical offices only and no retail use within the meaning of General Municipal Law section 854 shall be permitted. Cav 896 shall complete the reuse of the existing structure as a medical office building including the construction of the necessary sewer connection as required by the Suffolk County Department of Health.

Section 4. It is hereby determined that the Agency shall provide CAV 896 and the Related Parties 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 value established as of taxable status day March 1, 2013 of such real property (\$226,300.00) for a period of five years as designated in the attached Schedule A provided that if any portion of the facility is operated for a use which would not be eligible for IDA benefits under New York Law, the real property tax abatement shall be reduced, and the Payment In Lieu of Tax Payment increased based on the pro-rata floor area of the non-permitted use for the tax year of such use, and that no lease shall be entered into by the facility owner for a non-medical use without the prior application and approval of the Agency upon the form of standard application of the Agency, and (iii) the provision of an exemption from Mortgage Recording Taxes.

Section 5. The Chairperson or the Vice Chairperson of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver all documents and all recording forms and authorizations thereto including all documents necessary to complete the financial assistance as described in preamble of this Resolution upon full payment of Agency fee of \$56,250 with due credit for application fee paid and counsel fee, 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 and, variations, omissions and

insertions as the Chairperson or the Vice Chairperson shall approve. The execution thereof by the Chairperson or Vice Chairperson shall constitute conclusive evidence of such approval.

Section 5. This resolution shall take effect immediately.

Vote: 3 Yes

2 Absent

#64-15 RESOLUTION MAKING DETERMINATION RE: FINANCIAL ASSISTANCE PROVIDED TO THERIAC ENTERPRISES OF RIVERHEAD, LLC (21ST CENTURY ONCOLOGY)

WHEREAS, this Agency held proceedings to induce Theriac Enterprises of Riverhead, LLC (21st Century Oncology) to renovate and reconstruct an existing vacant building located at 896 Old Country Road, Riverhead, New York, Suffolk County Tax Map No. 0600-108.00-03.00-024.000 (the "Facility"), and

WHEREAS, pursuant to such proceedings the Agency and Theriac Enterprises of Riverhead, LLC (21st Century Oncology) entered into a Ground Lease and Lease, Payment in Lieu of Tax Agreement and Guaranty, as well as necessary recording and other transaction documents dated as of June 19, 2013 (collectively the "Closing Documents"), and

WHEREAS, by deed dated April 30, 2015 recorded June 11, 2015 Theriac Enterprises of Riverhead, LLC (21st Century Oncology) transferred the Facility to CAV 896, LLC without prior approval by the Agency, and

WHEREAS, any transfer of the Facility by Theriac Enterprises of Riverhead, LLC (21st Century Oncology) without prior Agency approval is prohibited under the Closing Documents, and

WHEREAS, by application dated October 1, 2015, CAV 896, LLC as purchaser of the Facility from Theriac Enterprises of Riverhead, LLC (21st Century Oncology) made a new and complete application to the Agency for financial assistance under similar terms and conditions as previously approved for Theriac Enterprises of Riverhead, LLC (21st Century Oncology), and

WHEREAS, CAV 896, LLC has demonstrated through the record of the proceedings upon its application that the public purpose of the renovation of the Facility and its use as a state of the art radiological oncology treatment facility is being provided, and has been provided without interruption at the Facility.

NOW, THEREFORE, BE IT RESOLVED, while the property transfer as evidenced by deed dated April 30, 2015 recorded June 11, 2015 from Theriac Enterprises of Riverhead, LLC (21st Century Oncology) to CAV 896, LLC without prior Agency approval was not permitted, the Agency finds that the provision of financial assistance to CAV 896, LLC as granted by Agency resolution of even date herewith assures that the public purpose secured by the grant of financial assistance to Theriac Enterprises of Riverhead, LLC (21st Century Oncology) will be provided without interruption including the completion by CAV 896, LLC of the reuse of the previously vacant retail store to medical offices supportive to Peconic Bay Medical Center with the construction of the necessary sewer connection as required by the Suffolk County Department of Health, and

BE IT FURTHER RESOLVED, that contingent upon the closing as set forth in the approval resolution for CAV 896, LLC of even date herewith, the Ground Lease and Lease between the Agency and Theriac Enterprises of Riverhead, LLC (21st Century Oncology) dated June 19, 2013 are terminated within the meaning set forth in the Ground Lease and Lease, subject to such continuing obligations of Theriac Enterprises of Riverhead, LLC (21st Century Oncology) as stated therein and under the Guaranty and Payment in Lieu of Tax Agreement, and

BE IT FURTHER RESOLVED, the Executive Director be and is hereby authorized to forward a copy of this resolution to all parties as listed in Section 4.1 of the Ground Lease.

Vote: 3 Yes
2 Absent

EXECUTIVE DIRECTOR'S REPORT:

The ED updated the board on the status of several projects. The ED explained that she has been working on a data spreadsheet. The ED researched some CBA possibilities, but has revisited Inform Analytics and is retrying their demo. The Ed has been assisting businesses that are not necessarily eligible for IDA assistance with relocation and site selection efforts. She reached out to the County with regard to getting the assistance of the NDC. The ED informed the board that 30 West Main is seeking to refinance and wishes the board to consider a reduction of the refinance fee. The board requested additional information in order to make a determination. The ED informed the board that 84 Lumber is attempting to reopen at its West Main Street location, but have lost their use on the property. They have applied to the ZBA for relief and requested a letter of support. The ED explained why the Agency could not lend its support to the project at this time since it was unfamiliar with their plans. The state sent notice that the Empire Zone Annual reports will be sent out soon.

The Chairman then discussed the mission of the agency as an economic engine for the Town and the potential to use the agency to a greater capacity to help further the development downtown and more particularly EPCAL. He explained that would like a

special meeting in December to start the exploration of how the Agency should go about this. The members agreed.

The next board meeting is scheduled for December 7, 2015

Dawn Thomas motioned to adjourn the meeting. Bob Kern seconded.

There being no further business, the meeting was adjourned at 5:47pm

Dated: 12-15-15


Secretary/Asst.