

MINUTES OF A REGULAR MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
December 7, 2015

Meeting was called to order at 5:05pm by Chairman Thomas Cruso.

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

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

Absent: Dawn Thomas, Secretary

By motion of Lou Kalogeras and second by Bob Kern the proposed agenda was adopted.

PRESENTATIONS – Phase III Atlantis - Preston House and Boutique Hotel
Joe Petrecelli, owner of Petrocelli Contracting and Atlantis Holding Co; Bryan Deluca – Executive Director of the LI Aquarium & Exhibition Center; and their attorney, Eric Russo requested a hearing for financial assistance for Atlantis Phase III –Preston House and Boutique Hotel. Atlantis needs to refinance its current obligation of approximately 15 million as well as finance phase III of the Atlantis Project. Mr. Petrocelli explained that they purchased 428 East Main with intent to demolish the long vacant, dilapidated building, but after discovering its history would like to restore the building and revitalize it into a fine dining restaurant and boutique hotel with approximately 20 Rooms. Mr. Deluca explained that although the Hyatt is doing well, there has been a steady decrease in visitors to the Aquarium over the last 2 yrs and is not carrying itself financially. The Aquarium is also home to Oceanos Research Foundation and they fully support them. They expressed their need to add attractions and refinance and to be able to continue their obligation to the Town (as per their MOU) as an economic engine in the revitalization of Main Street. It is their intent to attract more millennials. Millennials do not have the same affinity to brands. They want experiences and uniqueness explained Mr. Deluca. He went on to note that day trippers spend approximately \$65 per visit, overnights spend \$244 and International Travelers spend about \$499 which translates into a \$40 million dollar impact to the region. They anticipate the new project will create approximately 26 jobs and they anticipate investing approximately \$9 million into the historic Preston house restoration and the 5 story boutique style, possible extended stay hotel.

Lou Kalogeras motioned to authorize the publishing and posting for a public hearing during the January 4th board meeting. Bob Kern seconded. All board members in attendance voted affirmatively.

MINUTES

The Board moved to dispense with the reading of and voted on the November 2, 2015 meeting minutes.

#67-15 RESOLUTION APPROVES MINUTES OF REGULAR MEETING OF November 2, 2015

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

RESOLVED, the minutes of the meetings of November 2, 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: 4 Yes
1 Absent

CORRESPONDENCE: None

TREASURER'S REPORT:

Cash Balance in SCNB as of November	\$130,250.43
Revenue for November	\$3.93
Profit and Loss (November)	-\$13,623.99
Accounts Receivable	\$758.33
Total Bills Paid for November	\$31,376.42

The ED noted that the report does not include administrative fee of \$52,250 that was received on the 30th.

#68-15 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF November 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 November 1 to November 30, 2015 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, that said monthly financial report dated November 30, 2015 covering the month of November, be and are hereby accepted and expenses as listed are authorized for payment.

Bob Kern made a motion to accept Treasurer's Report, which was seconded by Tom Cruso **Motion approved.**

Vote: 4 Yes
1 Absent

COMMITTEE REPORTS:

The Chairman requested to recess the board meeting to move into an Audit Committee Meeting. Bob Kern motioned to recess the regular board meeting and to open an Audit Committee meeting. Lou Kalogeras seconded. The meeting was recessed at 5:54pm.

Lori Ann Pipczynski motioned to reopen the board meeting at 5:56pm. Lou Kalogeras seconded. The IDA board meeting resumed at 5:56pm

- A. Audit: Lou Kalogeras noted that the Audit committee had reviewed proposals from the new auditing firm Jones, Little & Co, Richard Ehlers for Agency Counsel, Denise Cooper for Chief Financial Officer and Norton Rose & Fulbright as Bond Counsel and makes recommendation to approve and authorize engagement services for 2016.
- B. Governance: Lori Ann Pipczynski reported for the Governance Committee that they had met to review compliance with IDA regulations and to review some of the agency policies. She reported that in most instances the Agency exceeded the necessary rules of procedure.
- C. Personnel: None
- D. Finance Committee: None

OLD BUSINESS: None

NEW BUSINESS:

A. Consideration of Resolution #69-15

#69-15 RESOLUTION AUTHORIZES PUBLICATION OF NOTICE OF MEETING

Lou Kalogeras offered the following resolution, which was seconded by Tom Cruso.

RESOLVED, that the following Notice of Meeting shall be published once in The Riverhead News Review:

PUBLIC NOTICE

PLEASE TAKE NOTICE, that the meetings of the Riverhead Industrial Development Agency and the Riverhead IDA Economic Job Development Corporation shall take place on

the first Monday of each month at 5:00pm at the Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York. The annual meetings will take place on Monday, March 7, 2016. If a legal holiday should occur on the first Monday of a month then the meeting will be held on the second Monday of that month, unless otherwise amended by resolution of this Board.

2015 Meeting Schedule

January 4, 2016
February 1, 2016
March 7, 2015
April 4, 2016
May 2, 2016
June 6, 2016
July 11, 2016
August 1, 2016
September 12, 2016
October 3, 2016
November 7, 2016
December 5, 2016

Vote: 4 Yes
1 Absent

B. Consideration of Resolution #70-15

#70-15 - RESOLUTION DESIGNATES SUFFOLK COUNTY NATIONAL BANK AS OFFICIAL DEPOSITORY FOR THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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

RESOLVED, that Suffolk County National Bank be and is hereby designated as the official depository of the Riverhead Industrial Development Agency for the year 2016.

Vote: 4 Yes
1 Absent

C. Consideration of Resolution #71-15

#71-15A-D RESOLUTION AUTHORIZES ENGAGEMENT LETTERS FOR BOND COUNSEL, AUDITORS, CHIEF FINANCIAL OFFICER AND AGENCY COUNSEL

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern

RESOLVED, that Resolutions #71-15A-D regarding engagement letters provided by Norton Rose Fulbright, Jones, Little & Co, Denise Cooper and Richard Ehlers be approved and authorized for execution.

Vote: 4 Yes
1 Absent

#71-15 A. RESOLUTION APPOINTS RICHARD A. EHLERS AS LEGAL COUNSEL TO AGENCY

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern.

RESOLVED, that Richard A. Ehlers, be and is hereby appointed as general legal counsel to the Agency for 2016 at an hourly rate of \$[REDACTED] per hour, to be paid upon presentation of an itemized statement.

Vote: 4 Yes
1 Absent

#71-15 B. RESOLUTION APPOINTS DENISE M. COOPER AS CHIEF FINANCIAL OFFICER TO THE RIVERHEAD IDA

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern

RESOLVED, that Denise M. Cooper, be and is hereby appointed as Chief Financial Officer for 2016 to the Riverhead IDA at an hourly rate of \$[REDACTED] per hour, to be paid upon presentation of an itemized statement.

Vote: 3 Yes
1 Absent

#71-15 C. RESOLUTION DESIGNATES JONES, LITTLE & CO, LLP AS OFFICIAL AUDITING FIRM FOR THE RIVERHEAD IDA

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern.

RESOLVED, that Jones, Little & Co, LLP be and is hereby designated as the official auditing firm of this Agency for 2016 and that said books are to be audited annually with

a copy of said audit to be provided to the Agency and become part of the record of such Agency.

Vote: 4 Yes
1 Absent

#71-15 D. RESOLUTION APPOINTS NORTON ROSE FULBRIGHT LLP AS BOND COUNSEL TO THE AGENCY

Lou Kalogeras offered the following resolution, which was seconded by Bob Kern.

RESOLVED, that Norton Rose Fulbright US LLP be and is hereby appointed as Bond Counsel to the Agency for 2016 to be paid upon the presentation of an itemized statement.

Vote: 4 Yes
1 Absent

D. Consideration of Resolution #72-15

RESOLUTION #72-15 AUTHORIZES EXEMPTION ON MORTGAGES OF THIRTY WEST MAIN, LLC

Lou Kalogeras offered the following resolution subject to a signed commitment letter, which was seconded by Lori Ann Pipczynski.

WHEREAS, the necessary proceedings of the Agency to provide financial assistance to Thirty West Main, LLC were approved January 6, 2014 and resolution of the Agency approving project cost increase to a total project cost of \$2,040,000 was adopted December 1, 2014, and

WHEREAS, the Agency and Thirty West Main, LLC entered into the Ground Lease, Lease and PILOT Agreement dated as of January 24, 2014, and

WHEREAS, applicant has advised the Agency of its finalization of commitment of new mortgages for the project totaling \$1,500,000 with Suffolk County National Bank, and

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

NOW, THEREFORE, BE IT RESOLVED that the Agency authorizes exemption on new mortgages of Thirty West Main, LLC totaling \$1,500,000 with Suffolk County National and affirms in all respects the financial assistance set forth in the resolutions adopted by the Agency January 6, 2014 and December 1, 2014, and

BE IT FURTHER RESOLVED, this approval will not constitute an approval within the 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 \$2,500.00 and all necessary counsel fees.

Vote: 4 Yes
1 Absent

E. Consideration of Resolution #73-15

RESOLUTION #73-15 CLOSES PROCEEDINGS RE: RESCINDS RESOLUTION #14-14 APPROVAL OF APPLICATION OF SKYDIVE REALTY, LLC AND TERMINATES FINANCIAL ASSISTANCE PROCEEDINGS

Lori Ann Pipczynski offered the following resolution, which was seconded by Bob Kern.

WHEREAS, application was made by Skydive Realty, LLC for financial assistance to the Riverhead Industrial Development Agency regarding property located at 400 David Court, Calverton New York (SCTM #0600-135.010-0001-010.000) for a project known as Indoor Skydiving New York Inc, and

WHEREAS, by resolution adopted March 3, 2014, the Agency approved financial assistance for the Project to build an indoor skydiving instruction and training facility, and

WHEREAS, the property owner of 400 David Court, Calverton, NY has sold the property and has terminated the proposed development.

NOW, THEREFORE, BE IT RESOLVED the Riverhead Industrial Development Agency hereby rescinds the Resolution #14-14 of approval and closes the Agency proceedings in this matter, and

BE IT FURTHER RESOLVED, that the Executive Director be and is hereby authorized to provide a copy of this resolution to Skydive Realty, LLC, attention Raymond Maynard, President, 5 Plover Court, Riverhead11901.

Vote: 4 Yes
1 Absent

EXECUTIVE DIRECTOR'S REPORT:

The ED updated the board on the status of several projects. The ED explained that she continues to work on a data spreadsheet, website and statistics and sat through a couple of free webinars on fundraising for economic development organizations and new trends in economic development websites. The ED is researching a program called Zoom Prospector.

Letter was sent to News Review for Equal Time and seems to have been well received. Thanked the board for all their input.

ED noted that she wrote the County Exec for a new appointed Chair to the Empire Zone Board and that Business Annual Reports had been mailed to the zone companies by the state.

Lou Kalogeras asked about the progress of EPCAL and John Dunleavy reported that there is somewhat of a hold on the property environmental review as a result of the new company Luminati.

The next board meeting is scheduled for January 4, 2016

Lou Kalogeras motioned to adjourn the meeting. Bob Kern seconded.

There being no further business, the meeting was adjourned at 6:13pm

Dated: 7/4/16


Secretary/Asst.